

# SECURITIES AND EXCHANGE COMMISSION

## 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 STRATEGIC INVESTING**

CIK: **794280** | State of Incorporation: **NY** | Fiscal Year End: **1031**  
Type: **N-30D** | Act: **40** | File No.: **811-04688** | Film No.: **95501063**

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

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

## LETTER TO SHAREHOLDERS

Dear Shareholder:

Dreyfus Strategic Investing completed its fiscal year October 31, 1994 in a market environment marked by rising interest rates and weakening stock prices.

For the 12-month period, the Class A shares had a total return of -6.92%, and the Class B shares -7.58%.\* For the same period, total return for the Standard & Poor's 500 Composite Stock Price Index was 3.86%.\*\*

As the fiscal year closed, the Fund held a relatively defensive net long equity position of 43% domestic and 4.5% international. At midyear, we were invested approximately 72% domestically and 18% internationally in anticipation of higher equity prices if interest rate rises subsided. Instead, economic growth has remained strong, necessitating further rate increases by the Federal Reserve Board to stem inflationary pressures. This has had a negative impact on equity valuations.

### ECONOMIC SLOWDOWN POSSIBLE

As we look forward, we expect the U.S. economy to slow during 1995 in response to this year's rate increases. However, we do not anticipate a steep economic decline, and global Gross Domestic Product growth should be reasonably strong.

Accordingly, relative to the S & P 500 we have had an overweighted position in cyclically sensitive companies and technology. We continue to be underweighted in consumer-related stocks and energy and, due to interest rate concerns, we remain underweighted in financials. Health care is an average weighting.

### CYCLICAL STOCKS

Our overweight in cyclically sensitive companies performed well on a relative basis until late in the fiscal year. Recently, these stocks have been under sharp selling pressure as rising rates have fueled investors' fears of a pronounced economic slowdown and a commensurate deterioration in earnings.

At current valuations, we believe the cyclical stocks are discounting this slowdown in earnings. Compounding this price erosion has been the fourth quarter weakness these securities have historically exhibited. Industry earnings in 1995 should compare favorably to 1994 and accelerate in 1996. We, therefore, expect to take advantage of these lower prices to accumulate larger positions.

### PROCESS INDUSTRIES

In the process industries, we have exposure to paper and forest products with positions in Georgia-Pacific and Boise Cascade; aluminum with Alcan and Aluminum Co. of America; chemicals with FMC, Eastman Chemical, Lyondell Petrochem and Union Carbide. In manufacturing, our results have been mixed. Deere & Co., a manufacturer of farm equipment, and TRINOVA Corp., a manufacturer of automotive, industrial and aerospace equipment, have fallen in price on concerns about demand for their respective products next year. On the other hand, Parker-Hannifin, a producer of industrial and aerospace equipment, and Danaher, a manufacturer of tools and industrial equipment, experienced sharp rises in share prices as product demand accelerated.

### CONSUMER RELATED COMPANIES

We have generally been neutral to underweight in the consumer-related companies. We pared our retail apparel holdings and eliminated our consumer durable positions in Brunswick Corp. and Outboard Marine, as consumer debt and interest rates have risen. Our largest weightings in this sector are Mattel, a worldwide manufacturer of toys, whose earnings growth and valuation is attractive; Avon Products, a company generating significant cash flow, repurchasing shares and attempting to reinvigorate their product line; and large commodity agro foods companies such as Archer-Daniels-Midland and ConAgra Inc.

### TECHNOLOGY AND HEALTH CARE

Technology was reduced from a heavily overweighted position due to our concern with valuation and the overall popularity of the industry. While the computer/communications industries offer an exciting future for investment, we believe current prices reflect the dynamic growth and earnings visibility these companies are enjoying. Overall, our investment in the group has been profitable. At more attractive prices, we would expand our positions in Technology.

Health care has been a core industry for investment during the past several years. Unfortunately, this year as in 1993, our results were less than successful. As we noted in our midyear report, our investments in IVAX Corp. and Teva Pharmaceutical Industries A.D.R. were ill-timed and resulted in significant losses. During the second half, deteriorating fundamentals in many of our positions forced us to reduce or liquidate positions at a loss. Abbey Healthcare Group, Novacare, Pyxis Corp. and Perseptive Biosystem all reported earnings short of expectations. Gensia Inc. and its research partner, Aramed Inc., underwent massive price erosion due to the inefficiency of their leading compound Arasine in Phase III trials.

### THE ENERGY SECTOR

As the fiscal year closed, we began to broaden our weighting in the energy sector. The steady development of economies in Latin America and Asia during this decade should accelerate world oil demand relative to supply. The companies we have selected for purchase, Amoco, Occidental Petroleum and Phillips Petroleum, provide exposure to petroleum and petrochemicals. The other energy source, natural gas, was reduced earlier this year due to

concerns about excess supply and lower prices. In fact, this has occurred and gas prices are now at multiyear lows. Valuations have become more attractive and we would accumulate these securities on further price weakness.

THE INTERNATIONAL PICTURE

Historically, the Fund has held investment positions abroad, particularly the Far East. We entered fiscal 1994 with approximately 11% of our assets invested in Hong Kong and Malaysia. The rising trend of stock prices over the last few years culminated in an explosive rally in late 1993. Initially, expectation of significant long-term growth opportunities in this region deterred us from aggressively securing profits when these markets weakened. As the extent of interest rate increases and dollar weakness became apparent, we took advantage of an intervening rally to reduce positions. For the first ten months of the calendar year, the Malaysian stock index was down 13% and Hong Kong 18.9%. Our fiscal year-end concluded with an international position of approximately 4.5%.

