

DREYFUS HIGH YIELD STRATEGIES FUND
Form N-CSR
November 29, 2006

**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)

Mark N. Jacobs, 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: 09/30/2006

FORM N-CSR

Item 1. Reports to Stockholders.

**Dreyfus
High Yield
Strategies Fund**

SEMIANNUAL REPORT September 30, 2006

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

LETTER FROM THE CHAIRMAN

Dear Shareholder:

We are pleased to present this semiannual report for Dreyfus High Yield Strategies Fund, covering the six-month period from April 1, 2006, through September 30, 2006.

After more than two years of steady and gradual increases, the Federal Reserve Board (the "Fed") has left short-term interest rates unchanged since its June 30 meeting. From that point on, the Fed has indicated that the U.S. economy has moved to a slower-growth phase of its cycle, as evidenced by softening housing markets in many regions of the United States. In addition, energy prices have generally moderated from record highs reached during the summer months, calming fears that the economy may fall into a full-blown recession.

Many sectors of the U.S. fixed-income market rallied over the last few months, sustained by subtle inflation readings, a slowing housing market and relatively benign employment numbers. Furthermore, concerns about an inverted Treasury yield curve have dissipated significantly since the reporting period began, as many investors attributed this effect to supply-and-demand factors and low inflation concerns. While the Fed is expected to remain vigilant in its attempts to forestall the acceleration of inflation, many fixed-income investors appear to be optimistic regarding inflation risk, and are perhaps more mindful of the risks and effects of a slowing U.S. economy. One thing is certain — the Fed and investors will be monitoring upcoming economic data closely with hopes of better understanding the state of the economy. With this in mind, we encourage you to talk with your financial advisor about these and other developments to help manage your portfolio and your current and future financial needs.

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.

Sincerely,

Stephen E. Canter
Chairman and Chief Executive Officer
The Dreyfus Corporation
October 16, 2006

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DISCUSSION OF FUND PERFORMANCE

David Bowser, Portfolio Manager

Note to Shareholders: On October 25, 2006, David Bowser replaced Jon Uhrig as the fund's primary portfolio manager. Mr. Bowser has been a portfolio manager of the fund since July 2006.

How did Dreyfus High Yield Strategies Fund perform relative to its benchmark?

For the six-month period ended September 30, 2006, the fund achieved a total return of 4.08% (on a net asset value basis) and produced aggregate income dividends of \$0.20 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 3.69% for the same period.²

High yield bonds generally fared well over the reporting period as strong credit conditions and stabilizing interest rates more than offset the adverse effects of intensifying inflationary pressures and slower economic growth. Despite the negative effect that rising short-term interest rates had on the portfolio's leveraging strategy, the fund produced a higher return than its benchmark, which we attribute to our focus on higher-quality issues and the success of our security selection during the reporting period.

What is 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.

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DISCUSSION OF FUND PERFORMANCE *(continued)*

What other factors influenced the fund's performance?

In the spring of 2006, an increase in the supply of newly issued bonds put pressure on existing bonds, leading to a modest decline in high yield bond prices. In addition, surging energy prices and a softening housing market led to renewed inflation and economic concerns among investors, who worried that credit conditions might deteriorate. The fund weathered this bout of market weakness relatively well, primarily due to our emphasis on bonds with credit ratings toward the higher end of the high yield range.

Investors' concerns eased over the summer, as the economy slowed and analysts began to anticipate an end to the Federal Reserve Board's (the "Fed") tightening campaign. Indeed, the Fed held rates steady at its meetings in July and August, and high yield bonds generally rallied, enabling them to post relatively attractive returns for the reporting period overall. However, the fund's return was undermined somewhat by rising short-term interest rates, which resulted in higher borrowing costs associated with the fund's leveraging strategy.

The automotive sector represented the reporting period's top-performing sector as investors continued to flock to the bonds of Ford Motor Company and General Motors. Although the fund held bonds backed by the major automakers' financing subsidiaries, it did not own debt securities issued by their holding companies, limiting its participation in the automotive sector's rally. In addition, results from the fund's holdings of construction-related companies, such as building materials provider Owens-Corning, proved to be disappointing when U.S. housing markets softened. The health services sector also underperformed for the reporting period, mostly due to investors' negative reaction to the announcement of a leveraged buyout ("LBO") of hospitals operator HCA.

These detractors were balanced by above-average performance in other areas. Throughout the reporting period, the fund benefited from its tilt toward higher-quality securities, which fared better than lower-rated bonds as investors grew more risk averse in the slower-growth economic environment. Bonds from tobacco companies rebounded from relatively depressed levels as litigation concerns eased and financial results improved.

