

SECURITIES AND EXCHANGE COMMISSION

FORM 497

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Mailing Address

*THE DREYFUS
CORPORATION
200 PARK AVENUE
NEW YORK NY 10166*

Business Address

*200 PARK AVENUE
THE DREYFUS
CORPORATION
NEW YORK NY 10166
2129226787*

THE DREYFUS/LAUREL FUNDS, INC.
DREYFUS DISCIPLINED INTERMEDIATE BOND FUND
200 Park Avenue
New York, New York 10166

Dear Shareholder:

As a shareholder of the Dreyfus Disciplined Intermediate Bond Fund (the "Fund"), a series of The Dreyfus/Laurel Funds, Inc. (the "Company"), you are entitled to vote on the proposal described below and in the enclosed materials (the "Proposal").

The Company's Board of Directors (the "Board") has determined that it would be in the best interest of the Fund and its shareholders if the Fund were to exchange its assets (subject to liabilities) for shares of a larger fund advised by MPAM Advisers, a division of The Dreyfus Corporation, that has a similar expense ratio, performance record and shareholder base, the same investment objective and substantially similar management policies as the Fund, and that has two co-primary portfolio managers, one of whom is the Fund's primary portfolio manager. Based on the similarities of the funds, the Board believes that the exchange would result in a single fund with a larger combined asset base, producing greater efficiencies of portfolio management and eliminating the duplication of resources and costs. It is proposed that this exchange take place with the MPAM Bond Fund (the "Acquiring Fund"), a series of the MPAM Funds Trust.

Under the terms of the Proposal, the Acquiring Fund would acquire all of the assets and assume the stated liabilities of the Fund. Holders of Investor class shares of the Fund would become shareholders of the Acquiring Fund, receiving (in exchange for such Investor class shares) shares of the Investor class of the Acquiring Fund with an aggregate net asset value equal to the aggregate net asset value of their investment in the Fund at the time of the transaction. Holders of Restricted class shares of the Fund would become shareholders of the Acquiring Fund, receiving (in exchange for such Restricted class shares) shares of the MPAM class of the Acquiring Fund with an aggregate net asset value equal to the aggregate net asset value of their investment in the Fund at the time of the transaction (collectively referred to as the "Exchange"). The Fund would then be terminated. The Exchange will not result directly in the imposition of Federal income tax on you. Shareholders who do not wish to participate in the Exchange may redeem their shares prior to the Exchange.

Further information about the Proposal is contained in the enclosed materials, which you should review carefully.

Please take the time to consider the enclosed materials and then vote by completing, dating and signing the enclosed proxy card. A self-addressed, postage-paid envelope has been enclosed for your convenience.

THE BOARD RECOMMENDS THAT THE FUND'S SHAREHOLDERS VOTE IN FAVOR OF THE PROPOSAL.

If you have any questions after considering the enclosed materials, please call 1-800-645-6561.

Sincerely,

/s/ Stephen E. Canter

Stephen E. Canter,
President

July 16, 2001

THE DREYFUS/LAUREL FUNDS, INC.
DREYFUS DISCIPLINED INTERMEDIATE BOND FUND

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To the Shareholders:

A Special Meeting of Shareholders of Dreyfus Disciplined Intermediate Bond Fund (the "Fund"), a series of The Dreyfus/Laurel Funds, Inc. (the "Company"),

will be held at the offices of The Dreyfus Corporation, 200 Park Avenue, 7th Floor, New York, New York 10166, on Tuesday, September 25, 2001 at 10:30 a.m. for the following purposes:

1. To consider an Agreement and Plan of Reorganization providing for the transfer of all of the assets, subject to liabilities, of the Fund to MPAM Bond Fund, a series of the MPAM Funds Trust (the "Acquiring Fund"), in exchange (the "Exchange") for shares of the Investor class and MPAM class of the Acquiring Fund and the assumption by the Acquiring Fund of the Fund's stated liabilities. The Acquiring Fund's Investor class shares received in the Exchange will be distributed by the Fund to its Investor class shareholders, and the Acquiring Fund's MPAM class shares received in the Exchange will be distributed by the Fund to its Restricted class shareholders, all in liquidation of the Fund. Thereafter, the Fund will be terminated as a series of the Company; and

2. To transact such other business as may properly come before the meeting, or any adjournment or adjournments thereof.

Shareholders of record at the close of business on July 9, 2001 will be entitled to receive notice of and to vote at the meeting.

By Order of the Board of Directors

/s/ Steven F. Newman

Steven F. Newman,
Secretary

New York, New York
July 16, 2001

WE NEED YOUR PROXY VOTE IMMEDIATELY

A SHAREHOLDER MAY THINK HIS OR HER VOTE IS NOT IMPORTANT, BUT IT IS VITAL. BY LAW, THE MEETING OF SHAREHOLDERS OF THE FUND WILL HAVE TO BE ADJOURNED WITHOUT CONDUCTING ANY BUSINESS IF LESS THAN A QUORUM OF ITS SHARES ELIGIBLE TO VOTE IS REPRESENTED. IN THAT EVENT, THE FUND, AT ITS SHAREHOLDERS' EXPENSE, WOULD CONTINUE TO SOLICIT VOTES IN AN ATTEMPT TO ACHIEVE A QUORUM. CLEARLY, YOUR VOTE COULD BE CRITICAL TO ENABLE THE FUND TO HOLD THE MEETING AS SCHEDULED, SO PLEASE RETURN YOUR PROXY CARD IMMEDIATELY. YOU AND ALL OTHER SHAREHOLDERS WILL BENEFIT FROM YOUR COOPERATION.

July 16, 2001

THE DREYFUS/LAUREL FUNDS, INC.
DREYFUS DISCIPLINED INTERMEDIATE BOND FUND

ACQUISITION OF THE ASSETS OF
DREYFUS DISCIPLINED INTERMEDIATE BOND FUND
BY AND IN EXCHANGE FOR INVESTOR SHARES AND MPAM SHARES OF
MPAM BOND FUND

PROSPECTUS/PROXY STATEMENT

SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON SEPTEMBER 25, 2001

This Prospectus/Proxy Statement is furnished in connection with a solicitation of proxies by the Board of Directors of The Dreyfus/Laurel Funds, Inc. (the "Company") on behalf of its series, Dreyfus Disciplined Intermediate Bond Fund (the "Fund"), to be used at the Special Meeting of Shareholders (the "Meeting") of the Fund to be held on Tuesday, September 25, 2001 at 10:30 a.m., at the offices of The Dreyfus Corporation ("Dreyfus"), 200 Park Avenue, 7th Floor, New York, New York 10166, for the purposes set forth in the accompanying Notice of Special Meeting of Shareholders. Shareholders of record at the close of business on July 9, 2001 are entitled to receive notice of and to vote at the Meeting.

Under the terms of the proposal, MPAM Bond Fund (the "Acquiring Fund"), a series of the MPAM Funds Trust (the "Trust"), would acquire all of the assets and assume the liabilities of the Fund. Holders of Investor class shares of the Fund would become shareholders of the Acquiring Fund, receiving (in exchange for such Investor class shares) shares of the Investor class of the Acquiring Fund ("Investor Shares") with an aggregate net asset value equal to the aggregate net asset value of their investment in the Fund at the time of the transaction. Holders of Restricted class shares of the Fund would become shareholders of the Acquiring Fund, receiving (in exchange for such Restricted class shares) shares of the MPAM class of the Acquiring Fund ("MPAM Shares") with an aggregate net asset value equal to the aggregate net asset value of their investment in the

Fund at the time of the transaction. The collective transaction is referred to as the "Exchange", and its submission to Fund shareholders for approval at the Meeting is referred to as the "Proposal".

This Prospectus/Proxy Statement, which should be retained for future reference, sets forth concisely information about the Acquiring Fund that Fund shareholders should know before voting on the Proposal or investing in the Acquiring Fund.

A Statement of Additional Information ("SAI") dated July 16, 2001, relating to this Prospectus/Proxy Statement, has been filed with the Securities and Exchange Commission (the "Commission") and is incorporated by reference in its entirety. The Commission maintains a Web site (<http://www.sec.gov>) that contains the SAI, material incorporated in this Prospectus/Proxy Statement by reference, and other information regarding the Acquiring Fund and the Fund. A copy of the SAI is available without charge by calling 1-800-645-6561 or writing to the Acquiring Fund at its principal executive offices located at 200 Park Avenue, New York, New York 10166.

MUTUAL FUND SHARES ARE NOT BANK DEPOSITS AND ARE NOT INSURED OR GUARANTEED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENT AGENCY. MUTUAL FUND SHARES INVOLVE CERTAIN INVESTMENT RISKS, INCLUDING THE POSSIBLE LOSS OF PRINCIPAL.

AS WITH ALL FUNDS, THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED OR DISAPPROVED THESE SECURITIES OR PASSED UPON THE ADEQUACY OF THIS PROSPECTUS/PROXY STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Fund and the Acquiring Fund are series of open-end, management investment companies advised by Dreyfus and, in the case of the Acquiring Fund, through MPAM Advisers, a division of Dreyfus. They also have the same investment objective and substantially similar management policies, and the primary portfolio manager of the Fund is one of two co-primary portfolio managers of the Acquiring Fund. The Fund is a separate series of the Company and the Acquiring Fund is a separate series of the Trust. The substantive differences between the Fund and the Acquiring Fund are set forth herein.

The Acquiring Fund's Prospectus dated July 11, 2001 (the "Acquiring Fund Prospectus"), and the Acquiring Fund's Semi-Annual Report for the period ended February 28, 2001, each accompany this Prospectus/Proxy Statement. The Acquiring Fund's Prospectus and the financial statements contained in the Semi-Annual Report are incorporated by reference. FOR A FREE COPY OF THE FUND'S PROSPECTUS DATED MARCH 1, 2001 (THE "FUND PROSPECTUS"), THE FUND'S ANNUAL REPORT FOR THE FISCAL YEAR ENDED OCTOBER 31, 2000, AND THE FUND'S SEMI-ANNUAL REPORT FOR THE SIX MONTHS ENDED APRIL 30, 2001, WRITE TO THE FUND AT ITS PRINCIPAL EXECUTIVE OFFICES LOCATED AT 200 PARK AVENUE, NEW YORK, NEW YORK 10166, OR CALL 1-800-645-6561.

Shareholders are entitled to one vote for each share of common stock of the Fund, par value \$0.001 per share, held and fractional votes for each fractional Fund share held. Fund shares represented by executed and unrevoked proxies will be voted in accordance with the specifications made thereon. If the enclosed form of proxy is executed and returned, it nevertheless may be revoked by giving another proxy or by letter or telegram directed to the Fund, which must indicate the shareholder's name and account number. To be effective, such revocation must be received before the Meeting. Also, any shareholder who attends the Meeting in person may vote by ballot at the Meeting, thereby canceling any proxy previously given. As of June 29, 2001, there were 694,809 Investor class shares of the Fund issued and outstanding and 22,717,283 Restricted class shares of the Fund issued and outstanding. Each class will vote together as a single class on the Proposal.

Proxy materials will be mailed to shareholders of record on or about August 8, 2001.

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APPROVAL OF AN AGREEMENT AND PLAN OF REORGANIZATION PROVIDING FOR THE TRANSFER OF ALL OF THE ASSETS OF THE FUND TO THE ACQUIRING FUND

SUMMARY

This Summary is qualified by reference to the more complete information contained elsewhere in this Prospectus/Proxy Statement, the Acquiring Fund Prospectus, the Fund Prospectus and the form of Agreement and Plan of Reorganization attached to this Prospectus/Proxy Statement as Exhibit A.

Proposed Transaction. The Company's Board, including the Board members who are not "interested persons" (as defined in the Investment Company Act of 1940, as amended (the "1940 Act")), has unanimously approved an Agreement and Plan of Reorganization (the "Plan"). Under the terms of the Plan, the Acquiring Fund would acquire all of the assets and assume the stated liabilities of the Fund. Holders of Investor class shares of the Fund would become shareholders of the Acquiring Fund, receiving (in exchange for their Investor class shares of the Fund) Investor Shares of the Acquiring Fund with an aggregate net asset value equal to the aggregate net asset value of their investment in the Fund at the time of the Exchange. Holders of Restricted class shares of the Fund would become shareholders of the Acquiring Fund, receiving (in exchange for their Restricted class shares of the Fund) MPAM Shares of the Acquiring Fund with an aggregate net asset value equal to the aggregate net asset value of their investment in the Fund at the time of the Exchange. Thereafter, the Fund will be terminated as a series of the Company.

As a result of the Exchange, each Fund shareholder will cease to be a shareholder of the Fund and will become a shareholder of the Acquiring Fund as of the close of business on the date of the Exchange.

The Company's Board has concluded unanimously that the Exchange would be in the best interests of shareholders of the Fund and the interests of existing shareholders of the Fund would not be diluted as a result of the transactions contemplated thereby. See "Reasons for the Exchange."

Tax Consequences. As a condition to the closing of the Exchange, the Fund and the Acquiring Fund will receive an opinion of counsel substantially to the effect that, for Federal income tax purposes: (a) the Fund's shareholders will recognize no gain or loss as a direct result of the Exchange; (b) the holding period and aggregate tax basis of the Acquiring Fund's shares received by a Fund shareholder will be the same as the holding period and aggregate tax basis of the shareholder's Fund shares; and (c) the holding period and tax basis of the Fund's assets transferred to the Acquiring Fund as a result of the Exchange will be the same as the holding period and tax basis of such assets held by the Fund immediately prior to the Exchange. See "Information about the Exchange--Federal Income Tax Consequences."

Comparison of the Fund and Acquiring Fund. The following discussion is primarily a summary of certain parts of the Fund Prospectus and the Acquiring Fund Prospectus. Information contained in this Prospectus/Proxy Statement is qualified by the more complete information set forth in the Fund Prospectus and Acquiring Fund Prospectus, which are incorporated herein by reference.

GOAL/APPROACH. The Fund and the Acquiring Fund have the same investment goals. Each seeks to outperform the Lehman Brothers Aggregate Bond Index while maintaining a similar risk level. To pursue its goal, the Fund and the Acquiring Fund each actively manages bond market and maturity exposure and invests at least 65% of its total assets in debt securities. The respective portfolios of the Fund and Acquiring Fund may include various types of debt securities, including: U.S. government and agency bonds, corporate bonds, mortgage-related securities, and foreign corporate and government bonds (up to 20% of total assets). The Fund's and Acquiring Fund's investments in debt securities must be investment grade (or deemed of comparable quality by the investment adviser). Investment grade bonds are those bonds rated "BBB" or "Baa" or above by a nationally recognized rating agency. Although the Fund and Acquiring Fund may invest in individual debt securities of any maturity, the Fund's dollar-weighted average maturity is generally between three and ten years, whereas the Acquiring Fund's effective duration will not exceed eight years. Average maturity is the average of the stated maturities of the securities held by the Fund, based on their dollar-weighted proportions in the Fund. Duration is a way of measuring a security's maturity in terms of the average time required to receive the present value of all interest and

principal payments, which incorporates the security's yield, coupon interest payments, final maturity and option features into one measure. In calculating effective duration, the Acquiring Fund may treat a security that can be repurchased by its issuer on an earlier date (known as a "call date") as maturing on the call date rather than on its stated maturity date. Generally, the longer a bond's duration or maturity, the more likely it is to react to interest rate fluctuations and the greater its long-term risk/return potential. As of April 30, 2001, the respective dollar weighted average maturities of the Fund and Acquiring Fund were 8.97 years and 7.95 years, and their respective portfolios have the same duration of 4.6 years.

