# FORM N-30D

Initial annual and semi-annual reports mailed to investment company shareholders pursuant to Rule 30e-1 (other than those required to be submitted as part of Form NCSR)

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## FILER

**DREYFUS ASSET ALLOCATION FUND INC**
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LETTER TO SHAREHOLDERS

Dear Shareholder:

The Growth Portfolio of Dreyfus Asset Allocation Fund, Inc. completed its latest semi-annual fiscal period October 31, 1995. In this letter we report the results for the six months and explain some of the major portfolio changes. To place the half-year period in its broader setting, we also provide an analysis of economic and market conditions that prevailed.

ECONOMIC ENVIRONMENT

The much-desired soft landing for the U.S. economy that the Federal Reserve Board has been striving to attain appears to have occurred. This is the result of more than a year of moves by the Fed to tighten interest rates, followed by a token loosening of the reins last summer.

Now that some steam has been let out of the economic boiler, the central bank must concern itself with the possibility that the economy might slow down more than would be desirable. However, the latest economic statistics do not contain convincing evidence of that happening. The housing industry is doing well. Industrial orders continue to expand and gross domestic product keeps on growing, albeit at a reduced rate.

In the meantime, the rate of inflation appears to be under firm control. Consumer prices have advanced only at a very moderate pace, and average wages have barely inched ahead. Unemployment is not getting out of hand, and hovers near the so-called full employment level.

Retail spending has simmered down, in part because consumers are carrying large debit balances in mortgage and credit card debts. To what extent this will affect holiday shopping remains to be seen. The industrial sector of the economy, however, appears to be forging ahead.

MARKET ENVIRONMENT

As your Fund reached the end of its reporting period, October 31, 1995, stocks were not far below the record levels they had reached earlier in the fall.

Among the factors accounting for this market strength were good corporate profits and low interest rates. Third quarter profit reports from leading corporations, while not universally favorable, were better than earlier quarters. The extensive lean and mean corporate reorganizations of the past few years appear to be paying off. Even though the pricing environment for most corporate products is extremely competitive, manufacturers and service providers appear able to squeeze out improved profits.

How long that continuing improvement will last is an open question. Many economists think that profit levels may flatten out over the coming months. The recent record on that score, however, has been encouraging.

Interest rates also have buoyed stock prices and sustained the bond market. As the cost of borrowing has steadily decreased, many corporations have benefitted.

Another factor in market strength has been the relentless advance of technology, which has virtually forced corporations -- and now individual households as well -- to reequip in order to keep up with technical progress. The obvious result has been seen in record prices commanded during the year by high technology stocks. While some disillusionment may set in, the market clearly takes a very optimistic view of the long-range outlook for these companies.

In addition, all equities have been favorably affected by the very large inflow of investment money, on a regular basis, from 401(k) and other retirement plans. To be sure, money managers could at some point turn off the spigot, and divert this cash flow into bonds or money market instruments. During the past year, however, equity purchases by pension funds and other retirement investors have provided a supportive background for stock prices.

However, there are some concerns. One of the most significant has been the wrangling between Congress and the White House over how to reduce Government spending and cut the burden of the Government's perennial deficit. Hopefully, this impasse will be settled soon, perhaps by the time this letter reaches its readers. In the meantime, the uncertainties in Washington have been a source of worry to investors.

The fading value of the U.S. dollar has also been a question mark. Yet, after hitting a low last spring, the dollar has gradually recovered some lost ground. This dollar rebound reflects weakness in the economies of Western Europe and Japan, but also the strengthening of economic activity here at home.

PORTFOLIO OVERVIEW

For the six-month fiscal period, the Growth Portfolio produced a total return of 9.65%.* This compares with a total return of 15.27% for the Wilshire 5000 index, which is the benchmark index used for the Portfolio for evaluating performance.**

Three stock groups were primarily responsible for the fact that the Portfolio's performance lagged the Wilshire 5000 Index. Cable stocks, which we owned during the period, were affected by the long delay in action by the U.S. Congress on the pending telecommunications bill. In our view, the atmosphere of uncertainty that this created weakened cable industry issues. Also during the period, consumer stocks in the Portfolio reflected the nationwide slump in retail sales. We reduced our exposure in Process Industry and Producer Manufacturing. Many of these companies are in the midst of restructurings and in some cases, their value has already been recognized. We continue to hold investments in companies such as Crown Cork & Seal, duPont (I.E.) de Nemours and Grace (W.R.). In retrospect, however, we believe that we were ahead of the market cycle with some of the investments in the Process and Producer groups. Stocks that we sold included Roper Industries, disposed of at a profit, and CBI at a loss.

