

Dreyfus Investment Portfolios, MidCap Stock Portfolio

ANNUAL REPORT December 31, 2009



BNY MELLON
ASSET MANAGEMENT

Dreyfus

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A LETTER FROM THE CHAIRMAN AND CEO

Dear Shareholder:

We are pleased to present this annual report for MidCap Stock Portfolio, a series of Dreyfus Investment Portfolios, covering the 12-month period from January 1, 2009, through December 31, 2009.

The U.S. stock market ended 2009 with a healthy annual gain, but market indices across all capitalization ranges and investment styles remained well below the peaks reached in the fall of 2007. The equity market's advance was driven by improving investor sentiment as the U.S. economy staged a gradual, but sustained, recovery from the recession and banking crisis that had depressed stock prices at the beginning of the year. After four consecutive quarters of contraction, the U.S. economy returned to growth during the third quarter of 2009, buoyed by greater manufacturing activity to replenish depleted inventories and satisfy export demand. The slumping housing market also showed signs of renewed life later in the year when home sales and prices rebounded modestly. However, economic headwinds remain, including a high unemployment rate and the prospect of anemic consumer spending.

As 2010 begins, our Chief Economist, as well as many securities analysts and portfolio managers have continued to find opportunities and survey potential challenges across a variety of asset classes, including equities. While no one can predict the future, we believe that the 2010 investment environment will likely require a broader range of investment considerations relative to last year. As always, your financial adviser can help you determine the mix of investments that may be best suited to helping you achieve your goals at a level of risk that is comfortable for you.

For information about how the fund performed during the reporting period, as well as market perspectives, we have provided a Discussion of Fund Performance.

Thank you for your continued confidence and support.

Sincerely,

Jonathan R. Baum
Chairman and Chief Executive Officer
The Dreyfus Corporation
January 15, 2010



DISCUSSION OF FUND PERFORMANCE

For the period of January 1, 2009, through December 31, 2009, as provided by Michael Dunn, Oliver Buckley, Langton C. Garvin and Patrick Slattery, Portfolio Managers

Fund and Market Performance Overview

For the 12-month period ended December 31, 2009, MidCap Stock Portfolio, a series of Dreyfus Investment Portfolios, produced a total return of 35.51% for its Initial shares, and its Service shares produced a total return of 35.33%.¹ In comparison, the fund's benchmark, the Standard & Poor's MidCap 400 Index ("S&P 400 Index"), produced a total return of 37.38% for the same period.²

Following continued recession-related market declines in January and February 2009, stocks rallied through the remainder of the year, ending the reporting period with substantial gains. Midcap stocks performed particularly well, materially outperforming large- and small-cap stocks as investors turned to growing companies poised to benefit from an economic recovery. The fund participated substantially in the market's advance, lagging its benchmark due to its preference for higher-quality companies at a time when riskier, lower quality stocks led the rally.

The Fund's Investment Approach

The fund seeks investment results that are greater than the total return performance of publicly traded common stocks of medium-size domestic companies in the aggregate, as represented by the S&P 400 Index. To pursue this goal, the fund normally invests at least 80% of its assets in stocks of midsize companies. The fund invests in growth and value stocks, which are chosen through a disciplined investment process that combines computer modeling techniques, fundamental analysis and risk management. Consistency of returns compared to the S&P 400 Index is a primary goal of the investment process.

Improving Economic Prospects Bolstered Stocks

The first two months of 2009 saw more of the recession-related market declines that had characterized the second half of 2008 as a global recession and financial crisis continued to take its toll. During the first quarter of the year, most major stock market indices hit multi-year lows amid fears of frozen credit markets and depressed business conditions.

However, stock prices began to rebound in March amid signs that aggressive remedial programs implemented by government and mone-

tary authorities—including historically low short-term interest rates and a massive economic stimulus package—were gaining traction. As the possibility of widespread bankruptcies receded, previously beaten-down companies with weak balance sheets and high degrees of leverage enjoyed especially robust gains. While employment and other economic indicators remained weak during the second half of 2009, mounting evidence of a sustainable recovery supported a continued market advance, which broadened to include higher-quality companies with attractive momentum and value characteristics.

Effectiveness of Quantitative Factors Broadened

The fund's value-oriented stock selection factors generally contributed positively to performance throughout the reporting period. However, other key analytical factors, including momentum metrics and earnings-quality measures, lagged during the second and third quarters of 2009 when the market's advance was led by low-priced, highly leveraged stocks. During the fourth quarter of the year, momentum factors began contributing more positively to the fund's performance, narrowing the performance gap with the benchmark.

Industrial Holdings Led Returns

Two industrial machinery makers produced particularly notable gains for the fund. Vehicle maker Oshkosh roughly quadrupled in value after the company announced it had received several large military contracts. Mining equipment producer Bucyrus International surged during the final quarter of the year on the strength of encouraging earnings guidance and a favorably received acquisition of the mining equipment business of Terex.

A wide range of other holdings further bolstered the fund's performance relative to the benchmark. Several technology stocks—including computer hard drive maker Western Digital (which was sold during the period), computer and parts distributor Tech Data, and networking product producer F5 Networks—outperformed industry averages due to strong financial results. Biotechnology tools developer Life Technologies rose amid better-than-expected sales and earnings, leading us to sell the fund's position and lock in gains. A few holdings also advanced in response to buyout offers, including information technology solutions provider Avocent, fertilizer producer Terra Industries, independent oil and gas developer Encore Acquisition and soft drink bottler PepsiAmericas. Avocent and PepsiAmericas have been sold out of the portfolio since their announcements.

On a more negative note, disappointments in a few holdings undermined the fund's returns relative to its benchmark. Discount retailers Family Dollar Stores and Dollar Tree failed to keep pace with retail industry averages as investor sentiment in the economic recovery shifted in favor of higher-end merchandisers. Energy company Frontier Oil reported weaker-than-expected financial results, as did financial firms Cincinnati Financial and The NASDAQ OMX Group. Weak financial results also took a toll on electric utility Hawaiian Electric Industries, engineering contractor Dycom Industries and medical diagnostics device maker Gen-Probe. Finally, the fund's returns suffered due to unfavorable timing in the purchase and sale of container manufacturer Owens-Illinois. As of year-end, Cincinnati Financial, Hawaiian Electric, Gen-Probe, and Owens-Illinois had been sold out of the portfolio.

Managing the Fund's Portfolio

During 2009, the market was characterized by higher than usual levels of volatility. As a result, even relatively small tilts had the potential to result in outsized impacts. We therefore maintained tight control over industry, sector, capitalization, and other top-down differences between the portfolio and benchmark.