The Fund and the Acquiring Fund both use a disciplined process to select securities and manage risk. The investment adviser chooses securities for both funds based on yield, credit quality, the level of interest rates and inflation, general economic and financial trends, and its outlook for the securities markets. Securities selected must fit within predetermined targeted positions for quality, duration, coupon, maturity and sector. The process includes computer modeling and scenario testing of possible changes in market conditions. The investment adviser will use other techniques in an attempt to manage market risk and duration.

There are some differences in the policies that the Fund and the Acquiring Fund have regarding the purchase of municipal securities. The Fund is permitted to purchase municipal securities, including municipal bonds, municipal commercial paper and other municipal obligations, whereas the Acquiring Fund is not permitted to purchase any municipal securities. During the 12-month period ended April 30, 2001, the Fund did not invest in municipal securities.

In all other material respects, the management policies of the Fund and the Acquiring Fund are the same. For a more complete discussion of the Fund's or Acquiring Fund's management policies, see "Goal/Approach" in the Fund Prospectus and the Acquiring Fund Prospectus, respectively.

The Fund is a separate diversified portfolio of the Company. The Company is an open-end management investment company incorporated in the State of Maryland. The Acquiring Fund is a separate diversified portfolio of the Trust. The Trust is an open-end management investment company organized as an unincorporated business trust under the laws of the Commonwealth of Massachusetts. See "Legal Form of Organization" below.

MAIN RISKS. The risks associated with an investment in the Fund and Acquiring Fund are substantially similar and include interest rate, credit, market, illiquidity, prepayment and extension, and foreign securities risks. As a result, the value of your investment in the Acquiring Fund, as in the Fund, will fluctuate, which means that you could lose money. The Fund and the Acquiring Fund's main risks are discussed below:

* **INTEREST RATE RISK.** Prices of bonds tend to move inversely with changes in interest rates. Typically, a rise in rates will adversely affect bond prices and, accordingly, the fund's share price. The longer the fund's maturity and duration, the more its share price is likely to react to interest rates.

* **CREDIT RISK.** Failure of an issuer to make timely interest or principal payments, or a decline or perception of a decline in the credit quality of a bond, can cause a bond's price to fall, potentially lowering the fund's share price.

* **MARKET RISK.** The fund's overall risk level will depend on the market sectors in which the fund is invested and the current interest rate, liquidity and credit quality of such sectors.

* **ILLIQUIDITY.** When there is no active trading market for specific types of securities, it can become more difficult to sell an issue. In such a market, the value of such securities and the fund's share price may fall dramatically.

* **PREPAYMENT AND EXTENSION RISK.** When interest rates fall, the principal on mortgages underlying mortgage pass-through securities may be prepaid. The loss of higher yielding, underlying mortgages and the reinvestment of proceeds at lower interest rates can reduce the fund's potential price gain in response to falling interest rates, reduce the fund's yield, or cause the fund's share price to fall. When interest rates rise, the fund's maturity may lengthen due to a drop in mortgage prepayments and due to the reduced likelihood that callable bonds will be redeemed by the issuer prior to maturity. This would increase the fund's sensitivity to rising rates and its potential for price declines.

* **FOREIGN RISKS.** The price and yield of foreign debt securities could be affected by such factors as political and economic instability, changes in currency rates and less liquid markets for such securities.

The Fund and the Acquiring Fund may invest some or all of its assets in money market instruments. Although the Fund and the Acquiring Fund would do this to avoid losses, it could reduce the benefit from any upswing in the market. During such periods, each fund may not achieve its investment objective. While some of the Fund's and the Acquiring Fund's securities may carry guarantees of the U.S. government or its agencies or instrumentalities, these guarantees do not apply to the market value of those securities or to the shares of the fund itself. The Fund and the Acquiring Fund each are subject to other potential risks, including those from investments in: commercial mortgage-backed securities; derivative instruments, including futures, options, and certain mortgage-related securities; and active trading.

There are some differences in the duration and maturity risk of the funds. The Fund's dollar-weighted average maturity generally ranges between three and ten years, while the Acquiring Fund's effective duration generally will not exceed eight years. To the extent a fund maintains a longer average maturity or duration, it is subject to greater potential interest rate fluctuations and increased risk/return potential.

See "Main Risks" in the Prospectuses of the Fund and the Acquiring Fund for a more complete description of investment risks.

CAPITALIZATION. Each fund has two classes of shares. Investor shares of the Fund are offered to any investor. Restricted shares of the Fund are sold primarily to financial service providers acting on behalf of customers having a qualified trust or investment account or relationship at such institution or to customers who hold shares of the Fund distributed to them by virtue of such account or relationship. The Acquiring Fund offers MPAM Shares and Investor Shares. MPAM Shares of the Acquiring Fund generally are offered only to Mellon Private Asset Management (SM) (MPAM) (1) clients that maintain qualified fiduciary, custody or other accounts with Mellon Bank, N.A. ("Mellon Bank") or Boston Safe Deposit and Trust Company ("Boston Safe"), or their bank affiliates ("MPAM Clients"), including such clients who are holders of the Restricted shares of the Fund and who will receive MPAM Shares in the Exchange. Investor Shares of the Acquiring Fund are newly authorized and generally are offered only to: (1) MPAM Clients who terminate their relationship with Mellon Bank or Boston Safe, or their bank affiliates, and who wish to continue to hold shares of the Acquiring Fund, and individuals or entities who are not MPAM Clients and who receive a transfer of Acquiring Fund shares from an MPAM Client; and (2) holders of Investor shares of the Fund, who will receive Investor Shares in the Exchange. Current holders of the Fund's Restricted class of shares who are not MPAM Clients will receive MPAM Shares of the Acquiring Fund in the Exchange and would be permitted to purchase additional MPAM Shares. Currently, a majority of the shares of the Fund and the Acquiring Fund are held by MPAM Clients.

The following tables set forth as of February 28, 2001 (1) the capitalization of the respective Fund classes, (2) the capitalization of the respective Acquiring Fund classes (Investor Shares were not authorized as of such date and for illustrative purposes the net asset value per share of MPAM Shares is used), and (3) the pro forma capitalization of the respective class of shares of the Acquiring Fund, as adjusted showing the effect of the Exchange had it occurred on such date.

INVESTOR SHARES
<TABLE>

	Fund Investor Shares	Acquiring Fund Investor Shares	Pro Forma After Exchange Acquiring Fund Investor Shares
<S>	<C>	<C>	<C>
Total net assets	\$7,791,014	\$0	\$7,791,014
Net asset value per share	\$12.31	N/A	\$12.97
Shares outstanding	632,876	0	600,671

(1) Mellon Private Asset Management is a registered service mark of Mellon Financial Corporation ("Mellon") and refers to Mellon's business of providing wealth management and investment management services to the U.S. high net worth market, which is operated through Mellon Bank, N.A., Boston Safe Deposit and Trust Company, and other bank and trust company subsidiaries of Mellon.

RESTRICTED/MPAM SHARES
<TABLE>

	Fund Restricted Shares	Acquiring Fund MPAM Shares	Pro Forma After Exchange Acquiring Fund MPAM Shares
<S>	<C>	<C>	<C>
Total net assets	\$290,423,680	\$647,249,663	\$937,673,343

Net asset value per share	\$12.31	\$12.97	\$12.97
Shares outstanding	23,592,031	49,897,304	72,288,815

SALES CHARGES. Shares of the Fund and Acquiring Fund are sold at net asset value without a sales charge (load).

FEES AND EXPENSES. The management fees, relevant plan fees, and other expenses of the Fund and Acquiring Fund differ. The Fund's and the Acquiring Fund's annual operating expenses are paid out of their respective assets, so the effect of those expenses is reflected in the share price.

Shares of both classes of the Fund are subject to an annual management fee of 0.55% of the value of the average daily net assets of the respective class. Unlike the arrangements between most investment advisers and their funds, Dreyfus pays for all expenses of the Fund except brokerage fees, taxes, interest, fees and expenses of the independent directors, Rule 12b-1 fees and extraordinary expenses. Investor class shares of the Fund also are subject to a Rule 12b-1 Plan fee of 0.25% of the value of the average daily net assets of that class, which is paid for distribution and shareholder services with respect to that class. The Fund's Restricted class shares are not subject to a Rule 12b-1 fee.

MPAM Shares and Investor Shares of the Acquiring Fund are subject to an annual investment advisory fee of 0.40% of the value of the average daily net assets of the respective class and an administration fee, payable to Mellon Bank, estimated to be 0.146% of the value of the average daily net assets of the respective class for the current fiscal year. For this fee, Mellon Bank provides or arranges for the provision of fund accounting, transfer agency and certain other fund administrative services. The Acquiring Fund also pays for miscellaneous items such as custody of fund assets, professional services and Trustee fees. In addition, Investor Shares of the Acquiring Fund are subject to a Shareholder Services Plan fee of 0.25% of the value of the average daily net assets attributable to Investor Shares, which is paid for shareholder services with respect to that class. The Acquiring Fund's MPAM Shares are not subject to a Shareholder Services Plan fee. Pursuant to a contractual arrangement with the Acquiring Fund, Mellon Bank has agreed to waive fees and/or reimburse Acquiring Fund expenses (excluding shareholder services fees) through September 30, 2003, so that the total annual operating expenses of the Acquiring Fund are limited to the net expenses of the Acquiring Fund, as shown in the tables below.

The following information concerning fees and expenses of the Fund and Acquiring Fund is derived from information set forth under the caption "Expenses" in the relevant Prospectus. The fees and expenses set forth below are for the fiscal year ended October 31, 2000 for the Fund and are estimated based on the fiscal period October 2, 2000 (commencement of operations) through February 28, 2001 for the Acquiring Fund. The "Pro Forma After Exchange" information set forth below is based on net assets and fund accruals of the Fund and Acquiring Fund as of February 28, 2001. Annual fund operating expenses are paid out of fund assets, so their effect is reflected in the respective share price.

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INVESTOR SHARES

ANNUAL FUND
OPERATING EXPENSES (EXPENSES PAID FROM FUND ASSETS)
(percentage of average daily net assets):
<TABLE>

	Fund Investor Shares	Acquiring Fund Investor Shares	Pro Forma After Exchange Acquiring Fund Investor Shares
	-----	-----	-----
<S>	<C>	<C>	<C>
Management fees	0.55%	0.40%	0.40%
Rule 12b-1 fee	0.25%	None	None
Shareholder services fee	None	0.25%	0.25%
Other expenses	0.00%	0.19%	0.19%
Total Annual Fund Operating Expenses	0.80%	0.84%	0.84%
Less: Fee waiver and/or expense reimbursement	None	0.03%*	0.04%**
Net Operating Expenses	0.80%	0.81%*	0.80%**

* Pursuant to a contractual arrangement with the Acquiring Fund, Mellon Bank has agreed to waive fees and/or reimburse Acquiring Fund expenses (excluding shareholder services fees) through September 30, 2003, so that the total annual operating expenses of the Acquiring Fund are limited to the net expenses of the Acquiring Fund, as shown above.

** Mellon Bank has agreed contractually to further cap the expenses of the Acquiring Fund's Investor Shares and MPAM Shares at 0.80% and 0.55%, respectively, from the time that the Exchange is consummated through September 30, 2003.

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RESTRICTED/MPAM SHARES

ANNUAL FUND

OPERATING EXPENSES (EXPENSES PAID FROM FUND ASSETS)

(percentage of average daily net assets):

<TABLE>

	Fund Restricted Shares	Acquiring Fund MPAM Shares	Pro Forma After Exchange Acquiring Fund MPAM Shares
<S>	<C>	<C>	<C>
Management fees	0.55%	0.40%	0.40%
Rule 12b-1 fee	None	None	None
Shareholder services fee	None	None	None
Other expenses	0.00%	0.19%	0.19%
Total Annual Fund Operating Expenses	0.55%	0.59%	0.59%
Less: Fee waiver and/or expense reimbursement	None	0.03%*	0.04%**
Net Operating Expenses	0.55%	0.56%*	0.55%**

* Pursuant to a contractual arrangement with the Acquiring Fund, Mellon Bank has agreed to waive fees and/or reimburse Acquiring Fund expenses (excluding shareholder services fees) through September 30, 2003, so that the total annual operating expenses of the Acquiring Fund are limited to the net expenses of the Acquiring Fund, as shown above.

** Mellon Bank has agreed contractually to further cap the expenses of the Acquiring Fund's Investor Shares and MPAM Shares at 0.80% and 0.55%, respectively, from the time that the Exchange is consummated through September 30, 2003.

EXPENSE EXAMPLE

This example shows what you could pay in expenses over time. It uses the same hypothetical conditions other funds use in their prospectuses: \$10,000 initial investment, 5% total return each year and no changes in expenses. The figures shown would be the same whether you sold your shares at the end of a period or kept them. Because actual return and expenses will be different, the example is for comparison only. The one-year numbers below are based on Net Operating Expenses. The longer-term numbers are based on Net Operating Expenses for year one and on Total Annual Fund Operating Expenses for each year thereafter.

<TABLE>

	Fund Restricted Shares	Acquiring Fund MPAM Shares	Acquiring Fund Pro Forma After Exchange MPAM Shares	Fund Investor Shares	Acquiring Fund Investor Shares	Acquiring Fund Pro Forma After Exchange Investor Shares
<S>	<C>	<C>	<C>	<C>	<C>	<C>
1 Year	\$56	\$57	\$56	\$82	\$83	\$82
3 Years	\$176	\$186	\$185	\$255	\$265	\$264
5 Years	\$307	\$326	\$325	\$444	\$463	\$462
10 Years	\$689	\$735	\$734	\$990	\$1,034	\$1,033

</TABLE>

PAST PERFORMANCE. The Acquiring Fund did not have a performance record as a series of an investment company registered under the 1940 Act prior to October 2, 2000. The performance of the Acquiring Fund presented below through October 1, 2000 represents that of a predecessor common trust fund ("CTF") that, in all material respects, had the same investment objective, policies, guidelines and restrictions as the Acquiring Fund, and thereafter represents the performance of MPAM Shares of the Acquiring Fund. Substantially all of the assets of the predecessor CTF were transferred to the Acquiring Fund as of October 1, 2000.

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The CTF's performance has been adjusted to reflect the fees and expenses of the Acquiring Fund by subtracting from the actual performance of the CTF the estimated expenses of the Acquiring Fund's MPAM Shares as set forth above. The Acquiring Fund performance presented below does not reflect the performance of the Investor Shares of the Acquiring Fund, since there were no outstanding shares of that class during the periods presented. The predecessor CTF was not registered under the 1940 Act and therefore was not subject to certain investment restrictions that might have adversely affected performance.

