

DREYFUS HIGH YIELD STRATEGIES FUND  
Form N-CSRS  
December 02, 2015

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT  
INVESTMENT COMPANIES

Investment Company Act file number      811-08703

Dreyfus High Yield Strategies Fund  
(Exact name of Registrant as specified in charter)

c/o The Dreyfus Corporation

200 Park Avenue

New York, New York 10166  
(Address of principal executive offices) (Zip code)

Bennett MacDougall, Esq.

200 Park Avenue

New York, New York 10166  
(Name and address of agent for service)

Registrant's telephone number, including area code:      (212) 922-6000

Date of fiscal year end:      3/31

Date of reporting period:      9/30/15



**FORM N-CSR**

**Item 1. Reports to Stockholders.**

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Dreyfus High Yield Strategies Fund

## SEMIANNUAL REPORT

September 30, 2015

### Dreyfus High Yield Strategies Fund

#### Protecting Your Privacy Our Pledge to You

**THE FUND IS COMMITTED TO YOUR PRIVACY.** On this page, you will find the Fund's policies and practices for collecting, disclosing, and safeguarding "nonpublic personal information," which may include financial or other customer information. These policies apply to individuals who purchase Fund shares for personal, family, or household purposes, or have done so in the past. This notification replaces all previous statements of the Fund's consumer privacy policy, and may be amended at any time. We'll keep you informed of changes as required by law.

**YOUR ACCOUNT IS PROVIDED IN A SECURE ENVIRONMENT.** The Fund maintains physical, electronic and procedural safeguards that comply with federal regulations to guard nonpublic personal information. The Fund's agents and service providers have limited access to customer information based on their role in servicing your account.

**THE FUND COLLECTS INFORMATION IN ORDER TO SERVICE AND ADMINISTER YOUR ACCOUNT.** The Fund collects a variety of nonpublic personal information, which may include:

- Information we receive from you, such as your name, address, and social security number.
- Information about your transactions with us, such as the purchase or sale of Fund shares.
- Information we receive from agents and service providers, such as proxy voting information.

**THE FUND DOES NOT SHARE NONPUBLIC PERSONAL INFORMATION WITH ANYONE, EXCEPT AS PERMITTED BY LAW.**

*Thank you for this opportunity to serve you.*

The views expressed in this report reflect those of the portfolio manager only through the end of the period covered and do not necessarily represent the views of Dreyfus or any other person in the Dreyfus organization. Any such views are subject to change at any

time based upon market or other conditions and Dreyfus disclaims any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for a Dreyfus fund are based on numerous factors, may not be relied on as an indication of trading intent on behalf of any Dreyfus fund.

Not FDIC-Insured • Not Bank-Guaranteed • May Lose Value

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## Dreyfus High Yield Strategies Fund

The Fund

### A LETTER FROM THE PRESIDENT

Dear Shareholder:

We are pleased to present this semiannual report for Dreyfus High Yield Strategies Fund, covering the six-month period from April 1, 2015, through September 30, 2015. For information about how the fund performed during the reporting period, as well as general market perspectives, we provide a Discussion of Fund Performance on the pages that follow.

Financial markets proved volatile over the reporting period. A recovering U.S. economy enabled stocks to advance during the spring, but those gains were more than erased during the third quarter of 2015 when economic concerns in China, falling commodity prices, and a stronger U.S. dollar sparked sharp corrections in equity markets throughout the world. The emerging markets were especially hard hit. U.S. bonds also generally faltered when falling prices among U.S. government securities during the second quarter were only partly offset by rallies during the third quarter.

Corporate-backed and inflation-linked bonds also lost value.

