

DREYFUS HIGH YIELD STRATEGIES FUND
Form N-CSR
May 31, 2016

**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 A. 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) 922-6400

Date of fiscal year end: 3/31

Date of reporting period: 3/31/16

FORM N-CSR

Item 1. Reports to Stockholders.

Dreyfus High Yield Strategies Fund

ANNUAL REPORT

March 31, 2016

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 annual report for Dreyfus High Yield Strategies Fund, covering the 12-month period from April 1, 2015 through March 31, 2016. 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.

The reporting period was a time of varied and, at times, conflicting economic influences. On one hand, the U.S. economy continued to grow as domestic labor markets posted significant gains, housing markets recovered, and lower fuel prices put cash in consumers' pockets. Indeed, these factors, along with low inflation, prompted the Federal Reserve Board in December 2015 to raise short-term interest rates for the first time in nearly a decade.

On the other hand, the global economy continued to disappoint, particularly in China and other emerging markets, where reduced industrial demand and declining currency values sparked substantial declines in commodity prices. These developments proved especially challenging for financial markets in August 2015 and January 2016, when stocks and high yield bonds fell sharply. However, riskier asset classes subsequently recovered a significant portion of their losses when investors' worst fears failed to materialize.

While we are encouraged that stabilizing commodity prices and continued strength in the U.S. economy have recently supported the financial markets, we expect market volatility to persist over the foreseeable future until global economic uncertainty abates. In addition, wide differences in underlying fundamental and technical influences across various asset classes, economic sectors, and regional markets suggest that selectivity may be an important determinant of investment success over the months ahead. We encourage you to discuss the implications of our observations with your financial advisor.

Thank you for your continued confidence and support.

Sincerely,

J. Charles Cardona
President
The Dreyfus Corporation
April 15, 2016

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DISCUSSION OF FUND PERFORMANCE

For the period of April 1, 2015 through March 31, 2016, as provided by Chris Barris, Portfolio Manager

Fund and Market Performance Overview

For the 12-month period ended March 31, 2016, Dreyfus High Yield Strategies Fund produced a total return of -5.43% (on a net asset value basis) and provided aggregate income dividends of \$0.348 per share.¹ 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 -3.96% for the same period.²

High yield bonds lost value over the reporting period amid falling commodity prices and intensifying global economic concerns. The fund lagged its benchmark, mainly due to shortfalls in the telecommunications, services and industrials 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.

Flight to Safety Hurt Lower Rated Corporate Bonds

The Index's moderately negative total return for the reporting period masked heightened market volatility over the past year. Despite a sustained U.S. economic recovery, worries about economic instability in overseas markets undermined investor sentiment. An economic slowdown in China and sharply falling commodity prices triggered a flight to traditional safe havens over the summer of 2015, hurting riskier corporate bonds while sending prices of high-quality U.S. government securities higher and their yields lower. Market volatility continued during the fall when investor sentiment fluctuated between concerns about troubling global economic conditions and optimism regarding robust job growth and other positive developments in the United States. Expectations that the Federal Reserve Board would begin to raise short-term interest rates for the first time in nearly 10 years, as indeed it did in December, also contributed to heightened market turbulence.

The high yield bond market encountered additional volatility in January 2016 in response to more disappointing economic data from China and declines in crude oil prices to multi-year lows. The market downturn was particularly severe for energy producers and metals-and-mining companies, some of which declared bankruptcy. The broader high yield bond market fared better from mid-February through the reporting period's end, rallying when crude oil prices began to improve, central banks in overseas markets further eased their monetary policies, and investor demand for attractively valued high yield bonds increased. The market rebound enabled the Index to erase a significant portion of its previous declines and end the reporting period with a relatively moderate loss.

Some Security Selections Dampened Fund Results

The fund's performance compared to its benchmark was undermined to a degree by a handful of disappointing credit selections. Laggards during the reporting period included satellite providers in the telecommunications sector. In addition, equipment rental companies in the industrials

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DISCUSSION OF FUND PERFORMANCE *(continued)*

sector struggled with reduced demand from oil-and-gas producers. The fund's leveraging strategy magnified these shortfalls. We reduced the extent of the fund's borrowing during the worst of the market downturn, but we later increased it to participate more fully in the rebound. Nonetheless, leverage ended the reporting period at a lower level than where it began.