Hutchinson Whampoa is our sole position in Hong Kong. As a prime beneficiary of the dynamic Hong Kong and China trade boom, we expect Hutchinson to remain a long-term core holding. United Engineers is a long-term holding and should capitalize on Malaysia's need for expanded infrastructure. Malayan Banking Berhad and Overseas Union Bank will probably be reduced further as we expect a more adverse rate environment than currently exists.

As we move into a new fiscal year, the Fund is in the fortunate position of having about 30% of total assets in cash equivalents. This gives us significant buying power to be used as the weakness in stock prices creates attractive buying opportunities.

Sincerely,  
 (Richard C. Shields Signature Logo)  
 Richard C. Shields  
 Portfolio Manager

November 30, 1994  
 New York, N.Y.

\* Total return represents the change during the period in a hypothetical account with dividends reinvested, without taking into account the maximum initial sales charge in the case of Class A shares, or the applicable contingent deferred sales charge imposed on redemptions in the case of Class B shares.

\*\* SOURCE: LIPPER ANALYTICAL SERVICES, INC. - Reflects the reinvestment of income dividends and, where applicable, capital gain distributions. The Standard & Poor's 500 Composite Stock Price Index is a widely accepted unmanaged index of stock market performance.

<TABLE>

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<S>

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PERFORMANCE

Total Return for the year ended October 31, 1994

Dreyfus Strategic Investing - Class A (1)	(6.92)%
Dreyfus Strategic Investing - Class B (2)	(7.58)%
Standard & Poor's 500 Composite Stock Price Index (3)	3.86%
Dow Jones Industrial Average (3)	9.14%

(1) Total return represents the change during the period in a hypothetical account with dividends reinvested, without taking into account the maximum initial sales charge.

(2) Total return represents the change during the period in a hypothetical account with dividends reinvested, without taking into account the applicable contingent deferred sales charge imposed on redemptions.

(3) SOURCE: LIPPER ANALYTICAL SERVICES, INC. - Reflects the reinvestment of income dividends and, where applicable, capital gain distributions. Both the Dow Jones Industrial Average and the Standard & Poor's 500 Composite Stock Price Index are widely accepted unmanaged indexes of stock market performance.

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PERFORMANCE

COMPARISON OF CHANGE IN VALUE OF \$10,000 INVESTMENT IN DREYFUS STRATEGIC INVESTING CLASS A SHARES AND THE STANDARD & POOR'S 500 COMPOSITE STOCK PRICE INDEX

[Exhibit C]

\* Source: Lipper Analytical Services, Inc.  
 AVERAGE ANNUAL TOTAL RETURNS

CLASS A			CLASS B		
PERIOD ENDED 10/31/94	% RETURN		PERIOD ENDED 10/31/94	% RETURN REFLECTING APPLICABLE CONTINGENT	
	% RETURN WITHOUT SALES CHARGE	REFLECTING MAXIMUM INITIAL SALES CHARGE (4.5%)		% RETURN ASSUMING NO REDEMPTION	DEFERRED SALES CHARGE UPON REDEMPTION*
<S>	<C>	<C>	<C>	<C>	<C>
1 Year	(6.92)%	(11.11)%	1 Year	(7.58)%	(10.89)%

5 Years	8.23	7.24	From Inception (1/15/93)	1.17	(0.87)
From Inception (10/16/86)	12.00	11.36			

Past performance is not predictive of future performance. The above graph compares a \$10,000 investment made in Class A shares of Dreyfus Strategic Investing on 10/16/86 (Inception Date) to a \$10,000 investment made in the Standard & Poor's 500 Composite Stock Price Index on that date. For comparative purposes, the value of the the Index on 10/31/86 is used as the beginning value on 10/16/86. All dividends and capital gain distributions are reinvested. Performance for Class B shares will vary from the performance of Class A shares shown above due to differences in charges and expenses.

The Fund's performance shown in the graph takes into account the maximum initial sales charge on Class A shares and all other applicable fees and expenses. The Standard & Poor's 500 Composite Stock Price Index is a widely accepted, unmanaged index of overall stock market performance which does not take into account charges, fees and other expenses. Further information relating to Fund performance, including expense reimbursements, if applicable, is contained in the Condensed Financial Information section of the Prospectus and elsewhere in this report.

\* Maximum contingent deferred sales charge for Class B shares is 4% and is reduced to 0% after six years.

<TABLE>  
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DREYFUS STRATEGIC INVESTING

OCTOBER 31, 1994

ASSET ALLOCATION

DIVERSIFICATION OF FOREIGN INVESTMENTS

[Exhibit A]

[Exhibit B]

(Foreign Securities equal 11.1% of Total Net Assets)

<S>	<C>	<C>
FIVE LARGEST SECTORS		
Basic Industries.....		18.9%
Consumer Staples.....		11.7
Technology.....		10.2
Capital Goods.....		7.4
Finance.....		6.6
TEN LARGEST HOLDINGS		
Georgia-Pacific.....		2.4 %
International Business Machines.....		1.9
FMC.....		1.6
Bristol-Myers Squibb.....		1.6
Compaq Computer.....		1.4
Mattel.....		1.4
Deere & Co.....		1.4
Imperial Chemical A.D.R.....		1.4
Pfizer.....		1.3
Malayan Banking Berhad.....		1.3

</TABLE>

All percentages shown above are based on Total Net Assets.