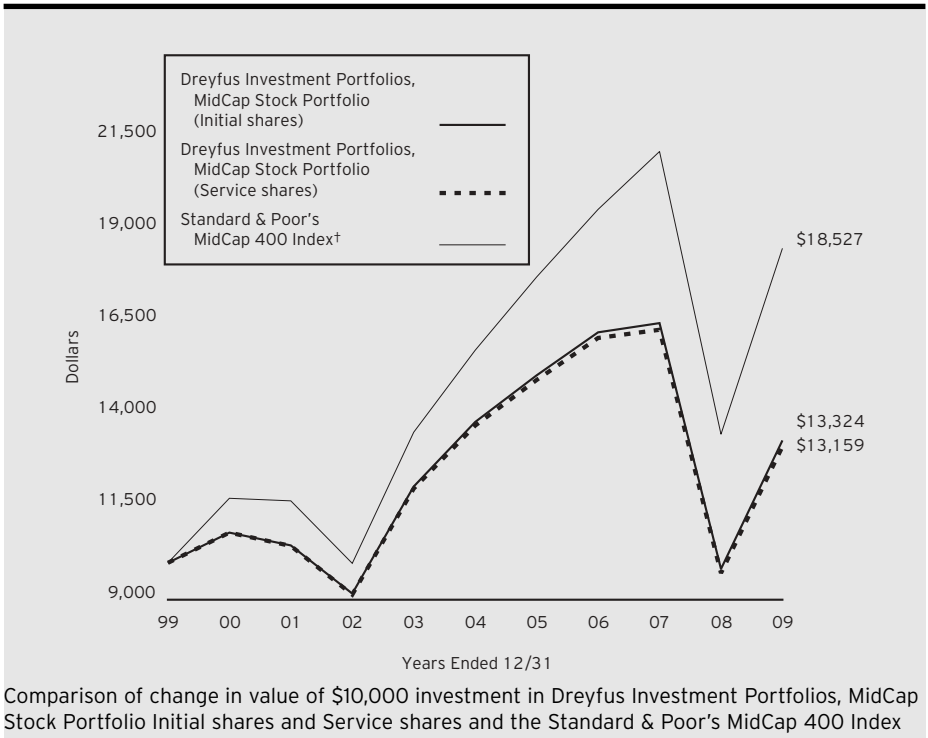
The fund has a disciplined, quantitatively driven investment approach and as of year-end 2009, the market appeared to be rewarding a reasonable balance of value and momentum factors.

January 15, 2010

The fund is only available as a funding vehicle under variable life insurance policies or variable annuity contracts issued by insurance companies. Individuals may not purchase shares of the fund directly. A variable annuity is an insurance contract issued by an insurance company that enables investors to accumulate assets on a tax-deferred basis for retirement or other long-term goals. The investment objective and policies of MidCap Stock Portfolio, a series of Dreyfus Investment Portfolios, made available through insurance products may be similar to other funds managed or advised by Dreyfus. However, the investment results of the fund may be higher or lower than, and may not be comparable to, those of any other Dreyfus fund.

- ¹ Total return includes reinvestment of dividends and any capital gains paid. Past performance is no guarantee of future results. Share price and investment return fluctuate such that upon redemption, fund shares may be worth more or less than their original cost. The fund's performance does not reflect the deduction of additional charges and expenses imposed in connection with investing in variable insurance contracts, which will reduce returns. Return figures provided reflect the absorption of certain fund expenses by The Dreyfus Corporation pursuant to an agreement in effect through February 28, 2010, at which time it may be extended, terminated or modified. Had these expenses not been absorbed, the fund's returns would have been lower.
- ² SOURCE: LIPPER INC. — Reflects reinvestment of dividends and, where applicable, capital gain distributions. The Standard & Poor's MidCap 400 Index is a widely accepted, unmanaged total return index measuring the performance of the midsize-company segment of the U.S. market.

FUND PERFORMANCE



Average Annual Total Returns as of 12/31/09

	1 Year	5 Years	10 Years
Initial shares	35.51%	-0.73%	2.91%
Service shares	35.33%	-0.85%	2.78%

The data for Service shares includes the results of Initial shares for the period prior to December 31, 2000 (inception date of Service shares). Actual Service shares' average annual total return and hypothetical growth results would have been lower. See notes below.

† Source: Lipper Inc.

Past performance is not predictive of future performance. The fund's performance shown in the graph and table does not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares.

The fund's performance does not reflect the deduction of additional charges and expenses imposed in connection with investing in variable insurance contracts which will reduce returns.

The above graph compares a \$10,000 investment made in Initial and Service shares of Dreyfus Investment Portfolios, MidCap Stock Portfolio on 12/31/99 to a \$10,000 investment made in the Standard & Poor's MidCap 400 Index (the "Index") on that date.

The fund's Initial shares are not subject to a Rule 12b-1 fee. The fund's Service shares are subject to a 0.25% annual Rule 12b-1 fee. The performance figures for Service shares reflect the performance of the fund's Initial shares from their inception date through December 30, 2000, and the performance of the fund's Service shares from December 31, 2000 (inception date of Service shares) to December 31, 2009 (blended performance figures). The performance figures for each share class reflect certain expense reimbursements, without which the performance of each share class would have been lower. In addition, the blended performance figures have not been adjusted to reflect the higher operating expenses of the Service shares. If these expenses had been reflected, the blended performance figures would have been lower. All dividends and capital gain distributions are reinvested.

The fund's performance shown in the line graph takes into account all applicable fund fees and expenses (after any expense reimbursements). The Index is a widely accepted, unmanaged total return index measuring the performance of the midsize company segment of the U.S. stock market. Unlike a mutual fund, the Index is not subject to charges, fees and other expenses. Investors cannot invest directly in any index. Further information relating to fund performance, including expense reimbursements, if applicable, is contained in the Financial Highlights section of the prospectus and elsewhere in this report.

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), redemption fees and expenses associated with variable annuity or insurance contracts, 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 Dreyfus Investment Portfolios, MidCap Stock Portfolio from July 1, 2009 to December 31, 2009. 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 December 31, 2009

	Initial Shares	Service Shares
Expenses paid per \$1,000†	\$ 4.77	\$ 5.11
Ending value (after expenses)	\$1,252.70	\$1,251.20

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 December 31, 2009

	Initial Shares	Service Shares
Expenses paid per \$1,000†	\$ 4.28	\$ 4.58
Ending value (after expenses)	\$1,020.97	\$1,020.67

† Expenses are equal to the fund's annualized expense ratio of .84% for Initial Shares and .90% for Service Shares, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period).

STATEMENT OF INVESTMENTS

December 31, 2009

Common Stocks—99.2%	Shares	Value (\$)
Consumer Discretionary—16.2%		
Aaron's	26,700 ^a	740,391
Advance Auto Parts	48,500	1,963,280
Aeropostale	36,975 ^b	1,258,999
Barnes & Noble	38,500 ^a	734,195
Blyth	8,300	279,876
Boyd Gaming	29,500 ^{a,b}	246,915
Brinker International	64,350	960,102
Carlisle Cos.	53,300	1,826,058
Cheesecake Factory	84,200 ^{a,b}	1,817,878
Dollar Tree	30,100 ^b	1,453,830
Family Dollar Stores	19,950	555,208
Foot Locker	103,300	1,150,762
FTI Consulting	5,800 ^b	273,528
Gentex	40,350	720,247
International Speedway, Cl. A	12,200	347,090
ITT Educational Services	15,400 ^{a,b}	1,477,784
Panera Bread, Cl. A	10,000 ^{a,b}	669,700
PetSmart	41,600	1,110,304
Regal Entertainment Group, Cl. A	33,100	477,964
Regis	19,400 ^a	302,058
Ross Stores	21,800	931,078
Scholastic	29,100 ^a	868,053
Scotts Miracle-Gro, Cl. A	21,200 ^a	833,372
SEACOR Holdings	10,900 ^b	831,125
Timberland, Cl. A	26,700 ^b	478,731
Valspar	14,600	396,244
Warnaco Group	24,450 ^b	1,031,546
Wyndham Worldwide	14,500	292,465
		24,028,783
Consumer Staples—3.4%		
Energizer Holdings	4,600 ^b	281,888
Hormel Foods	27,250	1,047,763
Lancaster Colony	33,400	1,659,980
Pulte Homes	76,500 ^{a,b}	765,000

STATEMENT OF INVESTMENTS (continued)