The top bar chart below shows you how the performance of the Acquiring Fund's MPAM Shares and its predecessor CTF has varied, and the lower bar chart below shows you how the performance of the Fund's Restricted Shares has varied from year to year since the Fund's inception. The table on the next page compares performance over time to that of the Lehman Brothers Aggregate Bond Index, a broad-based, unmanaged, market-weighted index that covers the U.S. investment grade fixed-rate bond market and is comprised of U.S. government, corporate, mortgage-backed and asset-backed securities. All performance figures reflect the reinvestment of dividends and other distributions. Of course, past performance is no guarantee of future results.

 YEAR-BY-YEAR TOTAL RETURN AS OF 12/31 EACH YEAR (%)
 ACQUIRING FUND (MPAM SHARES AND PREDECESSOR CTF)

15.37	6.69	11.52	-1.84	17.33	3.06	9.35	8.19	-1.41	10.51
91	92	93	94	95	96	97	98	99	00

BEST QUARTER: Q3 '91 5.63%

WORST QUARTER: Q1 '96 -2.00%

THE YEAR-TO-DATE TOTAL RETURN OF THE ACQUIRING FUND'S MPAM SHARES AS OF 6/30/01 WAS 3.39%.

 YEAR-BY-YEAR TOTAL RETURN AS OF 12/31 EACH YEAR (%)
 FUND (COMMENCED OPERATIONS 11/1/95)
 RESTRICTED SHARES

					2.70	9.15	8.46	-1.79	10.55
91	92	93	94	95	96	97	98	99	00

BEST QUARTER: Q4 '00 4.05%

WORST QUARTER: Q1 '96 -2.27%

THE YEAR-TO-DATE TOTAL RETURN OF THE FUND'S RESTRICTED SHARES AS OF 6/30/01 WAS 3.40%.

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AVERAGE ANNUAL TOTAL RETURN AS OF 12/31/00
 <TABLE>

	1 Year	5 Years	Since Fund Inception (11/1/95)	10 Years
<S>	<C>	<C>	<C>	<C>
ACQUIRING FUND (MPAM SHARES AND PREDECESSOR CTF)	10.51%	5.84%	6.29%	7.70%
FUND (RESTRICTED CLASS)	10.55%	5.71%	6.01%	--
FUND (INVESTOR CLASS)	10.19%	5.44%	5.74%	--
LEHMAN BROTHERS AGGREGATE BOND INDEX	11.63%	6.46%	6.84%*	7.96%

</TABLE>

* FOR COMPARATIVE PURPOSES, THE VALUE OF THE INDEX ON 10/31/95 IS USED AS THE

INVESTMENT ADVISER. Dreyfus, 200 Park Avenue, New York, New York 10166, serves as the investment adviser for the Fund, and MPAM Advisers, a division of Dreyfus, serves as the investment adviser for the Acquiring Fund. Founded in 1947, Dreyfus manages more than \$164 billion in over 190 mutual fund portfolios. Dreyfus is the primary mutual fund business of Mellon, a global financial services company with approximately \$2.8 trillion in assets under management, administration or custody, including approximately \$520 billion under management. Mellon provides wealth management, global investment services and a comprehensive array of banking services for individuals, businesses and institutions. Mellon is headquartered in Pittsburgh, Pennsylvania.

PRIMARY PORTFOLIO MANAGERS. The primary portfolio manager for the Fund is Daniel J. Fasciano who, together with Stephen P. Fiorella, serves as co-primary portfolio managers for the Acquiring Fund. Mr. Fasciano has managed the Fund since June 1998, and the Acquiring Fund since its inception as a series of a registered investment company. Mr. Fasciano, CFA, senior portfolio manager of Boston Safe, an affiliate of Dreyfus, has been a portfolio manager at Dreyfus since October 1995. Mr. Fasciano joined Boston Safe in 1990. He is also a vice president of Mellon Bank. Mr. Fiorella has managed the Acquiring Fund since its inception as a series of a registered investment company. Mr. Fiorella has been a portfolio manager at Dreyfus since July 1998. He joined The Boston Company and Boston Safe in July 1989. He is also an assistant vice president of Boston Safe and Mellon Bank.

BOARD MEMBERS. The Company and the Trust have different Board members. For a description of the Board members, see the Acquiring Fund's Statement of Additional Information under the caption "Management of the Funds" and the Fund's Statement of Additional Information under the caption "Management of the Fund."

PURCHASE AND REDEMPTION PROCEDURES. The purchase and redemption procedures of the Restricted class of the Fund and the MPAM Shares of the Acquiring Fund are similar for most holders since both classes are designed for persons who hold these shares by virtue of their trust or investment account or relationship with a financial service provider acting on their behalf. Thus, in most instances purchases and redemptions are effected through that financial service provider. In the case of the Acquiring Fund, MPAM Shares owned by MPAM Clients generally will be held in omnibus accounts, or individual institutional accounts, with the Acquiring Fund's transfer agent (MPAM Accounts). MPAM Shares held by former Restricted class shareholders of the Fund who cease to be MPAM Clients will be held in separate accounts (Individual Accounts). Purchases and redemptions of MPAM Shares for MPAM Accounts should be effected through the client relationship with MPAM. Purchases and redemptions of MPAM Shares through Individual Accounts may be made in the same manner as Investor Shares, described below.

Purchase and redemption of Investor class shares of the Fund and Investor Shares of the Acquiring Fund may be made by mail, wire, electronic check or TELETRANSFER, or automatically, as described in the Prospectus of the Acquiring Fund under "Your Investment - Account Policies and Services - Purchases and Redemptions through Individual Accounts" and the Prospectus of the Fund under "Your Investment - Account Policies" and "- Services for Fund Investors."

DISTRIBUTION AND SHAREHOLDER SERVICES PLAN. Shares of the Fund's Investor class are subject to a Distribution Plan pursuant to which the Fund pays its distributor an annual fee of 0.25% of the value of the average daily net assets attributable to that class for distribution and shareholder account services and maintenance. See "Distribution Plan" in the Fund's Statement of Additional Information

for a discussion of the Distribution Plan. Investor Shares of the Acquiring Fund are subject to a Shareholder Services Plan pursuant to which the Acquiring Fund pays its distributor an annual fee of 0.25% of the value of the average daily net assets attributable to that class for shareholder account service and maintenance similar to that provided under the Fund's Distribution Plan. See "Shareholder Services Plan" in the Acquiring Fund's Statement of Additional Information for a discussion of the Shareholder Services Plan. MPAM Shares of the Acquiring Fund and shares of the Fund's Restricted class are not subject to a Distribution Plan or a Shareholder Services Plan.

SHAREHOLDER SERVICES AND PRIVILEGES. The shareholder services and privileges offered by the Fund and the Acquiring Fund are described below. See "Your Investment - Services for Fund Investors" in the Fund Prospectus and "Your Investment - Account Policies and Services - Individual Account services and policies" in the Acquiring Fund Prospectus for a more complete description of shareholder services.

The following shareholder services and privileges are offered to holders of Investor class and Restricted class shares of the Fund, holders of Investor Shares of the Acquiring Fund, and holders of MPAM Shares of the Acquiring Fund

who hold such shares in Individual Accounts: AUTOMATIC ASSET BUILDER - for making automatic investments from a designated bank account; PAYROLL SAVINGS PLAN - for making automatic investments through a payroll deduction; GOVERNMENT DIRECT DEPOSIT PRIVILEGE - for making automatic investments from your Federal employment, Social Security or other regular Federal government check; DIVIDEND SWEEP - for automatically reinvesting the dividends and other distributions from one fund into another; AUTO-EXCHANGE PRIVILEGE - for making regular exchanges from one fund into another; AUTOMATIC WITHDRAWAL PLAN - for making regular withdrawals from most funds; checkwriting privileges; exchange privileges into certain other funds; TELETRANSFER privileges - to transfer money between your account and your bank account with a phone call; telephone redemption privileges; and 24-hour automated account telephone access.

Holders of MPAM Shares of the Acquiring Fund who are MPAM Clients and do not have Individual Accounts must contact their account officer for information concerning purchases, sales or exchanges of MPAM Shares in lieu of using the services listed above.

DISTRIBUCTIONS. Dividends from the Fund's net investment income are ordinarily declared daily and paid monthly while dividends from the Acquiring Fund's net investment income are ordinarily declared and paid monthly. Both the Fund and the Acquiring Fund ordinarily distribute net realized capital gains and gains from foreign currency transactions, if any, once a year, but they both may make more frequent distributions to comply with the distribution requirements of the United States Internal Revenue Code of 1986, as amended (the "Code"). See "Dividends, Other Distributions and Taxes" in the Statement of Additional Information supplementing the relevant Prospectus for a further discussion of dividend and distribution policies.

LEGAL FORM OF ORGANIZATION. The Company is organized as a Maryland corporation and is governed by its Articles of Incorporation, By-Laws, Board of Directors and the Maryland General Corporation Law. The Trust is organized as a Massachusetts business trust and is governed by its Amended and Restated Agreement and Declaration of Trust dated June 5, 2000 ("Declaration of Trust"), By-Laws, Board of Trustees, and applicable Massachusetts law. Both the Company and the Trust are also governed by applicable federal law.

Under Maryland law, shareholders of the Fund have no personal liability as such for the Company's acts or obligations. Under Massachusetts law, shareholders of a series could, under certain circumstances, be held personally liable for the acts or obligations of the Trust. However, the Declaration of Trust disclaims shareholder liability for acts or obligations of the series and requires that notice of such disclaimer be given in each agreement, obligation or instrument entered into or executed by the Trust or the Trustees. The Declaration of Trust provides for indemnification out of each of the series' property for all losses and expenses of any shareholder held personally liable for the obligations of the series. Thus, the risk of a shareholder incurring financial loss on account of shareholder liability is considered remote since it is limited to circumstances in which a disclaimer is inoperative and the series itself would be unable to meet its obligations. A substantial number of mutual funds in the United States are organized as Massachusetts business trusts.

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For a more detailed discussion of the differences between the legal organization of the Company and the Trust, see the Statement of Additional Information of the Fund under the sections entitled "Description of the Fund/Company" and "Information About the Fund/Company", and the Statement of Additional Information of the Acquiring Fund under the sections entitled "Description of the Trust and Funds" and "Information About the Funds/Trust", respectively, and the applicable provisions of Maryland and Massachusetts law.

REASONS FOR THE EXCHANGE

The Board of Directors of the Company and the Trustees of the Trust have concluded that the Exchange is in the best interests of their respective shareholders. Based on the similarities of the funds, each Board believes that the Exchange would result in a single fund with a larger combined asset base, producing more efficient portfolio management and eliminating the duplication of resources and costs associated with marketing and servicing these funds.

In determining whether to recommend approval of the Exchange, each Board considered the following factors, among others: (1) the compatibility of the Fund's and the Acquiring Fund's investment objective, management policies, investment restrictions, and portfolio management team, as well as shareholder services offered by the Fund and Acquiring Fund; (2) the primary portfolio manager of the Fund is one of two co-primary portfolio managers of the Acquiring Fund; (3) the terms and conditions of the Exchange and whether the Exchange would result in dilution of shareholder interests; (4) the expense ratios of the Fund and Acquiring Fund, as well as the estimated expense ratio of the combined Acquiring Fund; (5) the relative performance of the Fund and the Acquiring Fund; (6) the tax consequences of the Exchange; (7) a majority of each fund's shares are held by MPAM Clients; and (8) the estimated costs incurred by the Fund and the Acquiring Fund as a result of the Exchange.

Plan of Exchange. The following summary of the Plan is qualified in its entirety by reference to the form of Plan attached hereto as Exhibit A. The Plan provides that the Acquiring Fund will acquire all of the assets of the Fund in exchange solely for the Acquiring Fund's MPAM Shares and Investor Shares and the assumption by the Acquiring Fund of the Fund's stated liabilities on October 1, 2001 or another date the parties agree on (the "Closing Date"). The number of the Acquiring Fund's MPAM Shares and Investor Shares to be issued to the Fund will be determined on the basis of those shares' respective net asset values per share and the aggregate net assets attributable to each class of the Fund, respectively, all generally computed as of the close of trading on the floor of the New York Stock Exchange (currently at 4:00 p.m., New York time) (except for options and futures contracts, if any, which will be valued 15 minutes after the close of that trading) on the Closing Date. Portfolio securities of the Fund and the Acquiring Fund will be valued in accordance with their respective valuation practices, which are described under the captions "Your Investment - Account Policies" in the Fund Prospectus and "Your Investment - Account Policies and Services - Buying Shares" in the Acquiring Fund Prospectus, and under the caption "Determination of Net Asset Value" in the respective Statements of Additional Information.

On or before the Closing Date, the Fund will declare a dividend or dividends which, together with all previous dividends, will have the effect of distributing to the Fund's shareholders all of the Fund's investment company taxable income, if any, for all taxable periods ending on or prior to the Closing Date (computed without regard to any deduction for dividends paid), its net exempt interest income for the fiscal period ending on or prior to the Closing Date, and all of its previously undistributed net capital gain realized in all taxable years ending on or prior to the Closing Date (after reduction for any capital loss carry forward).

As soon as conveniently practicable after the Closing Date, the Fund will liquidate and distribute pro rata to its shareholders of record as of the close of business on the Closing Date the MPAM Shares and Investor Shares (collectively, "Acquiring Fund Shares") it received in the Exchange. That liquidation and distribution will be accomplished by establishing an account on the share records of the Acquiring Fund for each such Fund shareholder and crediting each such account with the respective pro rata number of MPAM Shares or Investor Shares due to the shareholder. Holders of Investor class shares of the Fund will receive Investor Shares, and holders of Restricted class

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shares of the Fund will receive MPAM Shares, in each case having an aggregate net asset value equal to that of the shares of the Fund held at the time of the Exchange. After such distribution and the winding up of its affairs, the Fund will be terminated as a series of the Company. After the Closing Date, any outstanding certificates representing Fund shares will represent MPAM Shares and Investor Shares, respectively, distributed to the record holders of the Fund.

The Plan may be amended at any time prior to the Exchange. The Company will provide Fund shareholders with information describing any material amendment to the Plan prior to shareholder consideration. The obligations of the Fund and the Acquiring Fund under the Plan are subject to various conditions, including approval by Fund shareholders holding the requisite number of Fund shares and the continuing accuracy of various representations and warranties of the Fund and the Acquiring Fund being confirmed by the respective parties.

The total expenses of the Exchange are expected to be approximately \$165,100, which will be borne pro rata according to the aggregate net assets of the Fund and the Acquiring Fund on the date of the Exchange or, if the Exchange is not consummated, at the time the Plan is terminated.

If the Exchange is not approved by the Fund's shareholders, the Company's Board will consider other appropriate courses of action, including liquidating the Fund.

