

DREYFUS STRATEGIC MUNICIPALS INC

Form DEF 14A

April 01, 2008

**DREYFUS STRATEGIC MUNICIPAL BOND FUND, INC.  
DREYFUS STRATEGIC MUNICIPALS, INC.**

***Notice of Annual Meeting of Stockholders***

To the Stockholders:

The Annual Meeting of Stockholders of each of Dreyfus Strategic Municipal Bond Fund, Inc. and Dreyfus Strategic Municipals, Inc. (each, a "Fund" and, collectively, the "Funds") will be held at the offices of The Dreyfus Corporation, 200 Park Avenue, 8th Floor, New York, New York 10166, on Wednesday, May 21, 2008 at 10:00 a.m., for the following purposes:

1. To elect Directors to serve for a three-year term and until their successors are duly elected and qualified.
2. To transact such other business as may properly come before the meeting, or any adjournment or adjournments thereof.

Stockholders of record at the close of business on March 19, 2008 will be entitled to receive notice of and to vote at the meeting.

New York, New York

March 25, 2008

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**DREYFUS STRATEGIC MUNICIPAL BOND FUND, INC.  
DREYFUS STRATEGIC MUNICIPALS, INC.**

**COMBINED PROXY STATEMENT**

***Annual Meeting of Stockholders***

**to be held on Wednesday, May 21, 2008**

This proxy statement is furnished in connection with a solicitation of proxies by the Board of Directors of each of Dreyfus Strategic Municipal Bond Fund, Inc. ("DSMB") and Dreyfus Strategic Municipals, Inc. ("DSM") (each, a "Fund" and, collectively, the "Funds") to be used at the Annual Meeting of Stockholders of each Fund to be held on Wednesday, May 21, 2008 at 10:00 a.m., at the offices of The Dreyfus Corporation ("Dreyfus"), 200 Park Avenue, 8th Floor, New York, New York 10166, for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders. Stockholders of record at the close of business on March 19, 2008 are entitled to be present and to vote at the meeting. Stockholders are entitled to one vote for each Fund share held and fractional votes for each fractional Fund share held. Stockholders can vote only on matters affecting the Fund(s) in which they hold shares. If a proposal is approved by stockholders of one Fund and not approved by stockholders of the other Fund, the proposal will be implemented only for the Fund that approved the proposal. Therefore, it is essential that stockholders who own shares in both Funds complete, date, sign and return each proxy card they receive. Shares represented by executed and unrevoked proxies will be voted in accordance with the specifications made thereon. If any enclosed form of proxy is executed and returned, it nevertheless may be revoked by a proxy given later. To be effective, such revocation must be received prior to the meeting. In addition, any stockholder who attends the meeting in person may vote by ballot at the meeting, thereby cancelling any proxy previously given. As of March 19, 2008, the Funds had outstanding the following number of shares:

<u>Name of Fund</u>	<b>Common Stock Outstanding</b>	<b>Auction Preferred Stock Outstanding</b>
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DSMB	48,495,729	7,440
DSM	60,720,834	11,400

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It is estimated that proxy materials will be mailed to stockholders of record on or about April 4, 2008. The principal executive offices of each Fund are located at 200 Park Avenue, New York, New York 10166. **Copies of each Fund's most recent Annual and Semi-Annual Reports are available upon request, without charge, by writing to the Fund at 144 Glenn Curtiss Boulevard, Uniondale, New York 11556-0144, or by calling toll-free 1-800-334-6899.**

A quorum is constituted by the presence in person or by proxy of the holders of a majority of the outstanding shares of the Fund entitled to vote at the meeting. If a proposal is to be voted upon by only one class of a Fund's shares, a quorum of that class of shares (the holders of a majority of the outstanding shares of the class) must be present in person or by proxy at the meeting in order for the proposal to be considered. Each Fund has two classes of capital stock: Common Stock, par value \$0.001 per share (the "Common Stock"), and Auction Preferred Stock, par value \$0.001 per share, liquidation preference \$25,000 per share (the "APS"). The APS is further divided into Series A, Series B and Series C for DSMB and Series M, Series T, Series W, Series TH and Series F for DSM. Currently, no proposal is expected to be presented at the meeting that would require separate voting for each Series of APS.

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### PROPOSAL 1: ELECTION OF DIRECTORS

Each Fund's Board of Directors is divided into three classes with the term of office of one class expiring each year. It is proposed that stockholders of each Fund consider the election of the individuals listed below (the "Nominees") as Directors of the indicated class of such Fund, to serve for three-year terms and until their respective successors are duly elected and qualified. With respect to DSMB, Messrs. David W. Burke, Hans C. Mautner, Burton N. Wallack and John E. Zuccotti are nominated to be elected as Class III Directors to serve for a three-year term. With respect to DSM, Messrs. Gordon J. Davis and Ehud Houminer and Ms. Robin A. Melvin are nominated to be elected as Class II Directors to serve for a three-year term. Messrs. Davis and Houminer and Ms. Melvin also are continuing Class II Directors of DSMB and Messrs. Burke, Mautner, Wallack and Zuccotti also are continuing Class III Directors of DSM. Each Nominee also currently serves as a Director of the Fund for which their election is proposed. Each Nominee was nominated by the respective Fund's nominating committee and has consented to being named in this proxy statement and has agreed to continue to serve as a Director of the indicated Fund if elected. Biographical information about each Nominee is set forth below. Biographical information about each Fund's Continuing Directors, information on each Nominee's and Continuing Director's ownership of Fund shares and other relevant information is set forth on Exhibit A. Unless otherwise indicated, information set forth herein applies to both Funds.