We expect market volatility to persist over the near term as investors vacillate between hopes that current turmoil represents a healthy correction and fears that further disappointments could trigger a full-blown bear market. Our investment strategists and portfolio managers are monitoring developments carefully, keeping a close watch on Chinese fiscal and monetary policy, expectations of higher short-term interest rates in the United States, liquidity factors affecting various asset classes, and other developments that could influence investor sentiment. Over the longer term, we remain confident that markets are likely to stabilize as the world adjusts to slower Chinese economic growth, abundant energy resources, and the eventual normalization of U.S. monetary policy. In our view, investors will continue to be well served under these circumstances by a long-term perspective and a disciplined investment approach.

Thank you for your continued confidence and support.

Sincerely,

J. Charles Cardona

President

The Dreyfus Corporation

October 15, 2015

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## DISCUSSION OF FUND PERFORMANCE

*For the period of April 1, 2015, through September 30, 2015, as provided by Chris Barris, Portfolio Manager*

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

For the six-month period ended September 30, 2015, Dreyfus High Yield Strategies Fund produced a total return of -5.15% (on a net asset value basis) and provided aggregate income dividends of \$0.1740 per share.<sup>1</sup> In comparison, the BofA Merrill Lynch U.S. High Yield Master II Constrained Index (the “Index”), the fund’s benchmark, achieved a total return of -4.92% for the same period.<sup>2</sup>

High yield bonds encountered heightened volatility during the reporting period amid shifting economic sentiment. The fund lagged its benchmark, which does not reflect fund fees and expenses, mainly due to mild shortfalls in the telecommunications and services sectors.

### **The Fund’s Investment Approach**

The fund primarily seeks high current income. The fund also seeks capital growth as a secondary objective, to the extent consistent with its objective of seeking high current income. The fund invests primarily in income securities of U.S. issuers rated below-investment-grade credit quality. Issuers of below-investment-grade securities may include companies in early stages of development and companies with a highly leveraged financial structure. To compensate

investors for taking on greater risk, such companies typically must offer higher yields than those offered by more established or conservatively financed companies.

### **High Yield Bonds Hit by Heightened Market Volatility**

The reporting period proved to be a challenging time for high yield bonds. The period began soon after yields of U.S. government securities had moderated in response to a strengthening U.S. dollar and severe winter weather, which had resulted in an anemic 0.6% annualized economic growth rate for the first quarter of 2015. At the same time, high-yield corporate bonds had weathered bouts of heightened volatility due to plummeting commodity prices stemming from lackluster global demand for energy and construction materials. Demand was especially weak in emerging markets with slowing economies.

Some of these macroeconomic drags proved transitory when the U.S. economy rebounded at a 3.7% annualized rate for the second quarter due to a more robust labor market, improved consumer confidence, and recovering business sentiment. As a result, long-term U.S. Treasury yields climbed and prices fell during the spring. However, the bond market soon reversed course, with prices rising and yields falling over the summer when renewed worries about a debt crisis in Greece and an economic slowdown in China reignited market volatility over the final months of the reporting period.

High yield corporate bonds generally lagged U.S. Treasury securities in this turbulent environment. The impact of falling commodity prices and global economic instability was particularly severe for energy and materials producers, and investors' concerns regarding aggressive mergers-and-acquisitions activity dampened results in the telecommunications, media, and technology sectors.

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### **DISCUSSION OF FUND PERFORMANCE *(continued)***

#### **Allocation and Selection Strategies Proved Effective**

The fund successfully navigated the opportunities and pitfalls of changing investor sentiment during the reporting period. Our sector allocation strategy proved particularly effective, as we held underweighted exposure to energy producers, metals-and-mining companies, and other industry groups that historically have been sensitive to falling commodity prices. Instead, we favored issuers in businesses that were relatively insulated from volatile commodity prices and global economic weakness, such as the more U.S.-centric homebuilding, packaging, and health care industries. At times during the reporting period, we took advantage of market volatility to solidify the fund's income stream by purchasing high yielding securities from fundamentally sound companies at attractive prices. The fund also benefited from a relatively modest allocation to non-U.S. bonds, particularly those denominated in the euro and British pound, which responded favorably to improving credit conditions in their local markets.

