

# Dreyfus Investment Portfolios, MidCap Stock Portfolio

**SEMIANNUAL REPORT** June 30, 2009



BNY MELLON  
ASSET MANAGEMENT

**Dreyfus**

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## A LETTER FROM THE CHAIRMAN AND CEO

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Dear Shareholder:

We are pleased to present this semiannual report for Dreyfus Investment Portfolios, MidCap Stock Portfolio, covering the six-month period from January 1, 2009, through June 30, 2009.

The severe recession and banking crisis that dominated the financial markets at the start of 2009 appear to have moderated as of mid-year. Previously frozen credit markets have thawed, giving businesses access to the capital they need to grow. After reaching multi-year lows in early March, equities staged an impressive rally, enabling most major stock market indices to end the six-month reporting period close to where they began. While the U.S. economy remains weak overall, we have seen encouraging evidence of potential recovery, including a recovering housing market and improvements within certain manufacturing sectors. Meanwhile, inflation has remained tame in the face of high unemployment and unused manufacturing capacity.

Although these developments give us reasons for optimism, we remain cautious due to the speed and magnitude of the stock market's 2009 rebound. Indeed, the market's advance was led mainly by lower-quality stocks when investors developed renewed appetites for risk. We would prefer to see a steadier rise in stock prices supported by more concrete economic data, as the rapid rise increases the possibility that profit-taking could move the market lower. In uncertain markets such as this one, even the most seasoned investors can benefit from professional counsel. To determine how your investments should be positioned for the challenges and opportunities that lie ahead, we continue to stress that you talk regularly with your financial advisor.

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

Thank you for your continued confidence and support.

Sincerely,

Jonathan R. Baum  
Chairman and Chief Executive Officer  
The Dreyfus Corporation  
July 15, 2009



## DISCUSSION OF PERFORMANCE

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*For the period of January 1, 2009, through June 30, 2009, as provided by Michael Dunn, Oliver Buckley, Langton C. Garvin and Patrick Slattery, Portfolio Managers*

### **Fund and Market Performance Overview**

For the six-month period ended June 30, 2009, Dreyfus Investment Portfolios, MidCap Stock Portfolio's Initial shares produced a total return of 8.17%, and its Service shares produced a total return of 8.16%.<sup>1</sup> In comparison, the portfolio's benchmark, the Standard & Poor's MidCap 400 Index ("S&P 400 Index"), produced a total return of 8.47% for the same period.<sup>2</sup>

Stocks bounced back from earlier, recession-related declines during the final four months of the reporting period. Midcap stocks produced particularly robust returns, outperforming their large- and small-cap counterparts by a significant margin. The fund participated in the market's recovery, modestly lagging the benchmark's return primarily due to somewhat better returns of stocks with unattractive growth/momentum characteristics during the market rally in April.

### **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.

### **Stocks Rallied on Expectations of Improving Fundamentals**

During the opening months of 2009, the U.S. stock market continued to decline amid a severe recession characterized by rising unemployment, plunging housing prices and depressed consumer confidence. At the same time, the world was in the grip of a global banking crisis, in which massive investment losses led to the failures of some of the world's major financial institutions. These influences had fueled a severe

bear market over the second half of 2008, and additional losses early in the reporting period drove stock market averages to multi-year lows.

Although economic fundamentals showed few signs of improvement at the time, market sentiment grew more optimistic in early March as aggressive remedial measures adopted by government and monetary authorities appeared to avert a collapse of the banking system, and investors looked forward to better economic times. Bargain hunters began to bid beaten-down stock prices higher, fueling a rally led by lower priced, more speculative companies. By May, the market generally had recovered all the ground it lost earlier in the year. Stock prices slowed their advance in May and June as the rally broadened to include a wider cross-section of stocks.

### **Effectiveness of Some Quantitative Factors Shifted**

While the fund's value-oriented stock selection factors contributed positively to performance throughout the reporting period, momentum-related factors proved less predictive. In particular, price and earnings momentum factors, while positive during January 2009, detracted from performance during much of the remainder of the reporting period. In addition, due to the uncertainties affecting credit markets, the portfolio maintained a mild tilt in favor of companies with relatively little leverage, a stance that bolstered performance as stocks sank, but impeded gains during the sharp March-April rally. On balance, the fund roughly matched the benchmark's returns after outperforming during the first half of the period and lagging in the second half.