Under the terms of each Fund's Charter, holders of the APS voting as a single class are entitled, to the exclusion of holders of the Common Stock, to elect two Directors. Mr. Zuccotti was elected in 2006 as a Class III Director for APS holders of DSM to serve for a three year term. He currently is a nominee for election by holders of DSMB's APS as a Class III director. The other Director designated for holders of APS, Ms. Melvin, was elected as a Class II Director for APS holders of DSMB last year to serve for a three year term. Ms. Melvin currently is a nominee for election by holders of DSM's APS as a Class II Director.

Voting with regard to the election of Directors will be as follows: for DSMB, holders of Common Stock and APS will vote together as a single class with respect to the election of Class III Directors Messrs. Burke, Wallack and Mautner; for DSM, holders of Common Stock and APS will vote together as a single class with respect to the election of Class II Directors Messrs. Davis and Houminer; and for each Fund, APS holders of the respective Fund will vote separately, to the exclusion of holders of the Common Stock, with respect to the election of Ms. Melvin as a Class II Director who is nominated to represent the APS of DSM and Mr. Zuccotti as a Class III Director who is nominated to represent the APS of DSMB.

The persons named as proxies on the accompanying proxy card(s) intend to vote each such proxy for the election of the Nominees, unless stockholders specifically indicate on their proxies the desire to withhold authority to vote for elections to office. It is not contemplated that any Nominee will be unable to serve as a

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Director for any reason, but if that should occur prior to the meeting, the proxyholders reserve the right to substitute another person or persons of their choice as nominee or nominees.

None of the Nominees or Continuing Directors are "interested persons" of either Fund, as defined in the Investment Company Act of 1940, as amended (the "1940 Act"). As independent directors of investment companies, they play a critical role in overseeing fund operations and policing potential conflicts of interest between the fund and its investment adviser and other service providers. The following tables present information about the Nominees including their principal occupations and other board memberships and affiliations. The address of each Nominee is 200 Park Avenue, New York, New York 10166.

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***DSMB – Nominees for Class III Director with Term Expiring in 2011***

<b><u>Name (Age) of Nominee</u></b> <b><u>Position with Fund (Since)</u></b>	<b><u>Principal Occupation</u></b> <b><u>During Past 5 Years</u></b>	<b><u>Other Board Memberships</u></b> <b><u>and Affiliations</u></b>
<b>DAVID W. BURKE (71)</b> <b>Class III Director of DSMB (1994)</b>	Corporate Director and Trustee	John F. Kennedy Library Foundation, <i>Director</i>
<b>HANS C. MAUTNER (70)</b> <b>Class III Director of DSMB (1989)</b>	President - International Division and an Advisory Director of Simon Property Group, a real estate investment company (1998-present) Director and Vice Chairman of Simon Property Group (1998-2003) Chairman and Chief Executive Officer of Simon Global Limited (1999-present)	Capital and Regional PLC, a British co-investing real estate asset manager, Director Member – Board of Managers of: Mezzacappa Long/Short Fund LLC Mezzacappa Partners LLC
<b>BURTON N. WALLACK (57)</b> <b>Class III Director of DSMB (2006)</b>	President and co-owner of Wallack Management Company, a real estate management company	None
<b>JOHN E. ZUCCOTTI (70)</b> <b>APS Designee</b> <b>Class III Director of DSMB (1989)</b>	Chairman of Brookfield Financial Properties, Inc. Senior Counsel of Weil, Gotshal & Manges, LLP Chairman of the Real Estate Board of New York	Emigrant Savings Bank, <i>Director</i> Wellpoint, Inc., <i>Director</i> Visiting Nurse Service of New York, <i>Director</i> Columbia University, <i>Trustee</i> Doris Duke Charitable

**DSM ☐ Nominees for Class II Director with Term Expiring in 2011**

<b>Name (Age) of Nominee Position with Fund (Since)</b>	<b>Principal Occupation During Past 5 Years</b>	<b>Other Board Memberships and Affiliations</b>
<b>GORDON J. DAVIS</b> (66) <b>Class II Director of DSM</b> (2006)	Partner in the law firm of Dewey and LeBeouf, LLP President, Lincoln Center for the Performing Arts, Inc. (2001)	Consolidated Edison, Inc., a utility company, <i>Director</i> Phoenix Companies, Inc., a life insurance company, <i>Director</i> Board Member/Trustee for several not-for-profit groups
<b>EHUD HOUMINER</b> (67) <b>Class II Director of DSM</b> (1994)	Executive-in-Residence at the Columbia Business School, Columbia University	Avent Inc., an electronics distributor, <i>Director</i> International Advisory Board to the MBA Program, School of Management, Ben Gurion University, <i>Chairman</i>
<b>ROBIN A. MELVIN</b> (44) <b>APS Designee</b> <b>Class II Director of DSM</b> (1995)	Director, Biosi Family Foundation, a private family foundation that sup- ports youth-serving organizations that promote the self sufficiency of youth from disadvantaged circum- stances	None

Each Fund has standing audit, nominating and compensation committees, each comprised of its Directors who are not "interested persons" of the Fund, as defined in the 1940 Act. The function of the audit committee is (1) to oversee the Fund's accounting and financial reporting processes and the audits of the Fund's financial statements and (2) to assist in the Board of Directors' oversight of the integrity of the Fund's financial statements, the Fund's compliance with legal and regulatory requirements and the independent auditors' qualifications, independence and performance. A copy of each Fund's Audit Committee Charter, which describes the audit committee's purposes, duties and powers, was attached as an exhibit to last year's proxy statement dated April 11, 2007. A copy of the Audit Committee Charter also is available at [www.dreyfus.com](http://www.dreyfus.com).

