

DREYFUS HIGH YIELD STRATEGIES FUND
Form N-CSR
November 24, 2008

**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 811-8703

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)

Michael A. Rosenberg, 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: 03/31
Date of reporting period: 09/30/2008

FORM N-CSR

Item 1.

Reports to Stockholders.

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**Dreyfus High Yield
Strategies Fund**

The Fund

A LETTER FROM THE CEO

Dear Shareholder:

We present this semiannual report for Dreyfus High Yield Strategies Fund, covering the six-month period from April 1, 2008, through September 30, 2008.

These are difficult times for fixed-income investors. A credit crunch that began in 2007 has developed into a full-blown global financial crisis, recently resulting in the failure of several major financial institutions and prompting a massive government rescue effort. The U.S. economic slowdown also has gathered momentum, depressing investor sentiment and consumer confidence. These factors undermined returns in the bond market's higher-yielding sectors, including high yield corporate and municipal securities, and even the traditional safe haven of U.S. government securities has encountered heightened yield volatility.

The depth and duration of the economic downturn will depend on how quickly the financial system can be stabilized. We believe that the Temporary Guarantee Program for Money Market Funds and the \$700 billion rescue package intended to promote greater liquidity in the financial markets meet several critical requirements for addressing today's financial stresses, and we expect these measures to contribute to a more orderly deleveraging process. However, recuperation from the financial crisis is likely to take time. In the meantime, we encourage you to keep in touch with your financial advisor and maintain a long-term and disciplined perspective to investing. Indeed, we already are seeing some positive signs, including a likely peak in global inflationary pressures, a bottoming of the U.S. dollar and a large pool of worldwide financial liquidity that could be deployed gradually to riskier assets as the economic cycle turns.

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 Manager.

Thank you for your continued confidence and support.

Jonathan R. Baum
Chief Executive Officer
The Dreyfus Corporation

October 15, 2008

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DISCUSSION OF FUND PERFORMANCE

For the period of April 1, 2008, through September 30, 2008, as provided by Karen Bater, Portfolio Manager

Fund and Market Performance Overview

During the six-month reporting period ended September 30, 2008, Dreyfus High Yield Strategies Fund achieved a total return of 6.51% (on a net asset value basis) and produced aggregate income dividends of \$0.174 per share.¹ In comparison, the Merrill Lynch U.S. High Yield Master II Constrained Index (the Index), the fund's benchmark, achieved a total return of 14.36% for the same period.²

Despite persistently low default rates, high yield bonds were affected along with other fixed-income market sectors by a U.S. economic slump and global financial crisis. The fund produced higher returns than its benchmark due to an underweighted position in the hard-hit financials sector and our security selection strategies in the energy, gaming, building products and metals-and-mining industry groups.

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 fixed-income securities of 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.

Economic and Credit Woes Weighed on Bond Markets

In the months leading up to and continuing into the reporting period, a credit crisis originating in the sub-prime mortgage market had dampened investor sentiment, causing prices of mortgage- and asset-backed securities to fall sharply. Institutional investors holding highly leveraged positions in these securities were forced by margin calls and redemption requests to sell creditworthy investments along with troubled

The Fund 3

DISCUSSION OF FUND PERFORMANCE *(continued)*

ones, putting severe downward pressure on virtually all sectors of the bond market, regardless of their underlying fundamentals. Only U.S. Treasury securities emerged unscathed as risk-averse investors flocked to government-backed bonds.

Meanwhile, slumping housing markets, a weaker job market and soaring food and energy prices sparked a downturn in the U.S. economy, producing additional volatility for many corporate securities.

As dealers deployed increasingly scarce capital to other markets in this challenging environment, high yield new issuance volume dropped, secondary trading activity moderated and market volatility intensified. Yet, as of the reporting period's end, more than one year after the onset of the credit crisis, the high yield default rate remained below its long-term average and well short of the peak reached in the early 1990s, suggesting that underlying credit fundamentals may be relatively strong.

Remedial Efforts Not Enough to Avert a Financial Crisis

Over the second half of 2007 and first quarter of 2008, the Federal Reserve Board responded aggressively to the burgeoning credit crunch by injecting liquidity into the U.S. banking system, reducing short-term interest rates aggressively and participating in a plan to prevent the insolvency of investment bank Bear Stearns from damaging other financial institutions. Consequently, fixed-income markets began to see signs of improvement early in the reporting period. However, another wave of sub-prime related losses quickly erased the rebound.