Common Stocks (continued)	Shares	Value (\$)
Consumer Staples (continued)		
Tyson Foods, Cl. A	24,600	301,842
Universal	20,400 ^a	930,444
		4,986,917
Energy—7.2%		
Atmos Energy	21,500	632,100
Bill Barrett	35,100 ^{a,b}	1,091,961
Cameron International	24,100 ^b	1,007,380
Covanta Holding	21,400 ^{a,b}	387,126
Encore Acquisition	24,500 ^b	1,176,490
Frontier Oil	82,200	989,688
Helix Energy Solutions Group	18,900 ^b	222,075
Oceaneering International	21,400 ^b	1,252,328
Patterson-UTI Energy	22,200	340,770
Plains Exploration & Production	18,600 ^b	514,476
Southern Union	60,100	1,364,270
Tesoro	29,900 ^a	405,145
Unit	21,100 ^b	896,750
WGL Holdings	11,000	368,940
		10,649,499
Financial—19.6%		
Alexandria Real Estate Equities	16,800 ^{a,c}	1,080,072
American Financial Group	63,575	1,586,196
AmeriCredit	88,400 ^{a,b}	1,683,136
Ameriprise Financial	20,400	791,928
Annaly Capital Management	39,100 ^c	678,385
Broadridge Financial Solutions	58,800	1,326,528
Corporate Office Properties Trust	18,200 ^c	666,666
Dun & Bradstreet	6,000	506,220
Equity One	25,400 ^c	410,718
Federated Investors, Cl. B	15,900 ^a	437,250
FirstMerit	65,106	1,311,235
HCC Insurance Holdings	52,450	1,467,027
Hospitality Properties Trust	72,800 ^c	1,726,088
Hudson City Bancorp	92,900	1,275,517
IAC/InterActiveCorp	19,800 ^b	405,504

Common Stocks (continued)	Shares	Value (\$)
Financial (continued)		
Liberty Property Trust	18,200 a.c	582,582
Macerich	24,571 c	883,327
Mack-Cali Realty	6,500	224,705
Mercury General	3,900	153,114
Nasdaq OMX Group	16,400 b	325,048
New York Community Bancorp	42,000	609,420
NewAlliance Bancshares	129,500	1,555,295
Old Republic International	46,600	467,864
Potlatch	38,500 a.c	1,227,380
Principal Financial Group	25,300	608,212
Raymond James Financial	44,300	1,053,011
Regency Centers	27,400 a.c	960,644
Reinsurance Group of America	17,600	838,640
StanCorp Financial Group	42,200	1,688,844
Weingarten Realty Investors	55,700 c	1,102,303
Westamerica Bancorporation	24,700 a	1,367,639
		29,000,498
Health Care—11.2%		
Charles River Laboratories International	12,300 b	414,387
Cooper	11,700	446,004
Endo Pharmaceuticals Holdings	60,600 b	1,242,906
Henry Schein	32,300 b	1,698,980
Humana	34,400 b	1,509,816
Kinetic Concepts	31,800 a,b	1,197,270
LifePoint Hospitals	29,900 a,b	972,049
Omnicare	42,400	1,025,232
OSI Pharmaceuticals	39,400 b	1,222,582
Resmed	22,600 b	1,181,302
Smithfield Foods	35,300 a,b	536,207
STERIS	43,500 a	1,216,695
Techne	29,100	1,995,096
Valeant Pharmaceuticals International	48,600 a,b	1,544,994
Vertex Pharmaceuticals	10,600 b	454,210
		16,657,730

Common Stocks (continued)	Shares	Value (\$)
Industrial-11.3%		
Brink's	42,000	1,022,280
Bucyrus International	34,400 ^a	1,939,128
Con-way	10,000	349,100
Donaldson	25,600	1,089,024
Dycom Industries	113,800 ^b	913,814
Expeditors International Washington	18,400	639,032
Flowserve	5,800	548,274
GATX	17,300 ^a	497,375
Granite Construction	16,100 ^a	541,926
Hubbell, Cl. B	37,450	1,771,385
Joy Global	29,900	1,542,541
KBR	24,100	457,900
Oshkosh	51,400	1,903,342
Pitney Bowes	17,700	402,852
Rent-A-Center	52,900 ^b	937,388
Timken	46,700	1,107,257
URS	24,300 ^b	1,081,836
		16,744,454
Information Technology-17.4%		
Advent Software	27,700 ^{a,b}	1,128,221
Avnet	25,500 ^b	769,080
CA	34,100	765,886
Cognizant Technology Solutions, Cl. A	16,300 ^b	738,390
CommScope	47,000 ^b	1,246,910
Computer Sciences	27,400 ^b	1,576,322
Cypress Semiconductor	143,200 ^b	1,512,192
F5 Networks	28,100 ^b	1,488,738
FactSet Research Systems	16,000 ^a	1,053,920
Fair Isaac	40,000 ^a	852,400
Fossil	25,900 ^b	869,204
Gartner	52,200 ^b	941,688
General Cable	14,400 ^{a,b}	423,648
Harris	7,000	332,850
Informatica	15,400 ^b	398,244
Ingram Micro, Cl. A	36,700 ^b	640,415

Common Stocks (continued)	Shares	Value (\$)
Information Technology (continued)		
Integrated Device Technology	97,100 ^b	628,237
Intersil, Cl. A	53,700	823,758
L-3 Communications Holdings	15,500	1,347,725
Micron Technology	43,400 ^b	458,304
Semtech	11,900 ^{a,b}	202,419
Sybase	32,600 ^b	1,414,840
Synopsys	90,900 ^b	2,025,252
Tech Data	57,300 ^b	2,673,618
Teradata	25,400 ^b	798,322
Xilinx	23,400	586,404
		25,696,987
Materials-7.4%		
Airgas	11,500	547,400
Cabot	27,600	723,948
Crown Holdings	21,500 ^b	549,970
Huntsman	62,200	702,238
Minerals Technologies	32,600	1,775,722
Pactiv	30,600 ^b	738,684
Reliance Steel & Aluminum	36,100	1,560,242
Temple-Inland	84,200	1,777,462
Terra Industries	15,200	489,288
Titanium Metals	65,000 ^{a,b}	813,800
Worthington Industries	97,000 ^a	1,267,790
		10,946,544
Telecommunication Services-1.0%		
Telephone & Data Systems	28,200	956,544
US Cellular	12,400 ^b	525,884
		1,482,428
Utilities-4.5%		
AGL Resources	27,000	984,690
American Water Works	23,600	528,876
CMS Energy	25,700 ^a	402,462
Energen	15,600	730,080
IDACORP	19,800 ^a	632,610
NSTAR	9,100	334,880

STATEMENT OF INVESTMENTS (continued)

Common Stocks (continued)	Shares	Value (\$)
Utilities (continued)		
NV Energy	129,800	1,606,924
UGI	57,700	1,395,763
		6,616,285
Total Common Stocks (cost \$139,965,505)		146,810,125
Other Investment—0.9%		
Registered Investment Company;		
Dreyfus Institutional Preferred Plus Money Market Fund (cost \$1,435,000)	1,435,000 ^d	1,435,000
Investment of Cash Collateral for Securities Loaned—13.9%		
Registered Investment Company;		
Dreyfus Institutional Cash Advantage Fund (cost \$20,534,022)	20,534,022 ^d	20,534,022
Total Investments (cost \$161,934,527)	114.0%	168,779,147
Liabilities, Less Cash and Receivables	(14.0%)	(20,726,894)
Net Assets	100.0%	148,052,253

^a Security, or portion thereof, on loan. At December 31, 2009, the total market value of the fund's securities on loan is \$19,764,863 and the total market value of the collateral held by the fund is \$20,534,022.

^b Non-income producing security.

^c Investment in Real Estate Investment Trust.

^d Investment in affiliated money market mutual fund.

