

# General California Municipal Money Market Fund

**SEMIANNUAL REPORT** May 31, 2005



YOU, YOUR ADVISOR AND

**Dreyfus**

A MELLON FINANCIAL COMPANY™

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## LETTER FROM THE CHAIRMAN

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Dear Shareholder:

We are pleased to present this semiannual report for General California Municipal Money Market Fund, covering the six-month period from December 1, 2004, through May 31, 2005. Inside, you'll find valuable information about how the fund was managed during the reporting period, including a discussion with the fund's portfolio manager, Joseph Irace.

While some longer-term investments produced mixed results over the reporting period, higher interest rates helped improve the yields of money market instruments. Between the Federal Reserve Board's initial rate hike in June 2004 and the reporting period's end, the overnight federal funds rate rose from 1% to 3%. What's more, yield differences across the money market's maturity spectrum have widened during most of the reporting period, offering investors opportunities to capture incrementally higher levels of current income.

In this rising interest-rate environment, the money market investments that are right for you depend on your current liquidity needs, future goals and the composition of your current portfolio. As always, your financial advisor may be in the best position to recommend the specific investments that will satisfy your portfolio diversification and capital preservation needs.

Thank you for your continued confidence and support.

Sincerely,

A handwritten signature in dark ink, appearing to read "Stephen E. Canter", written in a cursive, flowing style.

Stephen E. Canter  
Chairman and Chief Executive Officer  
The Dreyfus Corporation  
June 15, 2005



## DISCUSSION OF FUND PERFORMANCE

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Joseph Irace, Portfolio Manager

### **How did General California Municipal Money Market Fund perform during the period?**

For the six-month period ended May 31, 2005, the fund produced annualized yields of 1.50% for Class A shares and 1.12% for Class B shares. Taking into account the effects of compounding, the fund also produced annualized effective yields of 1.51% and 1.12% for Class A and Class B shares, respectively. From their inception on March 22, 2005, through the end of the semiannual reporting period on May 31, 2005, the fund's E\*TRADE Class shares produced an annualized yield of 1.74% and an annualized effective yield of 1.75%.<sup>1</sup>

We attribute the fund's results to rising short-term interest rates in a recovering U.S. economy as the Federal Reserve Board (the "Fed") continued to move away from its accommodative monetary policy of the past several years.

### **What is the fund's investment approach?**

The fund seeks to maximize current income exempt from federal and California state personal income taxes, to the extent consistent with the preservation of capital and the maintenance of liquidity.

In pursuing this objective, we employ two primary strategies. First, we normally attempt to add value by constructing a portfolio of high-quality, municipal money market instruments that provide income exempt from federal and California state personal income taxes. Second, we actively manage the fund's average maturity in anticipation of what we believe are supply-and-demand changes in the short-term municipal marketplace.

For example, if we expect an increase in short-term supply, we may decrease the average maturity of the fund, which could enable us to take advantage of opportunities when short-term supply increases. Generally, yields tend to rise when there is an increase in new-issue supply com-

peting for investor interest. New securities that are generally issued with maturities in the one-year range may in turn lengthen the fund's weighted average maturity. If we anticipate limited new-issue supply, we may then look to extend the fund's average maturity to maintain then-current yields for as long as we believe practical. In addition, we try to maintain an average maturity that reflects our view of short-term interest-rate trends and future supply-and-demand considerations.

### **What other factors influenced the fund's performance?**

The fund's performance was influenced primarily by higher short-term interest rates. The end of the U.S. presidential election just weeks before the start of the reporting period lifted a cloud of uncertainty from the economy and financial markets, leading investors to worry that the Fed might raise interest rates to a higher level and at a faster pace than they previously expected. However, as it had since implementing the first rate hike of the current cycle in late June 2004, the Fed continued to raise short-term interest rates gradually and steadily at each of the four meetings of its Federal Open Market Committee ("FOMC") during the reporting period, driving the overnight federal funds rate from 2% at the start of the reporting period to 3% by the end of May 2005. Yields of tax-exempt money market instruments generally rose along with interest rates.

The fund also was influenced by an improving credit environment in California. Higher tax receipts in the recovering economy helped support better fiscal conditions, prompting one of the major bond rating agencies to assign a "positive outlook" to the state's general obligation bonds during the reporting period. Although substantial fiscal challenges remain, California issuers had less need to borrow to finance budget deficits, and the volume of new securities issuance declined compared to the same period one year earlier. At the same time, investor demand for California tax-exempt securities remained relatively robust.

In this environment, we maintained our focus on securities with maturities of six months or less in an attempt to maintain liquidity and keep funds available for higher-yielding instruments as they became available.

However, most money market funds adopted a similar strategy, and the industry's weighted average maturity in May fell to the shortest point on record. Nonetheless, the fund's weighted average maturity ended the reporting period in a range that was modestly longer than industry averages. To achieve this position, we found relatively attractive yields from commercial paper with maturities between one and three months. In addition, we increased the fund's holdings of variable rate demand notes. Investing in shorter-term instruments enabled us to avoid locking in yields of one-year notes in a rising interest-rate environment.

### **What is the fund's current strategy?**

The U.S. and global economies recently have sent mixed signals, suggesting that the economic cycle is moving to a phase that typically is characterized by slower growth. While we believe that the Fed may be approaching the end of its moves toward a less accommodative monetary policy, it likely will continue to raise the federal funds rate at one or more of its upcoming FOMC meetings. Accordingly, we have continued to focus on shorter-term instruments that give the fund the liquidity it needs to capture higher yields as they arise. However, we are prepared to revise our strategies as market conditions change.

June 15, 2005

*An investment in the fund is not insured or guaranteed by the FDIC or any other government agency. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund.*

- <sup>1</sup> *Annualized effective yield is based upon dividends declared daily and reinvested monthly. Past performance is no guarantee of future results. Yields fluctuate. Income may be subject to state and local taxes for non-California residents, and some income may be subject to the federal alternative minimum tax (AMT) for certain investors. Yields provided for the fund's Class B and E\*TRADE Class shares reflect the absorption of fund expenses by The Dreyfus Corporation pursuant to a voluntary undertaking that may be extended, terminated or modified at any time. Had these expenses not been absorbed, the fund's Class B shares would have produced an annualized yield of 1.03% and an annualized effective yield of 1.04%, and the fund's E\*TRADE Class shares would have produced an annualized yield of 1.68% and an annualized effective yield of 1.69%.*

# UNDERSTANDING YOUR FUND'S EXPENSES (Unaudited)

As a mutual fund investor, you pay ongoing expenses, such as management fees and other expenses. Using the information below, you can estimate how these expenses affect your investment and compare them with the expenses of other funds. You also may pay one-time transaction expenses, including sales charges (loads) and redemption fees, which are not shown in this section and would have resulted in higher total expenses. For more information, see your fund's prospectus or talk to your financial adviser.

## Review your fund's expenses

The table below shows the expenses you would have paid on a \$1,000 investment in General California Municipal Money Market Fund from December 1, 2004 to May 31, 2005. It also shows how much a \$1,000 investment would be worth at the close of the period, assuming actual returns and expenses.

| Expenses and Value of a \$1,000 Investment                                 |            |            |               |
|--|------------|------------|---------------|
| assuming actual returns for the six months ended May 31, 2005 <sup>†</sup> |            |            |               |
|  | Class A    | Class B    | E*TRADE Class |
| Expenses paid per \$1,000 <sup>††</sup>                                    | \$ 3.05    | \$ 5.00    | \$ 1.95       |
| Ending value (after expenses)  | \$1,007.50 | \$1,005.60 | \$1,003.10    |

## COMPARING YOUR FUND'S EXPENSES WITH THOSE OF OTHER FUNDS (Unaudited)

### Using the SEC's method to compare expenses

The Securities and Exchange Commission (SEC) has established guidelines to help investors assess fund expenses. Per these guidelines, the table below shows your fund's expenses based on a \$1,000 investment, assuming a hypothetical 5% annualized return. You can use this information to compare the ongoing expenses (but not transaction expenses or total cost) of investing in the fund with those of other funds. All mutual fund shareholder reports will provide this information to help you make this comparison. Please note that you cannot use this information to estimate your actual ending account balance and expenses paid during the period.

| Expenses and Value of a \$1,000 Investment  |            |            |               |
|---|------------|------------|---------------|
| assuming a hypothetical 5% annualized return for the six months ended May 31, 2005 <sup>†</sup> |            |            |               |
|   | Class A    | Class B    | E*TRADE Class |
| Expenses paid per \$1,000 <sup>††</sup>   | \$ 3.07    | \$ 5.04    | \$ 1.95       |
| Ending value (after expenses)   | \$1,021.89 | \$1,019.95 | \$1,007.78    |

<sup>†</sup> For Class A and Class B shares and from March 22, 2005 (commencement of initial offering) to May 31, 2005 for E\*TRADE Class shares.