<TABLE>  
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DREYFUS STRATEGIC INVESTING

STATEMENT OF INVESTMENTS

COMMON STOCKS--68.1%

<S>	<C>	OCTOBER 31, 1994 SHARES	VALUE
		-----	-----
BASIC INDUSTRIES--18.9%	ASARCO	25,000	\$ 784,375
	Agnico Eagle Mines.....	100,000	1,287,500
	Alcan Aluminium.....	120,000	3,210,000
	Aluminum Co. of America.....	20,000	1,705,000
	Boise Cascade.....	50,000	1,325,000
	Cyprus Amax Minerals.....	60,000	1,597,500
	Dow Chemical.....	40,000	2,940,000
	Eastman Chemical.....	65,000	3,510,000
	Echo Bay Mines.....	100,000	1,225,000
	FMC.....	75,000 (a)	4,575,000
	Freeport McMoRan Copper & Gold, Cl. A.	50,000	1,137,500
	Georgia Gulf.....	75,000 (a)	2,906,250
	Georgia-Pacific.....	90,000	6,648,750
	Huntco, Cl. A.....	110,000	2,475,000
	Imperial Chemical A.D.R.....	75,000	3,900,000
	Inco.....	100,000	3,012,500

	National Gypsum.....	20,000	(a)	670,000
	OM Group.....	100,000		2,000,000
	Placer Dome.....	100,000		2,162,500
	Reliance Steel & Aluminum.....	50,000		731,250
	Rohm & Haas.....	35,000		2,113,125
	Union Carbide.....	95,000		3,146,875
				-----
				53,063,125
				-----
CAPITAL GOODS--7.4%	Bethlehem Steel	75,000	(a)	1,425,000
	Danaher.....	35,000		1,719,375
	Deere & Co.....	55,000		3,946,250
	Duriron.....	55,000		990,000
	Foster Wheeler.....	85,000		3,060,000
	Parker-Hannifin.....	75,000		3,506,250
	Rohr Industries.....	150,000	(a)	1,368,750
	TRINOVA.....	95,000		3,325,000
	United Engineers.....	245,000		1,322,511
				-----
				20,663,136
				-----
CONGLOMERATES--.7%	Hutchinson Whampoa	400,000		1,847,970
	Parkway Holdings.....	50,000		123,978
				-----
				1,971,948
				-----
CONSUMER CYCLICAL--1.1%	Hospitality Franchise System	40,000	(a)	1,090,000
	Nordstrom.....	25,000		1,231,250
	Spiegel, Cl. A.....	50,000		743,750
				-----
				3,065,000
				-----
CONSUMER GROWTH STAPLES--.3%	Immunex	65,000	(a)	877,500
				-----
CONSUMER SERVICES--5.3%	Acuson	50,000	(a)	918,750
	Caremark International.....	75,000		1,631,250
	Columbia/HCA Healthcare.....	75,000		3,121,875
	Coram Healthcare.....	40,000	(a)	660,000
	Mattel.....	135,000		3,948,750

DREYFUS STRATEGIC INVESTING  
STATEMENT OF INVESTMENTS (CONTINUED)  
COMMON STOCKS (CONTINUED)

		OCTOBER 31, 1994		
		SHARES		VALUE
		-----		-----
CONSUMER SERVICES (CONTINUED)	Resorts World Berhad	275,000	\$	1,742,617
	Sun Healthcare Group.....	125,000	(a)	2,875,000
				-----
				14,898,242
				-----
CONSUMER STAPLES--11.7%	Archer-Daniels-Midland	115,000		3,291,875
	Avon Products.....	50,000		3,162,500
	Biogen.....	35,000	(a)	1,715,000
	Bristol-Myers Squibb.....	75,000		4,378,125
	Canandaigua Wine, Cl. A.....	55,000	(a)	1,808,125
	Coca-Cola.....	50,000		2,512,500
	ConAgra.....	90,000		2,801,250
	Genting Berhad.....	170,500		1,567,279
	Glaxo Holdings PLC A.D.R.....	75,000		1,443,750
	Pfizer.....	50,000		3,706,250
	Philip Morris Cos.....	50,000		3,062,500
	St. Jude Medical.....	44,400		1,653,900
	Upjohn.....	50,000		1,650,000
				-----
				32,753,054
				-----
EMERGING GROWTH--.4%	Aramed Callable	76,000	(a)	864,500
	Genelabs Technologies.....	111,111	(a,d)	212,500
	Genesis (Warrants)	30,000	(a)	18,750
				-----
				1,095,750
				-----
ENERGY--3.3%	Amoco.....	45,000		2,851,875
	Apache.....	20,000		562,500
	Lyondell Petrochem.....	125,000		3,421,875
	NL Industries.....	25,000	(a)	318,750
	Occidental Petroleum.....	50,000		1,093,750
	Seagull Energy.....	35,000	(a)	910,000
				-----
				9,158,750
				-----
FINANCE--6.6%	Chase Manhattan	60,000		2,160,000
	Equitable of Iowa.....	75,000		2,653,125
	First Chicago.....	60,000		2,940,000
	FirstFed Michigan.....	65,000		1,348,750