Each Fund's nominating committee is responsible for selecting and nominating persons as members of the Board of Directors for election or appointment by the Board and for election by stockholders. Each nominating committee member is "independent" as defined by the New York Stock Exchange. A copy of each Fund's Nominating Committee Charter and Procedures (the "Nominating Committee Charter") was attached as an exhibit

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to last year's proxy statement dated April 11, 2007. A copy of the Nominating Committee Charter is not available on the Fund's website. In evaluating potential nominees, including any nominees recommended by stockholders, the committee takes into consideration the factors listed in the Nominating Committee Charter, including character and integrity, business and professional experience, and whether the committee believes the person has the ability to apply sound and independent business judgment and would act in the interest of the Fund and its stockholders. The committee will consider recommendations for nominees from stockholders submitted to the Secretary of the Fund, c/o The Dreyfus Corporation Legal Department, 200 Park Avenue, 8th Floor, New York, New York 10166, and including information regarding the recommended nominee as specified in the Nominating Committee Charter.

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The function of the compensation committee is to establish the appropriate compensation for serving on the Board. Each Fund also has a standing pricing committee, comprised of any one Director. The function of the pricing committee is to assist in valuing the Fund's investments.

DSM's and DSMB's audit committee met six times and five times, respectively, during the Fund's fiscal year ended September 30, 2007 and November 30, 2007, respectively. Each Fund's nominating committee met once, and each Fund's pricing committee did not meet during the Fund's last fiscal year. DSM's compensation committee met once and DSMB's compensation committee did not meet during the respective Fund's last fiscal year.

Each Fund Director also serves as a director of other funds in the Dreyfus fund complex. Annual retainer fees and attendance fees are allocated on the basis of net assets, with the Chairman of the Board of each Fund, Joseph S. DiMartino, receiving an additional 25% in annual retainer and per meeting fees. The Fund reimburses Directors for their expenses. Emeritus Directors, if any, are entitled to receive an annual retainer and per meeting attended fee of one-half the amount paid to them as Directors. The Funds had no Emeritus Directors as of the date of this proxy statement. Neither Fund has a bonus, pension, profit-sharing or retirement plan.

The aggregate amount of compensation paid to each Nominee by DSMB for its fiscal year ended November 30, 2007, and by DSM for its fiscal year ended September 30, 2007, and the aggregate amount of compensation paid to each such Nominee by all funds in the Dreyfus Family of Funds for which such Nominee was a Board member (the number of portfolios of such funds is set forth in parenthesis next to each Nominee's total compensation) for the year ended December 31, 2007, was as follows:

<b><u>Name of Nominee and Fund</u></b>	<b><u>Aggregate Compensation from each Fund*</u></b>	<b><u>Total Compensation from each Fund and Fund Complex Paid to Nominee (**)</u></b>
David W. Burke		\$347,479 (105)
DSMB	\$4,022	
DSM	\$5,542	
Gordon J. Davis		\$137,942 (39)
DSMB	\$3,788	
DSM	\$4,077	
Ehud Houminer		\$223,500 (79)
DSMB	\$4,022	
DSM	\$5,542	
Hans C. Mautner		\$77,729 (30)
DSMB	\$3,504	
DSM	\$5,119	
Robin A. Melvin		\$78,729 (30)
DSMB	\$3,714	
DSM	\$5,119	

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Burton N. Wallack		\$85,229 (30)
DSMB	\$3,788	
DSM	\$4,077	
John E. Zuccotti		\$84,729 (30)
DSMB	\$4,022	
DSM	\$5,542	

\* Amount does not include the cost of office space, secretarial services and health benefits for the Chairman and expenses incurred to Directors for attending Board meetings, which in the aggregate amounted to \$3,213 for DSMB and \$3,770 for DSM.

\*\* Represents the number of separate portfolios comprising the investment companies in the fund complex, including the Funds, for which the Nominee serves as a Board member.

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For each Fund's most recent fiscal year, the number of Board meetings held and aggregate amount of compensation paid to each Continuing Director who is not a Nominee by each Fund and by all funds in the Dreyfus Family of Funds for which such person is a Board member are set forth on Exhibit A. Certain other information concerning each Fund's Directors and officers also is set forth on Exhibit A.

## Required Vote

The election of a Nominee for each Fund requires the affirmative vote of a plurality of votes cast at the Fund's meeting for the election of Directors.

## ADDITIONAL INFORMATION

### Selection of Independent Registered Public Accounting Firm

The 1940 Act requires that each Fund's independent registered public accounting firm (the "independent auditors" or "auditors") be selected by a majority of those Directors who are not "interested persons" (as defined in the 1940 Act) of the Fund. The audit committee has direct responsibility for the appointment, compensation, retention and oversight of the Fund's independent auditors. At a meeting held on October 29, 2007 for DSMB and July 17, 2007 for DSM, each Fund's audit committee approved and each Fund's Board, including a majority of those Directors who are not "interested persons" of the Fund, ratified the selection of Ernst & Young LLP ("E&Y") as the independent auditors for the respective Fund's fiscal year ending in 2008. E&Y, a major international accounting firm, has acted as auditors of each Fund since the Fund's organization. After reviewing the Fund's audited financial statements for the fiscal year ended September 30, 2007 for DSM, and November 30, 2007 for DSMB, each Fund's audit committee recommended to the Fund's Board that such statements be included in the Fund's annual report to stockholders. Copies of the audit committee's report for DSM and DSMB are attached as Exhibits B and C, respectively, to this proxy statement.