<sup>††</sup> Expenses are equal to the fund's annualized expense ratio of .61% for Class A shares, 1.00% for Class B shares and 1.00% for E\*TRADE Class shares; multiplied by the average account value over the period, multiplied by 182/365 for Class A and B shares and 71/365 for E\*TRADE Class shares (to reflect the one-half year period for Class A and Class B and actual days since inception for E\*TRADE Class shares).



# STATEMENT OF INVESTMENTS

May 31, 2005 (Unaudited)

| Tax Exempt Investments—99.4%   |  | Principal<br>Amount (\$) | Value (\$) |
|--|--|--------------------------|------------|
| <b>California—98.4%</b>  |  |                          |            |
| ABAG Finance Authority for Non-Profit<br>Corporations, VRDN:   |  |                          |            |
| MFHR (Paragon Apartments)  |  |                          |            |
| 3.01 % (LOC; Comerica Bank)  |  | 8,200,000 a              | 8,200,000  |
| Revenue:   |  |                          |            |
| (Airforce Village West Inc.)   |  |                          |            |
| 2.95% (LOC; KBC Bank)  |  | 11,500,000 a             | 11,500,000 |
| (Point Loma Nazarene University)   |  |                          |            |
| 3.01 % (LOC; Allied Irish Bank)  |  | 1,500,000 a              | 1,500,000  |
| Alameda–Contra Costa Schools Financing<br>Authority, COP, VRDN:  |  |                          |            |
| Lease Revenue  |  |                          |            |
| 3.11 % (LOC; KBC Bank) Revenue   |  | 10,240,000 a             | 10,240,000 |
| (Capital Improvement Financing Projects)   |  |                          |            |
| 3.06% (LOC; Bank of Nova Scotia)   |  | 550,000 a                | 550,000    |
| Alameda County Industrial Development<br>Authority, Industrial Revenue, VRDN:  |  |                          |            |
| (Heat & Control Inc. Project)  |  |                          |            |
| 3.03 % (LOC; Comerica Bank)  |  | 3,340,000 a              | 3,340,000  |
| (Lumber Inc. Project)  |  |                          |            |
| 3.05% (LOC; Comerica Bank)   |  | 1,500,000 a              | 1,500,000  |
| (Plastikon Industries Inc. Project)  |  |                          |            |
| 3.19% (LOC; California State<br>Teachers Retirement)   |  | 3,220,000 a              | 3,220,000  |
| (Spectrum Label Corp.)   |  |                          |            |
| 3.21 % (LOC; Bank of the West)   |  | 3,470,000 a              | 3,470,000  |
| State of California:   |  |                          |            |
| Revenue, RAN 3%, 6/30/2005   |  |                          |            |
| VRDN:  |  | 26,000,000               | 26,015,481 |
| GO Notes, Putters Program:   |  |                          |            |
| 2.99% (Insured; FGIC and Liquidity<br>Facility; JPMorgan Chase Bank)   |  |                          |            |
| 3.01 % (Insured; AMBAC and Liquidity<br>Facility; JPMorgan Chase Bank)   |  | 7,170,000 a              | 7,170,000  |
| Revenue 3% (Insured; XLCA<br>and LOC; Merrill Lynch)   |  |                          |            |
|  |  | 3,500,000 a              | 3,500,000  |
|  |  | 8,120,000 a              | 8,120,000  |
| California Community College Financing<br>Authority, College and University Revenue<br>TRAN 3%, 6/30/2005 (Insured; FSA)   |  |                          |            |
|  |  | 11,290,000               | 11,298,117 |
| California Educational Facilities Authority<br>College & University Revenue, Refunding<br>VRDN (Art Center Design College) |  |                          |            |
| 3.01 % (LOC; Allied Irish Bank)  |  | 4,150,000 a              | 4,150,000  |

| Tax Exempt Investments (continued)  | Principal<br>Amount (\$) | Value (\$) |
|---|--------------------------|------------|
| <b>California (continued)</b>   |                          |            |
| California Health Facilities Financing Authority<br>Revenue, VRDN:                                    |                          |            |
| (Catholic Healthcare West)  |                          |            |
| 2.93% (Insured; MBIA and<br>Liquidity Facility; JPMorgan Chase Bank)                                  | 400,000 <sup>a</sup>     | 400,000    |
| (Southern California Presbyterian Homes)  |                          |            |
| 2.96% (Insured; MBIA and<br>Liquidity Facility; Bank of America)                                      | 15,000,000 <sup>a</sup>  | 15,000,000 |
| California Housing Finance Agency, Revenue<br>VRDN:   |                          |            |
| 2.97% (Insured; FSA and<br>Liquidity Facility; Dexia Credit Locale)                                   | 28,000,000 <sup>a</sup>  | 28,000,000 |
| 2.97% (Insured; MBIA and Liquidity Facility:<br>California State Teachers<br>Retirement and KBC Bank) | 12,110,000 <sup>a</sup>  | 12,110,000 |
| 2.97% (Liquidity Facility; Bank of America)   | 14,800,000 <sup>a</sup>  | 14,800,000 |
| California Infrastructure and Economic<br>Development Bank:   |                          |            |
| IDR, VRDN:  |                          |            |
| (Chaparral Property Project)  |                          |            |
| 3.05% (LOC; Comerica Bank)  | 1,765,000 <sup>a</sup>   | 1,765,000  |
| (International Raisins Inc. Project)  |                          |            |
| 3.10% (LOC; M&T Bank)   | 3,750,000 <sup>a</sup>   | 3,750,000  |
| (Lance Camper Manufacturing Corp.)  |                          |            |
| 3% (LOC; Comerica Bank)   | 6,000,000 <sup>a</sup>   | 6,000,000  |
| (Studio Moulding Project)   |                          |            |
| 3.05% (LOC; Comerica Bank)  | 3,290,000 <sup>a</sup>   | 3,290,000  |
| (Vandalay Holdings LLC)   |                          |            |
| 3.05% (LOC; Comerica Bank)  | 2,107,050 <sup>a</sup>   | 2,107,050  |
| (West Star Industries Project)  |                          |            |
| 3.03% (LOC; U.S. Bank NA)   | 1,980,000 <sup>a</sup>   | 1,980,000  |
| Industrial Revenue  |                          |            |
| (Nature Kist Snacks Project)  |                          |            |
| 3.02%, (LOC; Wells Fargo Bank)  | 1,500,000 <sup>a</sup>   | 1,500,000  |
| California Pollution Control Financing Authority, VRDN:   |                          |            |
| PCR:  |                          |            |
| Refunding (Pacific Gas & Electric Corp.):   |                          |            |
| 2.94% (LOC; Bank One)   | 3,100,000 <sup>a</sup>   | 3,100,000  |
| 2.94% (LOC; JPMorgan Chase Bank)  | 8,800,000 <sup>a</sup>   | 8,800,000  |
| (Wadham Energy)   |                          |            |
| 3.07% (LOC; Danske Bank)  | 13,445,000 <sup>a</sup>  | 13,445,000 |
| SWDR:   |                          |            |
| (ALS Plastics Project)  |                          |            |
| 3.07% (LOC; Wells Fargo Bank)   | 2,500,000 <sup>a</sup>   | 2,500,000  |