### **Individual Stock Selections Drove Performance**

Consistent with our disciplined, sector- and industry-neutral investment approach, individual stock selections were the primary drivers of the fund's performance during the reporting period. The portfolio held several winners in the consumer staples and consumer durables sectors. These included two restaurant chains, The Cheesecake Factory and Brinker International, both of which controlled costs and cut prices to attract budget-conscious customers. Similarly, clothing retailer Aeropostale beat sales expectations on the strength of its execution as a value price leader. Soft drink bottler PepsiAmericas rose sharply on news of a buyout offer from PepsiCo.

Investments in other market sectors further contributed to the fund's relative performance on the basis of better-than-expected financial

results. Top holdings included communications network infrastructure provider CommScope, computer hard drive maker Western Digital, biotechnology tools company Life Technologies (which was sold in the period), chemicals producer Terra Industries and metals fabricator Reliance Steel & Aluminum.

Conversely, several holdings detracted from the fund's relative returns after the companies missed earnings estimates and/or reduced future guidance. Notably weak performers included financial services providers StanCorp Financial Group and Weingarten Realty Investors Trust; utility companies CenterPoint Energy (which was sold during the period) and Hawaiian Electric Industries; technology consultant Gartner; and contract research firm Pharmaceutical Product Development.

### Managing the Fund's Risk Profile

As of midyear, the fund has maintained its sector- and industry-neutral approach, controlling risk by avoiding unintended over- or under-exposures to any one investment area. At a time of ongoing disquiet in global credit markets, we also have continued to place slightly greater emphasis than usual on companies with strong balance sheets and relatively little leverage. However, these risk controls have not altered our primary focus, which remains the disciplined application of the portfolio's individual stock selection process.

July 15, 2009

*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 Dreyfus Investment Portfolios, MidCap Stock Portfolio 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.*

- <sup>1</sup> 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, portfolio shares may be worth more or less than their original cost. The portfolio'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 portfolio expenses by The Dreyfus Corporation pursuant to an agreement in effect through July 31, 2009, at which time it may be extended, terminated or modified. Had these expenses not been absorbed, the portfolio's returns would have been lower.
- <sup>2</sup> 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.

## UNDERSTANDING YOUR PORTFOLIO'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 portfolio's prospectus or talk to your financial adviser.

### Review your portfolio'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 January 1, 2009 to June 30, 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 June 30, 2009

	Initial Shares	Service Shares
Expenses paid per \$1,000 <sup>†</sup>	\$ 4.34	\$ 4.65
Ending value (after expenses)	\$1,081.70	\$1,081.60

## COMPARING YOUR PORTFOLIO'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 portfolio'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 portfolio 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 June 30, 2009

	Initial Shares	Service Shares
Expenses paid per \$1,000 <sup>†</sup>	\$ 4.21	\$ 4.51
Ending value (after expenses)	\$1,020.63	\$1,020.33

<sup>†</sup> Expenses are equal to the portfolio'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 181/365 (to reflect the one-half year period).

# STATEMENT OF INVESTMENTS

June 30, 2009 (Unaudited)

<b>Common Stocks—99.1%</b>	Shares	Value (\$)
<b>Consumer Discretionary—16.8%</b>		
Advance Auto Parts	38,400	1,593,216
Aeropostale	35,275 <sup>a,b</sup>	1,208,874
Apollo Group, Cl. A	9,900 <sup>b</sup>	704,088
AutoNation	22,100 <sup>a,b</sup>	383,435
Brinker International	67,350	1,146,970
Callaway Golf	42,500	215,475
Carlisle Cos.	47,300	1,137,092
Cheesecake Factory	72,700 <sup>b</sup>	1,257,710
Cintas	18,900	431,676
Dollar Tree	37,700 <sup>b</sup>	1,587,170
Family Dollar Stores	21,250	601,375
Foot Locker	107,800	1,128,666
GameStop, Cl. A	13,500 <sup>b</sup>	297,135
Gentex	40,350	468,060
Genuine Parts	21,000 <sup>a</sup>	704,760
ITT Educational Services	16,100 <sup>a,b</sup>	1,620,626
Marvel Entertainment	27,800 <sup>a,b</sup>	989,402
Panera Bread, Cl. A	23,400 <sup>a,b</sup>	1,166,724
PetSmart	35,500	761,830
Regis	9,400	163,654
Scotts Miracle-Gro, Cl. A	21,900 <sup>a</sup>	767,595
SEACOR Holdings	7,400 <sup>b</sup>	556,776
Strayer Education	3,300 <sup>a</sup>	719,763
Timberland, Cl. A	26,700 <sup>b</sup>	354,309
Toll Brothers	36,500 <sup>b</sup>	619,405
Urban Outfitters	29,400 <sup>b</sup>	613,578
Warnaco Group	26,650 <sup>b</sup>	863,460
		<b>22,062,824</b>
<b>Consumer Staples—4.8%</b>		
BJ's Wholesale Club	42,600 <sup>a,b</sup>	1,372,998
Dean Foods	24,300 <sup>b</sup>	466,317
Energizer Holdings	4,600 <sup>b</sup>	240,304
Hansen Natural	10,300 <sup>a,b</sup>	317,446
Hormel Foods	23,350	806,509
Lancaster Colony	24,400	1,075,308