First Security.....	75,000	1,968,750
Household International.....	50,000	1,756,250
Malayan Banking Berhad.....	525,000	3,573,245
Overseas Union Bank.....	360,000	2,059,945

-----  
18,460,065

OIL-CRUDE PRODUCERS--.4%	Amerada Hess	25,000	1,243,750
OIL WELL EQUIPMENT & SERVICES--.6%	Dresser Industries	75,000	1,584,375
TECHNOLOGY--10.2%	Adobe Systems	25,000	900,000
	American Superconductor.....	20,000	675,000
	BMC Software.....	65,000 (a)	2,941,250
	Boeing.....	50,000	2,193,750
	Business Objects S.A. A.D.R.....	65,000	2,136,875
	Compaq Computer.....	100,000 (a)	4,012,500

DREYFUS STRATEGIC INVESTING  
STATEMENT OF INVESTMENTS (CONTINUED)  
COMMON STOCKS (CONTINUED)

OCTOBER 31, 1994

	SHARES	VALUE	
TECHNOLOGY (CONTINUED)			
Data General	50,000 (a)	\$ 487,500	
Exar.....	50,000 (a)	1,050,000	
International Business Machines..	70,000	5,215,000	
Northern Telecom.....	50,000	1,806,250	
Oracle Systems.....	40,000 (a)	1,840,000	
PLATINUM Technology.....	70,000 (a)	1,548,750	
Tandem Computers.....	50,000 (a)	881,250	
3Com.....	75,000 (a)	3,018,750	
		-----	
		28,706,875	
TRANSPORTATION--1.2%	Landstar System	100,000	3,325,000
TOTAL COMMON STOCKS (cost \$179,068,216).....		\$190,866,570	
		=====	

SHORT-TERM INVESTMENTS--29.0%

PRINCIPAL  
AMOUNT

U.S. TREASURY BILLS:	4.81%, 11/10/1994	\$ 21,932,000 (c)	\$ 21,904,828
	3.20%, 11/17/1994.....	27,150,000	27,093,205
	4.595%, 11/25/1994.....	6,351,000 (b)	6,332,079
	4%, 12/1/1994.....	10,064,000 (c)	10,026,649
	4.65%, 12/8/1994.....	12,980,000 (c)	12,918,619
	4.545%, 12/22/1994.....	2,920,000	2,900,008
TOTAL SHORT-TERM INVESTMENTS (cost \$81,175,388).....			\$ 81,175,388
			=====

TOTAL INVESTMENTS (cost \$260,243,604).....	97.1%	\$272,041,958
CASH AND RECEIVABLES (NET).....	2.9%	\$ 8,229,105
NET ASSETS.....	100.0%	\$280,271,063
		=====

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NOTES TO STATEMENT OF INVESTMENTS:

- (a) Non-income producing.
- (b) Partially held by custodian in a segregated account as collateral for open futures positions.
- (c) Partially held by brokers as collateral for open short positions.
- (d) Security restricted as to public resale;

ISSUER	ACQUISITION DATE	PURCHASE PRICE	PERCENTAGE OF NET ASSETS	VALUATION*
<S>	<C>	<C>	<C>	<C>
Genelabs Technologies.....	3/1/91	\$9.00	.08%	\$1.9125 per share

</TABLE>  
\* The valuation of this security has been determined in good faith under the direction of the Board of Trustees.

See notes to financial statements.

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DREYFUS STRATEGIC INVESTING  
STATEMENT OF FINANCIAL FUTURES

	NUMBER OF CONTRACTS	MARKET VALUE COVERED BY CONTRACTS	EXPIRATION	OCTOBER 31, 1994 UNREALIZED (DEPRECIATION) AT 10/31/94
FINANCIAL FUTURES SOLD SHORT;				
<S>	<C>	<C>	<C>	<C>
Standard & Poor's 500.....	90	(\$21,260,250)	December '94	(\$711,625)

STATEMENT OF SECURITIES SOLD SHORT  
COMMON STOCKS

	OCTOBER 31, 1994	
	SHARES	VALUE
<S>	<C>	<C>
America Online.....	20,000	\$ 1,415,000
AnnTaylor Stores.....	22,500	933,750
Aura Systems.....	25,000	117,187
Bankers Trust NY.....	35,000	2,336,250
Bell Sports.....	15,000	311,250
Best Buy.....	25,000	943,750
Cisco Systems.....	25,000	753,125
Compression Labs.....	50,000	425,000
Compuware.....	40,000	1,565,000
CrossComm.....	65,000	682,500
Gap.....	50,000	1,687,500
General Mills.....	15,000	840,000
Health Images.....	40,064	245,392
Hillenbrand Industries.....	45,000	1,361,250
Intel.....	45,000	2,795,625
International Game Technology.....	40,000	740,000
Magna International, Cl. A.....	35,000	1,242,500
McDonald's.....	50,000	1,437,500
Medco Research.....	40,000	480,000
Newbridge Networks.....	65,000	1,795,625
Novell.....	35,000	647,500
Oxford Health Plans.....	5,000	410,000
PictureTel.....	50,000	987,500
Policy Management Systems.....	35,000	1,645,000
President Riverboat Casinos.....	55,000	450,313
Schwab(Chas).....	50,000	1,775,000
Seitel.....	16,000	448,000
Southwest Airlines.....	25,000	590,625
Starbucks.....	5,000	135,625
Storage Technology.....	46,100	1,279,275
Texas Instruments.....	15,000	1,123,125
TransTexas Gas.....	70,000	927,500
UAL.....	25,000	2,362,500
Wall Data.....	45,000	1,631,250
TOTAL SECURITIES SOLD SHORT (proceeds \$35,919,205).....		\$36,521,417

See notes to financial statements.