### Independent Auditor Fees and Services

The following chart reflects fees paid to E&Y in each Fund's last two fiscal years. For Service Affiliates (i.e., Dreyfus and any entity controlling, controlled by or under common control with Dreyfus that provides ongoing services to the relevant Fund), such fees represent only those fees that required pre-approval by the audit committee. All services provided by E&Y were pre-approved as required.

	<u>DSM<sup>1</sup></u>	<u>Service Affiliates<sup>1</sup></u>	<u>DSMB<sup>2</sup></u>	<u>Service Affiliates<sup>2</sup></u>
<b>Audit Fees</b>	\$36,008/\$36,008	N/A	\$36,008/\$36,008	N/A
<b>Audited-Related Fees<sup>3</sup></b>	\$21,922/\$42,410	\$0/\$0	\$5,122/\$42,410	\$0/\$0

<b>Tax Fees<sup>4</sup></b>	\$3,235/\$2,313	\$0/\$0	\$3,060/\$2,541	\$0/\$0
<b>Aggregate Non-Audit Fees<sup>5</sup></b>	\$0/\$0	\$443,981/\$1,667,704	\$0/\$0	\$375,571/\$1,890,737

<sup>1</sup> Fiscal years ended September 30, 2006/September 30, 2007.

<sup>2</sup> Fiscal years ended November 30, 2006/November 30, 2007.

<sup>3</sup> Services to the Fund consisted of (i) agreed-upon procedures related to compliance with basic maintenance requirements for auction preferred stock; and (ii) security counts required by Rule 17f-2 under the 1940 Act.

<sup>4</sup> Services to the Fund consisted of (i) review or preparation of U.S. federal, state, local and excise tax returns; (ii) U.S. federal, state and local tax planning, advice and assistance regarding statutory, regulatory or administrative developments; and (iii) tax advice regarding tax qualification matters and/or treatment of various financial instruments held or proposed to be acquired or held.

<sup>5</sup> Rendered to the Fund and Service Affiliates.

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**Audit Committee Pre-Approval Policies and Procedures.** Each Fund's audit committee has established policies and procedures (the "Policy") for pre-approval (within specified fee limits) of E&Y's engagements for non-audit services to the Fund and Service Affiliates without specific case-by-case consideration. Pre-approval considerations include whether the proposed services are compatible with maintaining E&Y's independence. Pre-approvals pursuant to the Policy are considered annually.

**Auditor Independence.** Each Fund's audit committee has considered whether the provision of non-audit services that were rendered to Service Affiliates which did not require pre-approval are compatible with maintaining E&Y's independence.

A representative of E&Y is expected to be present at the meeting, will have the opportunity to make a statement, and will be available to respond to appropriate questions.

## Service Providers

Dreyfus, located at 200 Park Avenue, New York, New York 10166, serves as each Fund's investment adviser. Mellon Trust of New England, N.A., an affiliate of Dreyfus, located at One Mellon Bank Center, Pittsburgh, Pennsylvania 15258, acts as Custodian for the assets of each Fund. PFPC Inc., located at 4400 Computer Drive, Westboro, MA 01581, acts as DSMB's Transfer Agent, Dividend-Paying Agent and Registrar; and The Bank of New York, an affiliate of Dreyfus, located at P.O. Box 358016, Pittsburgh, PA 15252, acts as DSM's Transfer Agent, Dividend-Paying Agent and Registrar.

## Voting Information

To vote, please complete, date and sign the enclosed proxy card for each Fund you own and mail it in the enclosed, postage-paid envelope.

Each Fund will bear its pro rata share of the cost of soliciting proxies based on the net assets of the Fund. In addition to the use of the mails, proxies may be solicited personally or by telephone, and each Fund may pay persons holding shares of the Fund 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 fax, or by telephonic instructions in accordance with procedures designed to authenticate the stockholder's identity. In all cases where a telephonic proxy is solicited, the stockholder will be asked to provide or confirm certain identifiable information and to confirm that the stockholder has received the Fund's proxy statement and proxy card in the mail. Within 72

hours of receiving a stockholder's solicited telephonic voting instructions, a confirmation will be sent to the stockholder to ensure that the vote has been taken in accordance with the stockholder's instructions and to provide a telephone number to call immediately if the stockholder's instructions are not correctly reflected in the confirmation. Shares represented by executed and unrevoked proxies will be voted in accordance with the specifications made thereon, and if no voting instructions are given, shares will be voted "FOR" the Proposals.

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 shares of the Fund on a particular matter with respect to which the broker or nominee does not have discretionary power) or marked with an abstention (collectively, "abstentions"), the Fund's shares represented thereby will be considered to be present at the meeting for purposes of determining the existence of a quorum for the transaction of business. Under Maryland law, abstentions do not constitute a vote "for" or "against" a matter and will be disregarded in determining "votes cast" on an issue.

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### OTHER MATTERS

Neither Fund's Board is aware of any other matter which may come before the meeting. However, should any such matter with respect to one or both Funds 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 matter.

Proposals that stockholders wish to include in a Fund's proxy statement for the Fund's next Annual Meeting of Stockholders must be sent to and received by such Fund no later than December 7, 2008 at the principal executive offices of the Fund at 200 Park Avenue, New York, New York 10166, Attention: Secretary of the Fund. The date after which notice of a stockholder proposal is considered untimely, except as otherwise permitted under applicable law, is February 22, 2009.

Stockholders who wish to communicate with Directors should send communications to the attention of the Secretary of the Fund, 200 Park Avenue, New York, New York 10166, and communications will be directed to the Director or Directors indicated in the communication or, if no Director or Directors are indicated, to the Chairman of the Board of Directors.