| <b>Tax Exempt Investments (continued)</b>                              | <b>Principal<br/>Amount (\$)</b> | <b>Value (\$)</b> |
|--|----------------------------------|-------------------|
| <b>California (continued)</b>  |                                  |                   |
| California Pollution Control Financing<br>Authority, VRDN (continued): |                                  |                   |
| SWDR (continued):  |                                  |                   |
| (Athens Services Project)  |                                  |                   |
| 3.03% (LOC; Wells Fargo Bank)  | 3,800,000 <sup>a</sup>           | 3,800,000         |
| (Blue Line Transfer Inc.)  |                                  |                   |
| 3.03% (LOC; Wells Fargo Bank)  | 3,955,000 <sup>a</sup>           | 3,955,000         |
| (Burrtec Waste Industries Inc.)  |                                  |                   |
| 3.03% (LOC; U.S. Bank NA)  | 7,670,000 <sup>a</sup>           | 7,670,000         |
| (California Waste Solutions)   |                                  |                   |
| 3.03% (LOC; California State<br>Teachers Retirement)                   | 3,570,000 <sup>a</sup>           | 3,570,000         |
| (Chicago Grade Landfill)   |                                  |                   |
| 3.08% (LOC; Comerica Bank)   | 1,495,000 <sup>a</sup>           | 1,495,000         |
| (CR&R Inc. Project)  |                                  |                   |
| 3.06% (LOC; Bank of the West)  | 3,895,000 <sup>a</sup>           | 3,895,000         |
| (Evergreen Distributors)   |                                  |                   |
| 2.98% (LOC; California State<br>Teachers Retirement)                   | 1,805,000 <sup>a</sup>           | 1,805,000         |
| (Greenwaste Recovery Project)  |                                  |                   |
| 3.08% (LOC; Comerica Bank)   | 1,870,000 <sup>a</sup>           | 1,870,000         |
| (Metropolitan Recycling Corp. Project):                                |                                  |                   |
| 3.08%, Series A (LOC; Comerica Bank)                                   | 3,335,000 <sup>a</sup>           | 3,335,000         |
| 3.08%, Series B (LOC; Comerica Bank)                                   | 2,065,000 <sup>a</sup>           | 2,065,000         |
| (Mottra Corp. Project)   |                                  |                   |
| 3.03% (LOC; Wells Fargo Bank)  | 2,020,000 <sup>a</sup>           | 2,020,000         |
| (Napa Recycling & Waste Services)                                      |                                  |                   |
| 3.18% (LOC; Union Bank of California)                                  | 3,000,000 <sup>a</sup>           | 3,000,000         |
| (New United Motor Manufacturing)                                       |                                  |                   |
| 2.95% (LOC; California State<br>Teachers Retirement)                   | 2,900,000 <sup>a</sup>           | 2,900,000         |
| (Norcal Waste System Inc. Project):                                    |                                  |                   |
| 3.03% (LOC; Bank of America)   | 23,120,000 <sup>a</sup>          | 23,120,000        |
| 3.08% (LOC; Comerica Bank)   | 8,155,000 <sup>a</sup>           | 8,155,000         |
| (Placer County Eastern Sanitation)                                     |                                  |                   |
| 3.03% (LOC; California State<br>Teachers Retirement)                   | 2,800,000 <sup>a</sup>           | 2,800,000         |
| (Ratto Group Co. Inc. Project)   |                                  |                   |
| 3.03% (LOC; California State<br>Teachers Retirement)                   | 4,100,000 <sup>a</sup>           | 4,100,000         |
| (Sierra Pacific Industries Inc. Project)                               |                                  |                   |
| 3.03% (LOC; Wells Fargo Bank)  | 7,675,000 <sup>a</sup>           | 7,675,000         |
| (Specialty Solid Waste Project)  |                                  |                   |
| 3.08% (LOC; Comerica Bank)   | 2,080,000 <sup>a</sup>           | 2,080,000         |

| <b>Tax Exempt Investments (continued)</b>  | <b>Principal<br/>Amount (\$)</b> | <b>Value (\$)</b> |
|--|----------------------------------|-------------------|
| <b>California (continued)</b>  |                                  |                   |
| California School Cash Reserve Program<br>Authority, Revenue<br>3%, 7/6/2005 (Insured; AMBAC)  | 3,500,000                        | 3,503,598         |
| California State Economic Development Financing<br>Authority, IDR, VRDN:<br>(Scientific Specialties Project)<br>2.98% (LOC; Bank of America) | 1,425,000 <sup>a</sup>           | 1,425,000         |
| (Vortech Engineering Inc. Project)<br>3.03% (LOC; U.S. Bank NA)  | 2,540,000 <sup>a</sup>           | 2,540,000         |
| California State Economic Recovery, Revenue<br>VRDN 3.05% (Liquidity Facility; Landesbank<br>Baden-Wuerttemberg)                             | 10,080,000 <sup>a</sup>          | 10,080,000        |
| California Statewide Communities Development<br>Authority:<br>MFHR:<br>(Beachview Villa Apartments)<br>2.30%, 11/16/2005 (Insured; AIG)      | 5,805,000                        | 5,796,168         |
| (Horizons at Indio)<br>2.15%, 6/15/2005 (GIC; Royal Bank of Canada)  | 6,500,000                        | 6,499,240         |
| Revenue, CP (Kaiser Permanente)<br>2.15%, 7/26/2005  | 7,500,000                        | 7,500,000         |
| VRDN:<br>COP<br>(Sutter Health) 2.98% (Insured; MBIA and<br>Liquidity Facility; JPMorgan Chase Bank)   | 29,375,000 <sup>a</sup>          | 29,375,000        |
| IDR:<br>(American Modular System Project)<br>3.13% (LOC; Bank of the West)   | 3,800,000 <sup>a</sup>           | 3,800,000         |
| (Del Mesa Farms Project)<br>2.95% (LOC; Wells Fargo Bank)  | 6,000,000 <sup>a</sup>           | 6,000,000         |
| MFHR:<br>(Arbor Ridge Apartments)<br>2.95% (Insured; FNMA and<br>Liquidity Facility; FNMA)   | 10,600,000 <sup>a</sup>          | 10,600,000        |
| (Aqua Vista Apartments Project)<br>2.98% (Insured; FNMA and<br>Liquidity Facility; FNMA)   | 8,000,000 <sup>a</sup>           | 8,000,000         |
| (Grande Garden Apartments)<br>3.02% (Insured; FNMA and<br>Liquidity Facility; FNMA)  | 2,505,000 <sup>a</sup>           | 2,505,000         |
| (Ivy Hill Apartments Project)<br>2.98% (Insured; FNMA and<br>Liquidity Facility; FNMA)   | 11,337,000 <sup>a</sup>          | 11,337,000        |

| <b>Tax Exempt Investments (continued)</b>  | <b>Principal<br/>Amount (\$)</b> | <b>Value (\$)</b> |
|--|----------------------------------|-------------------|
| <b>California (continued)</b>  |                                  |                   |
| California Statewide Communities Development<br>Authority (continued):   |                                  |                   |
| VRDN (continued):  |                                  |                   |
| MFHR (continued):  |                                  |                   |
| (Lake Merritt Apartments)<br>3.07% (LOC; U.S. Bank NA)   | 3,700,000 <sup>a</sup>           | 3,700,000         |
| (Oakmont of Alameda)<br>3% (LOC; Bank of the West)   | 12,680,000 <sup>a</sup>          | 12,680,000        |
| (Oakmont Senior Living)<br>2.98% (Insured; FNMA and<br>Liquidity Facility; FNMA)   | 14,340,000 <sup>a</sup>          | 14,340,000        |
| (Pittsburg Plaza Apartments)<br>2.94% (LOC; FHLB)  | 4,600,000 <sup>a</sup>           | 4,600,000         |
| (Plaza Club Apartments Project)<br>2.98% (LOC; FNMA)   | 4,500,000 <sup>a</sup>           | 4,500,000         |
| Refunding:   |                                  |                   |
| (Irvine Apartment Communities)<br>2.94% (LOC; Bank of America)   | 5,600,000 <sup>a</sup>           | 5,600,000         |
| (Sunrise Fresno)<br>2.98% (Insured; FNMA and<br>Liquidity Facility; FNMA)  | 5,500,000 <sup>a</sup>           | 5,500,000         |
| (Seminole Gardens)<br>3.05% (LOC; FHLB)  | 3,385,000 <sup>a</sup>           | 3,385,000         |
| (Wyndover Apartments)<br>2.98% (Insured; FNMA and<br>Liquidity Facility; FNMA)   | 8,450,000 <sup>a</sup>           | 8,450,000         |
| Revenue:   |                                  |                   |
| (Kaiser Permanente) 2.96%  | 20,800,000 <sup>a</sup>          | 20,800,000        |
| Refunding (University Retirement<br>Community at Davis) 2.94% (Insured;<br>Radian Bank and Liquidity Facility;<br>Bank of America) | 11,000,000 <sup>a</sup>          | 11,000,000        |
| California Statewide Communities Development<br>Corporation, IDR, VRDN:  |                                  |                   |
| (American River)<br>3.08% (LOC; California State<br>Teachers Retirement)   | 1,535,000 <sup>a</sup>           | 1,535,000         |
| (Flambeau Airmold Corp.)<br>3.08% (LOC; ABN-AMRO)  | 1,650,000 <sup>a</sup>           | 1,650,000         |
| (Lesaint)<br>3.08% (LOC; PNC Bank)   | 1,420,000 <sup>a</sup>           | 1,420,000         |
| (Rapelli Project)<br>3.08% (LOC; Comerica Bank)  | 2,500,000 <sup>a</sup>           | 2,500,000         |