Relatively interest-rate-sensitive issuers, such as members of the insurance and office equipment industries, also fared well when the Fed refrained from raising interest rates.

A number of new issues purchased during the reporting period contributed positively to the fund's relative returns, including bonds from telecommunications service providers Windstream Communications and Intelsat. Bonds issued by technology company Freescale Semiconductor gained value in anticipation of redemption when the company agreed to be acquired by a private equity consortium.

What is the fund's current strategy?

Although the supply of newly issued high yield bonds recently has been lighter than many analysts expected, we anticipate a higher volume of new issuance during the fourth quarter of 2006, partly due to the financing needs of recently announced LBOs. Therefore, as of the end of the reporting period, we have maintained a relatively large short-term position that we may redeploy as new investment opportunities meeting our investment criteria arise. Otherwise, high yield market conditions remain sound, in our judgment. Yield differences between high yield bonds and U.S. Treasury securities remain tight compared to historical norms, but these levels seem to be warranted by positive credit fundamentals and robust investor demand for income-oriented securities.

October 26, 2006

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, 2007, 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, 2006 (Unaudited)

Bonds and Notes	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Bonds and Notes 136.6%				
Advertising .6%				
Lamar Media, Gtd. Notes	6.63	8/15/15	675,000	650,531
R.H. Donnelley, Gtd. Notes	10.88	12/15/12	690,000	762,450
R.H. Donnelley Finance I, Gtd. Notes	10.88	12/15/12	551,000 ^{a,b}	608,855
				2,021,836
Aerospace & Defense 2.1%				
Alliant Techsystems,				

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Gtd. Notes	6.75	4/1/16	915,000	903,563
Argo-Tech, Sr. Notes	9.25	6/1/11	1,182,000 ^b	1,235,190
B/E Aerospace, Sr. Sub. Notes, Ser. B	8.88	5/1/11	1,239,000 ^b	1,294,755
DRS Technologies, Sr. Sub. Notes	6.88	11/1/13	438,000	434,715
L-3 Communications, Bonds	3.00	8/1/35	550,000 ^a	562,375
L-3 Communications, Sr. Sub. Notes, Ser. B	6.38	10/15/15	1,400,000 ^b	1,368,500
L-3 Communications, Gtd. Notes	7.63	6/15/12	1,050,000 ^b	1,086,750
				6,885,848
Agricultural 4.4%				
Alliance One International, Gtd. Notes	11.00	5/15/12	1,430,000 ^b	1,465,750
Airlines 4.4%				
United AirLines, Pass-Through Ctfs., Ser. 00-2	7.81	4/1/11	1,153,705 ^{b,c}	1,235,186
Automotive, Trucks & Parts 9.9%				
Cooper-Standard Automotive, Gtd. Notes	8.38	12/15/14	525,000	388,500
Goodyear Tire & Rubber, Sr. Notes	9.00	7/1/15	2,000,000 ^b	2,040,000
United Components, Sr. Sub. Notes	9.38	6/15/13	675,000 ^b	671,625
				3,100,125

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Bonds and Notes (continued)	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Banks 1.8%				
Chevy Chase Bank, Sub. Notes	6.88	12/1/13	3,620,000 ^b	3,638,100
Colonial Bank N.A./Montgomery, AL, Sub. Notes	8.00	3/15/09	750,000	785,048
Colonial Bank N.A./Montgomery, AL, Sub. Notes	9.38	6/1/11	1,000,000	1,134,305
Shinsei Finance Cayman, Bonds	6.42	1/29/49	325,000 ^{a,d}	323,356
				5,880,809
Building & Construction 3.7%				
Beazer Homes USA, Gtd. Notes	6.88	7/15/15	2,000,000 ^b	1,820,000
D.R. Horton,				

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Gtd. Notes	8.50	4/15/12	2,600,000 ^b	2,726,087
Goodman Global Holdings, Sr. Sub. Notes	7.88	12/15/12	438,000	419,385
Goodman Global Holdings, Sr. Notes, Ser. B	8.33	6/15/12	1,596,000 ^{b,d}	1,621,935
Nortek, Sr. Sub. Notes	8.50	9/1/14	1,319,000 ^b	1,253,050
Owens Corning, Bonds	7.50	8/1/18	2,026,000 ^{b,c}	1,048,455
Scranton Products, Sr. Notes	10.50	7/1/13	1,325,000 ^b	1,354,812
Standard-Pacific, Sr. Notes	6.50	8/15/10	1,600,000	1,512,000
Texas Industries, Sr. Unscd. Notes	7.25	7/15/13	250,000	251,250
				12,006,974
Chemicals 7.8%				
Airgas, Sr. Sub. Notes	6.25	7/15/14	1,300,000 ^b	1,218,750
Airgas, Gtd. Notes	9.13	10/1/11	202,000	212,227
Equistar Chemicals/Funding, Gtd. Notes	10.13	9/1/08	1,460,000 ^b	1,553,075