Looking to the future, we believe the Portfolio will benefit from other significant changes that we made during the period. First, reflecting our belief that technology is becoming more prevalent in everyday life, we have significantly increased the weighting in the Technology sector. We have added new positions in Gartner Group, Hewlett-Packard and Safeguard Scientifics as well as adding to our positions in Bay Networks and Cisco Systems. We further believe that content will be very important for the development of the Information Superhighway. To this end, we have added positions in Disney (Walt), Liberty Media Group, Cl.A and Viacom Cl.A.

We have reduced our weighting in the Energy sector, taking a profit on a significant portion of our holdings. Our remaining stocks in this area are Amerada Hess and ENSCO.

Thank you for investing with Dreyfus. We look forward to continuing to serve your investment needs.

Sincerely,

Signature

Ernest G. Wiggins
Portfolio Manager

Signature

Paul Kandel
Assistant Portfolio Manager

November 22, 1995
New York, N.Y.

*Total return includes reinvestment of dividends and any capital gains paid.

**SOURCE: WILSHIRE ASSOCIATES, INC.-- Reflects the reinvestment of income dividends and, where applicable, capital gain distributions. The Wilshire 5000 Index consists of all publicly traded stocks in The United States, and is a widely accepted unmanaged index of overall stock market performance.

<TABLE>
<CAPTION>
DREYFUS ASSET ALLOCATION FUND, INC., Dreyfus Growth Portfolio
STATEMENT OF INVESTMENTS OCTOBER 31, 1995 (UNAUDITED)

| COMMON STOCKS--91.4% | | SHARES | VALUE |
|---|---|---|---|
| <S> | | <C> | <C> |
| COMMERCIAL SERVICES--2.3% | Gartner Group.......................... | 1,000 (a) | $ 43,625 |
| CONSUMER DURABLES--3.4% | General Motors........................ | 450 | 19,688 |
| | Mattel................................ | 737 | 21,189 |
| | Sierra On-Line........................ | 625 (a) | 23,281 |
| | | | 64,158 |