Portfolio Summary (Unaudited)[†]

	Value (%)		Value (%)
Financial	19.6	Materials	7.4
Information Technology	17.4	Energy	7.2
Consumer Discretionary	16.2	Utilities	4.5
Money Market Investments	14.8	Consumer Staples	3.4
Industrial	11.3	Telecommunication Services	1.0
Health Care	11.2		114.0

[†] Based on net assets.

See notes to financial statements.

STATEMENT OF ASSETS AND LIABILITIES

December 31, 2009

	Cost	Value
Assets (\$):		
Investments in securities—See Statement of Investments (including securities on loan, valued at \$19,764,863)—Note 1 (b):		
Unaffiliated issuers	139,965,505	146,810,125
Affiliated issuers	21,969,022	21,969,022
Cash		10,837
Dividends and interest receivable		143,382
Receivable for shares of Beneficial Interest subscribed		9,802
		168,943,168
Liabilities (\$):		
Due to The Dreyfus Corporation and affiliates—Note 3(b)		104,712
Liability for securities on loan—Note 1 (b)		20,534,022
Payable for shares of Beneficial Interest redeemed		189,589
Accrued expenses		62,592
		20,890,915
Net Assets (\$)		148,052,253
Composition of Net Assets (\$):		
Paid-in capital		215,900,599
Accumulated undistributed investment income—net		1,508,705
Accumulated net realized gain (loss) on investments		(76,201,671)
Accumulated net unrealized appreciation (depreciation) on investments		6,844,620
Net Assets (\$)		148,052,253

Net Asset Value Per Share		
	Initial Shares	Service Shares
Net Assets (\$)	131,962,129	16,090,124
Shares Outstanding	12,617,189	1,538,185
Net Asset Value Per Share (\$)	10.46	10.46

See notes to financial statements.

STATEMENT OF OPERATIONS

Year Ended December 31, 2009

Investment Income (\$):

Income:

Cash dividends:

Unaffiliated issuers	2,531,709
Affiliated issuers	1,181

Income from securities lending—Note 1(b) 97,199

Interest 21,864

Total Income 2,651,953

Expenses:

Investment advisory fee—Note 3(a) 1,012,056

Professional fees 55,636

Distribution fees—Note 3(b) 35,441

Prospectus and shareholders' reports 19,681

Custodian fees—Note 3(b) 17,480

Shareholder servicing costs—Note 3(b) 5,536

Trustees' fees and expenses—Note 3(c) 1,864

Loan commitment fees—Note 2 219

Interest expense—Note 2 131

Miscellaneous 18,115

Total Expenses 1,166,159

Less—reduction in investment advisory fee
due to undertaking—Note 3(a) (26,646)

Less—reduction in fees due to earnings credits—Note 1(b) (125)

Net Expenses 1,139,388

Investment Income—Net 1,512,565

Realized and Unrealized Gain (Loss) on Investments—Note 4 (\$):

Net realized gain (loss) on investments (28,024,642)

Net unrealized appreciation (depreciation) on investments 67,186,562

Net Realized and Unrealized Gain (Loss) on Investments 39,161,920

Net Increase in Net Assets Resulting from Operations 40,674,485

See notes to financial statements.

STATEMENT OF CHANGES IN NET ASSETS

	Year Ended December 31,	
	2009	2008
Operations (\$):		
Investment income—net	1,512,565	1,775,348
Net realized gain (loss) on investments	(28,024,642)	(47,478,589)
Net unrealized appreciation (depreciation) on investments	67,186,562	(62,203,761)
Net Increase (Decrease) in Net Assets Resulting from Operations	40,674,485	(107,907,002)
Dividends to Shareholders from (\$):		
Investment income—net:		
Initial Shares	(1,799,027)	(2,075,788)
Service Shares	(141,551)	(242,422)
Net realized gain on investments:		
Initial Shares	—	(33,614,382)
Service Shares	—	(4,819,634)
Total Dividends	(1,940,578)	(40,752,226)
Beneficial Interest Transactions (\$):		
Net proceeds from shares sold:		
Initial Shares	7,850,230	12,611,543
Service Shares	883,388	1,952,930
Dividends reinvested:		
Initial Shares	1,799,027	35,690,170
Service Shares	141,551	5,062,056
Cost of shares redeemed:		
Initial Shares	(37,882,349)	(66,932,776)
Service Shares	(3,056,034)	(16,753,669)
Increase (Decrease) in Net Assets from Beneficial Interest Transactions	(30,264,187)	(28,369,746)
Total Increase (Decrease) in Net Assets	8,469,720	(177,028,974)
Net Assets (\$):		
Beginning of Period	139,582,533	316,611,507
End of Period	148,052,253	139,582,533
Undistributed investment income—net	1,508,705	1,936,718

STATEMENT OF CHANGES IN NET ASSETS (continued)

	Year Ended December 31,	
	2009	2008
Capital Share Transactions:		
Initial Shares		
Shares sold	925,743	1,081,397
Shares issued for dividends reinvested	248,142	2,979,146
Shares redeemed	(4,564,894)	(5,935,391)
Net Increase (Decrease) in Shares Outstanding	(3,391,009)	(1,874,848)
Service Shares		
Shares sold	105,477	169,431
Shares issued for dividends reinvested	19,524	423,958
Shares redeemed	(362,450)	(1,342,551)
Net Increase (Decrease) in Shares Outstanding	(237,449)	(749,162)

See notes to financial statements.

FINANCIAL HIGHLIGHTS

The following tables describe the performance for each share class for the fiscal periods indicated. All information (except portfolio turnover rate) 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. The fund's total returns do not reflect expenses associated with variable annuity or insurance contracts. These figures have been derived from the fund's financial statements.

Initial Shares	Year Ended December 31,				
	2009	2008	2007	2006	2005
Per Share Data (\$):					
Net asset value, beginning of period	7.85	15.52	17.39	19.15	17.62
Investment Operations:					
Investment income—net ^a	.11	.09	.12	.08	.08
Net realized and unrealized gain (loss) on investments	2.62	(5.63)	.19	1.39	1.53
Total from Investment Operations	2.73	(5.54)	.31	1.47	1.61
Distributions:					
Dividends from investment income—net	(.12)	(.12)	(.07)	(.07)	(.01)
Dividends from net realized gain on investments	—	(2.01)	(2.11)	(3.16)	(.07)
Total Distributions	(.12)	(2.13)	(2.18)	(3.23)	(.08)
Net asset value, end of period	10.46	7.85	15.52	17.39	19.15
Total Return (%)	35.51	(40.42)	1.50	7.75	9.17
Ratios/Supplemental Data (%):					
Ratio of total expenses to average net assets	.84	.82	.80	.80	.79
Ratio of net expenses to average net assets	.84 ^b	.81	.80 ^b	.80 ^b	.79 ^b
Ratio of net investment income to average net assets	1.22	.76	.73	.48	.43
Portfolio Turnover Rate	75.42	86.74	116.83	149.02	99.27
Net Assets, end of period (\$ x 1,000)	131,962	125,701	277,602	338,081	362,789

^a Based on average shares outstanding at each month end.

^b Expense waivers and/or reimbursements amounted to less than .01%.

See notes to financial statements.