| <b>Tax Exempt Investments (continued)</b>  | Principal<br>Amount (\$) | Value (\$) |
|--|--------------------------|------------|
| <b>California (continued)</b>  |                          |            |
| California Statewide Communities Development Corporation, IDR, VRDN (continued): |                          |            |
| (Setton Properties)  |                          |            |
| 3.08% (LOC; Wells Fargo Bank)  | 545,000 <sup>a</sup>     | 545,000    |
| (South Bay Circuits)   |                          |            |
| 3.08% (LOC; California State Teachers Retirement)                                | 900,000 <sup>a</sup>     | 900,000    |
| Concord, MFHR, VRDN  |                          |            |
| (Maplewood & Golden Glen)  |                          |            |
| 2.98% (LOC; Citibank)  | 3,895,000 <sup>a</sup>   | 3,895,000  |
| Contra Costa, MFHR, VRDN   |                          |            |
| (Camara Circle Apartments)   |                          |            |
| 2.98% (LOC; Citibank)  | 1,800,000 <sup>a</sup>   | 1,800,000  |
| Dry Creek Joint Elementary School District                                       |                          |            |
| GO Notes, TRAN 3%, 9/28/2005   | 2,680,000                | 2,689,413  |
| East Bay-Delta Housing and Finance Authority                                     |                          |            |
| Revenue, Lease Purchase Program  |                          |            |
| 4.25%, 6/1/2005 (Insured; MBIA)  | 6,075,000                | 6,075,000  |
| Emeryville Redevelopment Agency  |                          |            |
| MFHR, VRDN (Bay Street Apartments)   |                          |            |
| 2.98% (LOC; Key Bank)  | 5,000,000 <sup>a</sup>   | 5,000,000  |
| FHLMC Multifamily VRDN Certificates  |                          |            |
| Revenue, VRDN 3.06%  |                          |            |
| (Liquidity Facility; FHLMC)  | 18,317,067 <sup>a</sup>  | 18,317,067 |
| Golden State Tobacco Securitization Corporation                                  |                          |            |
| Tobacco Settlement Revenue, VRDN:  |                          |            |
| 2.98% (Insured; Radian and Liquidity Facility; Merrill Lynch)                    | 20,400,000               | 20,400,000 |
| 3.05% (Liquidity Facility; Merrill Lynch)  | 25,345,000               | 25,345,000 |
| City of Hayward, MFHR, VRDN  |                          |            |
| (Timbers Apartments) 2.98% (Insured; FNMA and Liquidity Facility; FNMA)          | 4,500,000 <sup>a</sup>   | 4,500,000  |
| Huntington Park Public Financing Authority, LR                                   |                          |            |
| VRDN (Parking Project) 3% (LOC; Union Bank of California)                        | 3,805,000 <sup>a</sup>   | 3,805,000  |
| La Quinta Redevelopment Agency   |                          |            |
| Tax Allocation Revenue, Refunding  |                          |            |
| (Redevelopment Project Area Number 1)  |                          |            |
| 7.30%, 9/1/2005 (Insured; MBIA)  | 1,000,000                | 1,012,591  |

| <b>Tax Exempt Investments (continued)</b>          | <b>Principal<br/>Amount (\$)</b> | <b>Value (\$)</b> |
|--|----------------------------------|-------------------|
| <b>California (continued)</b>                      |                                  |                   |
| City of Los Angeles:                               |                                  |                   |
| GO Notes, TRAN 3%, 6/30/2005                       | 12,000,000                       | 12,008,651        |
| MFHR, VRDN   |                                  |                   |
| (Watts/Athens Apartments)                          |                                  |                   |
| 2.98% (LOC; FHLB)                                  | 4,300,000 <sup>a</sup>           | 4,300,000         |
| Wastewater System Revenue, Refunding:              |                                  |                   |
| 2.15%, Series A, 12/15/2005 (Insured; FGIC         |                                  |                   |
| and Liquidity Facility; FGIC)                      | 26,000,000                       | 25,954,840        |
| 2.15%, Series B, 12/15/2005 (Insured; FGIC         |                                  |                   |
| and Liquidity Facility; FGIC)                      | 30,000,000                       | 29,947,893        |
| Los Angeles Community Redevelopment                |                                  |                   |
| Agency, MFHR, VRDN:                                |                                  |                   |
| (Academy Village Apartments)                       |                                  |                   |
| 2.95% (Insured; FNMA and Liquidity                 |                                  |                   |
| Facility; FNMA)                                    | 9,000,000 <sup>a</sup>           | 9,000,000         |
| (Views at 270)                                     |                                  |                   |
| 3% (LOC; Citibank)                                 | 1,000,000 <sup>a</sup>           | 1,000,000         |
| Los Angeles Harbor Department                      |                                  |                   |
| Harbor Department Revenue, VRDN                    |                                  |                   |
| 3.12% (Insured; MBIA)                              | 16,620,000                       | 16,620,000        |
| Los Angeles Industrial Development Authority       |                                  |                   |
| Empowerment Zone Facility Revenue, VRDN            |                                  |                   |
| (AAA Packing & Shipping Project) 3%                |                                  |                   |
| (LOC; California State Teachers Retirement)        | 3,000,000 <sup>a</sup>           | 3,000,000         |
| Los Angeles Unified School District                |                                  |                   |
| GO Notes, VRDN 2.98% (Insured; FSA and             |                                  |                   |
| Liquidity Facility; JPMorgan Chase Bank)           | 10,401,500 <sup>a</sup>          | 10,401,500        |
| Marysville Joint Unified School District           |                                  |                   |
| GO Notes, TRAN 3%, 10/5/2005                       | 3,850,000                        | 3,861,955         |
| Maywood Public Financing Authority, Revenue        |                                  |                   |
| VRDN (Maywood Redevelopment Agency)                |                                  |                   |
| 2.97% (LOC; California State Teachers Retirement)  | 8,815,000 <sup>a</sup>           | 8,815,000         |
| City of Milpitas, MFHR, VRDN                       |                                  |                   |
| (Crossing at Montague)                             |                                  |                   |
| 2.98% (Insured; FNMA and Liquidity Facility; FNMA) | 4,500,000 <sup>a</sup>           | 4,500,000         |
| City of Modesto, Health Facility Revenue, VRDN     |                                  |                   |
| 2.98% (Insured; MBIA and Liquidity                 |                                  |                   |
| Facility; JPMorgan Chase Bank)                     | 5,085,000 <sup>a</sup>           | 5,085,000         |
| Montebello, GO Notes, TRAN 3%, 6/30/2005           | 4,500,000                        | 4,504,532         |