On the other hand, some of the fund's individual positions lagged market averages over the reporting period. Investments in the telecommunications services sector were undermined by weakness affecting a satellite networking provider, and the services sector was hurt by a regulatory investigation into an engineering services provider.

#### **An Unwavering Focus on Income**

While we expect market volatility to persist until the direction of the global economy becomes clearer, it is noteworthy that the U.S. economic recovery has remained intact, aggressively accommodative monetary policies are at work in major overseas markets, and the Federal Reserve Board is widely expected to begin raising short-term

interest rates later this year or early in 2016.

Therefore, we have maintained a generally constructive investment posture, including an emphasis on higher yielding securities from B-rated issuers and correspondingly light exposure to bonds with BB credit ratings. We also have remained focused on issuers that, in our analysis, have the fundamental strength required to weather temporary downturns. As of the reporting period's end, we have continued to favor companies and industry groups that tend to be more sensitive to U.S. economic conditions than international developments, and we have maintained relatively light positions in energy and materials companies leveraged to volatile commodity prices.

October 15, 2015

*Bond funds are subject generally to interest rate, credit, liquidity, and market risks, to varying degrees. Generally, all other factors being equal, bond prices are inversely related to interest-rate changes and rate increases can cause price declines. High yield bonds are subject to increased credit risk and are considered speculative in terms of the issuer's perceived ability to continue making interest payments on a timely basis and to repay principal upon maturity. The use of leverage may magnify the fund's gains or losses. For derivatives with a leveraging component, adverse changes in the value or level of the underlying asset can result in a loss that is much greater than the original investment in the derivative.*

<sup>1</sup> *Total return includes reinvestment of dividends and any capital gains paid, based upon net asset value per share. Past performance is no guarantee of future results. Share price, yield, and investment return fluctuate such that upon redemption, fund shares may be worth more or less than their original cost.*

<sup>2</sup> *SOURCE: FACTSET — Reflects reinvestment of dividends and, where applicable, capital gain distributions. On September 25, 2009, the Merrill Lynch U.S. High Yield Master II Constrained Index was renamed the BofA Merrill Lynch U.S. High Yield Master II Constrained Index (the "Index"). The Index is an unmanaged performance benchmark composed of U.S. dollar-denominated domestic and Yankee bonds rated below investment grade with at least \$100 million par amount outstanding and at*

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*least one year remaining to maturity. Bonds are capitalization-weighted. Total allocations to an issuer are capped at 2%. Investors cannot invest directly in any index.*

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**STATEMENT OF INVESTMENTS**

September 30, 2015 (Unaudited)

<b>Bonds and Notes - 143.7%</b>	Coupon	Maturity	Principal	a	Value (\$)
<b>Casinos - 9.3%</b>	Rate (%)	Date	Amount (\$)		
AMC Entertainment,					