## STATEMENT OF INVESTMENTS (Unaudited) (continued)

<b>Common Stocks (continued)</b>	Shares	Value (\$)
<b>Consumer Staples (continued)</b>		
PepsiAmericas	10,900	292,229
Pulte Homes	76,500 <sup>a</sup>	675,495
Universal	31,800 <sup>a</sup>	1,052,898
		<b>6,299,504</b>
<b>Energy—6.3%</b>		
Arch Coal	38,800 <sup>a</sup>	596,356
Cameron International	31,600 <sup>b</sup>	894,280
Comstock Resources	47,900 <sup>b</sup>	1,583,095
Encore Acquisition	62,600 <sup>b</sup>	1,931,210
Frontier Oil	76,200	998,982
Patterson-UTI Energy	66,100	850,046
Southern Union	52,000	956,280
Tesoro	37,600 <sup>a</sup>	478,648
		<b>8,288,897</b>
<b>Financial—17.7%</b>		
Alexandria Real Estate Equities	14,200 <sup>a</sup>	508,218
American Financial Group	68,175	1,471,216
Ameriprise Financial	23,800	577,626
Apartment Investment & Management, Cl. A	65,398 <sup>a</sup>	578,772
Camden Property Trust	32,700	902,520
Cincinnati Financial	49,100	1,097,385
FirstMerit	77,065 <sup>a</sup>	1,308,564
HCC Insurance Holdings	55,550	1,333,756
Hospitality Properties Trust	76,200 <sup>a</sup>	906,018
Hudson City Bancorp	98,800	1,313,052
Liberty Property Trust	27,000	622,080
M & T Bank	5,700 <sup>a</sup>	290,301
Macerich	23,700 <sup>a</sup>	417,357
Nasdaq OMX Group	30,600 <sup>b</sup>	652,086
Nationwide Health Properties	28,000	720,720
New York Community Bancorp	61,400	656,366
Old Republic International	49,800	490,530
Principal Financial Group	23,500	442,740
Public Storage	6,500	425,620
Raymond James Financial	92,100 <sup>a</sup>	1,585,041
Reinsurance Group of America	19,400	677,254

<b>Common Stocks (continued)</b>	Shares	Value (\$)
<b>Financial (continued)</b>		
StanCorp Financial Group	55,000	1,577,400
SVB Financial Group	19,000 a,b	517,180
Transatlantic Holdings	13,800	597,954
UDR	93,571 a	966,588
Unum Group	17,000	269,620
Weingarten Realty Investors Trust	69,800 a	1,012,798
Westamerica Bancorporation	26,200 a	1,299,782
		<b>23,218,544</b>
<b>Health Care—12.3%</b>		
Cooper	6,700	165,691
Edwards Lifesciences	10,600 b	721,118
Endo Pharmaceuticals Holdings	60,600 b	1,085,952
Gen-Probe	31,100 b	1,336,678
Humana	35,500 b	1,145,230
IDEXX Laboratories	6,800 a,b	314,160
LifePoint Hospitals	44,500 a,b	1,168,125
Lincare Holdings	36,600 b	860,832
Omnicare	42,400	1,092,224
OSI Pharmaceuticals	40,700 a,b	1,148,961
Pharmaceutical Product Development	50,900	1,181,898
Resmed	17,300 b	704,629
Sepracor	52,500 b	909,300
STERIS	46,000 a	1,199,680
Techne	13,600	867,816
Valeant Pharmaceuticals International	55,000 a,b	1,414,600
Varian Medical Systems	17,400 b	611,436
Warner Chilcott, Cl. A	19,100 a,b	251,165
		<b>16,179,495</b>
<b>Industrial—11.8%</b>		
AGCO	41,650 a,b	1,210,766
Brink's	29,600	859,288
Bucyrus International	7,500 a	214,200
Dycom Industries	119,200 b	1,319,544
Expeditors International Washington	18,400	613,456
Gardner Denver	29,200 b	734,964
GATX	26,200 a	673,864