| <b>Tax Exempt Investments (continued)</b>   | Principal<br>Amount (\$) | Value (\$) |
|---|--------------------------|------------|
| <b>California (continued)</b>   |                          |            |
| Oakland Joint Powers Financing Authority, LR<br>Refunding (Oakland Convention Centers)<br>5%, 10/1/2005 (Insured; AMBAC)                    | 1,000,000                | 1,009,818  |
| Oxnard Industrial Development Authority<br>IDR, VRDN (Western Saw Manufacturers)<br>2.98% (LOC; U.S. Bank NA)                               | 2,550,000 <sup>a</sup>   | 2,550,000  |
| Riverside County Industrial Development<br>Authority, IDR, VRDN<br>(California Mold Inc. Project)<br>3.18% (LOC; Bank of the West)          | 2,910,000 <sup>a</sup>   | 2,910,000  |
| Rocklin Unified School District<br>GO Notes, TRAN 3%, 9/28/2005   | 2,255,000                | 2,262,921  |
| Roseville Joint Union High School District<br>GO Notes, TRAN 3%, 9/28/2005  | 4,290,000                | 4,305,069  |
| Sacramento Housing Authority<br>MFHR, VRDN:<br>(Lofts at Natomas Apartments)<br>2.98% (Insured; FNMA and Liquidity<br>Facility; FNMA)       | 6,000,000 <sup>a</sup>   | 6,000,000  |
| Refunding (Chesapeake Commons)<br>2.98% (Insured; FNMA and Liquidity<br>Facility; FNMA)   | 4,500,000 <sup>a</sup>   | 4,500,000  |
| San Bernardino County Industrial Development<br>Authority, IDR, VRDN (W&H Voortman)<br>3.08% (LOC; California State<br>Teachers Retirement) | 2,040,000 <sup>a</sup>   | 2,040,000  |
| San Bernardino Redevelopment Agency<br>MFHR, VRDN (Silver Woods Apartments Project)<br>2.98% (Insured; FNMA)                                | 7,000,000 <sup>a</sup>   | 7,000,000  |
| San Diego Area Housing and Finance Agency<br>LR, VRDN 3% (Liquidity Facility; Societe Generale)   | 13,000,000 <sup>a</sup>  | 13,000,000 |
| San Diego Housing Authority, MFHR, VRDN<br>(Logan Square Apartments)<br>3.07% (Liquidity Facility; Merrill Lynch)                           | 8,220,000 <sup>a</sup>   | 8,220,000  |
| City & County of San Francisco, MFHR<br>Refunding, VRDN (Post Street Towers)<br>2.95% (Insured; FHLMC and Liquidity<br>Facility; FHLMC)     | 14,700,000 <sup>a</sup>  | 14,700,000 |
| San Francisco City & County<br>Redevelopment Agency, MFHR, VRDN<br>(Orlando Cepeda Place) 3% (LOC; Citibank)                                | 5,090,000 <sup>a</sup>   | 5,090,000  |



| <b>Tax Exempt Investments (continued)</b>   | Principal<br>Amount (\$) | Value (\$) |
|---|--------------------------|------------|
| <b>California (continued)</b>   |                          |            |
| City of San Jose, MFHR, VRDN:<br>(Almaden Lake Village Apartments)<br>2.98% (Insured; FNMA and Liquidity<br>Facility; FNMA)                 | 4,100,000 <sup>a</sup>   | 4,100,000  |
| (Cinnabar Commons)<br>2.95% (LOC; Bank of America)  | 10,400,000 <sup>a</sup>  | 10,400,000 |
| (Evans Lane Apartments)<br>2.95% (LOC; Bank of America)   | 4,900,000 <sup>a</sup>   | 4,900,000  |
| (Siena) 2.98% (Insured; FHLMC)  | 12,100,000 <sup>a</sup>  | 12,100,000 |
| San Juan Unified School District<br>GO Notes, TRAN 3%, 11/18/2005   | 9,000,000                | 9,038,158  |
| Santa Clara County Housing Authority<br>MFHR, Refunding, VRDN<br>(Willows Apartments)<br>3.05% (LOC; Union Bank of California)              | 4,284,000 <sup>a</sup>   | 4,284,000  |
| Selma Public Financing Authority, LR, Refunding<br>VRDN (Street Improvement and<br>Redevelopment Project)<br>2.99% (LOC; Allied Irish Bank) | 6,650,000 <sup>a</sup>   | 6,650,000  |
| South Coast Local Education Agencies<br>GO Notes, TRAN 3%, 6/30/2005  | 5,000,000                | 5,005,091  |
| Sweetwater Union High School District, Public<br>Financing Authority, Special Tax Revenue<br>3%, 9/1/2005 (Insured; FSA)                    | 1,595,000                | 1,598,337  |
| Tracy Operating Partnership Joint Powers<br>Authority, Special Assessment Revenue<br>Refunding 2%, 9/2/2005 (Insured; AMBAC)                | 440,000                  | 439,887    |
| Triunfo County Sanitation District, Sanitation<br>District Revenue, Refunding, VRDN<br>3.11% (LOC; BNP Paribas)                             | 1,500,000 <sup>a</sup>   | 1,500,000  |
| University of California Board of Regents<br>Revenue, CP 2.02%, 7/21/2005   | 3,000,000                | 3,000,000  |
| City of Vallejo, VRDN:<br>COP (2001 Golf Course Facilities<br>Financing) 3.09% (LOC; California State<br>Teachers Retirement)               | 3,710,000 <sup>a</sup>   | 3,710,000  |
| Water Revenue<br>3.13% (LOC; KBC; Bank)   | 4,500,000 <sup>a</sup>   | 4,500,000  |
| Victorville Joint Powers Finance Authority<br>LR, VRDN (Cogeneration Facility Project)<br>2.98% (LOC; Fortis Bank)                          | 7,000,000 <sup>a</sup>   | 7,000,000  |

STATEMENT OF INVESTMENTS (Unaudited) *(continued)*

| <b>Tax Exempt Investments (continued)</b>  | Principal<br>Amount (\$) | Value (\$)         |
|--|--------------------------|--------------------|
| <b>California (continued)</b>  |                          |                    |
| City of Whittier, College and University Revenue<br>Refunding, VRDN (Whittier College) 3.02%<br>(Insured; Radian Bank and Liquidity Facility;<br>The Bank of New York) | 16,950,000 <sup>a</sup>  | 16,950,000         |
| <b>U.S. Related—1.0%</b>   |                          |                    |
| Puerto Rico Electric Power Authority<br>Power Revenue, VRDN<br>2.98% (Insured; FSA and Liquidity Facility;<br>JPMorgan Chase Bank)                                     | 3,495,000 <sup>a</sup>   | 3,495,000          |
| Puerto Rico Public Finance Corporation<br>Revenue, VRDN, Putters Program<br>2.98% (Insured; AMBAC and Liquidity Facility;<br>JPMorgan Chase Bank)                      | 5,610,000 <sup>a</sup>   | 5,610,000          |
| <b>Total Investments</b> (cost \$933,364,208)  | <b>99.4%</b>             | <b>933,403,377</b> |
| <b>Cash and Receivables (Net)</b>  | <b>.6%</b>               | <b>6,061,481</b>   |
| <b>Net Assets</b>  | <b>100.0%</b>            | <b>939,464,858</b> |

Summary of Abbreviations

|              |   |             |  |
|--------------|---|-------------|--|
| <b>AMBAC</b> | American Municipal Bond Assurance Corporation | <b>IDR</b>  | Industrial Development Revenue                           |
| <b>COP</b>   | Certificate of Participation                  | <b>LOC</b>  | Letter of Credit   |
| <b>CP</b>    | Commercial Paper                              | <b>LR</b>   | Lease Revenue  |
| <b>FGIC</b>  | Financial Guaranty Insurance Company          | <b>MBIA</b> | Municipal Bond Investors Assurance Insurance Corporation |
| <b>FHLB</b>  | Federal Home Loan Bank                        | <b>MFHR</b> | Multi-Family Housing Revenue                             |
| <b>FHLMC</b> | Federal Home Loan Mortgage Corporation        | <b>PCR</b>  | Pollution Control Revenue                                |
| <b>FNMA</b>  | Federal National Mortgage Association         | <b>SWDR</b> | Solid Waste Disposal Revenue                             |
| <b>FSA</b>   | Financial Security Assurance                  | <b>TRAN</b> | Tax and Revenue Anticipation Notes                       |
| <b>GIC</b>   | Guaranteed Investment Contract                | <b>VRDN</b> | Variable Rate Demand Notes                               |
| <b>GO</b>    | General Obligation                            | <b>XLCA</b> | XL Capital Assurance                                     |

Summary of Combined Ratings (Unaudited)

| Fitch                   | or | Moody's                 | or | Standard & Poor's       | Value (%)†   |
|-------------------------|----|-------------------------|----|-------------------------|--------------|
| F1+,F1                  |    | VMIG1, MIG1, P1         |    | SP1+, SP1, A1+, A1      | 96.4         |
| AAA, AA, A <sup>b</sup> |    | Aaa, Aa, A <sup>b</sup> |    | AAA, AA, A <sup>b</sup> | 3.1          |
| Not Rated <sup>c</sup>  |    | Not Rated <sup>c</sup>  |    | Not Rated <sup>c</sup>  | .5           |
|                         |    |                         |    |                         | <b>100.0</b> |

† Based on total investments.