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

Please advise, as appropriate, Dreyfus Strategic Municipals, Inc., in care of BNY Mellon Shareowner, Proxy Department, 480 Washington Blvd., 27th floor, Jersey City, NJ 07310, or Dreyfus Strategic Municipal Bond Fund, Inc., in care of PFPC Inc., P.O. Box 43027, Providence, RI 02940-3027, whether other persons are the beneficial owners of the shares for which proxies are being solicited, and if so, the number of copies of the proxy statement and other soliciting material you wish to receive in order to supply copies to the beneficial owners of shares.

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

Dated: March 25, 2008

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### EXHIBIT A

#### PART I



Part I sets forth information relevant to the Continuing Directors who are not Nominees for election at this meeting, Board and committee meetings, and share ownership. Unless otherwise indicated, the information set forth herein applies to both Funds.

***Continuing Class I Directors with Terms Expiring in 2009 for DSMB and 2010 for DSM***

The following table presents information about the Continuing Directors of the Funds, including their principal occupations and other board memberships and affiliations. In addition to the Continuing Directors listed below, Messrs. Burke, Mautner, Wallack and Zuccotti are Class III Continuing Directors of DSM and Messrs. Houminer and Davis and Ms. Melvin are Class II Continuing Directors of DSMB. The address of each Continuing Director is 200 Park Avenue, New York, New York 10166. Each of the Fund's Continuing Directors will continue to serve as a Director of the Funds after the meeting.

<b><u>Name (Age) of Continuing Director Position with Fund (Since)</u></b>	<b><u>Principal Occupation During Past 5 Years</u></b>	<b><u>Other Board Memberships and Affiliations</u></b>
<b>JOSEPH S. DiMARTINO</b> (64) <b>Chairman of the Board and Class I Director of DSM</b> (1995) <b>Chairman of the Board and Class I Director of DSMB</b> (1995)	Corporate Director and Trustee	The Muscular Dystrophy Association, <i>Director</i> Century Business Services, Inc., a provider of out-sourcing functions for small and medium size companies, <i>Director</i> The Newark Group, a provider of a national market of paper recovery facilities, paperboard mills and paperboard converting plants, <i>Director</i> Sunair Services Corporation, a provider of certain outdoor-related services to homes and businesses, <i>Director</i>
<b>WILLIAM HODDING CARTER III</b> (72) <b>Class I Director of DSM</b> (1989) <b>Class I Director of DSMB</b> (1989)	Professor of Leadership & Public Policy, University of North Carolina, Chapel Hill (January 1, 2006 - present) President and Chief Executive Officer of John S. and James L. Knight Foundation (February 1, 1998 - February 1, 2006)	The Century Foundation, <i>Emeritus Director</i> The Enterprise Corporation of the Delta, <i>Director</i>
<b>JONI EVANS</b> (65) <b>Class I Director of DSM</b> (2007) <b>Class I Director of DSMB</b> (2007)	Principal, Joni Evans Ltd. Senior Vice President of the William Morris Agency (2005)	None

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<b><u>Name (Age) of Continuing Director Position with Fund (Since)</u></b>	<b><u>Principal Occupation During Past 5 Years</u></b>	<b><u>Other Board Memberships and Affiliations</u></b>
<b>RICHARD C. LEONE</b> (67) <b>Class I Director of DSM</b> (1989) <b>Class I Director of DSMB</b> (1989)	President of The Century Foundation (formerly, The Twentieth Century Fund, Inc.), a tax exempt research foundation engaged in the study of econom-  domestic issues	The American Prospect, <i>Director</i> Center for American Progress, <i>Director</i>

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The table below indicates the dollar range of each Continuing Director's and Nominee's ownership of shares of each Fund's Common Stock and shares of other funds in the Dreyfus Family of Funds for which he or she is a Board member, in each case as of December 31, 2007.

<b><u>Name of Continuing Director or Nominee</u></b>	<b><u>DSM Common Stock</u></b>	<b><u>DSMB Common Stock</u></b>	<b><u>Aggregate Holding of Funds in the Dreyfus Family of Funds for which Responsible as a Board Member</u></b>
David W. Burke*	None	None	Over \$100,000
Hodding Carter III	None	None	None
Gordon J. Davis*	None	None	\$50,001 - \$100,000
Joseph S. DiMartino	None	None	Over \$100,000
Joni Evans	None	None	None
Ehud Houminer*	None	None	\$1 - \$10,000
Richard C. Leone	None	None	Over \$100,000
Hans C. Mautner*	None	None	Over \$100,000
Robin A. Melvin*	None	None	Over \$100,000
Burton N. Wallack*	None	None	None
John E. Zuccotti*	None	None	Over \$100,000

\* Nominee.

As of December 31, 2007, none of the Nominees or Continuing Directors or their immediate family members owned securities of Dreyfus or any person (other than a registered investment company) directly or indirectly controlling, controlled by or under common control with Dreyfus.

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#### PERTAINING TO THE BOARD OF EACH FUND

- DSM held 7 Board meetings, DSMB held 8 Board meetings and DSM's and DSMB's audit committees met 6 and 5 times, respectively, during its last fiscal year.

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- The Funds do not have a formal policy regarding Directors' attendance at annual meetings of stockholders. Directors did not attend last year's annual meeting.
- All Continuing Directors and Nominees (who were Directors at the time) attended at least 75% of all Board and committee meetings, as applicable, held in the last fiscal year.