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Gtd. Notes Boyd Gaming,	9.75	12/1/20	3,715,000	b	3,910,037
Gtd. Notes Boyd Gaming,	9.00	7/1/20	1,430,000	b	1,526,811
Gtd. Notes International Game Technology,	6.88	5/15/23	1,075,000	b	1,096,500
Sr. Scd. Notes MGM Resorts International,	6.25	2/15/22	1,005,000	b,c	939,675
Gtd. Notes MGM Resorts International,	11.38	3/1/18	6,310,000	b	7,240,725
Gtd. Notes Peninsula Gaming,	7.75	3/15/22	740,000	b	790,875
Gtd. Notes Pinnacle Entertainment,	8.38	2/15/18	525,000	b,c	545,344
Gtd. Notes Pinnacle Entertainment,	8.75	5/15/20	1,095,000	b	1,147,013
Gtd. Notes Scientific Games International,	7.50	4/15/21	1,695,000	b	1,775,512
Gtd. Notes	10.00	12/1/22	5,175,000	b	4,541,062
					<b>23,513,554</b>
<b>Consumer Discretionary - 23.2%</b>					
Accudyne Industries,					
Gtd. Notes	7.75	12/15/20	1,100,000	b,c	959,750
Altice,					
Gtd. Notes	7.75	5/15/22	2,330,000	b,c	2,126,125
Altice,					
Gtd. Notes	7.63	2/15/25	200,000	b,c	177,125
Altice Financing,					
Sr. Scd. Notes	6.63	2/15/23	905,000	b,c	872,759
Altice Finco,					
Gtd. Notes	7.63	2/15/25	210,000	b,c	196,350
Altice Finco,					
Sr. Scd. Notes	9.88	12/15/20	1,100,000	b,c	1,179,750
Altice Finco,					
Sr. Scd. Notes	8.13	1/15/24	1,900,000	b,c	1,814,500
Beacon Roofing Supply,					
Gtd. Notes	6.38	10/1/23	805,000	c	811,038
Cablevision Systems,					
Sr. Unscd. Notes	8.63	9/15/17	2,675,000	b	2,795,375
CCO Holdings,					
Gtd. Notes	6.63	1/31/22	1,445,000	b	1,459,450
Chrysler Group,					
Scd. Notes	8.25	6/15/21	3,660,000	b	3,893,142
Cirsa Funding Luxembourg,					
Gtd. Notes	EUR 8.75	5/15/18	138,081		155,952
Clear Channel Worldwide Holdings,					
Gtd. Notes, Ser. B	7.63	3/15/20	3,475,000	b	3,496,719
DriveTime Automotive Group,					
Sr. Scd. Notes	8.00	6/1/21	1,185,000	b,c	1,072,425
Ferrellgas Partners,					
Sr. Unscd. Notes	8.63	6/15/20	2,785,000	b	2,798,925

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Goodyear Tire & Rubber,

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	Coupon	Maturity	Principal	a	Value (\$)
	Rate (%)	Date	Amount (\$)		
<b>Bonds and Notes - 143.7% (continued)</b>					
<b>Consumer Discretionary - 23.2% (continued)</b>					
Gtd. Notes	8.25	8/15/20	1,450,000	b	1,515,250
Gray Television, Gtd. Notes	7.50	10/1/20	975,000	b	1,003,031
Hillman Group, Sr. Unscd. Notes	6.38	7/15/22	1,265,000	b,c	1,170,125
iHeartCommunications, Gtd. Notes	14.00	2/1/21	1,119,731		469,587
iHeartCommunications, Sr. Scd. Notes	9.00	12/15/19	1,865,000	b	1,610,894
iHeartCommunications, Sr. Scd. Notes	9.00	3/1/21	675,000	b	569,700
Midcontinent Communications & Midcontinent Finance, Gtd. Notes	6.88	8/15/23	1,155,000	b,c	1,153,556
MPG Holding Company, Gtd. Notes	7.38	10/15/22	1,730,000	b	1,807,850
Neiman Marcus Group, Gtd. Notes	8.00	10/15/21	720,000	b,c	745,200
Neiman Marcus Group, Gtd. Notes	8.75	10/15/21	2,555,000	b,c	2,644,425
Neptune Finco, Gtd. Notes	6.63	10/15/25	350,000	c	352,625
Neptune Finco, Sr. Unscd. Notes	10.13	1/15/23	2,825,000	c	2,863,844
Nexstar Broadcasting, Gtd. Notes	6.88	11/15/20	1,615,000	b	1,669,506
Omega US Sub, Sr. Unscd. Notes	8.75	7/15/23	1,200,000	b,c	1,065,000
RCN Telecom Services, Sr. Unscd. Notes	8.50	8/15/20	2,805,000	b,c	2,906,681
Rite Aid, Gtd. Notes	6.75	6/15/21	1,860,000	b	1,911,150
Schaeffler Holding Finance, Sr. Scd. Notes	6.75	11/15/22	610,000	b,c	658,800
Shea Homes Funding , Gtd. Notes	6.13	4/1/25	490,000	b,c	503,475
Standard Pacific, Gtd. Notes	8.38	5/15/18	2,025,000	b	2,288,250
StoneMor Partners, Gtd. Notes	7.88	6/1/21	1,540,000	b	1,590,050
Taylor Morrison Communications, Gtd. Notes	5.88	4/15/23	980,000	b,c	984,900