Service Shares	Year Ended December 31,				
	2009	2008	2007	2006	2005
Per Share Data (\$):					
Net asset value, beginning of period	7.82	15.45	17.31	19.06	17.57
Investment Operations:					
Investment income—net ^a	.10	.08	.09	.06	.04
Net realized and unrealized gain (loss) on investments	2.63	(5.60)	.21	1.39	1.52
Total from Investment Operations	2.73	(5.52)	.30	1.45	1.56
Distributions:					
Dividends from investment income—net	(.09)	(.10)	(.05)	(.04)	—
Dividends from net realized gain on investments	—	(2.01)	(2.11)	(3.16)	(.07)
Total Distributions	(.09)	(2.11)	(2.16)	(3.20)	(.07)
Net asset value, end of period	10.46	7.82	15.45	17.31	19.06
Total Return (%)	35.33	(40.44)	1.39	7.68	8.93
Ratios/Supplemental Data (%):					
Ratio of total expenses to average net assets	1.09	1.06	1.05	1.05	1.04
Ratio of net expenses to average net assets	.90	.90	.90	.91	1.00
Ratio of net investment income to average net assets	1.16	.62	.58	.37	.22
Portfolio Turnover Rate	75.42	86.74	116.83	149.02	99.27
Net Assets, end of period (\$ x 1,000)	16,090	13,881	39,009	85,277	89,264

^a Based on average shares outstanding at each month end.

See notes to financial statements.

NOTE 1—Significant Accounting Policies:

Dreyfus Investment Portfolios (the “Company”) is registered under the Investment Company Act of 1940, as amended (the “Act”), as an open-end management investment company, operating as a series company currently offering four series, including the MidCap Stock Portfolio (the “fund”). The fund is only offered to separate accounts established by insurance companies to fund variable annuity contracts and variable life insurance policies. The fund is a diversified series. The fund’s investment objective is to provide investment results that are greater than the total return performance of publicly traded common stocks of medium-size domestic companies in the aggregate, as represented by the Standard & Poor’s MidCap 400 Index. The Dreyfus Corporation (the “Manager” or “Dreyfus”), a wholly-owned subsidiary of The Bank of New York Mellon Corporation (“BNY Mellon”), serves as the fund’s investment adviser.

MBSC Securities Corporation (the “Distributor”), a wholly-owned subsidiary of the Manager, is the distributor of the fund’s shares, which are sold without a sales charge. The fund is authorized to issue an unlimited number of \$.001 par value shares of Beneficial Interest in each of the following classes of shares: Initial and Service. Each class of shares has identical rights and privileges, except with respect to the distribution plan, the expenses borne by each class, the allocation of certain transfer agency costs and certain voting rights. 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.

The Company accounts separately for the assets, liabilities and operations of each series. Expenses directly attributable to each series are charged to that series’ operations; expenses which are applicable to all series are allocated among them on a pro rata basis.

The Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) has become the exclusive reference of authoritative U.S. generally accepted accounting principles (“GAAP”)

recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission ("SEC") under authority of federal laws are also sources of authoritative GAAP for SEC registrants. The ASC has superseded all existing non-SEC accounting and reporting standards. The fund's financial statements are prepared in accordance with GAAP, which may require the use of management estimates and assumptions. Actual results could differ from those estimates.

The Company 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 the last sales price on the securities exchange or national securities market on which such securities are primarily traded. Securities listed on the National Market System for which market quotations are available are valued at the official closing price or, if there is no official closing price that day, at the last sales price. Securities not listed on an exchange or the national securities market, or securities for which there were no transactions, are valued at the average of the most recent bid and asked prices, except for open short positions, where the asked price is used for valuation purposes. Bid price is used when no asked price is available. Registered investment companies that are not traded on an exchange are valued at their net asset value. When market quotations or official closing prices are not readily available, or are determined not to reflect accurately fair value, such as when the value of a security has been significantly affected by events after the close of the exchange or market on which the security is principally traded (for example, a foreign exchange or market), but before the fund calculates its net asset value, the fund may value these investments at fair value as determined in accordance with the procedures approved by the Board of Trustees. Fair valuing of securities may be determined with the assistance of a pricing service using calculations based on indices of domestic securities and other appropriate indicators, such as prices of relevant

American Depository Receipts and futures contracts. For other securities that are fair valued by the Board of Trustees, certain factors may be considered such as: fundamental analytical data, the nature and duration of restrictions on disposition, an evaluation of the forces that influence the market in which the securities are purchased and sold and public trading in similar securities of the issuer or comparable issuers. Financial futures are valued at the last sales price.

The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. the exit price). GAAP establishes a fair value hierarchy that prioritizes the inputs of valuation techniques used to measure fair value. This hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Additionally, GAAP provides guidance on determining whether the volume and activity in a market has decreased significantly and whether such a decrease in activity results in transactions that are not orderly. GAAP requires enhanced disclosures around valuation inputs and techniques used during annual and interim periods.

Various inputs are used in determining the value of the fund's investments relating to fair value measurements. These inputs are summarized in the three broad levels listed below:

Level 1—unadjusted quoted prices in active markets for identical investments.

Level 2—other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.).

Level 3—significant unobservable inputs (including the fund's own assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used as of December 31, 2009 in valuing the fund's investments:

	Level 1– Unadjusted Quoted Prices	Level 2–Other Significant Observable Inputs	Level 3– Significant Unobservable Inputs	Total
Assets (\$)				
Investments in Securities:				
Equity Securities–				
Domestic†	146,810,125	–	–	146,810,125
Mutual Funds	21,969,022	–	–	21,969,022

† See Statement of Investments for industry classification.

(b) Securities transactions and investment income: Securities transactions are recorded on a trade date basis. Realized gains and losses from securities transactions are recorded on the identified cost basis. Dividend income is recognized on the ex-dividend date and interest income, including, where applicable, accretion of discount and amortization of premium on investments, is recognized on the accrual basis.

The fund has arrangements with the custodian and cash management bank whereby the fund may receive earnings credits when positive cash balances are maintained, which are used to offset custody and cash management fees. For financial reporting purposes, the fund includes net earnings credits as an expense offset in the Statement of Operations.

Pursuant to a securities lending agreement with The Bank of New York Mellon, a subsidiary of BNY Mellon and an affiliate of Dreyfus, the fund may lend securities to qualified institutions. It is the fund's policy that, at origination, all loans are secured by collateral of at least 102% of the value of U.S. securities loaned and 105% of the value of foreign securities loaned. Collateral equivalent to at least 100% of the market value of securities on loan is maintained at all times. Collateral is either in the form of cash, which can be invested in certain money market mutual funds managed by the Manager, U.S. Government and Agency securities or letters of credit. The fund is entitled to receive all income on securities loaned, in addition to income earned as a result

of the lending transaction. Although each security loaned is fully collateralized, the fund bears the risk of delay in recovery of, or loss of rights in, the securities loaned should a borrower fail to return the securities in a timely manner. During the period ended December 31, 2009, The Bank of New York Mellon earned \$41,657 from lending portfolio securities, pursuant to the securities lending agreement.

(c) Affiliated issuers: Investments in other investment companies advised by the Manager are defined as “affiliated” in the Act.

(d) Dividends to shareholders: Dividends are recorded on the ex-dividend date. Dividends from investment income-net and dividends from net realized capital gains, 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 gains can be offset by capital loss carryovers, it is the policy of the fund not to distribute such gains. Income and capital gain distributions are determined in accordance with income tax regulations, which may differ from GAAP.

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

As of and during the period ended December 31, 2009, the fund did not have any liabilities for any uncertain tax positions. The fund recognizes interest and penalties, if any, related to uncertain tax positions as income tax expense in the Statement of Operations. During the period, the fund did not incur any interest or penalties.

Each of the tax years in the four-year period ended December 31, 2009 remains subject to examination by the Internal Revenue Service and state taxing authorities.

At December 31, 2009, the components of accumulated earnings on a tax basis were as follows: undistributed ordinary income \$1,508,117, accumulated capital losses \$75,945,495 and unrealized appreciation \$6,876,563. In addition, the fund had \$288,119 of capital losses realized after October 31, 2009, which were deferred for tax purposes to the first day of the following fiscal year.