The consummation of the Exchange is subject to the conditions set forth in the Plan, including the condition that the parties to the Exchange shall have received exemptive relief from the Commission with respect to certain restrictions under the 1940 Act that could otherwise impede or inhibit consummation of the Exchange.

Temporary Suspension of Certain of the Fund's Investment Restrictions. Because certain of the Fund's existing investment restrictions could preclude the Fund from consummating the Exchange in the manner contemplated in the Plan, Fund shareholders are requested to authorize the temporary suspension of certain investment restrictions which restrict the Fund's ability to (i) invest more than 5% of its assets in the obligations of any single issuer and (ii) invest more than 25% of its total assets in the securities of issuers in any single industry, as set forth in the Fund's Statement of Additional Information, as well as the temporary suspension of any other investment restriction of the Fund

to the extent necessary to permit the consummation of the Exchange. The temporary suspension of the Fund's investment restrictions will not affect the investment restrictions of the Acquiring Fund. A vote in favor of the Proposal is deemed to be a vote in favor of the temporary suspensions.

Federal Income Tax Consequences. The Exchange is intended to qualify for Federal income tax purposes as a tax-free reorganization under section 368(a) of the Code. As a condition to the closing of the Exchange, the Trust and the Company will receive an opinion of Kirkpatrick & Lockhart LLP, their counsel, substantially to the effect that, based on the existing provisions of the Code, Treasury regulations issued thereunder, current administrative pronouncements and court decisions, and certain facts, assumptions and representations, for Federal income tax purposes: (1) the transfer of the Fund's assets in exchange solely for Acquiring Fund Shares and the assumption by the Acquiring Fund of the Fund's stated liabilities will qualify as a "reorganization" within the meaning of section 368(a)(1)(C) of the Code, and each fund will be a "party to a reorganization" within the meaning of section 368(b) of the Code; (2) the Acquiring Fund will recognize no gain or loss on its receipt of the Fund's assets in exchange solely for Acquiring Fund Shares and the assumption by the Acquiring Fund of liabilities of the Fund; (3) the Fund will recognize no gain or loss on the transfer of its assets to the Acquiring Fund in exchange solely for Acquiring Fund Shares and the assumption by the Acquiring Fund of the Fund's liabilities or on the distribution (whether actual or constructive) of Acquiring Fund Shares to Fund shareholders in exchange for their Fund Shares; (4) a Fund shareholder will recognize no gain or loss on the actual or constructive exchange of Fund Shares solely for Acquiring Fund Shares pursuant to the Exchange; (5) the aggregate tax basis in Acquiring Fund Shares each Fund shareholder receives pursuant to the Exchange will be the same as the aggregate tax basis in the Fund Shares that shareholder exchanges for those Acquiring Fund Shares, and the holding period of those Acquiring Fund Shares will include the period during which the Fund Shares exchanged therefor were held by that shareholder (provided the Fund Shares were held as capital assets on the date of the Exchange); and (6) the tax basis of the Fund's assets acquired by the Acquiring Fund will be the same as the Fund's tax basis in those assets

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immediately prior to the Exchange, and the holding period of each of those assets in the hands of the Acquiring Fund will include the period during which the Fund held those assets.

The foregoing opinion will state that no opinion is expressed as to the effect of the Exchange on the Fund or the Acquiring Fund or any Fund shareholder with respect to any Fund asset as to which any unrealized gain or loss is required to be recognized for Federal income tax purposes at the end of a taxable year (or on the termination or transfer thereof) under a mark-to-market system of accounting.

The Acquiring Fund's utilization after the Exchange of any pre-Exchange capital losses the Fund realized could be subject to limitation in future years under the Code.

NEITHER THE FUND NOR THE ACQUIRING FUND HAS SOUGHT A TAX RULING FROM THE INTERNAL REVENUE SERVICE ("IRS"). THE OPINION OF COUNSEL IS NOT BINDING ON THE IRS, NOR DOES IT PRECLUDE THE IRS FROM ADOPTING A CONTRARY POSITION. Fund shareholders should consult their tax advisers regarding the effect, if any, of the Exchange in light of their individual circumstances. Because the foregoing discussion relates only to the Federal income tax consequences of the Exchange, Fund shareholders also should consult their tax advisers as to state and local tax consequences, if any, of the Exchange.

REQUIRED VOTE AND BOARD'S RECOMMENDATION

The Company's Board has approved the Plan and the Exchange and has determined that (i) participation in the Exchange is in the Fund's best interests and (ii) the interests of existing shareholders of the Fund will not be diluted as a result of the Exchange. Pursuant to the Company's Articles of Incorporation and By-Laws, an affirmative vote of at least two-thirds of the outstanding shares of the Fund is required to approve the Plan and the Exchange

THE COMPANY'S BOARD, INCLUDING THE "NON-INTERESTED" BOARD MEMBERS, RECOMMENDS THAT THE FUND'S SHAREHOLDERS VOTE "FOR" APPROVAL OF THE PLAN AND THE EXCHANGE.

ADDITIONAL INFORMATION ABOUT THE ACQUIRING FUND AND FUND

Information about the Acquiring Fund is incorporated by reference into this Prospectus/Proxy Statement from the Acquiring Fund Prospectus forming a part of the Registration Statement on Form N-1A (File No. 333-34844). Information about the Fund is incorporated by reference into this Prospectus/Proxy Statement from the Fund Prospectus forming a part of the Company's Registration Statement on Form N-1A (File No. 33-16338).

The Fund and Acquiring Fund are subject to the requirements of the 1940 Act, and file reports, proxy statements and other information with the Commission.

Reports, proxy statements and other information filed by the Fund or Acquiring Fund may be inspected and copied at the Commission's Public Reference Room at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549-0102 and at the Northeast regional office of the Commission at 7 World Trade Center, Suite 1300, New York, New York 10048. Copies of such material also can be obtained from the Public Reference Branch, Office of Consumer Affairs and Information Services, Securities and Exchange Commission, Washington, D.C. 20549, at prescribed rates.

VOTING INFORMATION

In addition to the use of the mails, proxies may be solicited personally, by telephone or by telegraph, and the Fund may pay persons holding its Fund shares in their names or those of their nominees for their expenses in sending soliciting materials to their principals. Authorizations to execute proxies may be obtained by telephonic or electronically transmitted instructions in accordance with procedures designed to authenticate the shareholder's identity. In all cases where a telephonic proxy is solicited, the shareholder will be asked to provide his or her address, social security number (in the case of an individual) or taxpayer identification number (in the case of a non-individual) and the number of shares owned and to confirm that the shareholder has received the Fund's proxy statement and proxy card in the mail. Within 72 hours of receiving a shareholder's telephonic or electronically transmitted voting instructions, a confirmation will be sent to the shareholder to ensure that the vote has been taken in accordance with the shareholder's instructions and to provide a telephone number to call immediately if the shareholder's instructions

are not correctly reflected in the confirmation. Any shareholder giving a proxy may revoke it at any time before it is exercised by submitting to the Fund a written notice of revocation or a subsequently executed proxy or by attending the Meeting and voting in person.

If a proxy is properly executed and returned accompanied by instructions to withhold authority to vote, represents a broker "non-vote" (that is, a proxy from a broker or nominee indicating that such person has not received instructions from the beneficial owner or other person entitled to vote Fund shares on a particular matter with respect to which the broker or nominee does not have discretionary power) or is marked with an abstention (collectively, "abstentions"), the Fund shares represented thereby will be considered to be present at a Meeting for purposes of determining the existence of a quorum for the transaction of business. Abstentions will not constitute a vote "for" or "against" a matter and will be disregarded in determining the "votes cast" on an issue. For this reason, abstentions will have the effect of a "no" vote for the purpose of obtaining requisite approval for the Proposal.

In the event that a quorum is not present at the Meeting, or if a quorum is present but sufficient votes to approve the Proposal are not received, the persons named as proxies may propose one or more adjournments of the Meeting to permit further solicitation of proxies. In determining whether to adjourn the Meeting, the following factors may be considered: the nature of the Proposal, the percentage of votes actually cast, the percentage of negative votes actually cast, the nature of any further solicitation and the information to be provided to Fund shareholders with respect to the reasons for the solicitation. Any adjournment will require the affirmative vote of a majority of those shares affected by the adjournment that are represented at the Meeting in person or by proxy. If a quorum is present, the persons named as proxies will vote those proxies which they are entitled to vote "FOR" the Proposal in favor of such adjournment, and will vote those proxies required to be voted "AGAINST" the Proposal against any adjournment. A quorum is constituted with respect to the Fund by the presence in person or by proxy of the holders of more than one-third of the outstanding Fund shares entitled to vote at the Meeting.

The votes of the Acquiring Fund's shareholders are not being solicited since their approval or consent is not necessary for the Exchange.

As of June 29, 2001, no persons were known by the Fund to own of record 5% or more of the outstanding voting shares of the Restricted class shares of the Fund.

As of June 29, 2001, the following were known by the Fund to own of record 5% or more of the outstanding voting shares of the Investor class shares of the Fund:

Name and Address -----	Percentage Outstanding -----	
	Before Exchange -----	After Exchange -----
Muncy & Co. c/o The Muncy Bank & Trust Co. 2 North Main Street Muncy, PA 17756-1004	41.74%	41.73%

Charles Schwab & Company Inc. 11.32% 11.32%
 Reinvest Account
 Attn: Mutual Funds
 101 Montgomery Street
 San Francisco, CA 94104-4122

Mac & Co. 5.31% 5.31%
 Attn: MPAM Operations
 Mutual Fund Unit
 P.O. Box 534005
 Pittsburgh, PA 15253-4005

As of June 29, 2001, the following were known by the Acquiring Fund to own of record 5% or more of the outstanding voting shares of the Acquiring Fund's MPAM Shares:

Name and Address -----	Percentage Outstanding	
	Before Exchange -----	After Exchange -----
Mac & Co. Attn: MPAM Operations Mutual Fund Unit P.O. Box 534005 Pittsburgh, PA 15253-4005	96.48%	67.69%

As of June 29, 2001, the Board of the Company and officers of Company, as a group, owned less than 1% of Fund's outstanding shares. As of June 29, 2001, the Trustees and officers of Trust, as a group, owned less than 1% of the Acquiring Fund's outstanding shares.

FINANCIAL STATEMENTS AND EXPERTS

The audited financial statements of the Fund for the fiscal year ended October 31, 2000, and the audited financial statements of the Acquiring Fund as of September 1, 2000, have been incorporated herein by reference in reliance upon the authority of the reports given by KPMG LLP, the Fund and Acquiring Fund's independent auditors, as experts in accounting and auditing. In addition, the unaudited financial statements of the Acquiring Fund for the period ended February 28, 2001 accompany this Prospectus/Proxy Statement and have been incorporated herein by reference from the Acquiring Fund's Semi-Annual Report.

OTHER MATTERS

The Company's Directors are not aware of any other matters which may come before the Meeting. However, should any such matters properly come before the Meeting, it is the intention of the persons named in the accompanying form of proxy to vote the proxy in accordance with their judgment on such matters.

NOTICE TO BANKS, BROKER/DEALERS AND VOTING TRUSTEES AND THEIR NOMINEES

Please advise the Company, in care of Dreyfus Transfer, Inc., Attention: The Dreyfus/Laurel Funds, Inc. -- Dreyfus Disciplined Intermediate Bond Fund, P.O. Box 9671, Providence, Rhode Island 02940-9671 whether other persons are the beneficial owners of Fund shares for which proxies are being solicited from you, and, if so, the number of copies of the Prospectus/Proxy Statement and other soliciting material you wish to receive in order to supply copies to the beneficial owners of Fund shares.

IT IS IMPORTANT THAT PROXIES BE RETURNED PROMPTLY. THEREFORE, SHAREHOLDERS WHO DO NOT EXPECT TO ATTEND IN PERSON ARE URGED TO COMPLETE, DATE, SIGN AND RETURN THE PROXY CARD IN THE ENCLOSED STAMPED ENVELOPE.

EXHIBIT A

FORM OF AGREEMENT AND PLAN OF REORGANIZATION

AGREEMENT AND PLAN OF REORGANIZATION dated as of May 9, 2001 (the "Agreement"), between THE DREYFUS/LAUREL FUNDS, INC., a Maryland corporation (the "Company"), on behalf of DREYFUS DISCIPLINED INTERMEDIATE BOND FUND (the "Fund"), and MPAM FUNDS TRUST, an unincorporated Massachusetts business trust (the "Trust"), on behalf of MPAM BOND FUND (the "Acquiring Fund").

The parties wish to effect a reorganization described in Section 368(a)(1)(C) of the United States Internal Revenue Code of 1986, as amended (the "Code"), and this Agreement is intended to be and is adopted as a "plan of

reorganization" within the meaning of the regulations under the Code (the "Regulations"). The reorganization (the "Reorganization") will consist of the transfer of all of the assets of the Fund, in exchange for shares (in classes designated Investor class (the "Investor Shares") and MPAM class (the "MPAM Shares")) of beneficial interest, par value \$0.001 per share, of the Acquiring Fund (collectively, the "Acquiring Fund Shares"), and the assumption by the Acquiring Fund of certain liabilities of the Fund and the distribution, after the Closing Date hereinafter referred to, of the Acquiring Fund's MPAM Shares and Investor Shares to the holders of the Fund's Restricted class and Investor class shares of common stock, par value \$0.001, respectively (together, the "Fund Shares") in liquidation of the Fund as provided herein, all upon the terms and conditions hereinafter set forth in this Agreement.

WHEREAS, the Fund is a diversified series of the Company, a registered open-end management investment company, and the Acquiring Fund is a diversified series of the Trust, a registered open-end management investment company, and the Fund owns securities which are assets of the character in which the Acquiring Fund is permitted to invest;

WHEREAS, the Fund is authorized to issue Investor class and Restricted class of shares of common stock, and the Acquiring Fund is authorized to issue both Investor Shares and MPAM Shares of beneficial interest; and

WHEREAS, the Board of the Trust has determined that the exchange of all of the assets of the Fund and certain liabilities of the Fund for Acquiring Fund Shares, and the assumption of such liabilities is in the best interests of the Acquiring Fund and that the interests of the Acquiring Fund's existing shareholders would not be diluted as a result of this transaction; and

WHEREAS, the Board of the Company has determined that the exchange of all of the assets and stated liabilities of the Fund for Acquiring Fund Shares and the assumption of such liabilities by the Acquiring Fund is in the best interests of the Fund and that the interests of the Fund's existing shareholders would not be diluted as a result of this transaction:

NOW THEREFORE, in consideration of the premises and of the covenants and agreements hereinafter set forth, the parties agree as follows:

1. TRANSFER OF ASSETS OF THE FUND IN EXCHANGE FOR THE ACQUIRING FUND SHARES AND ASSUMPTION OF FUND LIABILITIES AND LIQUIDATION OF THE FUND.

1.1 Subject to the requisite approval of the shareholders of the Fund and the other terms and conditions contained herein:

(a) The Fund shall assign, transfer and convey to the Acquiring Fund at the Closing (as defined in paragraph 3.1) all of the Assets of the Fund (as defined in paragraph 1.2).