**Compensation Table.** The aggregate amount of compensation paid to each Continuing Director by DSMB for its fiscal year ended November 30, 2007, and by DSM for its fiscal year ended September 30, 2007, and by all funds in the Dreyfus Family of Funds for which such Director was a Board member (the number of portfolios of such funds is set forth in parenthesis next to each Director's total compensation) for the year ended December 31, 2007, was as follows:

<b>Name of Continuing Director and Fund</b>	<b>Aggregate compensation from each Fund*</b>	<b>Total compensation from each Fund and fund complex paid to Continuing Director (**)</b>
William Hodding Carter III		\$84,729 (30)
DSMB	\$4,022	
DSM	\$5,542	
Joseph S. DiMartino		\$819,865 (196)
DSMB	\$5,025	
DSM	\$6,928	
Joni Evans		\$78,229 (30)
DSMB	\$3,596	
DSM	\$3,775	
Richard C. Leone		\$78,000 (30)
DSMB	\$3,714	
DSM	\$5,119	

\* Amount does not include the cost of office space, secretarial services and health benefits for the Chairman and expenses reimbursed to Directors for attending Board meetings, which in the aggregate amounted to \$3,213 for DSMB and \$3,770 for DSM.

\*\* Represents the number of separate portfolios comprising the investment companies in the fund complex, including the Funds, for which the Director serves as a Board member.

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PART II

Part II sets forth information relevant to the officers of each Fund.

<b>Name and Position with Funds (Since)</b>	<b>Age</b>	<b>Principal Occupation and Business Experience For Past Five Years</b>
<b>J. DAVID OFFICER</b>		
President (2006)	59	Chief Operating Officer, Vice Chairman and a director of Dreyfus and an officer of 78 investment companies (comprised of 163 portfolios)

managed by Dreyfus.

**PHILLIP N. MAISANO**

Executive Vice President (2007)

60

Chief Investment Officer, Vice Chair and a director of Dreyfus, and an officer of 78 investment companies (comprised of 163 portfolios) managed by Dreyfus. Mr. Maisano also is an officer and/or board member of certain other investment management subsidiaries of The Bank of New York Mellon Corporation, each of which is an affiliate of Dreyfus. He has been an employee of Dreyfus since November 2006. Prior to joining Dreyfus, Mr. Maisano served as Chairman and Chief Executive Officer of EACM Advisors, an affiliate of Dreyfus, since August 2004, and served as Chief Executive Officer of Evaluation Associates, a leading institutional investment consulting firm, from 1988 until 2004.

**A. PAUL DISDIER**

Executive Vice President (2002)

52

Director of Dreyfus Municipal Securities and an officer of 2 other investment companies (comprised of 2 portfolios) managed by Dreyfus.

**JAMES WINDELS**

Treasurer (2001)

49

Director of Mutual Fund Accounting of Dreyfus, and an officer of 79 investment companies (comprised of 180 portfolios) managed by Dreyfus.

**MICHAEL A. ROSENBERG**

Vice President and Secretary (2005)

48

Associate General Counsel of Dreyfus, and an officer of 79 investment companies (comprised of 180 portfolios) managed by Dreyfus.

**JAMES BITETTO**

Vice President and Assistant Secretary (2005)

41

Associate General Counsel and Assistant Secretary of Dreyfus, and an officer of 79 investment companies (comprised of 180 portfolios) managed by Dreyfus.

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**Name and Position  
with Funds (Since)**

**Age**

**Principal Occupation and Business  
Experience For Past Five Years**

**JONI LACKS CHARATAN**

Vice President and Assistant Secretary

(2005)

52

Associate General Counsel of Dreyfus, and an officer of 79 investment companies (comprised of 180 portfolios) managed by Dreyfus.

**JOSEPH M. CHIOFFI**

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Vice President and Assistant Secretary	( 2005)	46	Associate General Counsel of Dreyfus, and an officer of 79 investment companies (comprised of 180 portfolios) managed by Dreyfus.
<b>JANETTE E. FARRAGHER</b>			
Vice President and Assistant Secretary	( 2005)	45	Associate General Counsel of Dreyfus, and an officer of 79 investment companies (comprised of 180 portfolios) managed by Dreyfus.
<b>JOHN B. HAMMALIAN</b>			
Vice President and Assistant Secretary	(2005)	44	Associate General Counsel of Dreyfus, and an officer of 79 investment companies (comprised of 180 portfolios) managed by Dreyfus.
<b>ROBERT R. MULLERY</b>			
Vice President and Assistant Secretary	(2005)	56	Associate General Counsel of Dreyfus, and an officer of 79 investment companies (comprised of 180 portfolios) managed by Dreyfus.
<b>JEFF PRUSNOFSKY</b>			
Vice President and Assistant Secretary	(2005)	42	Associate General Counsel of Dreyfus, and an officer of 79 investment companies (comprised of 180 portfolios) managed by Dreyfus.
<b>RICHARD CASSARO</b>			
Assistant Treasurer	(2008)	49	Senior Accounting Manager □ Money Market and Municipal Bond Funds of Dreyfus, and an officer of 79 investment companies (comprised of 180 portfolios) managed by Dreyfus.
<b>GAVIN C. REILLY</b>			
Assistant Treasurer	(2005)	39	Tax Manager of the Investment Accounting and Support Department of Dreyfus, and an officer of 79 investment companies (comprised of 180 portfolios) managed by Dreyfus.
<b>ROBERT S. ROBOL</b>			
Assistant Treasurer	(2005)	43	Senior Accounting Manager □ Money Market and Municipal Bond Funds of Dreyfus, and an officer of 79 investment companies (comprised of 180 portfolios) managed by Dreyfus.
<b>ROBERT SALVIOLO</b>			
Assistant Treasurer	(2007)	40	Senior Accounting Manager □ Equity Funds of Dreyfus, and an officer of 79 investment companies (comprised of 180 portfolios) managed by Dreyfus.