The accumulated capital loss carryover is available for federal income tax purposes to be applied against future net securities profits, if any, realized subsequent to December 31, 2009. If not applied, \$30,029,499 of the carryover expires in fiscal 2016 and \$45,915,996 expires in fiscal 2017.

The tax character of distributions paid to shareholders during the fiscal periods ended December 31, 2009 and December 31, 2008 were as follows: ordinary income \$1,940,578 and \$18,327,589 and long-term capital gains \$0 and \$22,424,637, respectively.

NOTE 2—Bank Lines of Credit:

The fund participates with other Dreyfus-managed funds in a \$225 million unsecured credit facility led by Citibank, N.A. and a \$300 million unsecured credit facility provided by The Bank of New York Mellon (each, a “Facility”), each to be utilized primarily for temporary or emergency purposes, including the financing of redemptions. In connection therewith, the fund has agreed to pay its pro rata portion of commitment fees for each Facility. Interest is charged to the fund based on rates determined pursuant to the terms of the respective Facility at the time of borrowing.

The average amount of borrowings outstanding under the Facilities during the period ended December 31, 2009, was approximately \$13,600 with a related weighted average annualized interest rate of .96%.

NOTE 3—Investment Advisory Fee and Other Transactions With Affiliates:

(a) Pursuant to an investment advisory agreement with the Manager, the investment advisory fee is computed at the annual rate of .75% of the value of the fund’s average daily net assets and is payable monthly.

The Manager has agreed, from January 1, 2009 to February 28, 2010, to waive receipt of its fees and/or assume the expenses of the fund so that the expenses of neither class, exclusive of taxes, brokerage fees, interest on borrowings, commitment fees and extraordinary expenses, exceed .90% of the value of the average daily net assets of such class. During the period ended December 31, 2009, the Manager waived receipt of fees of \$26,646, pursuant to the undertaking.

(b) Under the Distribution Plan (the “Plan”) adopted pursuant to Rule 12b-1 under the Act, Service shares pay the Distributor for distributing their shares, for servicing and/or maintaining Service shares’ shareholder accounts and for advertising and marketing for Service shares. The Plan provides for payments to be made at an annual rate of .25% of the value of the Service shares’ average daily net assets. The Distributor may make payments to participating insurance companies and to brokers and dealers acting as principal underwriter for their variable insurance products. The fees payable under the Plan are payable without regard to actual expenses incurred. During the period ended December 31, 2009, Service shares were charged \$35,441 pursuant to the Plan.

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 December 31, 2009, the fund was charged \$1,083 pursuant to the transfer agency agreement, which is included in Shareholder servicing costs in the Statement of Operations.

The fund compensates The Bank of New York Mellon under a cash management agreement for performing cash management services related to fund subscriptions and redemptions. During the period ended December 31, 2009, the fund was charged \$125 pursuant to the cash management agreement, which is included in Shareholder servicing costs in the Statement of Operations. These fees were offset by earnings credits pursuant to the cash management agreement.

The fund also compensates The Bank of New York Mellon under a custody agreement for providing custodial services for the fund. During the period ended December 31, 2009, the fund was charged \$17,480 pursuant to the custody agreement.

During the period ended December 31, 2009, the fund was charged \$6,681 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: investment advisory fees \$93,737, Rule 12b-1 distribution plan fees \$3,385, custodian fees \$3,896, chief compliance officer fees \$5,011 and transfer agency per account fees \$223, which are offset against an expense reimbursement currently in effect in the amount of \$1,540.

(c) 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 4—Securities Transactions:

The aggregate amount of purchases and sales of investment securities, excluding short-term securities, during the period ended December 31, 2009, amounted to \$100,695,561 and \$131,730,322, respectively.

The fund adopted the provisions of ASC Topic 815 “Derivatives and Hedging” which requires qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of gains and losses on derivative instruments and disclosures about credit-risk-related contingent features in derivative agreements. The fund held no derivatives during the period ended December 31, 2009. These disclosures did not impact the notes to the financial statements.

At December 31, 2009, the cost of investments for federal income tax purposes was \$161,902,584; accordingly, accumulated net unrealized appreciation on investments was \$6,876,563, consisting of \$19,343,074 gross unrealized appreciation and \$12,466,511 gross unrealized depreciation.

NOTE 5—Subsequent Events Evaluation:

Dreyfus has evaluated the need for disclosures and/or adjustments resulting from subsequent events through February 10, 2010, the date the financial statements were issued. This evaluation did not result in any subsequent events that necessitated disclosures and/or adjustments.

REPORT OF INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM

Shareholders and Board of Trustees

Dreyfus Investment Portfolios, MidCap Stock Portfolio

We have audited the accompanying statement of assets and liabilities, including the statement of investments, of Dreyfus Investment Portfolios, MidCap Stock Portfolio (one of the series comprising Dreyfus Investment Portfolios) as of December 31, 2009, and the related statement of operations for the year then ended, the statement of changes in net assets for each of the two years in the period then ended, and financial highlights for each of the years indicated therein. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Fund's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2009 by correspondence with the custodian and others. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Dreyfus Investment Portfolios, MidCap Stock Portfolio at December 31, 2009, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the indicated years, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

New York, New York
February 10, 2010

IMPORTANT TAX INFORMATION (Unaudited)

For federal tax purposes, the fund hereby designates 100% of the ordinary dividends paid during the fiscal year ended December 31, 2009 as qualifying for the corporate dividends received deduction. Shareholders will receive notification in early 2010 of the percentage applicable to the preparation of their 2009 income tax returns.

INFORMATION ABOUT THE REVIEW AND
APPROVAL OF THE FUND'S INVESTMENT
ADVISORY AGREEMENT (Unaudited)

At a meeting of the Board of Trustees of Dreyfus Investment Portfolios (the "Company") held on July 14 and 15, 2009, the Board considered the re-approval for an annual period (through August 31, 2010) of the MidCap Stock Portfolio's ("the fund") Investment Advisory Agreement with the Manager, pursuant to which the Manager provides the fund with investment advisory and administrative services. The Board members, none of whom are "interested persons" (as defined in the Investment Company Act of 1940, as amended) of the Company, were assisted in their review by independent legal counsel and met with counsel in executive session separate from representatives of the Manager.

Analysis of Nature, Extent and Quality of Services Provided to the Fund. The Board members received a presentation from representatives of the Manager regarding services provided to the fund and other funds in the Dreyfus fund complex, and discussed the nature, extent and quality of the services provided to the fund pursuant to its Investment Advisory Agreement. The Manager's representatives reviewed the fund's distribution of accounts and the relationships the Manager has with various intermediaries and the different needs of each. The Board noted that the fund's shares are offered only to separate accounts established by insurance companies to fund variable annuity contracts and variable life insurance policies. The Manager's representatives noted the diversity of distribution among the funds in the Dreyfus fund complex, and the Manager's corresponding need for broad, deep and diverse resources to be able to provide ongoing shareholder services to each distribution channel, including that of the fund. The Manager also provided the number of separate accounts investing in the fund, as well as the fund's asset size.

The Board members also considered the Manager's research and fund management capabilities and that the Manager also provides oversight of day-to-day fund operations, including fund accounting and administration and assistance in meeting legal and regulatory requirements. The Board members also considered the Manager's extensive administrative, accounting and compliance infrastructure. The Board also

considered the Manager's brokerage policies and practices, the standards applied in seeking best execution and the Manager's policies and practices regarding soft dollars.