DREYFUS STRATEGIC INVESTING  
STATEMENT OF ASSETS AND LIABILITIES

	OCTOBER 31, 1994	
	<C>	<C>
ASSETS:		
Investments in securities, at value (cost \$260,243,604)_see statement.....		\$272,041,958
Cash.....		448,993
Receivable from brokers for proceeds on securities sold short.....		35,919,205
Receivable for investment securities sold.....		17,698,936
Receivable for futures variation margin_Note 4(a).....		168,750
Receivable for shares of Beneficial Interest subscribed.....		148,246
Dividends and interest receivable.....		434,326
Prepaid expenses.....		46,272
		326,906,686
LIABILITIES:		
Due to The Dreyfus Corporation.....	\$ 181,948	
Securities sold short, at value (proceeds \$35,919,205)_see statement.....		36,521,417
Payable for investment securities purchased.....		9,418,987
Payable for shares of Beneficial Interest redeemed.....		189,359
Loan commitment fees and interest payable.....		6,458
Accrued expenses and other liabilities.....		317,454
NET ASSETS		\$280,271,063

REPRESENTED BY:	
Paid-in capital.....	\$262,137,778
Accumulated investment (loss) and distributions in excess of investment income_net_Note 1(c).....	(1,374,615)
Accumulated undistributed net realized gain on investments.....	9,023,383
Accumulated net unrealized appreciation on investments [including (\$711,625) net unrealized (depreciation) on financial futures]_Note 4(b)	10,484,517
NET ASSETS at value.....	\$280,271,063
Shares of Beneficial Interest outstanding:	
Class A Shares (unlimited number of \$.001 par value authorized).....	12,070,726
Class B Shares (unlimited number of \$.001 par value authorized).....	2,087,518
NET ASSET VALUE per share:	
Class A Shares (\$239,406,967 / 12,070,726 shares).....	\$19.83
Class B Shares (\$40,864,096 / 2,087,518 shares).....	\$19.58

</TABLE>  
See notes to financial statements.

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DREYFUS STRATEGIC INVESTING  
STATEMENT OF OPERATIONS  
INVESTMENT INCOME:

YEAR ENDED OCTOBER 31, 1994

<S>	<C>	<C>
INCOME:		
Cash dividends (net of \$166,124 foreign taxes withheld at source)....	\$2,697,538	
Interest.....	2,022,200	
TOTAL INCOME.....		\$ 4,719,738
EXPENSES:		
Management fee_Note 3(a).....	2,259,762	
Shareholder servicing costs_Note 3(c).....	1,142,247	
Interest_Note 2.....	487,446	
Distribution fees (Class B shares)_Note 3(b).....	280,046	
Dividends on securities sold short.....	175,857	
Custodian fees.....	155,110	
Prospectus and shareholders' reports.....	82,785	
Registration fees.....	80,138	
Loan commitment fees_Note 2.....	76,042	
Professional fees.....	58,980	
Trustees' fees and expenses_Note 3(d).....	27,708	
Miscellaneous.....	8,967	
TOTAL EXPENSES.....		4,835,088
INVESTMENT (LOSS)--NET.....		(115,350)
REALIZED AND UNREALIZED (LOSS) ON INVESTMENTS:		
Net realized gain on investments_Note 4(a):		
Long transactions (including options transactions).....	\$7,851,818	
Short sale transactions.....	1,439,127	
Net realized (loss) on financial futures_Note 4(a).....	(324,547)	
NET REALIZED GAIN.....		8,966,398
Net unrealized (depreciation) on investments and securities sold short [including (\$711,625) net unrealized (depreciation) on financial futures]		(30,980,097)
NET REALIZED AND UNREALIZED (LOSS) ON INVESTMENTS.....		(22,013,699)
NET (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS.....		\$ (22,129,049)

</TABLE>  
See notes to financial statements.  
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DREYFUS STRATEGIC INVESTING  
STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED OCTOBER 31,

	1993	1994
<S>	<C>	<C>
OPERATIONS:		



Investment income (loss)_net.....	\$ 344,576	\$ (115,350)
Net realized gain on investments.....	31,818,915	8,966,398
Net unrealized appreciation (depreciation) on investments for the year..	15,782,474	(30,980,097)
	-----	-----
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS...	47,945,965	(22,129,049)
	-----	-----
DIVIDENDS TO SHAREHOLDERS:		
From investment income_net:		
Class A shares.....	(549,763)	---
Class B shares.....	---	---
In excess of investment income_net:		
Class A shares.....	---	(1,425,741)
Class B shares.....	---	(116,253)
From net realized gain on investments:		
Class A shares.....	---	(26,597,901)
Class B shares.....	---	(2,951,918)
	-----	-----
TOTAL DIVIDENDS.....	(549,763)	(31,091,813)
	-----	-----
BENEFICIAL INTEREST TRANSACTIONS:		
Net proceeds from shares sold:		
Class A shares.....	52,366,131	49,925,537
Class B shares.....	25,107,551	21,282,593
Dividends reinvested:		
Class A shares.....	494,336	25,815,338
Class B shares.....	---	2,988,881
Cost of shares redeemed:		
Class A shares.....	(66,014,198)	(65,443,064)
Class B shares.....	(642,448)	(2,932,744)
	-----	-----
INCREASE IN NET ASSETS FROM BENEFICIAL INTEREST TRANSACTIONS.....	11,311,372	31,636,541
	-----	-----
TOTAL INCREASE (DECREASE) IN NET ASSETS.....	58,707,574	(21,584,321)
	-----	-----
NET ASSETS:		
Beginning of year.....	243,147,810	301,855,384
	-----	-----
End of year [including investment (loss) and distributions in excess of investment income_net of: (\$140,172) in 1993 and (\$1,374,615) in 1994].....	\$301,855,384	\$280,271,063
	=====	=====