## STATEMENT OF INVESTMENTS (Unaudited) (continued)

<b>Common Stocks (continued)</b>	Shares	Value (\$)
<b>Industrial (continued)</b>		
Granite Construction	20,300 <sup>a</sup>	675,584
Hubbell, Cl. B	47,350	1,518,041
Jacobs Engineering Group	20,900 <sup>b</sup>	879,681
Joy Global	32,600 <sup>a</sup>	1,164,472
KBR	33,000	608,520
MPS Group	37,300 <sup>b</sup>	284,972
Nordson	16,100 <sup>a</sup>	622,426
Oshkosh	55,500	806,970
Pitney Bowes	17,700	388,161
Rent-A-Center	20,000 <sup>b</sup>	356,600
SPX	22,550	1,104,274
Stericycle	4,400 <sup>b</sup>	226,732
Timken	35,400	604,632
URS	12,000 <sup>b</sup>	594,240
		<b>15,461,387</b>
<b>Information Technology—16.9%</b>		
Akamai Technologies	19,700 <sup>b</sup>	377,846
Alliance Data Systems	27,300 <sup>a,b</sup>	1,124,487
Avnet	27,300 <sup>b</sup>	574,119
CA	36,900	643,167
CommScope	46,700 <sup>b</sup>	1,226,342
Computer Sciences	33,100 <sup>b</sup>	1,466,330
Cypress Semiconductor	150,000 <sup>a,b</sup>	1,380,000
F5 Networks	39,400 <sup>b</sup>	1,362,846
FactSet Research Systems	7,100 <sup>a</sup>	354,077
Fair Isaac	40,000 <sup>a</sup>	618,400
Gartner	70,300 <sup>a,b</sup>	1,072,778
Global Payments	3,600	134,856
Harris	17,900	507,644
Ingram Micro, Cl. A	36,700 <sup>b</sup>	642,250
Integrated Device Technology	131,600 <sup>b</sup>	794,864
Intersil, Cl. A	67,700	850,989
Jabil Circuit	17,600	130,592
L-3 Communications Holdings	15,500	1,075,390
Mettler-Toledo International	12,100 <sup>a,b</sup>	933,515

<b>Common Stocks (continued)</b>	Shares	Value (\$)
<b>Information Technology (continued)</b>		
NCR	39,200 <sup>b</sup>	463,736
Novellus Systems	16,300 <sup>b</sup>	272,210
Parametric Technology	38,800 <sup>b</sup>	453,572
Semtech	37,600 <sup>b</sup>	598,216
Sybase	36,800 <sup>a,b</sup>	1,153,312
Synopsys	71,500 <sup>b</sup>	1,394,965
Tech Data	55,900 <sup>b</sup>	1,828,489
Western Digital	29,850 <sup>b</sup>	791,025
		<b>22,226,017</b>
<b>Materials-6.8%</b>		
Crown Holdings	45,400 <sup>b</sup>	1,095,956
FMC	22,300	1,054,790
Minerals Technologies	37,800	1,361,556
Olin	35,100	417,339
Pactiv	31,700 <sup>b</sup>	687,890
Potlatch	18,800 <sup>a</sup>	456,652
Reliance Steel & Aluminum	26,400 <sup>a</sup>	1,013,496
Temple-Inland	44,100 <sup>a</sup>	578,592
Terra Industries	21,400	518,308
Titanium Metals	50,900 <sup>a</sup>	467,771
Worthington Industries	99,800 <sup>a</sup>	1,276,442
		<b>8,928,792</b>
<b>Telecommunications-.6%</b>		
Telephone & Data Systems	29,600	<b>837,680</b>
<b>Utilities-5.1%</b>		
Alliant Energy	35,450	926,309
Hawaiian Electric Industries	32,200 <sup>a</sup>	613,732
IDACORP	26,800	700,552
NV Energy	136,000	1,467,440
UGI	83,800	2,136,062
WGL Holdings	26,100	835,722
		<b>6,679,817</b>
<b>Total Common Stocks</b>		
(cost \$154,473,264)		<b>130,182,957</b>