Comparative Analysis of the Fund's Performance and Investment Advisory Fee and Expense Ratio. The Board members reviewed the fund's performance and comparisons to a group of mid-cap core funds underlying variable insurance products (the "Performance Group") and to a larger universe of funds consisting of all mid-cap core funds underlying variable insurance products (the "Performance Universe"), selected and provided by Lipper, Inc. ("Lipper"), an independent provider of investment company data. The Board was provided with a description of the methodology Lipper used to select the Performance Group and Performance Universe, as well as the Expense Group and Expense Universe (discussed below). The Board members discussed the results of the comparisons for various periods ended May 31, 2009. The Board members noted that the fund's total return performance for its Initial shares was below the Performance Group and Performance Universe medians for all periods. Representatives of the manager reminded the Board that Franklin Portfolio's management team assumed responsibility for managing the fund in September 2007 and that Franklin Portfolio merged with Mellon Capital Management in January 2009. The Board expressed concern with the fund's performance and requested that the Manager take steps to improve it. Representatives of the Manager advised the Board that they will evaluate the fund and discuss solutions for improving the fund's performance. The Manager also provided a comparison of the fund's total returns to the returns of its benchmark index for each of the calendar years for the prior ten years.

The Board members also discussed the fund's management fee and expense ratio and reviewed the range of management fees and expense ratios as compared to a comparable group of funds (the "Expense Group") and a broader group of funds (the "Expense Universe"), each

selected and provided by Lipper. The Board members noted that the actual management fee and expense ratio of the fund's Initial shares (which are not subject to a Rule 12b-1 plan) were lower than the Expense Group and Expense Universe medians, with the exception that the actual management fee was higher than the Expense Universe median. They also noted that the contractual management fee was below the Expense Group median. In addition, the Board noted that the expense ratio of the fund's Service shares (which are subject to a Rule 12b-1 plan) was lower than the Expense Group and Expense Universe medians. The Board considered the current fee waiver and expense reimbursement arrangement undertaken by the Manager.

Representatives of the Manager noted that the Manager or its affiliates do not manage other mutual funds or accounts with similar investment objectives, policies and strategies as the fund.

Analysis of Profitability and Economies of Scale. The Manager's representatives reviewed the dollar amount of expenses allocated and profit received by the Manager and the method used to determine such expenses and profit. The Board previously had been provided with information prepared by an independent consulting firm regarding the Manager's approach to allocating costs to, and determining the profitability of, individual funds and the entire Dreyfus mutual fund complex. The Board members also had been informed that the methodology had been reviewed by an independent registered public accounting firm which, like the consultant, found the methodology to be reasonable. The consulting firm also analyzed where any economies of scale might emerge in connection with the management of the fund. The Board members evaluated the profitability analysis in light of the relevant circumstances for the fund, including any decline in assets, and the extent to which economies of scale would be realized if the fund grows and whether fee levels reflect these economies of scale for the benefit of fund investors. The Board members also considered potential benefits to the Manager from acting as investment adviser to the fund, including any soft dollar arrangements with respect to trading the fund's investments.

It was noted that the Board members should consider the Manager's profitability with respect to the fund as part of their evaluation of whether the fee under the Investment Advisory Agreement bears a reasonable relationship to the mix of services provided by the Manager, including the nature, extent and quality of such services and that a discussion of economies of scale is predicated on increasing assets and that, if a fund's assets had been decreasing, the possibility that the Manager may have realized any economies of scale would be less. It also was noted that the profitability percentage for managing the fund was within ranges determined by appropriate court cases to be reasonable given the services rendered and that the profitability percentage for managing the fund was not unreasonable given the services provided. The Board also noted the current fee waiver and expense reimbursement arrangement and its effect on the profitability of the Manager.

At the conclusion of these discussions, the Board agreed that it had been furnished with sufficient information to make an informed business decision with respect to continuation of the Investment Advisory Agreement. Based on the discussions and considerations as described above, the Board made the following conclusions and determinations.

- The Board concluded that the nature, extent and quality of the services provided by the Manager are adequate and appropriate.
- The Board was concerned with the fund's performance, but believed that the Manager would take steps to improve it and determined to renew the Management Agreement only for a six-month period, through February 28, 2010.
- The Board concluded that the fee paid by the fund to the Manager was reasonable in light of the services provided, comparative performance, expense and advisory fee information (including the fee waiver and expense reimbursement arrangement), costs of the services provided and profits to be realized and benefits derived or to be derived by the Manager from its relationship with the fund.

- The Board determined that the economies of scale which may accrue to the Manager and its affiliates in connection with the management of the fund had been adequately considered by the Manager in connection with the advisory fee rate charged to the fund, and that, to the extent in the future it were determined that material economies of scale had not been shared with the fund, the Board would seek to have those economies of scale shared with the fund.

The Board members considered these conclusions and determinations, along with information received on a routine and regular basis throughout the year, and, without any one factor being dispositive, the Board determined that the Investment Advisory Agreement would be renewed until February 28, 2010, prior to which the Board will reconsider the renewal for the remainder of the annual period (through August 31, 2010).

BOARD MEMBERS INFORMATION (Unaudited)

Joseph S. DiMartino (66) **Chairman of the Board (1998)**

Principal Occupation During Past 5 Years:

- Corporate Director and Trustee

Other Board Memberships and Affiliations:

- The Muscular Dystrophy Association, Director
- CBIZ (formerly, Century Business Services, Inc.), a provider of outsourcing functions for small and medium size companies, Director
- The Newark Group, a provider of a national market of paper recovery facilities, paperboard mills and paperboard converting plants, Director

No. of Portfolios for which Board Member Serves: 171

Clifford L. Alexander, Jr. (76) **Board Member (1998)**

Principal Occupation During Past 5 Years:

- President of Alexander & Associates, Inc., a management consulting firm (January 1981-present)

Other Board Memberships and Affiliations:

- Mutual of America Life Insurance Company, Director

No. of Portfolios for which Board Member Serves: 51

David W. Burke (73) **Board Member (2003)**

Principal Occupation During Past 5 Years:

- Corporate Director and Trustee

Other Board Memberships and Affiliations:

- John F. Kennedy Library Foundation, Director

No. of Portfolios for which Board Member Serves: 87

Whitney I. Gerard (75) **Board Member (2003)**

Principal Occupation During Past 5 Years:

- Partner of Chadbourne & Parke LLP

No. of Portfolios for which Board Member Serves: 26

Nathan Leventhal (66)
Board Member (2009)

Principal Occupation During Past 5 Years:

- Commissioner, NYC Planning Commission (March 2007-present)
- Chairman of the Avery-Fisher Artist Program (November 1997-present)

Other Board Memberships and Affiliations:

- Movado Group, Inc., Director
- Mayor's Committee on Appointments, Chairman

No. of Portfolios for which Board Member Serves: 48

George L. Perry (75)
Board Member (2003)

Principal Occupation During Past 5 Years:

- Economist and Senior Fellow at Brookings Institution

No. of Portfolios for which Board Member Serves: 26

Benaree Pratt Wiley (63)
Board Member (2009)

Principal Occupation During Past 5 Years:

- Principal, The Wiley Group, a firm specializing in strategy and business development (2005-present)
- President and CEO, The Partnership, an organization dedicated to increasing the representation of African Americans in positions of leadership, influence and decision-making in Boston, MA (1991-2005)

Other Board Memberships and Affiliations:

- Blue Cross Blue Shield of Massachusetts, Director
- CBIZ (formerly, Century Business Services, Inc.), a provider of outsourcing functions for small and medium size companies, Director
- Commonwealth Institute, Director
- Efficacy Institute, Director
- PepsiCo African-American, Chair of Advisory Board
- The Boston Foundation, Director

No. of Portfolios for which Board Member Serves: 72

Once elected all Board Members serve for an indefinite term, but achieve Emeritus status upon reaching age 80. The address of the Board Members and Officers is in c/o The Dreyfus Corporation, 200 Park Avenue, New York, New York 10166. Additional information about the Board Members is available in the fund's Statement of Additional Information which can be obtained from Dreyfus free of charge by calling this toll free number: 1-800-554-4611.