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Name and Position with Funds (Since)	Age	Principal Occupation and Business Experience For Past Five Years
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**ROBERT SVAGNA**

Assistant Treasurer (2005)	41	Senior Accounting Manager of Equity Funds of Dreyfus, and an officer of 79 investment companies (comprised of 180 portfolios) managed by Dreyfus.
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**JOSEPH W. CONNOLLY**

Chief Compliance Officer (2004)	50	Chief Compliance Officer of Dreyfus and The Dreyfus Family of Funds (79 investment companies, comprised of 180 portfolios). From November 2001 through March 2004, Mr. Connolly was first Vice-President, Mutual Fund Servicing for Mellon Global Securities Services. In that capacity, Mr. Connolly was responsible for managing Mellon's Custody, Fund Accounting and Fund Administration services to third-party mutual fund clients.
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The address of each officer of the Funds is 200 Park Avenue, New York, New York 10166.

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PART III

Part III sets forth information for each Fund regarding the beneficial ownership of its shares as of March 19, 2008 by Nominees, Continuing Directors and officers of the Fund owning shares on such date and by any shareholders owning 5% or more of the Fund's outstanding shares.

As of March 19, 2008, each Fund's Directors and officers, as a group, owned less than 1% of the Fund's outstanding shares.

As of March 19, 2008, the following Directors and officers owned shares of Common Stock of the Funds as indicated below:

	<b>DSM</b> <b>Shares of Common</b> <b>Stock Owned</b>	<b>DSMB</b> <b>Shares of Common</b> <b>Stock Owned</b>
<b><u>Directors</u></b>		
None		
<b><u>Officers</u></b>		
A. Paul Disdier	11,500	2,500

To each Fund's knowledge, no person owned beneficially 5% or more of the outstanding shares of Common Stock or the outstanding shares of APS of a Fund on March 19, 2008. Cede & Co. held of record approximately 88% and 92% of the outstanding Common Stock for DSM and DSMB, respectively, and 100% of the outstanding shares of APS of each of DSM and DSMB.

**Section 16(a) Beneficial Ownership Reporting Compliances**

To each Fund's knowledge, all of its officers, Directors and holders of more than 10% of its Common Stock or APS complied with all filing requirements under Section 16(a) of the Securities Exchange Act of 1934, as amended, during the fiscal year ended September 30, 2007 for DSM and November 30, 2007 for DSMB except that Jonathan Little, who became Chairman of the Board of Dreyfus on December 28, 2006, did not report on a timely basis in a Form 3 filing that he had no beneficial interest in either Fund as of the date he was appointed Chairman of Dreyfus. However, the described failure to file was subsequently reported on the appropriate Form during DSM's and DSMB's fiscal years ended September 30, 2007 and November 30, 2007, respectively. In making this disclosure, each Fund has relied solely on written representations of such persons and on copies of reports that have been filed with the Securities and Exchange Commission.

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## EXHIBIT B

Dreyfus Strategic Municipals, Inc.

November 20, 2007

### REPORT OF THE AUDIT COMMITTEE

The audit committee oversees the Fund's financial reporting process on behalf of the board of directors. Management has the primary responsibility for the financial statements and the reporting process including the systems of internal controls. In fulfilling its oversight responsibilities, the committee reviewed the audited financial statements in the Annual Report with management including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements.

The committee reviewed with the independent registered public accounting firm (the "independent auditors" or "auditors"), who are responsible for expressing an opinion on the conformity of those audited financial statements with generally accepted accounting principles, their judgments as to the quality, not just the acceptability, of the Fund's accounting principles and such other matters as are required to be discussed with the committee under the standards of the Public Company Accounting Oversight Board (United States). In addition, the committee has discussed with the independent auditors the auditors' independence from management and the Fund including the auditors' letter and the matters in the written disclosures required by the Independence Standards Board, and considered the compatibility of non-audit services with the auditors' independence.

The committee discussed with the independent auditors the overall scope and plan for the audit. The committee met with the independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of the Fund's internal controls, and the overall quality of the Fund's financial reporting.

In reliance on the reviews and discussions referred to above, the committee recommended to the board of directors (and the board has approved) that the audited financial statements for the Fund be included in the Annual Report to Shareholders for the year ended September 30, 2007.

Ehud Houminer, Audit Committee Chair  
David W. Burke, Audit Committee Member  
Hodding Carter III, Audit Committee Member  
Joseph S. DiMartino, Audit Committee Member  
Joni Evans, Audit Committee Member

Richard C. Leone, Audit Committee Member  
Hans C. Mautner, Audit Committee Member  
Robin A. Melvin, Audit Committee Member  
Burton Wallack, Audit Committee Member  
John E. Zuccotti, Audit Committee Member

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## EXHIBIT C

Dreyfus Strategic Municipal Bond Fund, Inc.

January 24, 2008

## REPORT OF THE AUDIT COMMITTEE

The audit committee oversees the Fund's financial reporting process on behalf of the board of directors. Management has the primary responsibility for the financial statements and the reporting process including the systems of internal controls. In fulfilling its oversight responsibilities, the committee reviewed the audited financial statements in the Annual Report with management including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements.

The committee reviewed with the independent registered public accounting firm (the "independent auditors" or "auditors"), who are responsible for expressing an opinion on the conformity of those audited financial statements with generally accepted accounting principles, their judgments as to the quality, not just the acceptability, of the Fund's accounting principles and such other matters as are required to be discussed with the committee under the standards of the Public Company Accounting Oversight Board (United States). In addition, the committee has discussed with the independent auditors the auditors' independence from management and the Fund including the auditors' letter and the matters in the written disclosures required by the Independence Standards Board, and considered the compatibility of non-audit services with the auditors' independence.