| | | | |
|---|---|---|---|
| CONSUMER NON-DURABLES--5.3% | CPC International...................... | 500 | 33,187 |
| | PepsiCo................................ | 570 | 30,068 |
| | Seagram................................ | 1,000 | 36,000 |
| | | | 99,255 |
| CONSUMER SERVICES--9.7% | Disney (Walt).......................... | 400 | 23,050 |
| | Liberty Media Group, Cl. A............ | 850 | 20,931 |
| | Mirage Resorts......................... | 1,000 (a) | 32,750 |
| | Tele-Communications, Cl. A............ | 1,400 (a) | 23,800 |
| | Time Warner............................ | 1,000 | 36,500 |
| | Viacom, Cl. A.......................... | 900 (a) | 44,775 |
| | | | 181,806 |
| ELECTRONIC TECHNOLOGY--15.6% | Applied Materials...................... | 600 (a) | 30,075 |
| | Bay Networks........................... | 500 (a) | 33,125 |
| | cisco Systems.......................... | 400 (a) | 31,000 |
| | DSC Communications..................... | 700 (a) | 25,900 |
| | Hewlett-Packard........................ | 350 | 32,419 |
| | Intel.................................. | 400 | 27,950 |
| | Micron Technology...................... | 500 | 35,312 |
| | Rohr................................... | 2,000 (a) | 29,750 |
| | Texas Instruments...................... | 300 | 20,475 |
| | Thiokol................................ | 800 | 27,700 |
| | | | 293,706 |
| ENERGY--1.8% | Amerada Hess........................... | 740 | 33,393 |
| FINANCE--9.9% | ACE.................................... | 650 | 22,100 |
| | Allstate............................... | 463 | 17,015 |
| | Chemical Banking....................... | 400 | 22,750 |
| | CorVel................................. | 1,100 (a) | 35,200 |
| | EXEL................................... | 575 | 30,763 |
| | First Union............................ | 450 | 22,331 |
| | Reliance Group Holdings................ | 4,800 | 35,400 |
| | | | 185,559 |
| HEALTH SERVICES--2.3% | McKesson............................... | 480 | 22,920 |
| | On-Gard Systems........................ | 2,500 (a) | 19,688 |
| | | | 42,608 |
| HEALTH TECHNOLOGY--10.2% | Bristol-Myers Squibb................... | 300 | 22,875 |
| | Guidant................................ | 1,200 | 38,400 |
| | Johnson & Johnson...................... | 400 | 32,600 |
| | Lilly (Eli)............................ | 266 | 25,702 |
| | Mentor................................. | 1,200 | 26,400 |
| | Merck & Co............................. | 500 | 28,750 |
| | Pfizer................................. | 300 | 17,212 |
| | | | 191,939 |
| INDUSTRIAL SERVICES--2.9% | ENSCO.................................. | 675 (a) | 11,390 |
| | Schlumberger........................... | 700 | 43,575 |
| | | | 54,965 |
| PROCESS INDUSTRIES--4.8% | Crown Cork & Seal...................... | 800 (a) | 27,900 |
| | duPont (E.I.) deNemours................ | 300 | 18,713 |
| | Grace (W.R.)........................... | 800 | 44,600 |
| | | | 91,213 |
| PRODUCER MANUFACTURING--6.6% | AlliedSignal........................... | 850 | 36,125 |

| | | | |
|---|---|---|---|
| | Cooper Industries..................... | 1,278 | 43,132 |
| | Raychem............................... | 500 | 23,188 |
| | Thermo Electron....................... | 480 (a) | 22,080 |
| | | | ---------- |
| | | | 124,525 |
| | | | ---------- |
| RETAIL TRADE--5.1% | Harcourt General...................... | 500 | 19,812 |
| | Home Shopping Network................. | 2,500 (a) | 20,313 |
| | May Department Stores................. | 400 | 15,700 |
| | Talbots............................... | 310 | 7,517 |
| | Wal-Mart Stores....................... | 1,500 | 32,438 |
| | | | ---------- |
| | | | 95,780 |
| | | | ---------- |
| TECHNOLOGY SERVICES--3.5% | Microsoft............................. | 300 (a) | 30,000 |
| | Safeguard Scientifics................. | 800 (a) | 36,000 |
| | | | 66,000 |
| TRANSPORTATION--3.8% | Burlington Northern Santa Fe.......... | 250 | 20,969 |
| | CSX................................... | 200 | 16,750 |
| | Tidewater............................. | 1,300 | 34,287 |
| | | | 72,006 |
| UTILITIES--4.2% | Frontier.............................. | 1,150 | 31,050 |
| | MCI Communications.................... | 1,000 | 24,937 |
| | SBC Communications.................... | 430 | 24,026 |
| | | | ---------- |
| | | | 80,013 |
| | | | ---------- |
| | TOTAL COMMON STOCKS (cost $1,619,354)................... | | $1,720,551 |
| | | | ========== |
| SHORT-TERM INVESTMENTS--7.3% | | PRINCIPAL AMOUNT | VALUE |
| | | ---------- | ---------- |
| U.S. TREASURY BILLS: | 5.17%, 12/21/95....................... | $ 84,000 | $ 83,394 |
| | 5.15%, 12/28/95....................... | 55,000 | 54,547 |
| | | | ---------- |
| | TOTAL SHORT-TERM INVESTMENTS (cost $137,950)..................... | | $ 137,941 |
| | | | ========== |
| TOTAL INVESTMENTS (cost $1,757,304)....................................... | | 98.7% | $1,858,492 |
| | | ====== | ========== |
| CASH AND RECEIVABLES (NET)................................................ | | 1.3% | $ 24,135 |
| | | ====== | ========== |
| NET ASSETS.......................................................... | | 100.0% | $1,882,627 |
| | | ====== | ========== |

NOTE TO STATEMENT OF INVESTMENTS;
(a) Non-income producing.