Ms. Wiley and Mr. Leventhal were elected Board Members of the fund effective April 16, 2009.

Lucy Wilson Benson, Emeritus Board Member

Arthur A. Hartman, Emeritus Board Member

OFFICERS OF THE FUND (Unaudited)

BRADLEY J. SKAPYAK, President since January 2010.

Chief Operating Officer and a director of the Manager since June 2009. From April 2003 to June 2009, Mr. Skapyak was the head of the Investment Accounting and Support Department of the Manager. He is an officer of 76 investment companies (comprised of 171 portfolios) managed by the Manager. He is 51 years old and has been an employee of the Manager since February 1988.

PHILLIP N. MAISANO, Executive Vice President since July 2007.

Chief Investment Officer, Vice Chair and a director of the Manager, and an officer of 76 investment companies (comprised of 171 portfolios) managed by the Manager. 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 the Manager. He is 62 years old and has been an employee of the Manager since November 2006. Prior to joining the Manager, Mr. Maisano served as Chairman and Chief Executive Officer of EACM Advisors, an affiliate of the Manager, since August 2004.

J. DAVID OFFICER, Vice President since January 2010.

Director of Mellon United National Bank, an affiliate of the Manager, and an officer of 77 investment companies (comprised of 194 portfolios) managed by the Manager. Prior to June 2009, Mr. Officer was Chief Operating Officer, Vice Chairman and a director of the Manager, where he had been employed since April 1998. He is 61 years old.

MICHAEL A. ROSENBERG, Vice President and Secretary since August 2005.

Assistant General Counsel of BNY Mellon, and an officer of 77 investment companies (comprised of 194 portfolios) managed by the Manager. He is 49 years old and has been an employee of the Manager since October 1991.

KIESHA ASTWOOD, Vice President and Assistant Secretary since January 2010.

Counsel of BNY Mellon, and an officer of 77 investment companies (comprised of 194 portfolios) managed by the Manager. She is 36 years old and has been an employee of the Manager since July 1995.

JAMES BITETTO, Vice President and Assistant Secretary since August 2005.

Senior Counsel of BNY Mellon and Secretary of the Manager, and an officer of 77 investment companies (comprised of 194 portfolios) managed by the Manager. He is 43 years old and has been an employee of the Manager since December 1996.

JONI LACKS CHARATAN, Vice President and Assistant Secretary since August 2005.

Senior Counsel of BNY Mellon, and an officer of 77 investment companies (comprised of 194 portfolios) managed by the Manager. She is 54 years old and has been an employee of the Manager since October 1988.

JOSEPH M. CHIOFFI, Vice President and Assistant Secretary since August 2005.

Senior Counsel of BNY Mellon, and an officer of 77 investment companies (comprised of 194 portfolios) managed by the Manager. He is 48 years old and has been an employee of the Manager since June 2000.

KATHLEEN DENICHOLAS, Vice President and Assistant Secretary since January 2010.

Senior Counsel of BNY Mellon, and an officer of 77 investment companies (comprised of 194 portfolios) managed by the Manager. She is 35 years old and has been an employee of the Manager since February 2001.

JANETTE E. FARRAGHER, Vice President and Assistant Secretary since August 2005.

Assistant General Counsel of BNY Mellon, and an officer of 77 investment companies (comprised of 194 portfolios) managed by the Manager. She is 47 years old and has been an employee of the Manager since February 1984.

JOHN B. HAMMALIAN, Vice President and Assistant Secretary since August 2005.

Managing Counsel of BNY Mellon, and an officer of 77 investment companies (comprised of 194 portfolios) managed by the Manager. He is 46 years old and has been an employee of the Manager since February 1991.

M. CRISTINA MEISER, Vice President and Assistant Secretary since January 2010.

Senior Counsel of BNY Mellon, and an officer of 77 investment companies (comprised of 194 portfolios) managed by the Manager. She is 39 years old and has been an employee of the Manager since August 2001.

ROBERT R. MULLERY, Vice President and Assistant Secretary since August 2005.

Managing Counsel of BNY Mellon, and an officer of 77 investment companies (comprised of 194 portfolios) managed by the Manager. He is 57 years old and has been an employee of the Manager since May 1986.

JEFF PRUSNOFSKY, Vice President and Assistant Secretary since August 2005.

Managing Counsel of BNY Mellon, and an officer of 77 investment companies (comprised of 194 portfolios) managed by the Manager. He is 44 years old and has been an employee of the Manager since October 1990.

JAMES WINDELS, Treasurer since November 2001.

Director – Mutual Fund Accounting of the Manager, and an officer of 77 investment companies (comprised of 194 portfolios) managed by the Manager. He is 51 years old and has been an employee of the Manager since April 1985.

RICHARD CASSARO, Assistant Treasurer since January 2008.

Senior Accounting Manager – Money Market and Municipal Bond Funds of the Manager, and an officer of 77 investment companies (comprised of 194 portfolios) managed by the Manager. He is 50 years old and has been an employee of the Manager since September 1982.

GAVIN C. REILLY, Assistant Treasurer since December 2005.

Tax Manager of the Investment Accounting and Support Department of the Manager, and an officer of 77 investment companies (comprised of 194 portfolios) managed by the Manager. He is 41 years old and has been an employee of the Manager since April 1991.

ROBERT ROBOL, Assistant Treasurer since August 2005.

Senior Accounting Manager – Fixed Income Funds of the Manager, and an officer of 77 investment companies (comprised of 194 portfolios) managed by the Manager. He is 45 years old and has been an employee of the Manager since October 1988.

ROBERT SALVILOLO, Assistant Treasurer since May 2007.

Senior Accounting Manager – Equity Funds of the Manager, and an officer of 77 investment companies (comprised of 194 portfolios) managed by the Manager. He is 42 years old and has been an employee of the Manager since June 1989.

ROBERT SVAGNA, Assistant Treasurer since December 2002.

Senior Accounting Manager – Equity Funds of the Manager, and an officer of 77 investment companies (comprised of 194 portfolios) managed by the Manager. He is 42 years old and has been an employee of the Manager since November 1990.

JOSEPH W. CONNOLLY, Chief Compliance Officer since October 2004.

Chief Compliance Officer of the Manager and The Dreyfus Family of Funds (77 investment companies, comprised of 194 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. He is 52 years old and has served in various capacities with the Manager since 1980, including manager of the firm's Fund Accounting Department from 1997 through October 2001.

WILLIAM GERMENIS, Anti-Money Laundering Compliance Officer since October 2002.

Vice President and Anti-Money Laundering Compliance Officer of the Distributor, and the Anti-Money Laundering Compliance Officer of 73 investment companies (comprised of 190 portfolios) managed by the Manager. He is 39 years old and has been an employee of the Distributor since October 1998.

For More Information

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Telephone 1-800-554-4611 or 1-516-338-3300

Mail The Dreyfus Family of Funds, 144 Glenn Curtiss Boulevard, Uniondale, NY 11556-0144
Attn: Investments Division

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.

A description of the policies and procedures that the fund uses to determine how to vote proxies relating to portfolio securities, and information regarding how the fund voted these proxies for the most recent 12-month period ended June 30 is available at <http://www.dreyfus.com> and on the SEC's website at <http://www.sec.gov>. The description of the policies and procedures is also available without charge, upon request, by calling 1-800-645-6561.