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During September 2008, major financial institutions that already had been damaged by sub-prime mortgages found themselves unable to obtain short-term funding for their ongoing operations. In response, the U.S. government effectively nationalized mortgage agencies Fannie Mae and Freddie Mac as well as insurer AIG. Venerable investment bank Lehman Brothers filed for bankruptcy. Banking giant Washington Mutual was seized by regulators, and its assets were acquired by JP Morgan Chase. Merrill Lynch and Wachovia were sold at steeply discounted prices. And, in a controversial move, the U.S. Treasury Department proposed a \$700 billion rescue package for the nation's banking system. This unprecedented attempt to restore liquidity was initially rejected by Congress, but after some adjustments was enacted into law just days after the end of the reporting period.

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Conservative Stance Supported Performance

The fund's defensive investment posture proved relatively effective in this environment. We tended to emphasize traditionally defensive market sectors, such as health care, telecommunications services and utilities while maintaining relatively light exposure to more economically sensitive and fundamentally weak industry groups, including the financials, building products, media, gaming and automotive industry groups. Our security selection strategy also was successful within a variety of market segments, including the energy, gaming, building products and metals-and-mining sectors.

Disappointments during the reporting period included overweighted positions in the poorly performing publishing-and-printing and utilities sectors, while our security selections were relatively weak among paper companies.

Maintaining a Cautious Investment Posture

As of September 30, the U.S. economy has remained in a slump, and the global credit crisis has intensified. Therefore, we intend to maintain the fund's conservative stance. However, we have begun to identify value-oriented opportunities among bonds that appear to have been punished too severely during the downturn. As market conditions develop, we may begin to establish new positions in attractively valued, fundamentally strong credits that will not require refinancing until after the financial crisis is resolved.

October 15, 2008

¹ 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. Return figure provided reflects the absorption of certain fund expenses by The Dreyfus Corporation and the fund's shareholder servicing agent pursuant to an agreement in effect through April 4, 2009, at which time it may be extended, modified or terminated. Had these expenses not been absorbed, the fund's return would have been lower.

² SOURCE: BLOOMBERG, L.P. Reflects reinvestment of dividends and, where applicable, capital gain distributions. The Merrill Lynch U.S. High Yield Master II Constrained 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 least one year remaining to maturity. Bonds are capitalization-weighted. Total allocations to an issuer are capped at 2%.

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STATEMENT OF INVESTMENTS

September 30, 2008 (Unaudited)

	Coupon	Maturity	Principal	
	Rate (%)	Date	Amount (\$)	Value (\$)

Bonds and Notes 127.7%

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Advertising 2.0%

Lamar Media, Gtd. Notes, Ser. B	6.63	8/15/15	570,000 ^a	474,525
Lamar Media, Sr. Unscd. Notes	6.63	8/15/15	4,580,000 ^a	3,812,850
R.H. Donnelley, Sr. Unscd. Notes	8.88	10/15/17	2,375,000 ^a	819,375
				5,106,750

Aerospace & Defense 1.1%

Esterline Technologies, Gtd. Notes	6.63	3/1/17	1,950,000 ^a	1,862,250
L-3 Communications, Gtd. Notes	7.63	6/15/12	1,050,000 ^a	1,036,875
				2,899,125

Asset-Backed Ctfs./

Home Equity Loans .0%

Countrywide Asset-Backed Certificates, Ser. 2007-4, Cl. M8	7.20	9/25/37	135,000	6,426
Countrywide Asset-Backed Certificates, Ser. 2007-4, Cl. M7	7.20	9/25/37	250,000	23,372
				29,798

Automobile Manufacturers .9%

Ford Motor, Sr. Unscd. Notes	7.45	7/16/31	1,250,000 ^a	543,750
General Motors, Sr. Unscd. Notes	7.20	1/15/11	1,435,000 ^a	846,650
General Motors, Sr. Unscd. Notes	8.38	7/15/33	2,125,000 ^a	860,625
				2,251,025

Automotive, Trucks & Parts 1.4%

Goodyear Tire & Rubber, Gtd. Notes	8.63	12/1/11	488,000 ^a	485,560
Goodyear Tire & Rubber, Sr. Unscd. Notes	9.00	7/1/15	1,486,000 ^a	1,478,570
United Components, Gtd. Notes	9.38	6/15/13	2,130,000 ^a	1,778,550
				3,742,680

Banks 1.2%

Chevy Chase Bank, Sub. Notes	6.88	12/1/13	3,316,000 ^a	2,669,380
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Bonds and Notes (continued)	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
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Banks (continued)