The committee discussed with the independent auditors the overall scope and plan for the audit. The committee met with the independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of the Fund's internal controls, and the overall quality of the Fund's financial reporting.

In reliance on the reviews and discussions referred to above, the committee recommended to the board of directors (and the board has approved) that the audited financial statements for the Fund be included in the Fund's Annual Report to Shareholders for the year ended November 30, 2007.

Ehud Houminer, Audit Committee Chair  
David W. Burke, Audit Committee Member  
Hodding Carter III, Audit Committee Member  
Joseph S. DiMartino, Audit Committee Member  
Joni Evans, Audit Committee Member

Richard C. Leone, Audit Committee Member  
Hans C. Mautner, Audit Committee Member  
Robin A. Melvin, Audit Committee Member  
Burton Wallack, Audit Committee Member  
John E. Zuccotti, Audit Committee Member

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- PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. -

**Proxy ☐ Dreyfus Strategic Municipal Bond Fund, Inc.**

## **AUCTION PREFERRED STOCKHOLDERS**

The undersigned stockholder of Dreyfus Strategic Municipal Bond Fund, Inc. (the "Fund") hereby appoints Robert R. Mullery and Joni L. Charatan, 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 the Fund standing in the name of the undersigned at the close of business on March 19, 2008 at the Annual Meeting of Stockholders to be held at the offices of The Dreyfus Corporation, 200 Park Avenue, 8th Floor, New York, New York, commencing at 10:00 a.m. on Wednesday, May 21, 2008; and at any and all adjournments thereof, with all of the powers the undersigned would possess if then and there personally present and especially (but without limiting the general authorization and power hereby given) to vote as indicated on the proposals, as more fully described in the Proxy Statement for the meeting.

**CONTINUED AND TO BE SIGNED ON REVERSE SIDE**

**SEE REVERSE  
SIDE**

**SEE REVERSE  
SIDE**

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- PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. -

## **Proxy ☐ Dreyfus Strategic Municipal Bond Fund, Inc.**

### **COMMON STOCK HOLDERS**

The undersigned stockholder of Dreyfus Strategic Municipal Bond Fund, Inc. (the ☐Fund☐) hereby appoints Robert R. Mullery and Joni L. Charatan, 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 the Fund standing in the name of the undersigned at the close of business on March 19, 2008 at the Annual Meeting of Stockholders to be held at the offices of The Dreyfus Corporation, 200 Park Avenue, 8th Floor, New York, New York, commencing at 10:00 a.m. on Wednesday, May 21, 2008; and at any and all adjournments thereof, with all of the powers the undersigned would possess if then and there personally present and especially (but without limiting the general authorization and power hereby given) to vote as indicated on the proposals, as more fully described in the Proxy Statement for the meeting.

**CONTINUED AND TO BE SIGNED ON REVERSE SIDE**

**SEE REVERSE  
SIDE**

**SEE REVERSE  
SIDE**

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## **DREYFUS STRATEGIC MUNICIPALS, INC. AUCTION PREFERRED STOCKHOLDERS**

The undersigned stockholder of Dreyfus Strategic Municipals, Inc. (the ☐Fund☐) hereby appoints Robert R. Mullery and Joni L. Charatan 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 the Fund standing in the name of the undersigned at the close of business on March 19, 2008 at the Annual Meeting of Stockholders to be held at the offices of The Dreyfus Corporation, 200 Park Avenue, 8th Floor, New York, New York, commencing at 10:00 a.m. on Wednesday, May 21, 2008; and at any and all adjournments thereof, with all of the powers the undersigned would possess if then and there personal present and especially (but without limiting the general authorization and power hereby given) to vote as indicated on the proposals, as more fully described in the Proxy Statement for the

meeting.

**DREYFUS STRATEGIC MUNICIPALS, INC.**

**IMPORTANT**

**Please Act Promptly**

**Sign, Date and Mail your Proxy Card(s) Today.**

No matter how many shares you own, your vote is important. Voting can also help the Fund save money. To hold a meeting, a quorum must be represented. Voting today can save the fund the expense of another solicitation for proxies required to achieve a quorum.

Please note that if you hold more than one account in the Fund, a proxy card will be sent to you for each of your accounts. You should sign and return each proxy card in order for all votes to be counted.

Thank you for your interest in the Fund.

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**DREYFUS STRATEGIC MUNICIPALS, INC.  
COMMON STOCKHOLDERS**

The undersigned stockholder of Dreyfus Strategic Municipals, Inc. (the "Fund") hereby appoints Robert R. Mullery and Joni L. Charatan 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 the Fund standing in the name of the undersigned at the close of business on March 19, 2008 at the Annual Meeting of Stockholders to be held at the offices of The Dreyfus Corporation, 200 Park Avenue, 8th Floor, New York, New York, commencing at 10:00 a.m. on Wednesday, May 21, 2008; and at any and all adjournments thereof, with all of the powers the undersigned would possess if then and there personally present and especially (but without limiting the general authorization and power hereby given) to vote as indicated on the proposals, as more fully described in the Proxy Statement for the meeting.

**DREYFUS STRATEGIC MUNICIPALS, INC.**

**IMPORTANT**

**Please Act Promptly**

**Sign, Date and Mail your Proxy Card(s) Today.**

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Please note that if you hold more than one account in the Fund, a proxy card will be sent to you for each of your accounts. You should sign and return each proxy card in order for all votes to be counted.

Thank you for your interest in the Fund.

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