</TABLE>  
<TABLE>  
<CAPTION>

	SHARES			
	CLASS A		CLASS B	
	YEAR ENDED OCTOBER 31,		YEAR ENDED OCTOBER 31,	
	1993	1994	1993*	1994
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
CAPITAL SHARE TRANSACTIONS:				
Shares sold.....	2,402,790	2,345,076	1,122,136	993,936
Shares issued for dividends reinvested.	24,079	1,240,296	---	144,600
Shares redeemed.....	(3,034,139)	(3,127,724)	(28,591)	(144,563)
	-----	-----	-----	-----
NET INCREASE (DECREASE) IN SHARES OUTSTANDING.....	(607,270)	457,648	1,093,545	993,973
	=====	=====	=====	=====

</TABLE>

\* From January 15, 1993 (commencement of initial offering) to October 31, 1993.

See notes to financial statements.

<TABLE>  
<CAPTION>

#### DREYFUS STRATEGIC INVESTING FINANCIAL HIGHLIGHTS

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

PER SHARE DATA:	CLASS A SHARES					CLASS B SHARES	
	YEAR ENDED OCTOBER 31,					YEAR ENDED OCTOBER 31,	
	1990	1991	1992	1993	1994	1993 (1)	1994
	-----	-----	-----	-----	-----	-----	-----

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Net asset value, beginning of year....	\$18.73	\$18.03	\$22.12	\$19.90	\$23.77	\$21.38	\$23.62
INVESTMENT OPERATIONS:							
Investment income (loss)_net.....	.31	.21	.06	.03	.01	(.07)	(.04)
Net realized and unrealized gain (loss) on investments.....	(.35)	5.77	(.46)	3.89	(1.54)	2.31	(1.62)
TOTAL FROM INVESTMENT OPERATIONS....	(.04)	5.98	(.40)	3.92	(1.53)	2.24	(1.66)
DISTRIBUTIONS:							
Dividends from investment income_net..	(.21)	(.34)	(.14)	(.05)	-	-	-
Dividends in excess of investment income_net	-	-	-	-	(.12)	-	(.09)
Dividends from net realized gain on investments	(.45)	(1.55)	(1.68)	-	(2.29)	-	(2.29)
TOTAL DISTRIBUTIONS.....	(.66)	(1.89)	(1.82)	(.05)	(2.41)	-	(2.38)
Net asset value, end of year.....	\$18.03	\$22.12	\$19.90	\$23.77	\$19.83	\$23.62	\$19.58
TOTAL INVESTMENT RETURN(2)	(.31%)	36.50%	(2.04%)	19.71%	(6.92%)	10.48%(3)	(7.58%)
RATIOS/SUPPLEMENTAL DATA:							
Ratio of operating expenses to average net assets.....	1.50%	1.35%	1.30%	1.27%	1.29%	1.65%(3)	1.84%
Ratio of interest expense, loan commitment fees and dividends on securities sold short to average net assets.....	1.39%	.58%	.38%	.47%	.25%	.44%(3)	.24%
Ratio of net investment income (loss) to average net assets.....	1.66%	1.07%	.22%	.16%	.04%	(.69%)(3)	(.61%)
Decrease reflected in above expense ratios due to expense limitation.....	.08%	-	-	-	-	-	-
Portfolio Turnover Rate.....	275.33%	207.10%	204.73%	237.14%	199.13%	237.14%	199.13%
Net Assets, end of year (000's Omitted)	\$102,421	\$145,717	\$243,148	\$276,022	\$239,407	\$25,833	\$40,864

</TABLE>

- (1) From January 15, 1993 (commencement of initial offering) to October 31, 1993.
- (2) Exclusive of sales load.
- (3) Not annualized.

See notes to financial statements.

DREYFUS STRATEGIC INVESTING

NOTES TO FINANCIAL STATEMENTS

NOTE 1--SIGNIFICANT ACCOUNTING POLICIES:

The Fund is registered under the Investment Company Act of 1940 ("Act") as a non-diversified open-end management investment company. Dreyfus Service Corporation, until August 24, 1994, acted as the distributor of the Fund's shares. Dreyfus Service Corporation is a wholly-owned subsidiary of The Dreyfus Corporation ("Manager"). Effective August 24, 1994, the Manager became a direct subsidiary of Mellon Bank, N.A.

On August 24, 1994, Premier Mutual Fund Services, Inc. (the "Distributor") was engaged as the Fund's distributor. The Distributor, located at One Exchange Place, Boston, Massachusetts 02109, is a wholly-owned subsidiary of Institutional Administration Services, Inc., a provider of mutual fund administration services, the parent company of which is Boston Institutional Group, Inc.