## STATEMENT OF INVESTMENTS (Unaudited) (continued)

<b>Other Investment—1.6%</b>	Shares	Value (\$)
<b>Registered Investment Company;</b>		
Dreyfus Institutional Preferred Plus Money Market Fund (cost \$2,139,000)	2,139,000 <sup>c</sup>	<b>2,139,000</b>
<b>Investment of Cash Collateral for Securities Loaned—25.1%</b>		
<b>Registered Investment Company;</b>		
Dreyfus Institutional Cash Advantage Fund (cost \$32,928,158)	32,928,158 <sup>c</sup>	<b>32,928,158</b>
<b>Total Investments</b> (cost \$189,540,422)	<b>125.8%</b>	<b>165,250,115</b>
<b>Liabilities, Less Cash and Receivables</b>	<b>(25.8%)</b>	<b>(33,909,379)</b>
<b>Net Assets</b>	<b>100.0%</b>	<b>131,340,736</b>

<sup>a</sup> All or a portion of these securities are on loan. At June 30, 2009, the total market value of the portfolio's securities on loan is \$31,908,779 and the total market value of the collateral held by the portfolio is \$32,928,158.

<sup>b</sup> Non-income producing security.

<sup>c</sup> Investment in affiliated money market mutual fund.

Portfolio Summary (Unaudited)<sup>†</sup>

	Value (%)		Value (%)
Money Market Investments	26.7	Materials	6.8
Financial	17.7	Energy	6.3
Information Technology	16.9	Utilities	5.1
Consumer Discretionary	16.8	Consumer Staples	4.8
Health Care	12.3	Telecommunications	.6
Industrial	11.8		<b>125.8</b>

<sup>†</sup> Based on net assets.

See notes to financial statements.

# STATEMENT OF ASSETS AND LIABILITIES

June 30, 2009 (Unaudited)

	Cost	Value
<b>Assets (\$):</b>		
Investments in securities—See Statement of Investments (including securities on loan, valued at \$31,908,779)—Note 1 (b):		
Unaffiliated issuers	154,473,264	130,182,957
Affiliated issuers	35,067,158	35,067,158
Cash		20,843
Dividends and interest receivable		150,337
Receivable for shares of Beneficial Interest subscribed		8,267
Prepaid expenses		530
		<b>165,430,092</b>
<b>Liabilities (\$):</b>		
Due to The Dreyfus Corporation and affiliates—Note 3(b)		90,982
Liability for securities on loan—Note 1 (b)		32,928,158
Payable for investment securities purchased		826,470
Payable for shares of Beneficial Interest redeemed		197,026
Accrued expenses		46,720
		<b>34,089,356</b>
<b>Net Assets (\$)</b>		<b>131,340,736</b>
<b>Composition of Net Assets (\$):</b>		
Paid-in capital		230,725,127
Accumulated undistributed investment income—net		783,333
Accumulated net realized gain (loss) on investments		(75,877,417)
Accumulated net unrealized appreciation (depreciation) on investments		(24,290,307)
<b>Net Assets (\$)</b>		<b>131,340,736</b>
<b>Net Asset Value Per Share</b>		
	Initial Shares	Service Shares
Net Assets (\$)	117,508,688	13,832,048
Shares Outstanding	14,064,551	1,654,770
<b>Net Asset Value Per Share (\$)</b>	<b>8.35</b>	<b>8.36</b>

See notes to financial statements.

# STATEMENT OF OPERATIONS

Six Months Ended June 30, 2009 (Unaudited)

## Investment Income (\$):

### Income:

Cash dividends:

Unaffiliated issuers	1,232,337
Affiliated issuers	703

Income from securities lending 63,771

Interest 21,862

**Total Income 1,318,673**

### Expenses:

Investment advisory fee—Note 3(a) 472,148

Professional fees 28,986

Distribution fees—Note 3(b) 16,094

Custodian fees—Note 3(b) 7,126

Prospectus and shareholders' reports 6,170

Shareholder servicing costs—Note 3(b) 3,312

Trustees' fees and expenses—Note 3(c) 1,379

Interest expense—Note 2 115

Miscellaneous 8,300

**Total Expenses 543,630**

Less—reduction in management fee  
due to undertaking—Note 3(a) (12,090)

Less—reduction in fees due to  
earnings credits—Note 1(b) (60)

**Net Expenses 531,480**

**Investment Income—Net 787,193**

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

Net realized gain (loss) on investments (27,700,388)