<sup>a</sup> Securities payable on demand. Variable interest rate—subject to periodic change.

<sup>b</sup> Notes which are not F, MIG and SP rated are represented by bond ratings of the issuers.

<sup>c</sup> Securities which, while not rated by Fitch, Moody's and Standard & Poor's, have been determined by the Manager to be of comparable quality to those rated securities in which the fund may invest.

See notes to financial statements.

# STATEMENT OF ASSETS AND LIABILITIES

May 31, 2005 (Unaudited)

|  | Cost        | Value              |
|--|-------------|--------------------|
| <b>Assets (\$):</b>                                      |             |                    |
| Investments in securities—See Statement of Investments   | 933,364,208 | 933,403,377        |
| Cash   |             | 942,494            |
| Interest receivable                                      |             | 5,776,606          |
| Prepaid expenses   |             | 98,640             |
|  |             | <b>940,221,117</b> |
| <b>Liabilities (\$):</b>                                 |             |                    |
| Due to The Dreyfus Corporation and affiliates—Note 2(c)  |             | 644,626            |
| Payable for shares of Beneficial Interest redeemed       |             | 52                 |
| Accrued expenses   |             | 111,581            |
|  |             | <b>756,259</b>     |
| <b>Net Assets (\$)</b>                                   |             | <b>939,464,858</b> |
| <b>Composition of Net Assets (\$):</b>                   |             |                    |
| Paid-in capital  |             | 939,436,212        |
| Accumulated net realized gain (loss) on investments      |             | (10,523)           |
| Accumulated gross unrealized appreciation on investments |             | 39,169             |
| <b>Net Assets (\$)</b>                                   |             | <b>939,464,858</b> |

| <b>Net Asset Value Per Share</b>      |             |             |               |
|---------------------------------------|-------------|-------------|---------------|
|                                       | Class A     | Class B     | E*TRADE Class |
| Net Assets (\$)                       | 295,172,757 | 23,594,035  | 620,698,066   |
| Shares Outstanding                    | 295,174,712 | 23,589,733  | 620,671,767   |
| <b>Net Asset Value Per Share (\$)</b> | <b>1.00</b> | <b>1.00</b> | <b>1.00</b>   |

See notes to financial statements.

# STATEMENT OF OPERATIONS

Six Months Ended May 31, 2005 (Unaudited)

## Investment Income (\$):

|                 |           |
|-----------------|-----------|
| Interest Income | 6,200,785 |
|-----------------|-----------|

## Expenses:

|  |           |
|--|-----------|
| Management fee–Note 2(a)                   | 1,331,877 |
| Shareholder servicing costs–Note 2(c)      | 453,194   |
| Distribution and prospectus fees–Note 2(b) | 253,638   |
| Professional fees                          | 42,291    |
| Registration fees                          | 34,513    |
| Custodian fees                             | 33,786    |
| Prospectus and shareholders' reports       | 17,996    |
| Trustees' fees and expenses–Note 2(d)      | 4,953     |
| Miscellaneous                              | 8,931     |

|                       |                  |
|-----------------------|------------------|
| <b>Total Expenses</b> | <b>2,181,179</b> |
|-----------------------|------------------|

|   |          |
|---|----------|
| Less–reduction in shareholder servicing costs<br>due to undertaking–Note 2(c) | (79,591) |
|---|----------|

|                     |                  |
|---------------------|------------------|
| <b>Net Expenses</b> | <b>2,101,588</b> |
|---------------------|------------------|

|                              |                  |
|------------------------------|------------------|
| <b>Investment Income–Net</b> | <b>4,099,197</b> |
|------------------------------|------------------|

## Realized and Unrealized Gain (Loss) on Investments–Note 1(b) (\$):

|   |        |
|---|--------|
| Net realized gain (loss) on investments                   | 16,310 |
| Net unrealized appreciation (depreciation) on investments | 29,403 |

|   |               |
|---|---------------|
| <b>Net Realized and Unrealized Gain (Loss) on Investments</b> | <b>45,713</b> |
|---|---------------|

|   |                  |
|---|------------------|
| <b>Net Increase in Net Assets Resulting from Operations</b> | <b>4,144,910</b> |
|---|------------------|

*See notes to financial statements.*

## STATEMENT OF CHANGES IN NET ASSETS

|  | Six Months Ended<br>May 31, 2005<br>(Unaudited) | Year Ended<br>November 30, 2004 |
|--|---|---------------------------------|
| <b>Operations (\$):</b>  |   |                                 |
| Investment income-net  | 4,099,197                                       | 1,485,453                       |
| Net realized gain (loss) on investments  | 16,310  | -                               |
| Net unrealized appreciation (depreciation) on investments                          | 29,403  | 9,766                           |
| <b>Net Increase (Decrease) in Net Assets<br/>Resulting from Operations</b>         | <b>4,144,910</b>                                | <b>1,495,219</b>                |
| <b>Dividends to Shareholders from (\$):</b>  |   |                                 |
| Investment income-net:   |   |                                 |
| Class A shares   | (2,165,187)                                     | (1,446,771)                     |
| Class B shares   | (114,702)                                       | (38,682)                        |
| E*TRADE Class  | (1,819,308)                                     | -                               |
| <b>Total Dividends</b>   | <b>(4,099,197)</b>                              | <b>(1,485,453)</b>              |
| <b>Beneficial Interest Transactions (\$1.00 per share):</b>                        |   |                                 |
| Net proceeds from shares sold:   |   |                                 |
| Class A shares   | 512,974,069                                     | 1,028,945,968                   |
| Class B shares   | 52,541,754                                      | 91,646,602                      |
| E*TRADE Class  | 707,234,645                                     | -                               |
| Dividends reinvested:  |   |                                 |
| Class A shares   | 2,101,803                                       | 1,394,740                       |
| Class B shares   | 112,760   | 38,425                          |
| E*TRADE Class  | 842,579   | -                               |
| Cost of shares redeemed:   |   |                                 |
| Class A shares   | (508,423,157)                                   | (995,481,230)                   |
| Class B shares   | (45,982,007)                                    | (92,435,505)                    |
| E*TRADE Class  | (87,405,457)                                    | -                               |
| <b>Increase (Decrease) in Net Assets from<br/>Beneficial Interest Transactions</b> | <b>633,996,989</b>                              | <b>34,109,000</b>               |
| <b>Total Increase (Decrease) in Net Assets</b>                                     | <b>634,042,702</b>                              | <b>34,118,766</b>               |
| <b>Net Assets (\$):</b>  |   |                                 |
| Beginning of Period  | 305,422,156                                     | 271,303,390                     |
| <b>End of Period</b>   | <b>939,464,858</b>                              | <b>305,422,156</b>              |

See notes to financial statements.