See independent accountants' review report and notes to financial statements.

DREYFUS ASSET ALLOCATION FUND, INC., Dreyfus Growth Portfolio
STATEMENT OF ASSETS AND LIABILITIES OCTOBER 31, 1995 (UNAUDITED)

| | | |
|---|---|---|
| ASSETS: | | |
| Investments in securities, at value (cost $1,757,304)--see statement.................................. | | $1,858,492 |
| Receivable for investment securities sold............................ | | 130,761 |
| Dividends receivable................................................ | | 758 |
| Prepaid expenses.................................................... | | 5,993 |
| Due from The Dreyfus Corporation.................................... | | 7,082 |
| | | ---------- |
| | | 2,003,086 |
| LIABILITIES: | | |
| Due to Distributor.................................................. | $ 392 | |

| | | |
|---|---|---|
| Payable for investment securities purchased | 93,033 | |
| Accrued expenses and other liabilities | 27,034 | 120,459 |
| | ------- | ---------- |
| NET ASSETS | | $1,882,627 |
| | | ========== |
| REPRESENTED BY: | | |
| Paid-in capital | | $1,664,243 |
| Accumulated undistributed investment income--net | | 44,297 |
| Accumulated undistributed net realized gain on investments | | 72,899 |
| Accumulated net unrealized appreciation on investments--Note 3 | | 101,188 |
| | | ---------- |
| NET ASSETS at value applicable to 130,502 outstanding shares of Common Stock, equivalent to $14.43 per share (100 million shares of $.001 par value authorized) | | $1,882,627 |
| | | ========== |

See independent accountants' review report and notes to financial statements.

DREYFUS ASSET ALLOCATION FUND, INC., Dreyfus Growth Portfolio
STATEMENT OF OPERATIONS

| | SIX MONTHS ENDED OCTOBER 31, 1995 (UNAUDITED) | |
|---|---|---|
| INVESTMENT INCOME: | | |
| INCOME: | | |
| Cash dividends (net of $34 foreign taxes withheld at source) | $ 12,447 | |
| Interest | 2,080 | |
| | -------- | |
| TOTAL INCOME | | $ 14,527 |
| EXPENSES: | | |
| Management fee--Note 2(a) | 6,580 | |
| Registration fees | 14,094 | |
| Prospectus and shareholders' reports--Note 2(b) | 11,296 | |
| Shareholder servicing costs--Note 2(b,c) | 7,411 | |
| Custodian fees | 2,395 | |
| Auditing fees | 1,968 | |
| Legal fees | 293 | |
| Directors' fees and expenses--Note 2(d) | 285 | |
| Miscellaneous | 396 | |
| | -------- | |
| | 44,718 | |
| Less--expense reimbursement from Manager due to undertakings, and expense limitation--Note 2(a) | 30,226 | |
| | -------- | |
| TOTAL EXPENSES | | 14,492 |
| | | -------- |
| INVESTMENT INCOME--NET | | 35 |
| REALIZED AND UNREALIZED GAIN ON INVESTMENTS: | | |
| Net realized gain on investments--Note 3 | $153,388 | |
| Net unrealized (depreciation) on investments | (6,186) | |
| | -------- | |
| NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS | | 147,202 |
| | | -------- |
| NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS | | $147,237 |
| | | ======== |

See independent accountants' review report and notes to financial statements.