(b) The Acquiring Fund agrees in exchange therefor at the Closing (i) to issue and deliver to the Fund the number and classes of full and fractional Acquiring Fund Shares, determined as set forth in paragraph 2.3, and (ii) to assume the Liabilities of the Fund (as defined in paragraph 1.3). In lieu of delivering certificates for the Acquiring Fund Shares, the Acquiring Fund shall credit the Acquiring Fund Shares to the Fund's account on the books of the Acquiring Fund and shall deliver a confirmation thereof to the Fund.

1.2 (a) The assets of the Fund to be acquired by the Acquiring Fund (the "Assets") shall consist of all property, including without limitation, all cash, cash equivalents, securities, commodities and futures interests, dividend and interest receivables, claims and rights of action that are owned by the Fund, and any deferred or prepaid expenses shown as Assets on the books of the Fund, on the Closing Date (as defined in paragraph 3.1). The Assets shall be invested at all times through the Closing in a manner that ensures compliance with paragraph 4.1(i).

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(b) The Fund has provided the Acquiring Fund with a list of all of its property, including all of the Assets, as of the date of execution of this Agreement. The Fund reserves the right to sell any of the Assets in the ordinary course of its business. The Acquiring Fund will, within a reasonable time prior to the Closing Date, furnish the Fund with a list of any Assets on such list that do not conform to the Acquiring Fund's investment objective, policies and restrictions or that the Acquiring Fund otherwise does not desire to hold. The Fund will dispose of such Assets prior to the Closing Date to the extent practicable and to the extent the Fund would not be affected adversely by such a disposition. In addition, if it is determined that the portfolios of the Fund and the Acquiring Fund, when aggregated, would contain investments exceeding certain percentage limitations imposed upon the Acquiring Fund with respect to such investments, the Fund, if requested to do so by the Acquiring Fund, will dispose of and/or reinvest a sufficient amount of such investments as may be necessary to avoid violating such limitations as of the Closing Date.

1.3 The Fund will endeavor to discharge all of its known liabilities and obligations prior to the Closing Date. At the Closing, the Acquiring Fund shall assume all liabilities, debts, obligations, expenses, costs, charges and reserves reflected on an unaudited statement of assets and liabilities of the Fund prepared by The Dreyfus Corporation ("Dreyfus") as of the Valuation Date (as defined in paragraph 2.1) (collectively, the "Liabilities").

1.4 Delivery of the Assets shall be made on the Closing Date and shall be delivered to Mellon Bank, N.A., the Acquiring Fund's custodian (the "Custodian"), for the account of the Acquiring Fund, with all securities not in bearer or book-entry form duly endorsed, or accompanied by duly executed separate assignments or stock powers, in proper form for transfer, with signatures guaranteed, and with all necessary stock transfer stamps, sufficient to transfer good and marketable title thereto (including all accrued interest and dividends and rights pertaining thereto) to the Custodian for the account of the Acquiring Fund free and clear of all liens, encumbrances, rights, restrictions and claims. All cash delivered shall be in the form of immediately available funds payable to the order of the Custodian for the account of the Acquiring Fund.

1.5 The Fund will pay or cause to be paid to the Acquiring Fund any interest received on or after the Closing Date with respect to Assets transferred to the Acquiring Fund hereunder. The Fund will transfer to the Acquiring Fund any distributions, rights or other assets received by the Fund after the Closing Date as distributions on or with respect to the securities transferred. Such Assets shall be deemed included in Assets transferred to the Acquiring Fund on the Closing Date and shall not be separately valued.

1.6 As soon after the Closing Date as is conveniently practicable (the "Liquidation Date"), the Fund will liquidate and distribute pro rata in accordance with this paragraph to the Fund's shareholders of record -- some of which hold Fund Shares in omnibus accounts (the "Nominee Shareholders") -- determined as of the close of business on the Closing Date (the "Fund Shareholders"), the Acquiring Fund Shares of the corresponding class received by the Fund pursuant to paragraph 1.1. For purposes of this Agreement, the Investor class of the Acquiring Fund shall be the "corresponding class" to the Investor class of the Fund, and the MPAM class of the Acquiring Fund shall be the "corresponding class" to the Restricted class of the Fund. Such liquidation and distribution will be accomplished by transferring the Acquiring Fund Shares of each class then credited to the account of the Fund on the books of the Acquiring Fund to open individual and omnibus accounts on such books for the benefit of (a) the Fund Shareholders other than Nominee Shareholders and (b) the indirect holders of Fund Shares through Nominee Shareholders of the corresponding class (collectively, "Beneficial Shareholders") and representing the respective pro rata number of full and fractional Acquiring Fund Shares of such class to which each such Beneficial Shareholder is entitled. For these purposes, a Fund Shareholder shall be entitled to receive, with respect to each Fund Share of a class held by such shareholder, that number of full and fractional Acquiring Fund Shares of the corresponding class equal to the net asset value of a Fund Share as of the Valuation Date (determined in accordance with paragraph 2.1) divided by the net asset value of one Acquiring Fund Share of the same class, as of the Valuation Date (determined in accordance with paragraph 2.2). All issued and outstanding shares of the Acquired Fund will be canceled on the books of the Fund simultaneously with the distribution of Acquiring Fund Shares to former holders of Fund Shares.

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1.7 Ownership of Acquiring Fund Shares will be shown on the books of the Acquiring Fund's transfer agent. Shares of the Acquiring Fund will be issued in the manner described in the Acquiring Fund's current prospectus and statement of additional information.

1.8 Any transfer taxes payable upon issuance of the Acquiring Fund Shares in a name other than the registered holder of the Acquiring Fund Shares on the books of the Fund as of that time shall, as a condition of such issuance and transfer, be paid by the person to whom such Acquiring Fund Shares are to be issued and transferred.

1.9 Any reporting responsibility of the Fund is and shall remain the responsibility of the Fund up to and including the Closing Date and such later date on which the Fund's existence is terminated.

2. VALUATION.

2.1 The value of the Assets and the amount of the Liabilities, the amount thereof attributable to each class of Fund Shares, and the net asset value of a Fund Share of each respective class, each shall be computed as of the close of trading on the floor of the New York Stock Exchange ("NYSE") (currently, 4:00 p.m., New York time), except that options and futures contracts will be valued

15 minutes after the close of trading on the floor of the NYSE, on the Closing Date (such time and date being hereinafter called the "Valuation Date"), using the valuation procedures set forth in the Fund's then-current prospectus and statement of additional information.

2.2 The net asset value of an Acquiring Fund Share of each respective class shall be the net asset value per share computed as of the Valuation Date, using the valuation procedures set forth in the Acquiring Fund's then-current prospectus and statement of additional information.

2.3 The number of Acquiring Fund Shares of Investor class and MPAM class (including fractional shares, if any), respectively, to be issued in exchange for the Fund's net assets shall be determined by dividing the value of the aggregate net assets attributable to the corresponding class of the Fund, using the valuation procedures referred to in paragraph 2.1, by the net asset value of one share of Investor class and MPAM class of the Acquiring Fund, respectively, determined in accordance with paragraph 2.2.

2.4 All computations and calculations of value shall be made by Dreyfus in accordance with its regular practices as fund accountant for the Fund and the Acquiring Fund, respectively.

3. CLOSING AND CLOSING DATE.

3.1 Consummation of the Reorganization and related acts (the "Closing") shall occur on October 1, 2001 or such other date as to which the parties may mutually agree (the "Closing Date"). All acts taking place at the Closing shall be deemed to take place simultaneously as of the close of business on the Closing Date unless otherwise provided. The Closing shall be held at 4:30 p.m., New York time, at the offices of Dreyfus, 200 Park Avenue, New York, New York, or such other time and/or place as the parties may mutually agree.

3.2 The Fund shall deliver to the Acquiring Fund at the Closing a statement of assets and liabilities, including a schedule of the Assets setting forth for all portfolio securities thereon their adjusted tax basis and holding period by lot, as of the Closing, certified by the Company's Treasurer or Assistant Treasurer. The Custodian shall deliver at the Closing a certificate of an authorized officer stating that the Assets have been presented for examination to the Acquiring Fund prior to the Closing Date and have been delivered in proper form to the Acquiring Fund.

3.3 If on the Valuation Date (a) the NYSE or another primary trading market for portfolio securities of the Acquiring Fund or the Fund shall be closed to trading or trading thereon shall be restricted, or (b) trading or the reporting of trading on the NYSE or elsewhere shall be disrupted so that accurate appraisal of the value of the net assets of the Acquiring Fund or the Fund is impracticable, the Closing Date shall be postponed until the first business day after the day when trading shall have been fully resumed and reporting shall have been restored.

3.4 The transfer agent for the Fund shall deliver at the Closing a certificate of an authorized officer stating that its records contain the names and addresses of the Fund Shareholders and the number and percentage ownership of outstanding Fund shares owned by each such shareholder immediately prior to the Closing. The Acquiring Fund shall issue and deliver a confirmation

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evidencing the Acquiring Fund Shares to be credited on the Closing Date to the Secretary of the Company, or provide evidence satisfactory to the Fund that such Acquiring Fund Shares have been credited to the Fund's account on the books of the Acquiring Fund. At the Closing, each party shall deliver to the other such bills of sale, checks, assignments, receipts or other documents as such other party or its counsel may reasonably request.

4. REPRESENTATIONS AND WARRANTIES.

4.1 The Company represents and warrants to the Trust as follows:

(a) The Fund is a duly established and designated series of the Company, a corporation duly organized and validly existing and in good standing under the laws of State of Maryland, and has power to own all of its properties and Assets and to carry out this Agreement.

(b) The Company is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end, diversified, management investment company, and such registration has not been revoked or rescinded and is in full force and effect.

(c) The Fund is not, and the execution, delivery and performance of this Agreement will not result, in material violation of the Company's Articles of Incorporation, as the same may have been amended (the "Articles"), or its Bylaws or of any agreement, indenture, instrument, contract, lease or other undertaking to which the Fund is a party or by which it is bound.

(d) The Fund has no material contracts or other commitments outstanding (other than this Agreement) which will be terminated with liability to it on or prior to the Closing Date.

(e) No litigation or administrative proceeding or investigation of or before any court or governmental body is currently pending or to its knowledge threatened against the Fund or any of its properties or Assets which, if adversely determined, would materially and adversely affect its financial condition or the conduct of its business. The Fund knows of no facts which might form the basis for the institution of such proceedings, and is not a party to or subject to the provisions of any order, decree or judgment of any court or governmental body which materially and adversely affects its business or its ability to consummate the transactions herein contemplated.

(f) The Statements of Assets and Liabilities of the Fund at October 31, 2000, October 31, 1999, and October 31, 1998, have been audited by KPMG LLP, independent auditors, and are in accordance with generally accepted accounting principles, consistently applied, and such statements (copies of which have been furnished to the Trust) fairly reflect the financial condition of the Fund as of such dates, and there are no known contingent liabilities of the Fund as of such dates not disclosed therein.

(g) Since October 31, 2000, there has not been any material adverse change in the Fund's financial condition, assets, liabilities or business other than changes occurring in the ordinary course of business, or any incurrence by the Fund of indebtedness maturing more than one year from the date such indebtedness was incurred, except as disclosed on the statement of assets and liabilities referred to in Section 1.3 hereof.

(h) At the Closing Date, all Federal and other tax returns and reports of the Fund required by law to have been filed by such dates shall have been filed, and all Federal and other taxes shall have been paid so far as due, or provision shall have been made for the payment thereof, and to the best of the Company's knowledge no such return is currently under audit and no assessment has been asserted with respect to such returns.

(i) The Fund is a "fund" as defined in section 851(g)(2) of the Code; for each taxable year of its operation, the Fund met all the requirements of Subchapter M of the Code ("Subchapter M") for qualification and treatment as a "regulated investment company"; it will continue to meet all such requirements for its taxable year that includes the Closing Date; and it has no earnings and profits accumulated in any taxable year to which the provisions of Subchapter M did not apply to it.

(j) The Liabilities were incurred by the Fund in the ordinary course of its business.

(k) The Fund is not under the jurisdiction of a court in a proceeding under Title 11 of the United States Code or similar case within the meaning of section 368(a)(3)(A) of the Code.

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(l) Not more than 25% of the value of the Fund's total assets (excluding cash, cash items, and U.S. government securities) is invested in the stock and securities of any one issuer, and not more than 50% of the value of such assets is invested in the stock and securities of five or fewer issuers.

(m) The Fund will be terminated as soon as reasonably practicable after the Reorganization, but in all events within six months after the Closing Date.

(n) All issued and outstanding shares of the Fund are, and at the Closing Date will be, duly and validly issued and outstanding, fully paid and non-assessable by the Fund. All of the issued and outstanding shares of the Fund will, on the date of Closing, be held by the persons and in the amounts set forth in the records of the transfer agent as provided in paragraph 3.4. The Fund does not have outstanding any options, warrants or other rights to subscribe for or purchase any of the Fund's shares, nor is there outstanding any security convertible into any of the Fund's shares.

(o) On the Closing Date, the Fund will have full right, power and authority to sell, assign, transfer and deliver the Assets to be transferred by it hereunder.

(p) The execution, delivery and performance of this Agreement will have been duly authorized prior to the Closing Date by all necessary action on the part of the Company's Board and, subject to the approval of the Fund's shareholders, this Agreement will constitute the valid and legally binding obligation of the Fund, enforceable in accordance with its terms, subject to the effect of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally and court decisions with respect thereto, and to general principles of equity and the discretion of the court (regardless of whether the enforceability

is considered in a proceeding in equity or at law).

(g) The proxy statement of the Fund (the "Proxy Statement"), included in the Registration Statement referred to in paragraph 5.5 (other than information therein that has been furnished by the Acquiring Fund) will, on the effective date of the Registration Statement and on the Closing Date, not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which such statements were made, not materially misleading.

4.2 The Trust represents and warrants to the Company as follows:

(a) The Acquiring Fund is a duly established and designated series of the Trust, an unincorporated business trust duly organized and validly existing under the laws of the Commonwealth of Massachusetts, and has power to carry on its business as it is now being conducted and to carry out this Agreement.

(b) The Trust is registered under the 1940 Act as an open-end, diversified management investment company, and such registration has not been revoked or rescinded and is in full force and effect.

(c) The current prospectus and statement of additional information of the Acquiring Fund conform in all material respects to the applicable requirements of the Securities Act of 1933, as amended (the "1933 Act"), and the 1940 Act and the rules and regulations of the Securities and Exchange Commission (the "Commission") thereunder and do not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not materially misleading.

(d) The Acquiring Fund is not, and the execution, delivery and performance of this Agreement will not result, in material violation of its Amended and Restated Declaration of Trust dated June 5, 2000 (the "Declaration of Trust") or its Bylaws or of any agreement, indenture, instrument, contract, lease or other undertaking to which the Acquiring Fund is a party or by which it is bound.