## FINANCIAL HIGHLIGHTS

The following tables describe the performance for each share class for the fiscal periods indicated. All information reflects financial results for a single fund share. Total return shows how much your investment in the fund would have increased (or decreased) during each period, assuming you had reinvested all dividends and distributions. These figures have been derived from the fund's financial statements.

| Class A Shares  | Six Months Ended<br>May 31, 2005<br>(Unaudited) | Year Ended November 30, |            |             |             |             |
|---|---|-------------------------|------------|-------------|-------------|-------------|
|   |   | 2004                    | 2003       | 2002        | 2001        | 2000        |
| <b>Per Share Data (\$):</b>                             |   |                         |            |             |             |             |
| Net asset value,<br>beginning of period                 | 1.00  | 1.00                    | 1.00       | 1.00        | 1.00        | 1.00        |
| Investment Operations:                                  |   |                         |            |             |             |             |
| Investment income—net                                   | .007  | .006                    | .006       | .010        | .022        | .030        |
| Distributions:  |   |                         |            |             |             |             |
| Dividends from<br>investment income—net                 | (.007)  | (.006)                  | (.006)     | (.010)      | (.022)      | (.030)      |
| Net asset value, end of period                          | 1.00  | 1.00                    | 1.00       | 1.00        | 1.00        | 1.00        |
| <b>Total Return (%)</b>                                 | <b>1.50<sup>a</sup></b>                         | <b>.58</b>              | <b>.55</b> | <b>1.01</b> | <b>2.20</b> | <b>3.04</b> |
| <b>Ratios/Supplemental Data (%):</b>                    |   |                         |            |             |             |             |
| Ratio of total expenses<br>to average net assets        | .61 <sup>a</sup>                                | .65                     | .62        | .61         | .58         | .58         |
| Ratio of net expenses<br>to average net assets          | .61 <sup>a</sup>                                | .64                     | .62        | .61         | .58         | .58         |
| Ratio of net investment income<br>to average net assets | 1.49 <sup>a</sup>                               | .59                     | .56        | 1.00        | 2.20        | 2.98        |
| Net Assets, end of period<br>(\$ X 1,000)               | 295,173   | 288,502                 | 253,633    | 378,407     | 476,007     | 597,054     |

<sup>a</sup> Annualized.

See notes to financial statements.

FINANCIAL HIGHLIGHTS *(continued)*

| Class B Shares  | Six Months Ended<br>May 31, 2005<br>(Unaudited) | Year Ended November 30, |        |        |        |        |
|---|---|-------------------------|--------|--------|--------|--------|
|   |   | 2004                    | 2003   | 2002   | 2001   | 2000   |
| <b>Per Share Data (\$):</b>                             |   |                         |        |        |        |        |
| Net asset value,<br>beginning of period                 | 1.00  | 1.00                    | 1.00   | 1.00   | 1.00   | 1.00   |
| Investment Operations:                                  |   |                         |        |        |        |        |
| Investment income—net                                   | (.006)  | .002                    | .004   | .006   | .018   | .026   |
| Distributions:  |   |                         |        |        |        |        |
| Dividends from<br>investment income—net                 | (.006)  | (.002)                  | (.004) | (.006) | (.018) | (.026) |
| Net asset value, end of period                          | 1.00  | 1.00                    | 1.00   | 1.00   | 1.00   | 1.00   |
| <b>Total Return (%)</b>                                 | 1.12 <sup>a</sup>                               | .24                     | .36    | .62    | 1.78   | 2.63   |
| <b>Ratios/Supplemental Data (%):</b>                    |   |                         |        |        |        |        |
| Ratio of total expenses<br>to average net assets        | 1.09 <sup>a</sup>                               | 1.10                    | 1.07   | 1.10   | 1.04   | 1.05   |
| Ratio of net expenses<br>to average net assets          | 1.00 <sup>a</sup>                               | .99                     | .83    | 1.00   | 1.00   | 1.00   |
| Ratio of net investment income<br>to average net assets | 1.15 <sup>a</sup>                               | .24                     | .30    | .61    | 1.86   | 2.53   |
| Net Assets, end of period<br>(\$ X 1,000)               | 23,594  | 16,920                  | 17,670 | 8,016  | 3,795  | 9,948  |

<sup>a</sup> Annualized.

See notes to financial statements.



|   | Period Ended<br>May 31, 2005<br>(Unaudited) <sup>a</sup> |
|---|--|
| <b>E*TRADE Class Shares</b>                             |  |
| <b>Per Share Data (\$):</b>                             |  |
| Net asset value, beginning of period                    | 1.00   |
| Investment Operations:                                  |  |
| Investment income-net                                   | .003   |
| Distributions:  |  |
| Dividends from investment income-net                    | (.003)   |
| Net asset value, end of period                          | 1.00   |
| <b>Total Return (%)</b>                                 | 1.59 <sup>b</sup>  |
| <b>Ratios/Supplemental Data (%):</b>                    |  |
| Ratio of total expenses to average net assets           | 1.06 <sup>b</sup>  |
| Ratio of net expenses to average net assets             | 1.00 <sup>b</sup>  |
| Ratio of net investment income<br>to average net assets | 1.63 <sup>b</sup>  |
| Net Assets, end of period (\$ X 1,000)                  | 620,698  |

<sup>a</sup> From March 22, 2005 (commencement of initial offering) to May 31, 2005.

<sup>b</sup> Annualized.

See notes to financial statements.

**NOTE 1—Significant Accounting Policies:**

General California Municipal Money Market Fund (the “fund”) is registered under the Investment Company Act of 1940, as amended (the “Act”), as a non-diversified open-end management investment company. The fund’s investment objective is to maximize current income exempt from federal and California state personal income taxes, to the extent consistent with the preservation of capital and the maintenance of liquidity. The Dreyfus Corporation (the “Manager” or “Dreyfus”) serves as the fund’s investment adviser. The Manager is a wholly-owned subsidiary of Mellon Financial Corporation (“Mellon Financial”).

On January 26, 2005, the Board of Directors approved the addition of E\*TRADE Class shares of the fund, which commenced initial offering on March 22, 2005.

Dreyfus Service Corporation (the “Distributor”), a wholly-owned subsidiary of the Manager, is the distributor of the fund’s shares. The fund is authorized to issue an unlimited number of \$.001 par value shares of Beneficial Interest in the following classes of shares: Class A, Class B and E\*TRADE Class shares. Class A shares, Class B shares and E\*TRADE Class shares are identical except for the services offered to and the expenses borne by each class and certain voting rights. Class B and E\*TRADE Class shares are subject to a Distribution Plan adopted pursuant to Rule 12b-1 under the Act and Class A, Class B and E\*TRADE Class shares are subject to a Shareholder Services Plan. In addition, Class B and E\*TRADE Class shares are charged directly for sub-accounting services provided by Service Agents (a securities dealer, financial institution or other industry professional) at an annual rate of .05% of the value of the average daily net assets of Class B and E\*TRADE Class shares, respectively. During the period ended May 31, 2005, sub-accounting service fees amounted to \$4,978 for Class B and \$55,749 for E\*TRADE Class shares and are included in shareholder servicing costs. Income, expenses (other than expenses attributable to a specific class), and realized and unrealized gains or losses on investments are allocated to each class of shares based on its relative net assets.

It is the fund's policy to maintain a continuous net asset value per share of \$1.00; the fund has adopted certain investment, portfolio valuation and dividend and distribution policies to enable it to do so. There is no assurance, however, that the fund will be able to maintain a stable net asset value per share of \$1.00.

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

The fund enters into contracts that contain a variety of indemnifications. The fund's maximum exposure under these arrangements is unknown. The fund does not anticipate recognizing any loss related to these arrangements.

**(a) Portfolio valuation:** Investments in securities are valued at amortized cost in accordance with Rule 2a-7 of the Act, which has been determined by the fund's Board of Trustees to represent the fair value of the fund's investments.

**(b) Securities transactions and investment income:** Securities transactions are recorded on a trade date basis. Interest income, adjusted for accretion of discount and amortization of premium on investments is earned from settlement date and recognized on the accrual basis.

During the period ended May 31, 2005, cash and securities with a total value of \$661,093,729 were received as a subscription-in-kind for E\*TRADE Class shares of the fund.

The fund has an arrangement with the custodian bank whereby the fund receives earnings credits from the custodian when positive cash balances are maintained, which are used to offset custody fees. For financial reporting purposes, the fund includes net earnings credits, if any, as an expense offset in the Statement of Operations.

The fund follows an investment policy of investing primarily in municipal obligations of one state. Economic changes affecting the

state and certain of its public bodies and municipalities may affect the ability of issuers within the state to pay interest on, or repay principal of, municipal obligations held by the fund.

**(c) Dividends to shareholders:** It is the policy of the fund to declare dividends daily from investment income-net. Such dividends are paid monthly. Dividends from net realized capital gain, if any, 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 of 1986, as amended (the "Code"). To the extent that net realized capital gain can be offset by capital loss carryovers, it is the policy of the fund not to distribute such gain.

**(d) Federal income taxes:** It is the policy of the fund to continue to qualify as a regulated investment company, which can distribute tax exempt dividends, by complying with the applicable provisions of the Code, and to make distributions of income and net realized capital gain sufficient to relieve it from substantially all federal income and excise taxes.