Net unrealized appreciation (depreciation) on investments 36,051,635

**Net Realized and Unrealized Gain (Loss) on Investments 8,351,247**

**Net Increase in Net Assets Resulting from Operations 9,138,440**

*See notes to financial statements.*

# STATEMENT OF CHANGES IN NET ASSETS

	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008
<b>Operations (\$):</b>		
Investment income-net	787,193	1,775,348
Net realized gain (loss) on investments	(27,700,388)	(47,478,589)
Net unrealized appreciation (depreciation) on investments	36,051,635	(62,203,761)
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>9,138,440</b>	<b>(107,907,002)</b>
<b>Dividends to Shareholders from (\$):</b>		
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)
<b>Total Dividends</b>	<b>(1,940,578)</b>	<b>(40,752,226)</b>
<b>Beneficial Interest Transactions (\$):</b>		
Net proceeds from shares sold:		
Initial Shares	3,967,515	12,611,543
Service Shares	535,620	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	(20,303,373)	(66,932,776)
Service Shares	(1,579,999)	(16,753,669)
<b>Increase (Decrease) in Net Assets from Beneficial Interest Transactions</b>	<b>(15,439,659)</b>	<b>(28,369,746)</b>
<b>Total Increase (Decrease) in Net Assets</b>	<b>(8,241,797)</b>	<b>(177,028,974)</b>
<b>Net Assets (\$):</b>		
Beginning of Period	139,582,533	316,611,507
<b>End of Period</b>	<b>131,340,736</b>	<b>139,582,533</b>
Undistributed investment income-net	783,333	1,936,718

STATEMENT OF CHANGES IN NET ASSETS *(continued)*

	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008
<b>Capital Share Transactions:</b>		
<b>Initial Shares</b>		
Shares sold	526,042	1,081,397
Shares issued for dividends reinvested	248,142	2,979,146
Shares redeemed	(2,717,831)	(5,935,391)
<b>Net Increase (Decrease) in Shares Outstanding</b>	<b>(1,943,647)</b>	<b>(1,874,848)</b>
<b>Service Shares</b>		
Shares sold	69,006	169,431
Shares issued for dividends reinvested	19,525	423,958
Shares redeemed	(209,395)	(1,342,551)
<b>Net Increase (Decrease) in Shares Outstanding</b>	<b>(120,864)</b>	<b>(749,162)</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 (except portfolio turnover rate) reflects financial results for a single portfolio share. Total return shows how much your investment in the portfolio would have increased (or decreased) during each period, assuming you had reinvested all dividends and distributions. The portfolio's total returns do not reflect expenses associated with variable annuity or insurance contracts. These figures have been derived from the portfolio's financial statements.

Initial Shares	Six Months Ended	Year Ended December 31,				
	June 30, 2009 (Unaudited)	2008	2007	2006	2005	2004
<b>Per Share Data (\$):</b>						
Net asset value, beginning of period	7.85	15.52	17.39	19.15	17.62	15.82
Investment Operations:						
Investment income—net <sup>a</sup>	.05	.09	.12	.08	.08	.07
Net realized and unrealized gain (loss) on investments	.57	(5.63)	.19	1.39	1.53	2.22
Total from Investment Operations	.62	(5.54)	.31	1.47	1.61	2.29
Distributions:						
Dividends from investment income—net	(.12)	(.12)	(.07)	(.07)	(.01)	(.07)
Dividends from net realized gain on investments	—	(2.01)	(2.11)	(3.16)	(.07)	(.42)
Total Distributions	(.12)	(2.13)	(2.18)	(3.23)	(.08)	(.49)
Net asset value, end of period	8.35	7.85	15.52	17.39	19.15	17.62
<b>Total Return (%)</b>	8.17 <sup>b</sup>	(40.42)	1.50	7.75	9.17	14.48
<b>Ratios/Supplemental Data (%):</b>						
Ratio of total expenses to average net assets	.84 <sup>c</sup>	.82	.80	.80	.79	.78
Ratio of net expenses to average net assets	.84 <sup>c,d</sup>	.81	.80 <sup>d</sup>	.80 <sup>d</sup>	.79 <sup>d</sup>	.78 <sup>d</sup>
Ratio of net investment income to average net assets	1.26 <sup>c</sup>	.76	.73	.48	.43	.43
Portfolio Turnover Rate	39.23 <sup>b</sup>	86.74	116.83	149.02	99.27	79.75
Net Assets, end of period (\$ x 1,000)	117,509	125,701	277,602	338,081	362,789	344,979

<sup>a</sup> Based on average shares outstanding at each month end.