DREYFUS ASSET ALLOCATION FUND, INC., Dreyfus Growth Portfolio
STATEMENT OF CHANGES IN NET ASSETS

| | YEAR ENDED APRIL 30, 1995* | SIX MONTHS ENDED OCTOBER 31, 1995 (UNAUDITED) |
|---|---|---|
| OPERATIONS: | | |
| Investment income--net | $ 46,798 | $ 35 |
| Net realized gain (loss) on investments | (80,489) | 153,388 |

| | | |
|---|---|---|
| Net unrealized appreciation (depreciation) on investments for the period | 107,374 | (6,186) |
| NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS | 73,683 | 147,237 |
| DIVIDENDS TO SHAREHOLDERS FROM; | | |
| Investment income--net | (2,536) | -- |
| CAPITAL STOCK TRANSACTIONS: | | |
| Net proceeds from shares sold | 1,789,201 | 581,825 |
| Dividends reinvested | 2,536 | -- |
| Cost of shares redeemed | (494,560) | (214,759) |
| INCREASE IN NET ASSETS FROM CAPITAL STOCK TRANSACTIONS | 1,297,177 | 367,066 |
| TOTAL INCREASE IN NET ASSETS | 1,368,324 | 514,303 |
| NET ASSETS: | | |
| Beginning of period | -- | 1,368,324 |
| End of period (including undistributed investment income--net of $44,262 and $44,297, respectively) | $1,368,324 | $1,882,627 |

| | SHARES | SHARES |
|---|---|---|
| CAPITAL SHARE TRANSACTIONS: | | |
| Shares sold | 143,001 | 41,398 |
| Shares issued for dividends reinvested | 207 | -- |
| Shares redeemed | (39,204) | (14,900) |
| NET INCREASE IN SHARES OUTSTANDING | 104,004 | 26,498 |

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* From October 18, 1994 (commencement of operations) to April 30, 1995.

See independent accountants' review report and notes to financial statements.

DREYFUS ASSET ALLOCATION FUND, INC., Dreyfus Growth Portfolio
FINANCIAL HIGHLIGHTS

Contained below is per share operating performance data for a share of Common Stock outstanding, total investment return, ratios to average net assets and other supplemental data for each period indicated. This information has been derived from the Portfolio's financial statements.

| | YEAR ENDED APRIL 30, 1995(1) | SIX MONTHS ENDED OCTOBER 31, 1995 (UNAUDITED) |
|---|---|---|
| PER SHARE DATA: | | |
| Net asset value, beginning of period | $12.50 | $13.16 |
| INVESTMENT OPERATIONS: | | |
| Investment income--net | .45 | --(3) |
| Net realized and unrealized gain on investments | .24 | 1.27 |
| TOTAL FROM INVESTMENT OPERATIONS | .69 | 1.27 |
| DISTRIBUTIONS; | | |
| Dividends from investment income-net | (.03) | -- |
| Net asset value, end of period | $13.16 | $14.43 |
| TOTAL INVESTMENT RETURN(2) | 5.53% | 9.65% |

RATIOS/SUPPLEMENTAL DATA:

| | | |
|---|---|---|
| Ratio of expenses to average net assets(2)............................ | 1.40% | .83% |
| Ratio of net investment income to average net assets(2)................ | 3.91% | -- |
| Decrease reflected in above expense ratios due to undertaking by the Manager and expense limitation(2).............. | 4.63% | 1.73% |
| Portfolio Turnover Rate(2)............................................ | 497.41% | 124.43% |
| Net Assets, end of period (000's Omitted)............................. | $1,368 | $1,883 |

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(1) From October 18, 1994 (commencement of operations) to April 30, 1995.
(2) Not annualized.
(3) Based on an average of shares outstanding at each month end.

See independent accountants' review report and notes to financial statements.

</TABLE>

DREYFUS ASSET ALLOCATION FUND, INC., Dreyfus Growth Portfolio
NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1--SIGNIFICANT ACCOUNTING POLICIES:

Dreyfus Asset Allocation Fund, Inc. (the "Fund") is registered under the Investment Company Act of 1940 ("Act") as a non-diversified open-end management investment company and currently offers three portfolios including the Dreyfus Growth Portfolio (the "Portfolio"). Premier Mutual Fund Services, Inc. (the "Distributor") acts as the distributor of the Portfolio's shares, which are sold to the public without a sales load. The Distributor, located at One Exchange Place, Boston, Massachusetts 02109, is a wholly-owned subsidiary of FDI Distribution Services, Inc., a provider of mutual fund administration services, which in turn is a wholly-owned subsidiary of FDI Holdings, Inc., the parent company of which is Boston Institutional Group, Inc. The Dreyfus Corporation ("Manager") serves as the Portfolio's investment adviser. The Manager is a direct subsidiary of Mellon Bank, N.A.