The fund has an unused capital loss carryover of \$26,833 available for federal income tax purposes to be applied against future net securities profits, if any, realized subsequent to November 30, 2004. If not applied, \$5,616 of the carryover expires in fiscal 2005, \$8,381 expires in fiscal 2006 and \$12,836 expires in fiscal 2007.

The tax character of distributions paid to shareholders during the fiscal year ended November 30, 2004 were all tax exempt income. The tax character of current year distributions will be determined at the end of the current fiscal year.

At May 31, 2005, 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).

**NOTE 2—Management Fee and Other Transactions With Affiliates:**

(a) Pursuant to a management agreement (“Agreement”) with the Manager, the management fee is computed at the annual rate of .50 of 1% of the value of the fund’s average daily net assets and is payable monthly. The Agreement provides that if in any full fiscal year the aggregate expenses, exclusive of taxes, brokerage fees, interest on borrowings and extraordinary expenses, exceed 1½% of the value of the fund’s average daily net assets, the fund may deduct from payments to be made to the Manager, or the Manager will bear such excess expense. During the period ended May 31, 2005, there was no expense reimbursement pursuant to the Agreement.

(b) Under the Distribution Plan with respect to Class B and E\*TRADE Class shares (“Distribution Plan”), adopted pursuant to Rule 12b-1 under the Act, Class B and E\*TRADE Class shares bear directly the cost of preparing, printing and distributing prospectuses and statements of additional information and of implementing and operating the Distribution Plan, such aggregate amount not to exceed in any fiscal year of the fund, the greater of \$100,000 or .005 of 1% of the average daily net assets of Class B and E\*TRADE Class shares. In addition, Class B and E\*TRADE Class shares reimburse the Distributor for payments made to third parties for distributing their shares at an annual rate not to exceed .20 of 1% of the value of the average daily net assets of Class B and E\*TRADE Class shares. During the period ended May 31, 2005, Class B and E\*TRADE Class shares were charged \$20,442 and \$233,196, respectively, pursuant to the Distribution Plan.

(c) Under the Shareholder Services Plan with respect to Class A (“Class A Shareholder Services Plan”), Class A shares reimburse the Distributor an amount not to exceed an annual rate of .25 of 1% of

the value of the average daily net assets of Class A shares for certain allocated expenses of providing personal services and/or maintaining shareholder accounts. The services provided may include personal services relating to shareholder accounts, such as answering shareholder inquiries regarding Class A shares and providing reports and other information, and services related to the maintenance of shareholder accounts. During the period ended May 31, 2005, Class A shares were charged \$45,457 pursuant to the Class A Shareholder Services Plan.

Under the Shareholder Services Plan with respect to Class B and E\*TRADE Class ("Shareholder Services Plan") Class B and E\*TRADE Class shares pay the Distributor at an annual rate of .25 of 1% of the value of the average daily net assets of Class B and E\*TRADE Class shares for servicing shareholder accounts. The services provided may include personal services relating to shareholder accounts, such as answering shareholder inquiries regarding Class B and E\*TRADE Class shares 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 their services. The Distributor determines the amounts to be paid to Service Agents.

The Manager had undertaken from December 1, 2004 through May 31, 2005 for Class B shares and from March 22, 2005 through May 31, 2005 for E\*TRADE Class shares, to reduce the expenses of Class B and E\*TRADE Class shares, if the aggregate expenses of Class B and E\*TRADE Class shares of the fund, exclusive of taxes, brokerage fees, interest on borrowings and extraordinary expenses, exceed an annual rate of 1% of the value of the average daily net assets of each class, respectively. Such expense limitations are voluntary, temporary and may be revised or terminated at anytime. During the period ended May 31, 2005, Class B and E\*TRADE Class shares were charged \$24,891 and \$278,743, respectively, pursuant to the Shareholder Services Plan, of which \$8,480 and \$71,112, respectively, were reimbursed by the Manager.

The fund compensates Dreyfus Transfer, Inc., a wholly-owned subsidiary of the Manager, under a transfer agency agreement for providing personnel and facilities to perform transfer agency services for the fund.

During the period ended May 31, 2005, the fund was charged \$30,680 pursuant to the transfer agency agreement.

During the period ended May 31, 2005, the fund was charged \$1,693 for services performed by the Chief Compliance Officer.

The components of Due to The Dreyfus Corporation and affiliates in the Statement of Assets and Liabilities consist of: management fees \$390,299, Rule 12b-1 distribution plan fees \$108,117, shareholder services plan fees \$171,175, chief compliance officer fees \$1,693 and transfer agency per account fees \$10,388, which are offset against an expense reimbursement currently in effect in the amount of \$37,046.

(d) Each Board member also serves as a Board member of other funds within the Dreyfus complex. Annual retainer fees and attendance fees are allocated to each fund based on net assets.

### **NOTE 3—Legal Matters:**

In early 2004, two purported class and derivative actions were filed against Mellon Financial, Mellon Bank, N.A., Dreyfus, Founders Asset Management LLC, and certain directors of the Dreyfus Funds and the Dreyfus Founders Funds (together, the "Funds") in the United States District Court for the Western District of Pennsylvania. In September 2004, plaintiffs served a Consolidated Amended Complaint (the "Amended Complaint") on behalf of a purported class of all persons who acquired interests in any of the Funds between January 30, 1999 and November 17, 2003, and derivatively on behalf of the Funds. The Amended Complaint in the newly styled In re Dreyfus Mutual Funds Fee Litigation also named the Distributor, Premier Mutual Fund Services, Inc. and two additional Fund directors as defendants and alleges violations of the Investment Company Act of 1940, the Investment Advisers Act of 1940, the Pennsylvania Unfair Trade Practices and Consumer Protection Law and common-law claims. Plaintiffs seek to recover allegedly improper and excessive Rule 12b-1 and advisory fees allegedly charged to the Funds for marketing and distribution services. More specifically, plaintiffs claim, among other

things, that 12b-1 fees and directed brokerage were improperly used to pay brokers to recommend the Funds over other funds, and that such payments were not disclosed to investors. In addition, plaintiffs assert that economies of scale and soft-dollar benefits were not passed on to the Funds. Plaintiffs further allege that 12b-1 fees were improperly charged to certain of the Funds that were closed to new investors. The Amended Complaint seeks compensatory and punitive damages, rescission of the advisory contracts, and an accounting and restitution of any unlawful fees, as well as an award of attorneys' fees and litigation expenses. As noted, some of the claims in this litigation are asserted derivatively on behalf of the Funds that have been named as nominal defendants. With respect to such derivative claims, no relief is sought against the Funds. Dreyfus believes the allegations to be totally without merit and intends to defend the action vigorously. In November 2004, all named defendants moved to dismiss the Amended Complaint in the whole or substantial part. Briefing was completed in May 2005.

Additional lawsuits arising out of these circumstances and presenting similar allegations and requests for relief may be filed against the defendants in the future. Neither Dreyfus nor the Funds believe that any of the pending actions will have a material adverse effect on the Funds or Dreyfus' ability to perform its contract with the Funds.





# For More Information

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**General California  
Municipal Money Market Fund**

200 Park Avenue  
New York, NY 10166

**Manager**

The Dreyfus Corporation  
200 Park Avenue  
New York, NY 10166

**Custodian**

The Bank of New York  
One Wall Street  
New York, NY 10286

**Transfer Agent &  
Dividend Disbursing Agent**

Dreyfus Transfer, Inc.  
200 Park Avenue  
New York, NY 10166

**Distributor**

Dreyfus Service Corporation  
200 Park Avenue  
New York, NY 10166

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**Telephone** 1-800-645-6561

**Mail** The Dreyfus Family of Funds, 144 Glenn Curtiss Boulevard, Uniondale, NY 11556-0144

**E-mail** Send your request to [info@dreyfus.com](mailto:info@dreyfus.com)

**Internet** Information can be viewed online or downloaded at: <http://www.dreyfus.com>

The fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-Q. The fund's Forms N-Q are available on the SEC's website at <http://www.sec.gov> and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

Information regarding how the fund voted proxies relating to portfolio securities for the 12-month period ended June 30, 2004, is available on the SEC's website at <http://www.sec.gov> and without charge, upon request, by calling 1-800-645-6561.