(e) No litigation or administrative proceeding or investigation of or before any court or governmental body is currently pending or to its knowledge threatened against the Acquiring Fund or any of its properties or assets which, if adversely determined, would materially and adversely affect its financial condition or the conduct of its business. The Acquiring Fund knows of no facts which might form the basis for the institution of such proceedings, and is not a party to or subject to the provisions of any order, decree or judgment of any court or governmental body which materially and adversely affects its business or its ability to consummate the transactions contemplated herein.

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(f) The Statement of Assets and Liabilities of the Acquiring Fund as of September 1, 2000 has been audited by KPMG LLP, independent auditors, and is in accordance with generally accepted accounting principles, consistently applied, and such statement (a copy of which has been furnished to the Fund) fairly reflects the financial condition of the Acquiring Fund as of such date.

(g) Since September 1, 2000 there has not been any material adverse change in the Acquiring Fund's financial condition, assets, liabilities or business other than changes occurring in the ordinary course of business, or any incurrence by the Acquiring Fund of indebtedness maturing more than one year from the date such indebtedness was incurred, except as disclosed on the Statement of Assets and Liabilities referred to in Section 4.2(f) hereof.

(h) At the Closing Date, all Federal and other tax returns and reports of the Acquiring Fund required by law then to be filed shall have been filed, and all Federal and other taxes shown as due on said returns and reports shall have been paid or provision shall have been made for the payment thereof.

(i) The Acquiring Fund is a "fund" as defined in section 851(g)(2) of the Code; for each taxable year of its operation, the Acquiring Fund met all the requirements of Subchapter M for qualification and treatment as a regulated investment company; it will continue to meet all such requirements for its taxable year that includes the Closing Date; and it has no earnings and profits accumulated in any taxable year to which the provisions of Subchapter M did not apply to it.

(j) No consideration other than the Acquiring Fund Shares (and the Acquiring Fund's assumption of the Liabilities) will be issued in exchange for the Assets in the Reorganization.

(k) The Acquiring Fund has no plan or intention to issue additional Acquiring Fund Shares following the Reorganization except for shares issued in the ordinary course of its business as a series of an open-end investment company; nor does the Acquiring Fund, or any person "related" (within the

meaning of section 1.368-1(e) (3) of the Regulations) to the Acquiring Fund, have any plan or intention to redeem or otherwise reacquire any Acquiring Fund Shares issued to the Fund Shareholders pursuant to the Reorganization, other than through redemptions arising in the ordinary course of that business.

(l) The Acquiring Fund (i) will, after the Reorganization, continue the "historic business" (within the meaning of section 1.368-1(d) (2) of the Regulations) that the Fund conducted before the Reorganization, (ii) has no plan or intention to sell or otherwise dispose of, within one year after the Closing Date, more than one-third (1/3) of the Assets by value, except for dispositions made in the ordinary course of that business and dispositions necessary to maintain its status as a regulated investment company, and (iii) will use a significant portion of the Fund's "historic business" (within the meaning of section 1.368-1(d) (3) of the Regulations) assets in that business.

(m) There is no plan or intention for the Acquiring Fund to be dissolved or merged into another corporation or business trust or any "fund" thereof (within the meaning of section 851(g) (2) of the Code) following the Reorganization.

(n) Immediately after the Reorganization (i) not more than 25% of the value of the Acquiring Fund's total assets (excluding cash, cash items, and U.S. government securities) will be invested in the stock and securities of any one issuer and (ii) not more than 50% of the value of such assets will be invested in the stock and securities of five or fewer issuers.

(o) The Acquiring Fund does not own, directly or indirectly, nor on the Closing Date will it own, directly or indirectly, nor has it owned, directly or indirectly, at any time during the past five years, any shares of the Fund.

(p) All issued and outstanding shares of the Acquiring Fund are, and at the Closing Date will be, duly and validly issued and outstanding, fully paid and non-assessable by the Acquiring Fund. The Acquiring Fund does not have outstanding any options, warrants or other rights to subscribe for or purchase any of the Acquiring Fund Shares, nor is there outstanding any security convertible into any Acquiring Fund Shares.

(q) The execution, delivery and performance of this Agreement will have been duly authorized prior to the Closing Date by all necessary action, if any, on the part of the Trust's Trustees and Acquiring Fund shareholders, and this Agreement will constitute the valid and legally binding obligation of the

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Acquiring Fund enforceable in accordance with its terms, subject to the effect of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally and court decisions with respect thereto, and to general principles of equity and the discretion of the court (regardless of whether the enforceability is considered in a proceeding in equity or at law).

(r) The Proxy Statement included in the Registration Statement (only insofar as it relates to the Acquiring Fund and is based on information furnished by the Acquiring Fund) will, on the effective date of the Registration Statement and on the Closing Date, not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which such statements were made, not materially misleading.

5. COVENANTS OF THE ACQUIRING FUND AND THE FUND.

5.1 The Acquiring Fund and the Fund each will operate its business in the ordinary course between the date hereof and the Closing Date, it being understood that such ordinary course of business will include payment of customary dividends and distributions.

5.2 The Company will call a meeting of the Fund's shareholders to consider and act upon this Agreement and to take all other action necessary to obtain approval of the transactions contemplated herein.

5.3 Subject to the provisions of this Agreement, the Acquiring Fund and the Fund will each take, or cause to be taken, all action, and do or cause to be done, all things reasonably necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement.

5.4 As promptly as practicable, but in any case within sixty days after the Closing Date, the Fund shall furnish the Acquiring Fund, in such form as is reasonably satisfactory to the Acquiring Fund, a statement of the earnings and profits of the Fund for Federal income tax purposes which will be carried over to the Acquiring Fund as a result of Section 381 of the Code and which will be certified by the Company's President or its Vice President and Treasurer.

5.5 The Company will provide the Acquiring Fund with information reasonably necessary for the preparation of a prospectus (the "Prospectus") which will

include the Proxy Statement, referred to in paragraph 4.1(q), all to be included in a Registration Statement on Form N-14 of the Acquiring Fund (the "Registration Statement"), in compliance with the 1933 Act, the Securities Exchange Act of 1934, as amended, and the 1940 Act in connection with the meeting of the Fund's shareholders to consider approval of this Agreement and the transactions contemplated herein.

5.6 The Acquiring Fund agrees to use all reasonable efforts to obtain the approvals and authorizations required by the 1933 Act, the 1940 Act and such of the state Blue Sky or securities laws as it may deem appropriate in order to continue its operations after the Closing Date.

5.7 The Acquiring Fund and the Fund shall cooperate in the preparation and filing as promptly as practicable with the Commission of an application, in form and substance reasonably satisfactory to their counsel, for exemptive relief from the provisions of Section 17 of the 1940 Act, and from any other provision of the 1940 Act deemed necessary or advisable by such counsel, to permit consummation of the Reorganization as contemplated herein (the "Exemptive Application"). The Acquiring Fund and the Fund shall use all reasonable efforts to obtain the relief requested by the Exemptive Application.

6. CONDITIONS PRECEDENT TO OBLIGATIONS OF THE ACQUIRING FUND.

The obligations of the Acquiring Fund to complete the transactions provided for herein shall be subject, at its election, to the performance by the Fund of all the obligations to be performed by it hereunder on or before the Closing Date and, in addition thereto, the following conditions:

6.1 All representations and warranties of the Company on behalf of the Fund contained in this Agreement shall be true and correct in all material respects as of the date hereof and, except as they may be affected by the transactions contemplated by this Agreement, as of the Closing Date with the same force and effect as if made on and as of the Closing Date.

6.2 The Fund shall have delivered to the Acquiring Fund the statement of the Fund's assets and liabilities referred to in paragraph 1.3, together with the schedule of the Fund's portfolio securities showing the tax basis of such securities by lot and the holding periods of such securities, as of the Closing Date, certified by the Treasurer of the Company.

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6.3 The Company shall have delivered to the Acquiring Fund on the Closing Date a certificate executed in its name by the Company's President or Vice President and its Treasurer, in form and substance satisfactory to the Acquiring Fund, to the effect that the representations and warranties of the Company made in this Agreement on behalf of the Fund are true and correct at and as of the Closing Date, except as they may be affected by the transactions contemplated by this Agreement, and as to such other matters as the Acquiring Fund shall reasonably request.

7. CONDITIONS PRECEDENT TO OBLIGATIONS OF THE FUND.

The obligations of the Fund to consummate the transactions provided for herein shall be subject, at its election, to the performance by the Acquiring Fund of all the obligations to be performed by it hereunder on or before the Closing Date and, in addition thereto, the following conditions:

7.1 All representations and warranties of the Trust on behalf of the Acquiring Fund contained in this Agreement shall be true and correct in all material respects as of the date hereof and, except as they may be affected by the transactions contemplated by this Agreement, as of the Closing Date with the same force and effect as if made on and as of the Closing Date.

7.2 The Acquiring Fund shall have delivered to the Fund on the Closing Date a certificate executed in its name by the Trust's President or Vice President and its Treasurer, in form and substance reasonably satisfactory to the Fund, to the effect that the representations and warranties of the Trust made in this Agreement on behalf of the Acquiring Fund are true and correct at and as of the Closing Date, except as they may be affected by the transactions contemplated by this Agreement, and as to such other matters as the Fund shall reasonably request.

8. FURTHER CONDITIONS PRECEDENT TO OBLIGATIONS OF THE ACQUIRING FUND AND THE FUND.

If any of the conditions set forth below does not exist on or before the Closing Date with respect to the Fund or the Acquiring Fund, the other party to this Agreement shall, at its option, not be required to consummate the transactions contemplated by this Agreement.

8.1 This Agreement and the transactions contemplated herein shall have been approved by the requisite vote of the holders of the outstanding shares of the

Fund in accordance with the provisions of the Company's Articles.

8.2 On the Closing Date, no action, suit or other proceeding shall be pending before any court or governmental agency in which it is sought to restrain or prohibit, or obtain damages or other relief in connection with, this Agreement or the transactions contemplated herein.

8.3 All consents of other parties and all other consents, orders and permits of Federal, state and local regulatory authorities (including those of the Commission and of state Blue Sky and securities authorities) deemed necessary by the Acquiring Fund or the Fund to permit consummation, in all material respects, of the transactions contemplated hereby shall have been obtained, except where failure to obtain any such consent, order or permit would not involve a risk of a material adverse effect on the assets or properties of the Acquiring Fund or the Fund, provided that either party hereto may for itself waive any of such conditions.

8.4 The Registration Statement shall have become effective under the 1933 Act and no stop orders suspending the effectiveness thereof shall have been issued and, to the best knowledge of the parties hereto, no investigation or proceeding for that purpose shall have been instituted or be pending, threatened or contemplated under the 1933 Act.

8.5 The relief requested by the Exemptive Application shall have been granted in form and substance reasonably satisfactory to the counsel for the Acquiring Fund and the Fund.

8.6 The Fund shall have declared a dividend or dividends which, together with all previous dividends, shall have the effect of distributing to the Fund's shareholders all of the Fund's investment company taxable income for all taxable years or periods ending on or prior to the Closing Date (computed without regard to any deduction for dividends paid); the excess of its interest income excludable from gross income under Section 103(a) of the Code over its disallowed deductions under Sections 265 and 171(a)(2) of the Code, for all taxable years or periods ending on or prior to the Closing Date; and all of its net capital gain realized in all taxable years ending on or prior to the Closing Date (after reduction for any capital loss carry forward).

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8.7 The parties shall have received an opinion ("Tax Opinion") of Kirkpatrick & Lockhart LLP ("Counsel") substantially to the effect that, based on the facts and assumptions stated therein and conditioned on consummation of the Reorganization in accordance with this Agreement, for Federal income tax purposes:

(a) The transfer of all or substantially all of the Assets to the Acquiring Fund in exchange solely for the Acquiring Fund Shares and the assumption by the Acquiring Fund of the Liabilities, followed by the Fund's distribution of those shares PRO RATA to the Fund Shareholders constructively in exchange for their Fund Shares, will qualify as a "reorganization" within the meaning of section 368(a)(1)(C) of the Code, and each of the Fund and the Acquiring Fund will be "a party to a reorganization" within the meaning of section 368(b) of the Code; (b) the Acquiring Fund will recognize no gain or loss on its receipt of the Assets of the Fund in exchange solely for the Acquiring Fund Shares and the assumption by the Acquiring Fund of the Liabilities; (c) the Fund will recognize no gain or loss on the transfer of the Assets to the Acquiring Fund in exchange solely for the Acquiring Fund Shares and the assumption by the Acquiring Fund of the Liabilities or on the distribution (whether actual or constructive) of the Acquiring Fund Shares to Fund Shareholders in exchange for their shares; (d) a Beneficial Shareholder will recognize no gain or loss on the actual or constructive exchange of all its Fund Shares solely for Acquiring Fund Shares pursuant to the Reorganization; (e) the aggregate tax basis in the Acquiring Fund Shares received by each Beneficial Shareholder pursuant to the Reorganization will be the same as the aggregate tax basis in the Fund Shares such shareholder exchanges for those Acquiring Fund Shares, and the holding period of the Acquiring Fund Shares to be received by each Beneficial Shareholder will include the period during which the Fund Shares exchanged therefor were held by such shareholder (provided the Fund Shares were held as capital assets on the Closing Date); and (f) the tax basis of the Assets acquired by the Acquiring Fund will be the same as the tax basis of such Assets to the Fund immediately prior to the Reorganization, and the holding period of the Assets of the Fund in the hands of the Acquiring Fund will include the period during which those Assets were held by the Fund.

In rendering the Tax Opinion, Counsel may rely as to factual matters, exclusively and without independent verification, on the representations and warranties made in this Agreement, which Counsel may treat as representations and warranties made to it, and in separate letters addressed to Counsel and the certificates delivered pursuant to paragraphs 6.3 and 7.2.

Notwithstanding the foregoing, the Tax Opinion will state that no opinion is expressed as to the effect of the Reorganization on the Fund or the Acquiring

Fund or any Beneficial Shareholder with respect to any Asset as to which any unrealized gain or loss is required to be recognized for Federal income tax purposes at the end of a taxable year (or on the termination or transfer thereof) under a mark-to-market system of accounting.

9. TERMINATION OF AGREEMENT; EXPENSES.

9.1 This Agreement and the transactions contemplated hereby may be terminated and abandoned by resolution of the Board of the Company or of the Trust, as the case may be, at any time prior to the Closing Date (and notwithstanding any vote of the Fund's shareholders) if circumstances develop that, in the opinion of either of the parties' Board, make proceeding with the Reorganization inadvisable.

9.2 If this Agreement is terminated and the transactions contemplated hereby are abandoned pursuant to the provisions of this Section 9, this Agreement shall become void and have no effect, without any liability on the part of any party hereto or the Trustees, Directors, officers or shareholders of the Trust or of the Company, as the case may be, in respect of this Agreement, other than as provided in paragraph 9.3.

9.3 The Fund and the Acquiring Fund shall bear the aggregate expenses of the transactions contemplated hereby in proportion to their respective net assets as of the Closing Date or, if this Agreement is terminated or the Reorganization contemplated hereby is abandoned prior to the Closing Date, as of the date of such termination or abandonment.