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Colonial Bank, Sub. Notes	9.38	6/1/11	425,000 ^a	426,507
				3,095,887
Casinos & Gaming .6%				
Pinnacle Entertainment, Unscd. Notes	8.75	10/1/13	900,000	866,250
Shingle Springs Tribal Group, Sr. Notes	9.38	6/15/15	1,100,000 ^{a,b}	797,500
				1,663,750
Chemicals 1.6%				
Huntsman International, Gtd. Notes	7.88	11/15/14	795,000	687,675
Huntsman, Scd. Notes	11.63	10/15/10	909,000 ^a	929,452
Ineos Group Holdings, Scd. Notes	8.50	2/15/16	1,215,000 ^b	662,175
Nalco, Gtd. Notes	8.88	11/15/13	1,783,000 ^a	1,787,457
				4,066,759
Commercial & Professional Services 2.7%				
Aramark, Gtd. Notes	8.50	2/1/15	961,000 ^a	908,145
Education Management, Gtd. Notes	8.75	6/1/14	1,100,000 ^a	924,000
Education Management, Gtd. Notes	10.25	6/1/16	2,095,000 ^a	1,686,475
Hertz, Gtd. Notes	8.88	1/1/14	1,660,000 ^a	1,440,050
Hertz, Gtd. Notes	10.50	1/1/16	550,000 ^a	462,000
lpayment, Gtd. Notes	9.75	5/15/14	2,150,000 ^a	1,730,750
				7,151,420
Commercial Mortgage Pass-Through Ctfs. .4%				
Global Signal Trust, Ser. 2006-1, Cl. F	7.04	2/15/36	1,210,000 ^b	1,075,436

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STATEMENT OF INVESTMENTS (Unaudited) (continued)

Bonds and Notes (continued)	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
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Consumer Products .5%

Chattem,

Sr. Sub. Notes	7.00	3/1/14	1,455,000 ^a	1,374,975
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Diversified Financial Services 16.7%

Dow Jones CDX,

Pass Thrus Cfts, Ser. 4-T1	8.25	6/29/10	7,415,700 ^{a,b,c}	7,452,778
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Ford Motor Credit,

Sr. Unscd. Notes	7.38	10/28/09	10,020,000 ^a	8,057,573
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Ford Motor Credit,

Sr. Unscd. Notes	8.00	12/15/16	950,000 ^a	601,438
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Ford Motor Credit,

Sr. Unscd. Notes	8.63	11/1/10	1,650,000 ^a	1,170,541
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GMAC,

Sr. Unsub. Notes EUR	5.38	6/6/11	1,140,000 ^d	690,102
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GMAC,

Sr. Unscd. Notes	5.63	5/15/09	365,000	260,830
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GMAC,

Sr. Unscd. Notes	6.63	5/15/12	185,000	78,374
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GMAC,

Sr. Unscd. Notes	7.00	2/1/12	1,200,000 ^a	489,419
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GMAC,

Sr. Unscd. Notes	7.75	1/19/10	3,000,000 ^a	1,796,733
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GMAC,

Sr. Unscd. Notes	8.00	11/1/31	1,835,000 ^a	693,146
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Hawker Beechcraft Acquisition,

Gtd. Notes	9.75	4/1/17	3,155,000 ^a	2,839,500
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HUB International Holdings,

Sr. Sub. Notes	10.25	6/15/15	2,725,000 ^{a,b}	2,166,375
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Idearc,

Gtd. Notes	8.00	11/15/16	3,590,000 ^a	996,225
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Leucadia National,

Sr. Unscd. Notes	7.00	8/15/13	1,155,000 ^a	1,094,362
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Leucadia National,

Sr. Unscd. Notes	7.13	3/15/17	1,380,000 ^a	1,262,700
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LVB Acquisition,

Gtd. Notes	11.63	10/15/17	10,674,000 ^a	10,780,740
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Smurfit Kappa Funding,

Sr. Sub. Notes	7.75	4/1/15	1,606,000 ^a	1,345,025
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Bonds and Notes (continued)

	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
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Diversified Financial

Services (continued)

Stena,

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Sr. Notes	7.50	11/1/13	1,170,000 ^a	1,143,675
UCI Holdco,				
Sr. Unscd. Notes	10.30	12/15/13	720,818 ^{a,e}	551,426
				43,470,962
Diversified Metals & Mining 2.5%				
CSN Islands IX,				
Gtd. Notes	10.50			