<sup>b</sup> Not annualized.

<sup>c</sup> Annualized.

<sup>d</sup> Expense waivers and/or reimbursements amounted to less than .01%.

See notes to financial statements.

## FINANCIAL HIGHLIGHTS (continued)

Service Shares	Six Months Ended	Year Ended December 31,				
	June 30, 2009 (Unaudited)	2008	2007	2006	2005	2004
<b>Per Share Data (\$):</b>						
Net asset value, beginning of period	7.82	15.45	17.31	19.06	17.57	15.77
Investment Operations:						
Investment income—net <sup>a</sup>	.05	.08	.09	.06	.04	.04
Net realized and unrealized gain (loss) on investments	.58	(5.60)	.21	1.39	1.52	2.21
Total from Investment Operations	.63	(5.52)	.30	1.45	1.56	2.25
Distributions:						
Dividends from investment income—net	(.09)	(.10)	(.05)	(.04)	—	(.03)
Dividends from net realized gain on investments	—	(2.01)	(2.11)	(3.16)	(.07)	(.42)
Total Distributions	(.09)	(2.11)	(2.16)	(3.20)	(.07)	(.45)
Net asset value, end of period	8.36	7.82	15.45	17.31	19.06	17.57
<b>Total Return (%)</b>	8.16 <sup>b</sup>	(40.44)	1.39	7.68	8.93	14.23
<b>Ratios/Supplemental Data (%):</b>						
Ratio of total expenses to average net assets	1.09 <sup>c</sup>	1.06	1.05	1.05	1.04	1.03
Ratio of net expenses to average net assets	.90 <sup>c</sup>	.90	.90	.91	1.00	1.00
Ratio of net investment income to average net assets	1.20 <sup>c</sup>	.62	.58	.37	.22	.22
Portfolio Turnover Rate	39.23 <sup>b</sup>	86.74	116.83	149.02	99.27	79.75
Net Assets, end of period (\$ x 1,000)	13,832	13,881	39,009	85,277	89,264	81,680

<sup>a</sup> Based on average shares outstanding at each month end.

<sup>b</sup> Not annualized.

<sup>c</sup> Annualized.

See notes to financial statements.

**NOTE 1—Significant Accounting Policies:**

Dreyfus Investment Portfolios (the “fund”) 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 “portfolio”). The portfolio is only offered to separate accounts established by insurance companies to fund variable annuity contracts and variable life insurance policies. The portfolio is a diversified series. The portfolio’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 portfolio’s investment adviser.

MBSC Securities Corporation (the “Distributor”), a wholly-owned subsidiary of the Manager, is the distributor of the portfolio’s shares, which are sold without a sales charge. The portfolio 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 and 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 fund 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 portfolio’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 portfolio's maximum exposure under these arrangements is unknown. The portfolio 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 portfolio calculates its net asset value, the portfolio 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 ADRs 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 portfolio adopted Statement of Financial Accounting Standards No. 157 "Fair Value Measurements" ("FAS 157"). FAS 157 establishes

an authoritative definition of fair value, sets out a framework for measuring fair value, and requires additional disclosures about fair value measurements.

Various inputs are used in determining the value of the portfolio's investments relating to FAS 157. These inputs are summarized in the three broad levels listed below.

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

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

**Level 3**—significant unobservable inputs (including the portfolio'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 June 30, 2009 in valuing the portfolio's investments:

	Level 1— Quoted Prices	Level 2—Other Significant Observable Inputs	Level 3— Significant Unobservable Inputs	Total
<b>Assets (\$)</b>				
Investment in Securities:				
Equity Securities—				
Domestic	130,182,957	—	—	<b>130,182,957</b>
Mutual Funds	35,067,158	—	—	<b>35,067,158</b>
Other Financial Instruments†	—	—	—	—
<b>Liabilities (\$)</b>				
Other Financial Instruments†	—	—	—	—

† Other financial instruments include derivative instruments, such as futures, forward foreign currency exchange contracts, swap contracts and options contracts. Amounts shown represent unrealized appreciation (depreciation), or in the case of options, market value at period end.

**(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 portfolio has arrangements with the custodian and cash management bank whereby the portfolio 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 portfolio 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 portfolio may lend securities to qualified institutions. It is the portfolio'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 portfolio 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 portfolio 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 June 30, 2009, The Bank of New York Mellon earned \$27,330 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 portfolio 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 portfolio not to distribute such gains. Income and capital gain distributions are determined in accordance with income tax regulations, which may differ from U.S. generally accepted accounting principles.