As of October 31, 1995, Major Trading Corporation, a subsidiary of Mellon Bank Investments Corporation, held 80,189 shares of Common Stock of the Portfolio. Mellon Bank Investments Corporation is a subsidiary of Mellon Bank.

The Fund accounts separately for the assets, liabilities and operations of each portfolio. Expenses directly attributable to each portfolio are charged to that portfolio's operations; expenses which are applicable to all portfolios, are allocated among them.

(A) PORTFOLIO VALUATION: Investments in securities (including options and financial futures) are valued at the last sales price on the securities exchange on which such securities are primarily traded or at the last sales price on the national securities market. Securities not listed on an exchange or the national securities market, or securities for which there were no transactions, are valued at the average of the most recent bid and asked prices, except for open short positions, where the asked price is used for valuation purposes. Bid price is used when no asked price is available. Securities for which there are no such valuations are valued at fair value as determined in good faith under the direction of the Board of Directors. Investments denominated in foreign currencies are translated to U.S. dollars at the prevailing rates of exchange.

(B) SECURITIES TRANSACTIONS AND INVESTMENT INCOME: Securities transactions are recorded on a trade date basis. Realized gain and loss from securities transactions are recorded on the identified cost basis. Dividend income is recognized on the ex-dividend date and interest income, including, where applicable, amortization of discount on investments, is recognized on the accrual basis.

(C) DIVIDENDS TO SHAREHOLDERS: Dividends are recorded on the ex-dividend date. Dividends from investment income-net and dividends from net realized capital gain, are normally declared and paid annually, but the Portfolio may make distributions on a more frequent basis to comply with the distribution requirements of the Internal Revenue Code. To the extent that net realized capital gain can be offset by capital loss carryovers, if any, it is the policy of the Portfolio not to distribute such gain.

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

NOTE 2--MANAGEMENT FEE AND OTHER TRANSACTIONS WITH AFFILIATES:

(A) Pursuant to a management agreement ("Agreement") with the Manager, the management fee is computed at the annual rate of .75 of 1% of the average daily value of the Portfolio's net assets and is payable monthly. The Agreement provides for an expense reimbursement from the Manager should the Portfolio's aggregate expenses, exclusive of taxes, brokerage, interest on borrowings and extraordinary expenses, exceed the expense limitation of any state having jurisdiction over the Portfolio. The most stringent state expense limitation applicable to the Portfolio presently requires reimbursement of expenses in any full fiscal year that such expenses (exclusive of certain expenses as described above) exceed 2 1/2% of the first $30 million, 2% of the next $70 million and 1 1/2% of the excess over $100 million of the average value of the Portfolio's net assets in accordance with California "blue sky" regulations. However, the Manager had undertaken from May 1, 1995 through July 3, 1995 to waive receipt of the management, service and distribution fees, and thereafter has currently undertaken through December 31, 1995, to reduce the management fee paid by, or reimburse such excess expenses of the Portfolio, to the extent that the Portfolio's aggregate annual expenses (exclusive of certain expenses as described above) exceed an annual rate of 1.25 of 1% of the average daily value of the Portfolio's net assets. The expense reimbursement, pursuant to the undertakings and expense limitation, amounted to $30,226 for the six months ended October 31, 1995.

The undertaking may be modified by the Manager from time to time, provided that the resulting expense reimbursement would not be less than the amount required pursuant to the Agreement.