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Townsquare Media Inc, Sr. Notes	6.50	4/1/23	1,285,000	b,c	1,148,469
Wave Holdco, Sr. Unscd. Notes	8.25	7/15/19	1,125,000	b,c	1,102,500
William Lyon Homes, Gtd. Notes	8.50	11/15/20	2,585,000	b	2,785,337
					<b>58,329,590</b>

**Consumer Staples - 4.1%**

Albea Beauty Holdings, Sr. Scd. Notes	8.38	11/1/19	3,040,000	b,c	3,207,200
Bakkavor Finance 2, Sr. Scd. Notes	GBP 8.75	6/15/20	975,000		1,618,879

Pinnacle Operating,

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*STATEMENT OF INVESTMENTS (Unaudited) (continued)*

<b>Bonds and Notes - 143.7%</b> <b>(continued)</b>	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	a	Value (\$)
<b>Consumer Staples - 4.1% (continued)</b>					
Scd. Notes	9.00	11/15/20	985,000	b,c	957,913
Post Holdings, Gtd. Notes	7.38	2/15/22	1,815,000	b	1,849,031
Post Holdings, Gtd. Notes	8.00	7/15/25	1,310,000	b,c	1,352,575
RSI Home Products, Scd. Notes	6.50	3/15/23	1,460,000	b,c	1,467,300
					<b>10,452,898</b>
<b>Energy - 9.4%</b>					
Bonanza Creek Energy, Gtd. Notes	6.75	4/15/21	1,985,000	b	1,394,463
Carrizo Oil & Gas, Gtd. Notes	7.50	9/15/20	3,220,000	b	3,026,800
Chesapeake Energy, Gtd. Notes	7.25	12/15/18	2,200,000	b	1,831,500
Diamondback Energy, Gtd. Notes	7.63	10/1/21	2,055,000	b	2,168,025
Eclipse Resources, Gtd. Notes	8.88	7/15/23	1,205,000	b,c	976,050
Energy Transfer Equity, Sr. Scd. Notes	7.50	10/15/20	1,800,000		1,800,000
EP Energy Finance, Gtd. Notes	9.38	5/1/20	3,200,000	b	2,768,000
Forum Energy Technologies, Gtd. Notes	6.25	10/1/21	1,465,000	b	1,237,925
Halcon Resources, Gtd. Notes	9.75	7/15/20	315,000	b	108,675

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Halcon Resources, Scd. Notes	8.63	2/1/20	745,000	b,c	622,075
Jones Energy Holdings, Gtd. Notes	6.75	4/1/22	1,125,000	b	899,303
Matador Resources, Gtd. Notes	6.88	4/15/23	1,170,000	b,c	1,129,050
Murray Energy, Scd. Notes	11.25	4/15/21	810,000	c	429,300
Northern Oil and Gas, Sr. Unscd. Notes	8.00	6/1/20	3,115,000	b	2,332,356
RSP Permian, Gtd. Notes	6.63	10/1/22	570,000	b,c	550,050
RSP Permian, Gtd. Notes	6.63	10/1/22	1,180,000	b	1,138,700
Sanchez Energy, Gtd. Notes	7.75	6/15/21	1,410,000	b	1,050,450
Sanchez Energy, Gtd. Notes	6.13	1/15/23	205,000	b	138,375
					<b>23,601,097</b>
<b>Financials - 20.2%</b>					
Ahern Rentals, Scd. Notes	7.38	5/15/23	2,265,000	b,c	1,981,875
Ally Financial,					