The Fund offers both Class A and Class B shares. Class A shares are subject to a sales charge imposed at the time of purchase and Class B shares are subject to a contingent deferred sales charge imposed at the time of redemption on redemptions made within six years of purchase. Other differences between the two Classes include the services offered to and the expenses borne by each Class and certain voting rights.

(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 Trustees. Short-term investments are carried at amortized cost, which approximates value. 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 Fund may make distributions on a more frequent basis to comply with the distribution

requirements of the Internal Revenue Code. To the extent that net realized capital gain can be offset by capital loss carryovers, if any, it is the policy of the Fund not to distribute such gain.

Dividends in excess of investment income--net for financial statement purposes result primarily from transactions where tax treatment differs from book treatment. During the year ended October 31, 1994, the Fund reclassified \$422,901 from undistributed investment income-net to paid-in capital. This amount represents amortization of organization expenses, certain passive foreign investment company transactions and certain foreign currency transactions where book treatment differs from tax treatment.

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

DREYFUS STRATEGIC INVESTING  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 2--BANK LINE OF CREDIT:

In accordance with an agreement with a bank, the Fund may borrow up to \$60 million under a short-term unsecured line of credit. In connection therewith, the Fund has agreed to pay commitment fees at an annual rate of .125 of 1% on the total line of credit. Interest on borrowings is charged at rates which are related to the Federal Funds rate in effect from time to time.

At October 31, 1994 there were no outstanding borrowings under the line of credit.

The average daily amount of short-term debt outstanding during the year ended October 31, 1994 was approximately \$11.1 million, with a related weighted average annualized interest rate of 4.39% (based upon actual interest expense, not including commitment fees, for the year). The maximum amount of such debt outstanding at any time during the year ended October 31, 1994, was \$40.5 million.

NOTE 3--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 Fund's net assets and is payable monthly. The Agreement provides for an expense reimbursement from the Manager should the Fund's aggregate expenses, exclusive of taxes, interest on borrowings (which, in the view of Stroock & Stroock & Lavan, counsel to the Fund, also contemplates loan commitment fees and dividends on securities sold short), brokerage and extraordinary expenses, exceed the expense limitation of any state having jurisdiction over the Fund. The most stringent state expense limitation applicable to the Fund presently requires reimbursement of expenses in any full fiscal year that such expenses (exclusive of distribution expenses and certain expenses as described above) exceed 2 1/2% of the first \$30 million, 2% of the next \$70 million and 1 1/2% of the excess over \$100 million of the average value of the Fund's net assets in accordance with California "blue sky" regulations. There was no expense reimbursement for the year ended October 31, 1994.

Dreyfus Service Corporation retained \$297,139 during the year ended October 31, 1994 from commissions earned on sales of the Fund's Class A shares.

Prior to August 24, 1994, Dreyfus Service Corporation retained \$58,543 from contingent deferred sales charges imposed upon redemptions of the Fund's Class B shares.

(B) On August 3, 1994, Fund's shareholders approved a revised Distribution Plan with respect to Class B shares only (the "Class B Distribution Plan") pursuant to Rule 12b-1 under the Act. Pursuant to the Class B Distribution Plan, effective August 24, 1994, the Fund pays the Distributor for distributing the Fund's Class B Shares at an annual rate of .75 of 1% of the value of the average daily net assets of Class B shares.

Prior to August 24, 1994, the Distribution Plan ("prior Class B Distribution Plan") provided that the Fund pay Dreyfus Service Corporation at an annual rate of .75 of 1% of the value of the Fund's Class B shares average daily net assets, for the costs and expenses in connection with advertising, marketing and distributing the Fund's Class B shares. Dreyfus Service Corporation made payments to one or more Service Agents based on the value of the Fund's Class B shares owned by clients of the Service Agent.

During the year ended October 31, 1994, \$58,353 was charged to the Fund pursuant to the Class B Distribution Plan and \$221,693 was charged to the Fund pursuant to the prior Class B Distribution Plan.

DREYFUS STRATEGIC INVESTING  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(C) Under the Shareholder Services Plan, the Fund pays the Distributor, at an annual rate of .25 of 1% of the value of the average daily net assets of Class A and Class B shares for servicing shareholder accounts. The services provided may include personal services relating to shareholder accounts, such as answering shareholder inquiries regarding the Fund and providing reports and other information, and services related to the maintenance of shareholder accounts. The Distributor may make payments to Service Agents in respect of these services. The Distributor determines the amounts to be paid to Service Agents. From November 1, 1993 through August

23, 1994, \$541,895 and \$73,898 were charged to Class A and Class B shares, respectively, by Dreyfus Service Corporation. From August 24, 1994 through October 31, 1994, \$118,010 and \$19,451 were charged to Class A and Class B shares, respectively, by the Distributor pursuant to the Shareholder Services Plan.

(D) Prior to August 24, 1994 certain officers and trustees of the Fund were "affiliated persons," as defined in the Act, of the Manager and/or Dreyfus Service Corporation. Each trustee who is not an "affiliated person" receives an annual fee of \$2,500 and an attendance fee of \$250 per meeting.