**(e) Federal income taxes:** It is the policy of the portfolio to continue to qualify as a regulated investment company, if such qualification is in the best interests of its shareholders, by complying with the applicable provisions of the 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 June 30, 2009, the portfolio did not have any liabilities for any uncertain tax positions. The portfolio recognizes interest and penalties, if any, related to uncertain tax positions as income tax expense in the Statement of Operations. During the period, the portfolio did not incur any interest or penalties.

Each of the tax years in the three-year period ended December 31, 2008 remains subject to examination by the Internal Revenue Service and state taxing authorities.

The fund has an unused capital loss carryover of \$30,029,499 available for federal income tax purposes to be applied against future net securities profits, if any, realized subsequent to December 31, 2008. If not applied the carryover expires in fiscal 2016.

The tax character of distributions paid to shareholders during the fiscal year ended December 31, 2008, was as follows: ordinary income

\$18,327,589 and long-term capital gains \$22,424,637. The tax character of current year distributions will be determined at the end of the current fiscal year.

**NOTE 2—Bank Lines of Credit:**

The portfolio participates with other Dreyfus-managed funds in a \$300 million unsecured line of credit provided by the Bank of New York Mellon (the “BNYM Facility”) primarily to be utilized for temporary or emergency purposes, including the financing of redemptions. The terms of the BNYM Facility limits the amount of individual fund borrowings. Interest is charged to the portfolio based on prevailing market rates in effect at the time of borrowing. In connection therewith, the portfolio has agreed to pay commitment fees on its pro rata portion of the BNYM Facility.

The average amount of borrowings outstanding under the line of credit during the period ended June 30, 2009, was approximately \$23,800, with a related weighted average annualized interest rate of .97%.

**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 portfolio’s average daily net assets and is payable monthly.

The Manager has agreed, from January 1, 2009 to July 31, 2009, to waive receipt of its fees and/or assume the expenses of the portfolio so that the expenses of neither class, exclusive of taxes, brokerage fees, interest on borrowings and extraordinary expenses, exceed .90% of the value of the average daily net assets of such class. During the period ended June 30, 2009, the Manager waived receipt of fees of \$12,090, 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 June 30, 2009, Service shares were charged \$16,094 pursuant to the Plan.

The portfolio 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 portfolio. During the period ended June 30, 2009, the portfolio was charged \$446 pursuant to the transfer agency agreement.

The portfolio compensates The Bank of New York Mellon under a cash management agreement for performing cash management services related to portfolio subscriptions and redemptions. During the period ended June 30, 2009, the portfolio was charged \$60 pursuant to the cash management agreement. These fees were offset by earnings credits pursuant to the cash management agreement.

The portfolio also compensates The Bank of New York Mellon under a custody agreement for providing custodial services for the portfolio. During the period ended June 30, 2009, the portfolio was charged \$7,126 pursuant to the custody agreement.

During the period ended June 30, 2009, the portfolio was charged \$3,341 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 \$82,770, Rule 12b-1 distribution plan fees \$2,890, custodian fees \$5,544, chief compliance officer fees \$1,670 and transfer agency per account fees \$164, which are offset against an expense reimbursement currently in effect in the amount of \$2,056.

(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 June 30, 2009, amounted to \$49,552,065 and \$66,409,038, respectively.

The fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 161 “Disclosures about Derivative Instruments and Hedging Activities” (“FAS 161”). FAS 161 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. Since the portfolio held no derivatives during the period ended June 30, 2009, FAS 161 disclosures did not impact the notes to the financial statements.

At June 30, 2009, accumulated net unrealized depreciation on investments was \$24,290,307, consisting of \$7,316,805 gross unrealized appreciation and \$31,607,112 gross unrealized depreciation.

At June 30, 2009, 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 5—Subsequent Events Evaluation:**

Dreyfus has evaluated the need for disclosures and/or adjustments resulting from subsequent events through the date of issuance of the financial statements. This evaluation did not result in any subsequent events that necessitated disclosures and/or adjustments.



## NOTES



# For More Information

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The portfolio 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 portfolio'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 portfolio uses to determine how to vote proxies relating to portfolio securities, and information regarding how the portfolio voted these proxies for the 12-month period ended June 30, 2009, 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.