(B) Prior to September 1, 1995, the Portfolio had a Distribution Plan (the "Plan") adopted pursuant to Rule 12b-1 under the Act, which provided that the Portfolio (a) reimburse the Distributor for payments to certain Service Agents for distributing the Portfolio's shares and (b) pay the Manager, Dreyfus Service Corporation or any affiliate of either of them (collectively "Dreyfus") for advertising and marketing relating to the Portfolio and servicing shareholder accounts, at an aggregate annual rate of .50 of 1% of the value of the Portfolio's average daily net assets. Each of the Distributor and Dreyfus could pay Service Agents (a securities dealer, financial institution, or other industry professional) a fee in respect of the Portfolio's shares owned by shareholders with whom the Service Agent had a servicing relationship or for whom the Service Agent was the dealer or holder of record. Each of the Distributor and Dreyfus determined the amounts to be paid to Service Agents to which it made payments and the basis on which such payments were made. The Plan also separately provided for the Portfolio to bear the costs of preparing, printing and distributing certain of the Portfolio's prospectuses and statements of additional information and costs associated with implementing and operating the Plan, not to exceed the greater of $100,000 or .005 of 1% of the Portfolio's average daily net assets for any full fiscal year. During the period May 1, 1995 through August 31, 1995, the Portfolio was charged $4,088 pursuant to the Plan. Effective September 1, 1995 the Plan was terminated.

(C) Pursuant to the Portfolio's Shareholder Services Plan, the Portfolio pays the Distributor at an annual rate of .25 of 1% of the value of the Portfolio's average daily net assets for the provision of certain services. The services provided may include personal services relating to shareholder accounts, such as answering shareholder inquiries regarding the Portfolio and providing reports and other information, and services related to the maintenance of shareholder accounts. The Distributor may make payments to Service Agents in respect of these services. The Distributor determines the amounts to be paid to Service Agents. For the six months ended October 31, 1995, $2,193 was charged to the Portfolio pursuant to the Shareholder Services Plan.

(D) Each director who is not an "affiliated person" as defined in the Act receives from the Fund an annual fee of $1,000 and an attendance fee of $250 per meeting. The Chairman of the Board receives an additional 25% of such compensation.

NOTE 3--SECURITIES TRANSACTIONS:

The aggregate amount of purchases and sales of investment securities, excluding short-term securities, during the six months ended October 31, 1995, amounted to $2,334,707 and $2,066,004, respectively.

At October 31, 1995, accumulated net unrealized appreciation on investments was $101,188, consisting of $149,954 gross unrealized appreciation and $48,766 gross unrealized depreciation.

At October 31, 1995, the cost of investments for Federal income tax purposes was substantially the same as the cost for financial reporting purposes (see the Statement of investments).

DREYFUS ASSET ALLOCATION FUND, INC., Dreyfus Growth Portfolio
REVIEW REPORT OF ERNST & YOUNG LLP, INDEPENDENT ACCOUNTANTS

SHAREHOLDERS AND BOARD OF DIRECTORS
DREYFUS GROWTH PORTFOLIO

We have reviewed the accompanying statement of assets and liabilities, including the statement of investments, of Dreyfus Growth Portfolio (one of the Series constituting the Dreyfus Asset Allocation Fund, Inc.) as of October 31, 1995, and the related statements of operations and changes in net assets and financial highlights for the six month period ended October 31, 1995. These financial statements and financial highlights are the responsibility of the Fund's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data, and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, which will be performed for the full year with the objective of expressing an opinion regarding the financial statements and financial highlights taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the interim financial statements and financial highlights referred to above for them to be in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the statement of changes in net assets and financial highlights for the period from October 18, 1994 (commencement of operations) to April 30, 1995 and in our report dated June 2, 1995, we expressed an unqualified opinion on such statement of changes in net assets and financial highlights.

Ernst & Young LLP signature

New York, New York
December 1, 1995

Dreyfus Lion Logo

DREYFUS ASSET ALLOCATION FUND, INC.
DREYFUS GROWTH PORTFOLIO
200 Park Avenue
New York, NY 10166

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

CUSTODIAN
The Bank of New York
90 Washington Street
New York, NY 10286

TRANSFER AGENT &
DIVIDEND DISBURSING AGENT
First Data Investor Services Group, Inc.
P.O. Box 9671
Providence, RI 02940

Further information is contained in the Prospectus, which must precede or accompany this report.

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Asset Allocation
Fund, Inc.
Dreyfus
Growth Portfolio
Semi-Annual Report

October 31, 1995