10. WAIVER.

At any time prior to the Closing Date, any of the conditions described in Sections 6, 7 and 8 may be waived by the Board of the Trust or of the Company if, respectively, in the judgment of either, such waiver will not have a

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material adverse effect on the benefits intended under this Agreement to the shareholders of the Acquiring Fund or of the Fund, as the case may be.

11. MISCELLANEOUS.

11.1 None of the representations and warranties included or provided for herein shall survive consummation of the transactions contemplated hereby.

11.2 This Agreement contains the entire agreement and understanding between the parties hereto with respect to the subject matter hereof, and merges and supersedes all prior discussions, agreements and understandings of every kind and nature between them relating to the subject matter hereof. Neither party shall be bound by any condition, definition, warranty or representation, other than as set forth or provided in this Agreement or as may be, on or subsequent to the date hereof, set forth in a writing signed by the party to be bound thereby.

11.3 This Agreement shall be governed and construed in accordance with the internal laws of the State of New York, without giving effect to principles of conflict of laws; provided, however, that the due authorization, execution and delivery of this Agreement by the Acquiring Fund and the Fund shall be governed and construed, respectively, in accordance with the internal laws of The Commonwealth of Massachusetts and the State of Maryland, in each case without giving effect to principles of conflict of laws; provided that, in the case of any conflict between such laws and the Federal securities laws, the latter shall govern.

11.4 This Agreement may be executed in counterparts, each of which, when executed and delivered, shall be deemed to be an original.

11.5 This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns, but no assignment or transfer hereof or of any rights or obligations hereunder shall be made by any party without the written consent of the other party. Nothing herein expressed or implied is intended or shall be construed to confer upon or give any person, firm or corporation, other than the parties hereto and their respective successors and assigns, any rights or remedies under or by reason of this Agreement.

11.6 (a) References herein to the "MPAM Funds Trust" or its Trustees refer, respectively, to the Trust and its Trustees, not individually or personally, but as acting from time to time under the Declaration of Trust, a copy of which is on file at the office of the Secretary of the Commonwealth of Massachusetts and at the principal office of the Trust. The obligations of the Trust entered into in the name or on behalf of the Acquiring Fund, its representatives or agents, are made not individually, but in such capacities, and are not binding upon any of the other series of the Trust, or on the shareholders or representatives of the Acquiring Fund personally, but bind only

the Acquiring Fund's property; and all persons dealing with the Acquiring Fund must look solely to the Acquiring Fund's property for the enforcement of any claims against the Acquiring Fund.

(b) The obligations of the Company entered into in the name or on behalf of the Fund, its representatives or agents, are made not individually, but in such capacities, and are not binding upon any of the other series of the Company, or on the shareholders or representatives of the Fund personally, but bind only the Fund's property; and all persons dealing with any class of shares of the Fund must look solely to the Fund's property belonging to such class for the enforcement of any claims against the Fund.

11.7 Any references in this Agreement to actions taken, deliveries by or to, representations and warranties made by or to, or obligations of, the Fund shall be deemed references to actions taken, deliveries by or to, representations and warranties made by or to, or obligations of, the Company on behalf of the Fund.

11.8 Any references in this Agreement to actions taken, deliveries by or to, representations and warranties made by or to, or obligations of, the Acquiring Fund shall be deemed references to actions taken, deliveries by or to, representations and warranties made by or to, or obligations of, the Trust on behalf of the Acquiring Fund.

IN WITNESS WHEREOF, the Trust and the Company have caused this Agreement and Plan of Reorganization to be executed and attested on its behalf by its duly authorized representatives as of the date first above written.

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THE DREYFUS / LAUREL FUNDS, INC.,
on behalf of Dreyfus Disciplined Intermediate Bond Fund

By: _____
Stephen E. Canter,
President

ATTEST: _____
Steven F. Newman,
Secretary

MPAM FUNDS TRUST, on behalf of MPAM Bond Fund

By: _____
David F. Lamere,
President

ATTEST: _____
Jeff Prusnofsky,
Secretary

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APPENDIX

DREYFUS DISCIPLINED INTERMEDIATE BOND FUND

The undersigned shareholder of Dreyfus Disciplined Intermediate Bond Fund (the "Fund"), a series of The Dreyfus/Laurel Funds, Inc. (the "Company"), hereby appoints Steven F. Newman and Jeff Prusnofsky, and each of them, the attorneys and proxies of the undersigned, with full power of substitution, to vote, as indicated herein, all of the shares of beneficial interest of the Fund standing in the name of the undersigned at the close of business on July 9, 2001, at a Special Meeting of Shareholders to be held at the offices of The Dreyfus Corporation, 200 Park Avenue, 7th Floor, New York, New York 10166, at 10:30 a.m. on Tuesday, September 25, 2001, and at any and all adjournments thereof, with all of the powers the undersigned would possess if then and there personally

incorporated by reference herein and accompanies this SAI:

- A. The Statement of Additional Information of the Acquiring Fund, dated July 11, 2001, filed on July 16, 2001, accession number 0000898432-01-500220.
- B. The Semi-Annual Report of the Acquiring Fund, dated February 28, 2001, filed on May 8, 2001, accession number 0001111565-01-500004.
- C. The Prospectus for the Fund, dated March 1, 2001, filed on February 26, 2001, accession number 0000819940-01-000005.
- D. Supplement to Prospectus for the Fund, dated April 30, 2001, filed on May 1, 2001, accession number 0000819940-01-500004.
- E. The Annual Report for the Fund, dated October 31, 2000, filed on January 9, 2001, accession number 0000819940-01-000001.
- F. The Semi-Annual Report for the Fund, dated April 30, 2001, filed on July 2, 2001, accession number 0000819940-01-500009.

The following tables set forth the unaudited PRO FORMA Statement of Assets and Liabilities as of February 28, 2001, the unaudited PRO FORMA Statement of Operations for the twelve month period ended February 28, 2001 and the unaudited PRO FORMA Statement of Investments as of February 28, 2001 for the Fund and Acquiring Fund as adjusted giving effect to the Reorganization.

The unaudited PRO FORMA Statement of Investments contains information about the securities holdings of the Fund and the Acquiring Fund as of February 28, 2001. The holdings of the Fund and Acquiring Fund have changed since that date due to normal portfolio turnover in response to changes in market conditions. It is not anticipated, however, that any of the Fund's securities would need to be sold if the Fund's shareholders approve the Reorganization.

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 PRO FORMA STATEMENT OF INVESTMENTS (UNAUDITED)
 MPAM BOND FUND
 FEBRUARY 28, 2001

	PRINCIPAL AMOUNT			Value (\$)		
	MPAM Bond Fund	Dreyfus Disciplined Intermediate Bond Fund	Pro Forma Combined (Note 1)	MPAM Bond Fund	Dreyfus Disciplined Intermediate Bond Fund	Pro Forma Combined (Note 1)
Bonds and Notes--93.7%						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
ASSET- BACKED CTFS./FINANCE--1.6%						
Chemical Master Credit Card Trust I, Ser. 1995-3, Cl.A, 6.23%, 2005	--	3,000,000	3,000,000	--	3,053,313	3,053,313
CitiBank Credit Card Master Trust I, Ser. 1999-1, Cl. A, 5.5%, 2006	8,750,000	3,250,000	12,000,000	8,796,900 8,796,900	3,267,420 6,320,733	12,064,320 15,117,633

AUTOMOTIVE--1.7%

Ford Motor, Notes, 7.45%, 2031	6,300,000	3,700,000	10,000,000	6,115,920	3,591,890	9,707,810
Hertz, Sr. Notes, 8.25%, 2005	1,500,000	4,500,000	6,000,000	1,590,465 7,706,385	4,771,395 8,363,285	6,361,860 16,069,670

BANKING--4.4%

BSCH Issuances, Sub. Notes, 7.625%, 2010	5,000,000	1,125,000	6,125,000	5,274,925	1,186,858	6,461,783
Capital One Financial, Notes, 7.25%, 2003	5,150,000	2,500,000	7,650,000	5,151,607	2,500,780	7,652,387
First Union National Bank of Florida, Medium-Term Notes, 6.18%, 2006	9,150,000 a	2,250,000 a	11,400,000 a	9,013,418	2,216,414	11,229,832
Fleet Financial Group, Notes, 6.375%, 2008	4,000,000	4,250,000	8,250,000	3,991,428	4,240,892	8,232,320
U.S. Bank, N. A., Sub. Notes, 5.7%, 2008	5,250,000	1,500,000	6,750,000	4,988,004	1,425,144	6,413,148
U.S. Bank, N. A. of Minneapolis, MN, Sub. Notes, 6.3%, 2008	--	3,000,000	3,000,000	-- 28,419,382	2,968,308 14,538,396	2,968,308 42,957,778

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BROKERAGE FIRMS--1.9%

Lehman Brothers Holdings, Notes, 7.75%, 2005	6,500,000	3,250,000	9,750,000	6,840,360	3,420,180	10,260,540
Merrill Lynch & Co., Medium-Term Notes, Ser. B, 6.15%, 2006	5,750,000	2,775,000	8,525,000	5,792,222 12,632,582	2,795,377 6,215,557	8,587,599 18,848,139

COLLATERALIZED MORTGAGE OBLIGATIONS-- 8.3%

Countrywide Funding, Ser. 1994-10, Cl. A5, 6%, 2009	245,011	15,489	260,500	244,070	15,430	259,500
Federal Home Loan Mortgage Corp., Multiclass Mortgage Participation Ctfs., REMIC:						
Ser. 1546, Cl. G, 6.75%, 12/15/2021	12,215,000	8,050,000	20,265,000	12,359,357	8,145,135	20,504,492
Ser. 1552, Cl. H, 6.75%, 11/15/2022	16,000,000	7,500,000	23,500,000	16,272,120	7,627,556	23,899,676
Ser. 1660, Cl. H, 6.5%, 1/15/2009	6,175,000	2,570,000	8,745,000	6,253,114	2,604,122	8,857,236
Ser. 2019, Cl. D, 6.5%, 7/15/2021	5,444,536	2,700,000	8,144,536	5,445,869	2,700,661	8,146,530
Ser. 2095, Cl. CB, 6.25%, 11/15/2028	6,250,000	2,500,000	8,750,000	6,048,313	2,419,325	8,467,638
Ser. 2218, Cl. A, 6%, 11/15/2022	4,084,197	2,149,577	6,233,774	4,068,269	2,142,538	6,210,807
Federal National Mortgage Association, Multiclass Mortgage Participation Ctfs., REMIC,						
Ser. 1992-18, Cl. HC, 7.5%, 3/25/2007	4,795,426	--	4,795,426	4,902,747 55,593,859	-- 25,654,767	4,902,747 81,248,626

COMMERCIAL MORTGAGE PASS-THROUGH CTFS.--2.3%

Asset Securitization:						
Ser. 1995-MD IV, Cl. A1, 7.1%, 2029	7,147,378	3,213,516	10,360,894			
Ser. 1997-D4, Cl. A-CS1, 1.5%, 2029 (Interest Only Obligation)	22,281,703 b,c	7,676,489 b,c	29,958,192 b,c	7,487,914	3,366,624	10,854,538
GS Mortgage Securities II, Ser. 1998-GLII, Cl. A2, 6.562%, 2031	6,250,000	2,500,000	8,750,000	288,966	99,554	388,520
Nomura Asset Securities, Ser. 1993-1, Cl. A1, 6.68%, 2001	2,032,260	--	2,032,260	6,405,688	2,562,275	8,967,963
				2,046,242	--	2,046,242
				16,228,810	6,028,453	22,257,263

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ENERGY--.9%

Conoco, Sr. Notes, 6.95%, 2029	6,300,000	2,800,000	9,100,000	6,357,771	2,825,676	9,183,447
-----------------------------------	-----------	-----------	-----------	-----------	-----------	-----------

FINANCE--2.9%

Ford Motor Credit: Notes, 7.375%, 2009	5,750,000	1,500,000	7,250,000	5,887,598	1,535,895	7,423,493
Notes, 7.6%, 2005	6,500,000	3,250,000	9,750,000	6,766,481	3,383,240	10,149,721
General Electric Capital, Medium-Term Notes, Ser. A, 6.81%, 2003	1,000,000		1,000,000	1,038,557		1,038,557

5.75%, 8/15/2003	16,000,000	1,750,000	17,750,000	16,458,880	1,800,190	18,259,070
5.875%, 11/15/2004	22,850,000	5,360,000	28,210,000	23,773,597	5,576,651	29,350,248
6%, 8/15/2009	5,750,000	--	5,750,000	6,142,897	--	6,142,897
6.5%, 2/15/2010	--	1,500,000	1,500,000	--	1,657,770	1,657,770
6.5%, 10/15/2006	3,875,000	2,000,000	5,875,000	4,194,687	2,165,000	6,359,687
6.625%, 4/30/2002	19,400,000	17,350,000	36,750,000	19,859,586	17,761,021	37,620,607
				107,339,267	45,602,291	152,941,558

U.S. GOVERNMENT AGENCIES--13.8%

Federal Home Loan Banks, Notes, 6.75%, 5/1/2002	18,000,000	9,500,000	27,500,000	18,414,360	9,718,690	28,133,050
Federal Home Loan Mortgage Corp., Notes, 5.25%, 1/15/2006	22,500,000	7,500,000	30,000,000	22,521,465	7,507,155	30,028,620
Federal National Mortgage Association: Bonds, 7.25%, 5/15/2030	9,250,000	5,000,000	14,250,000	10,719,547	5,794,350	16,513,897
Notes, 5.625%, 5/14/2004	13,000,000	3,250,000	16,250,000	13,208,390	3,302,097	16,510,487
Notes, 7.125%, 6/15/2010	16,500,000	7,500,000	24,000,000	18,207,997	8,276,363	26,484,360
Notes, 7.3%, 7/19/2005	10,000,000	6,025,000	16,025,000	10,333,850	6,226,145	16,559,995
				93,405,609	40,824,800	134,230,409

U.S. GOVERNMENT AGENCIES/MORTGAGE-BACKED--25.5%

Federal Home Loan Mortgage Corp.: 5.5%, 9/1/2006	12,034,419	6,421,019	18,455,438	11,857,634	6,326,695	18,184,329
6.5%	24,225,000 h	12,955,000 h	37,180,000 h	24,141,666	2,910,435	37,052,101
7%, 10/1/2030	10,639,043	5,319,504	15,958,547	10,772,031	5,385,998	16,158,029
8.5%, 6/1/2018	14,103,266	7,050,896	21,154,162	14,786,287	7,392,371	22,178,658

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Federal National Mortgage Association:

6%, 7/1/2030	18,435,700	9,619,462	28,055,162	18,043,941	9,415,049	27,458,990
6.5%, 8/1/2029		6,040,043	6,040,043	--	6,024,943	6,024,943
6.5%, 8/1/2029-12/1/2029	18,177,820	--	18,177,820	18,132,376	--	18,132,376
7%, 6/1/2009	4,417,338	1,099,851	5,517,189	4,530,510	1,128,030	5,658,540
8%, 7/1/2007-2/1/2013	--	6,123,044	6,123,044	--	6,341,514	6,341,514
8%, 5/1/2008-2/1/2013	6,959,744	--	6,959,744	7,212,596	--	7,212,596
Government National Mortgage Association I: 6%, 10/15/2008-5/15/2009	5,132,826	2,053,482	7,186,308	5,187,194	2,075,091	7,262,285
6.5%, 2/15/2024-5/15/2028	24,845,629	8,983,428	33,829,057	24,864,592	8,988,574	33,853,166
7%, 5/15/2023-11/15/2023	7,764,243	--	7,764,243	7,909,823	--	7,909,823
7%, 10/15/2023-12/15/2023	--	6,815,535	6,815,535	--	6,943,719	6,943,719
7.5%, 3/15/2027	7,887,544	2,905,389	10,792,933	8,097,037	2,982,557	11,079,594
8%, 2/15/2008	2,719,983	--	2,719,983	2,828,782	--	2,828,782
8%, 5/15/2007-2/15/2008	--	4,339,333	4,339,333	--	4,489,755	4,489,755
9%, 12/15/2009	6,856,281	2,667,055	9,523,336	7,250,518	2,820,411	10,070,929
				165,614,987	83,225,142	248,840,129

TOTAL BONDS AND NOTES

(cost \$603,735,098 and \$286,554,728)				619,943,259	293,675,501	913,618,760
--	--	--	--	-------------	-------------	-------------

SHORT-TERM INVESTMENTS--6.3%

COMMERCIAL PAPER--3.8%

American Express, 5.44%, 3/13/2001	24,225,000	12,960,000	37,185,000	24,225,000	12,960,000	37,185,000
---------------------------------------	------------	------------	------------	------------	------------	------------

REPURCHASE AGREEMENTS--2.5%

J P Morgan Securities, 5.37% Dated 2/28/2001, due 3/1/2001 in the amount of \$22,222,314 and \$2,074,309, respectively (fully collateralized by \$18,259,000 and \$1,747,000, respectively, U.S. Treasury Bonds, 7.5% and 7.25%, 11/15/2016 and 5/15/2016, value \$23,065,889 and \$2,152,530, respectively)	22,219,000	2,074,000	24,293,000	22,219,000	2,074,000	24,293,000
---	------------	-----------	------------	------------	-----------	------------

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TOTAL SHORT-TERM INVESTMENTS (cost \$46,444,000 AND 15,034,000)	46,44,000	15,034,000	61,478,000
TOTAL INVESTMENT (cost \$650,179,098 AND \$301,588,728)	666,387,259	308,709,501	975,096,760

- a REFLECTS DATE SECURITY CAN BE REDEEMED AT HOLDER'S OPTION; THE STATED MATURITY IS 2/15/2036.
b VARIABLE RATE SECURITY---INTEREST RATE SUBJECT TO PERIODIC CHANGE.
c NOTIONAL FACE AMOUNT SHOWN.
d REFLECTS DATE SECURITY CAN BE REDEEMED AT HOLDER'S OPTION; THE STATED MATURITY IS 5/1/2025.
e REFLECTS DATE SECURITY CAN BE REDEEMED AT HOLDER'S OPTION; THE STATED MATURITY IS 7/22/2026.
f REFLECTS DATE SECURITY CAN BE REDEEMED AT HOLDER'S OPTION; THE STATED MATURITY IS 8/15/2026.
g SECURITIES EXEMPT FROM REGISTRATION UNDER RULE 144A OF THE SECURITIES ACT OF 1933. THESE SECURITIES MAY BE RESOLD IN TRANSACTIONS EXEMPT FROM REGISTRATION, NORMALLY TO QUALIFIED INSTITUTIONAL BUYERS. AT FEBRUARY 28, 2001, THESE SECURITIES AMOUNTED TO \$22,706,135 OR 2.35 OF TOTAL INVESTMENTS.
h PURCHASED ON A FORWARD COMMITMENT BASIS.

SEE NOTES TO UNAUDITED PRO FORMA FINANCIAL STATEMENTS.
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Pro Forma Statement of Assets and Liabilities (Unaudited)

<TABLE>

February 28, 2001

<CAPTION>

	MPAM Bond Fund	Dreyfus Disciplined Intermediate Bond Fund	Adjustments	Pro Forma Combined (Note 1)
<S>	<C>	<C>	<C>	<C>
ASSETS:				
Investments in securities, at value - See Statement of Investments *	\$666,387,259	\$308,709,501		\$975,096,760
Interest receivable	6,724,634	3,241,932		9,966,566
Paydowns receivable	511,065	180,367		691,432
Prepaid expenses and other assets	38,337	--		38,337
Other assets	--	5,823		5,823
Due from Administrator	8,583	--		8,583
	-----	-----	-----	-----
TOTAL ASSETS	673,669,878	312,137,623		985,807,501
	-----	-----	-----	-----
LIABILITIES:				
Due to The Dreyfus Corporation and affiliates	196,464	128,251		324,715
Cash overdraft due to Custodian	1,987,474	979,619		2,967,093
Due to Administrator	79,629	--		79,629
Payable for investment securities purchased	23,963,320	12,815,059		36,778,379
Payable for shares of Beneficial Interest redeemed	120,282	--		120,282
Accrued expenses	73,046	--		73,046
	-----	-----	-----	-----
TOTAL LIABILITIES	26,420,215	13,922,929		40,343,144
	-----	-----	-----	-----
NET ASSETS	\$647,249,663	\$298,214,694		\$945,464,357
	-----	-----	-----	=====
REPRESENTED BY:				
Paid-in capital	\$628,174,096	\$297,283,100		\$925,457,196
Accumulated undistributed investment income-net	21,637	--		21,637
Accumulated net realized gain (loss) on investments	2,845,769	(6,189,179)		(3,343,410)
Accumulated net unrealized appreciation (depreciation) on investments	16,208,161	7,120,773		23,328,934
	-----	-----	-----	-----
NET ASSETS	\$647,249,663	\$298,214,694		\$945,464,357

Shares of Beneficial Interest outstanding (unlimited number of shares authorized): MPAM BOND FUND- MPAM CLASS SHARES	49,897,304		
	=====		
Shares of Capital Stock outstanding (100 million shares of \$.001 par value shares authorized): DREYFUS DISCIPLINED INTERMEDIATE BOND FUND-RESTRICTED SHARES		23,592,031	
		=====	
DREYFUS DISCIPLINED INTERMEDIATE BOND FUND-INVESTOR SHARES		632,876	
		=====	
NET ASSET VALUE PER SHARE-NOTE 3: MPAM Bond Fund- MPAM Class Shares (\$647,249,663 / 49,897,304 shares)	\$ 12.97		
	=====		
MPAM Bond Fund- Investor Class Shares (a)	\$ 12.97 (a)		
	=====		
Dreyfus Disciplined Intermediate Bond Fund-Restricted Shares (\$290,423,680 / 23,592,031 shares)		\$ 12.31	
		=====	
Dreyfus Disciplined Intermediate Bond Fund-Investor Shares (\$7,791,014 / 632,876 shares)		\$ 12.31	
		=====	
Pro forma Combined- MPAM Class Shares (\$937,673,343 / 72,288,815 shares)			
Pro forma Combined- Investor Class Shares (\$7,791,014 / 600,671 shares)			\$ 12.97
			=====
* Investments in securities, at cost	\$650,179,098	\$301,588,728	\$ 12.97
	=====	=====	=====
(a) Proposed new class of shares to be issued at time of Merger. For purposes of pro-forma, MPAM Class price per share is used.			\$951,767,826
			=====

SEE NOTES TO UNAUDITED PRO FORMA FINANCIAL STATEMENTS.

</TABLE>

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<TABLE>
<CAPTION>

Pro Forma Statement of Operations (Unaudited)

For the Five Months Ended February 28, 2001

	MPAM Bond Fund	Dreyfus Disciplined Intermediate Bond Fund	Adjustments	Pro Forma Combined (Note 1)
<S>	<C>	<C>	<C>	<C>
INVESTMENT INCOME:				
INCOME: Interest Income	\$ 17,306,846	\$ 8,620,640		\$ 25,927,486
	-----	-----		-----
EXPENSES: Investment Advisory/Management fee	\$ 1,036,092	\$ 697,414	\$(190,000) (a)	1,543,506
Administration fee	372,859		181,000 (a)	553,859
Legal fees	21,369		3,000 (a)	24,369
Custodian fees	21,153		6,000 (a)	27,153
Trustees' fees and expenses	16,785		500 (a)	17,285
Prospectus and shareholders' reports	12,819		4,000 (a)	16,819
Auditing fees	11,370		2,000 (a)	13,370
Registration fees	6,458			6,458
Shareholder servicing costs	3,540			3,540
Distribution fees (Investor Shares)	--	7,125	(7,125) (a)	--
Miscellaneous	19,718			19,718
	-----	-----	-----	-----
Total Expenses	1,522,163	704,539	(625)	2,226,077
	-----	-----	-----	-----
Less- reduction in administration fee due to undertaking	(71,634)	--	6,180 (a)	(65,454)
	-----	-----	-----	-----
Net Expenses	1,450,529	704,539	5,555	2,160,623
	-----	-----	-----	-----

INVESTMENT INCOME-NET	15,856,317	7,916,101	(5,555)	23,766,863
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:				
Net realized gain (loss) on investments	\$ 2,845,769	2,493,927		\$ 5,339,696
Net unrealized appreciation (depreciation) on investment	20,355,331	8,683,264		29,038,595
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS	23,201,100	11,177,191		34,378,291
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 39,057,417	\$19,095,292	\$ (5,555)	58,145,154

(a) Reflects the adjustment of expenses to be commensurate with those of the combined fund.

SEE NOTES TO UNAUDITED PRO FORMA FINANCIAL STATEMENTS.

</TABLE>

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MPAM BOND FUND

NOTES TO PRO FORMA FINANCIAL STATEMENTS (Unaudited)

NOTE 1--Basis of Combination:

At special meetings of the Boards held on April 26, 2001, the Boards of Trustees/ Directors of MPAM Funds Trust and The Dreyfus/Laurel Funds Inc., each approved an Agreement and Plan of Reorganization pursuant to which, subject to approval by the shareholders of Dreyfus Disciplined Intermediate Bond Fund (the "Fund"), a series of The Dreyfus/Laurel Funds Inc., the Fund will transfer all of its assets, subject to its liabilities, to MPAM Bond Fund ("MPAM"), a series of MPAM Funds Trust. Shares will be exchanged for a number of MPAM Class shares of MPAM and MPAM Investor Class shares (created prior to Merger) equal in value to the assets less liabilities of the Fund (the "Exchange"). MPAM Class shares of MPAM and Investor Class shares then will be distributed to Fund shareholders on a pro rata basis in liquidation of the Fund.

The Exchange will be accounted for as a tax-free merger of investment companies. The unaudited pro forma statement of investments and statement of assets and liabilities reflect the financial position of MPAM and the Fund at February 28, 2001. The unaudited pro forma statement of operations reflects the results of operations of MPAM and the Fund for the five months ended February 28, 2001. These statements have been derived from the Funds' respective books and records utilized in calculating daily net asset value at the dates indicated above under accounting principles generally accepted in the United States of America. The historical cost of investment securities will be carried forward to the surviving entity and results of operations of MPAM for pre-combination periods will not be restated. The fiscal year ends are October 31 for the Fund and August 31 for MPAM.

The pro forma statements of investments, assets and liabilities and operations (MPAM commenced its operations on October 2, 2000, therefore, pro forma financial statements are based on five months) should be read in conjunction with the historical financial statements of the Funds included or incorporated by reference in the respective Statements of Additional Information. The pro forma combined financial statements are presented for information only and may not necessarily be representative of what the actual combined financial statements would have been had the reorganization occurred at February 28, 2001. Following the proposed merger, the MPAM Bond Fund will be the accounting survivor.

NOTE 2--Portfolio Valuation:

Investments in securities (excluding short-term investments other than U.S. Treasury Bills) are valued each business day by an independent pricing service ("Service") approved by the Board of Trustees. Investments for which quoted bid prices are readily available and are representative of the bid side of the market in the judgment of the Service are valued at the mean between the quoted bid prices (as obtained by the Service from dealers in such securities) and asked prices (as calculated by the Service based upon its evaluation of the market for such securities). Other investments (which constitute a majority of

the portfolio securities) are carried at fair value as determined by the Service, based on methods which include consideration of: yields or prices of securities of comparable quality, coupon, maturity and type; indications as to values from dealers; and general market conditions. Securities for which there are no such valuations are valued at fair value as determined in good faith under the direction of the respective Board. Short-term investments, excluding U.S. Treasury Bills, are carried at amortized cost, which approximates value.

NOTE 3--Capital Shares:

The pro forma net asset value per share assumes the issuance of 22,391,511 shares of MPAM (MPAM Class) and 600,671 shares of MPAM (Investor Class) of Beneficial Interest in connection with the proposed acquisition by MPAM of the Fund. The pro forma number of shares that would be issuable was calculated by dividing the net assets of the Fund at February 28, 2001 by the net asset value per share of MPAM Class shares at February 28, 2001 of \$12.97. The pro forma combined number of MPAM Class shares outstanding of 72,288,815 consists of the 22,391,511 Restricted shares issuable to the Fund as a result of the merger and the 49,897,304 MPAM Class shares outstanding at February 28, 2001. MPAM Investor Class shares net asset value per share at February 28, 2001 was \$12.97 based on MPAM Class shares. The pro forma combined number of MPAM Investor Class shares outstanding consists of the 600,671 Investor shares issuable to the Fund as a result of the merger at February 28, 2001.

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NOTE 4--Pro Forma Operating Expenses:

The accompanying pro forma financial statements reflect changes in fund expenses as if the merger had taken place on February 28, 2001. Although it is anticipated that there will be an elimination of certain duplicative expenses as a result of the Exchange, the actual amount of such expenses cannot be determined because it is not possible to predict the cost of future operations.

NOTE 5--Merger Costs:

Merger costs are estimated at approximately \$165,000 and are not included in the pro forma statement of operations since these costs are not recurring and are borne by the combined Fund. These costs represent the estimated expenses of the Funds carrying out their obligations under the Exchange and consists of management's estimate of legal fees, accounting fees, printing costs and mailing charges related to the Exchange.

NOTE 6--Federal Income Taxes:

Each fund has elected to be taxed as a "regulated investment company" under the Internal Revenue Code. After the Exchange, MPAM intends to continue to qualify as a regulated investment company, if such qualification is in the best interests of its shareholders, by complying with the provisions available to certain investment companies, as defined in applicable sections of the Internal Revenue Code, and to make distributions of taxable income sufficient to relieve it from all, or substantially all, Federal income taxes.

The identified cost of investments for the Funds is substantially the same for both financial accounting and Federal income tax purposes. The tax cost of investments will remain unchanged for the combined entity.

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