NOTE 4--SECURITIES TRANSACTIONS:

(A) The following summarizes the aggregate amount of purchases and sales of investment securities and securities sold short, excluding short-term securities and options transactions, during the year ended October 31, 1994:

<TABLE>  
<CAPTION>

	PURCHASES	SALES
	-----	-----
<S>	<C>	<C>
Long transactions.....	\$520,301,502	\$612,796,892
Short sale transactions.....	61,909,425	83,522,824
	-----	-----
TOTAL.....	\$582,210,927	\$696,319,716
	=====	=====

</TABLE>  
The Fund is engaged in short-selling which obligates the Fund to replace the security borrowed by purchasing the security at current market value. The Fund would incur a loss if the price of the security increases between the date of the short sale and the date on which the Fund replaces the borrowed security. The Fund would realize a gain if the price of the security declines between those dates. Until the Fund replaces the borrowed security, the Fund will maintain daily, a segregated account with a broker and custodian, of cash and/or U.S. Government securities sufficient to cover its short position. Securities sold short at October 31, 1994 and their related market values and proceeds are set forth in the Statement of Securities Sold Short.

In addition, the following table summarizes the Fund's put option transactions for the year ended October 31, 1994:

<TABLE>  
<CAPTION>

	NUMBER OF CONTRACTS	PREMIUMS RECEIVED	COST	NET REALIZED GAIN
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
OPTIONS WRITTEN:				
Contracts outstanding October 31, 1993.....	--	\$ --		
Contracts written.....	200,000	193,993		
	-----	-----		
	200,000	193,993		
	-----	-----		
Contracts Terminated;				
Closed.....	200,000	193,993	\$114,000	\$79,993
	-----	-----	=====	=====
Contracts outstanding October 31, 1994.....	-	\$ -		
	=====	=====		

</TABLE>  
DREYFUS STRATEGIC INVESTING  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As a writer of put options, the Fund receives a premium at the outset and then bears the market risk of unfavorable changes in the price of the financial instrument underlying the option. Generally, the Fund would incur a gain, to the extent of the premiums received, if the price of the underlying financial instrument increases between the date the option is written and the date on which the option is terminated. Generally, the Fund would realize a loss if the price of the financial instrument declines between those dates.

The Fund is engaged in trading financial futures contracts. The Fund is exposed to market risk as a result of changes in the value of the underlying financial instruments. Investments in financial futures require the Fund to "mark to market" on a daily basis, which reflects the change in the market value of the contract at the close of each day's trading. Accordingly, variation margin payments are made or received to reflect daily unrealized gains or losses. When the contracts are closed, the Fund recognizes a realized gain or loss. These investments require initial margin deposits with a custodian, which consist of cash or cash equivalents, up to approximately 10% of the contract amount. The amount of these deposits is determined by the exchange or Board of Trade on which the contract is traded and is subject to change. Contracts open at October 31, 1994 and their related market values and unrealized (depreciation) are set forth in the Statement of Financial Futures.

(B) At October 31, 1994, accumulated net unrealized appreciation on investments was \$10,484,517, consisting of \$20,222,306 gross unrealized appreciation and \$9,737,789 gross unrealized depreciation.

At October 31, 1994, 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 STRATEGIC INVESTING  
REPORT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS  
SHAREHOLDERS AND BOARD OF TRUSTEES  
DREYFUS STRATEGIC INVESTING

We have audited the accompanying statement of assets and liabilities of Dreyfus Strategic Investing, including the statements of investments, financial futures and securities sold short, as of October 31, 1994, and the related statement of operations for the year then ended, the statement of changes in net assets for each of the two years in the period then ended, and financial highlights for each of the years indicated therein. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of October 31, 1994 by correspondence with the custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Dreyfus Strategic Investing at October 31, 1994, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the indicated years, in conformity with generally accepted accounting principles.

(Ernst & Young LLP Signature Logo)

New York, New York  
December 14, 1994

IMPORTANT TAX INFORMATION (UNAUDITED)

For Federal tax purposes the Fund hereby designates \$1.678 per share as a long-term capital gain distribution paid on December 15, 1993.

(Dreyfus 'D' Logo)

DREYFUS STRATEGIC INVESTING  
144 Glenn Curtiss Boulevard  
Uniondale, NY 11556  
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  
The Shareholder Services Group, Inc.  
P.O. Box 9671  
Providence, RI 02940

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

(Dreyfus Logo)

Strategic  
Investing  
Annual Report  
October 31, 1994  
(Dreyfus Lion Logo)

COMPARISON OF CHANGE IN VALUE OF \$10,000 INVESTMENT  
 IN DREYFUS STRATEGIC INVESTING CLASS A SHARES AND THE  
 STANDARD & POOR'S 500 COMPOSITE STOCK PRICE INDEX

EXHIBIT A:

PERIOD	STANDARD & POOR'S 500 COMPOSITE STOCK PRICE INDEX *	DREYFUS STRATEGIC INVESTING, (CLASS A SHARES)
10/16/86	10,000	9,550
10/31/86	10,000	9,580
10/31/87	10,640	12,092
10/31/88	12,210	12,440
10/31/89	15,428	15,997
10/31/90	14,274	15,948
10/31/91	19,044	21,769
10/31/92	20,939	21,324
10/31/93	24,061	25,527
10/31/94	24,988	23,759

\*Source: Lipper Analytical Services, Inc.

Dreyfus Strategic Investing

October 31, 1994

Asset Allocation

-----	
Common Stocks	68.1 %
Cash Equivalents	31.9 %
-----	