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STATEMENT OF INVESTMENTS (Unaudited) (continued)

Bonds and Notes (continued)	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Chemicals (continued)				
Huntsman, Gtd. Notes	11.63	10/15/10	909,000 ^b	1,008,990
Huntsman International, Gtd. Notes	9.88	3/1/09	270,000	282,825
Huntsman International, Gtd. Notes	10.13	7/1/09	3,516,000 ^b	3,586,320
Ineos Group Holdings, Sr. Sub. Notes	8.50	2/15/16	2,900,000 ^a	2,776,750
Lyondell Chemical, Gtd. Notes	8.00	9/15/14	1,615,000	1,643,262
Mosaic Global Holdings, Gtd. Notes, Ser. B	10.88	6/1/08	1,000,000	1,071,250
Nalco, Sr. Sub. Notes	8.88	11/15/13	4,508,000 ^b	4,722,130

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Nova Chemicals, Sr. Notes	6.50	1/15/12	1,170,000 ^b	1,105,650
Nova Chemicals, Sr. Unscd. Notes	8.41	11/15/13	1,200,000 ^d	1,230,000
PQ, Gtd. Notes	7.50	2/15/13	250,000	238,750
Rhodia, Sr. Notes	10.25	6/1/10	2,895,000 ^b	3,256,875
Rockwood Specialties Group, Sr. Sub. Notes	10.63	5/15/11	1,006,000 ^b	1,081,450
Westlake Chemical, Gtd. Notes	6.63	1/15/16	675,000	644,625
				25,632,929

**Commercial & Professional
Services** 2.9%

Brickman Group, Gtd. Notes, Ser. B	11.75	12/15/09	888,000 ^b	952,380
Corrections Corp. of America, Gtd. Notes	6.25	3/15/13	2,475,000 ^b	2,437,875
Education Management, Sr. Notes	8.75	6/1/14	1,100,000 ^a	1,116,500
Education Management, Sr. Sub. Notes	10.25	6/1/16	1,600,000 ^{a,b}	1,644,000
Hertz, Sr. Notes	8.88	1/1/14	1,085,000 ^a	1,141,962

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Bonds and Notes (continued)	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Commercial & Professional Services (continued)				
Hertz, Sr. Sub. Notes	10.50	1/1/16	500,000 ^a	552,500
Service Corp. International, Sr. Notes	8.00	6/15/17	660,000 ^a	635,250
Williams Scotsman, Gtd. Notes	8.50	10/1/15	1,080,000 ^b	1,109,700
				9,590,167
Commercial Mortgage Pass-Through Ctfs 1.4%				
Global Signal Trust, Ser. 2006-1, Cl. F	7.04	2/15/36	1,210,000 ^a	1,236,240
Consumer Products 1.2%				
Chattem, Sr. Sub. Notes	7.00	3/1/14	1,455,000	1,413,169

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Playtex Products, Gtd. Notes	9.38	6/1/11	2,264,000 ^b	2,377,200	
				3,790,369	
Diversified Financial Services 11.0%					
Basell, Gtd. Notes	8.38	8/15/15	1,280,000 ^{a,b}	1,276,800	
BCP Crystal US Holdings, Sr. Sub. Notes	9.63	6/15/14	2,280,000 ^b	2,485,200	
C & M Finance, Gtd. Notes	8.10	2/1/16	350,000 ^a	343,662	
CCM Merger, Notes	8.00	8/1/13	1,325,000 ^a	1,278,625	
Consolidated Communications Illinois/Texas Holdings, Sr. Notes	9.75	4/1/12	747,000 ^b	791,820	
E*TRADE Financial, Sr. Notes	8.00	6/15/11	400,000	416,000	
FCE Bank, Notes	EUR	4.38	9/30/09	3,615,000 ^{d,e}	4,364,503
FINOVA Group, Notes	7.50	11/15/09	2,035,920 ^b	580,237	
Ford Motor Credit, Notes	5.63	10/1/08	1,650,000 ^b	1,583,619	

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STATEMENT OF INVESTMENTS (Unaudited) (continued)

Bonds and Notes (continued)	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)	
Diversified Financial Services (continued)					
Ford Motor Credit, Sr. Unscd. Notes	9.75	9/15/10	3,936,000 ^{a,b}	4,067,112	
General Motors Acceptance International Finance, Gtd. Notes	EUR	4.38	10/31/07	2,000,000 ^e	2,525,647
GMAC,	&nbs				