The fund achieved better relative results during the reporting period in other areas. Most notably, underweighted exposure to oil-and-gas and metals producers helped cushion the impact of these industries' steep declines. In addition, strong security selections in the energy and metals-and-mining sectors proved beneficial, as we focused on issuers that proved able to withstand the downturn in commodities prices. Indeed, the fund did not hold any of the companies that defaulted on their debt obligations during the reporting period.

An overweighted position in the gaming sector also helped support relative results. Casinos in the United States proved relatively insensitive to global economic worries, and many benefited from increased customer traffic as fuel costs moderated. In the information technology sector, several software developers contributed positively to relative performance.

Maintaining a Selective Investment Posture

We currently expect the domestic economy to continue to grow, and we have been encouraged by recently improving energy prices. Still, market volatility seems likely to remain elevated in the midst of ongoing global economic uncertainty and softening corporate earnings.

Therefore, as of the reporting period's end, we have retained a selective investment posture. We have maintained underweighted exposure to commodities-related issuers that could be hurt by renewed declines in energy prices, and we have identified relatively few opportunities meeting our investment criteria among retailers. In contrast, we have adopted a more constructive posture among industry groups that tend to be less sensitive to commodity prices, including overweighted positions in the packaging, telecommunications, and health care sectors.

April 15, 2016

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.

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.

² 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 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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SELECTED INFORMATION

March 31, 2016 (Unaudited)

Market Price per share March 31, 2016	\$3.13
Shares Outstanding March 31, 2016	72,642,245

New York Stock Exchange Ticker Symbol DHF

MARKET PRICE (NEW YORK STOCK EXCHANGE)

Fiscal Year Ended March 31, 2016

	Quarter Ended June 30, 2015	Quarter Ended September 30, 2015	Quarter Ended December 31, 2015	Quarter Ended March 31, 2016
High	\$3.71	\$3.40	\$3.29	\$3.19
Low	3.29	3.06	2.80	2.72
Close	3.34	3.06	3.08	3.13

PERCENTAGE GAIN (LOSS) based on change in Market Price[†]

April 29, 1998 (commencement of operations) through March 31, 2016	70.70%
April 1, 2006 through March 31, 2016	120.74
April 1, 2011 through March 31, 2016	12.51
April 1, 2015 through March 31, 2016	(4.44)
July 1, 2015 through March 31, 2016	1.91
October 1, 2015 through March 31, 2016	8.27
January 1, 2016 through March 31, 2016	3.59

NET ASSET VALUE PER SHARE

April 29, 1998 (commencement of operations)	\$15.00
March 31, 2015	3.84
June 30, 2015	3.77
September 30, 2015	3.46
December 31, 2015	3.22
March 31, 2016	3.26

PERCENTAGE (LOSS) based on change in Net Asset Value[†]

April 29, 1998 (commencement of operations) through March 31, 2016	77.73%
April 1, 2006 through March 31, 2016	101.85
April 1, 2011 through March 31, 2016	28.71
April 1, 2015 through March 31, 2016	(5.43)
July 1, 2015 through March 31, 2016	(6.00)
October 1, 2015 through March 31, 2016	(0.31)
January 1, 2016 through March 31, 2016	3.16

*With dividends reinvested.***5****STATEMENT OF INVESTMENTS**

March 31, 2016

Bonds and Notes - 141.7%	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	^a	Value (\$)
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Casinos - 9.5%

Boyd Gaming, Gtd. Notes	9.00	7/1/20	2,330,000	b	2,469,800
Boyd Gaming, Gtd. Notes	6.88	5/15/23	1,075,000	b	1,150,250
Boyd Gaming, Gtd. Notes	6.38	4/1/26	1,455,000	b,c	1,516,837
International Game Technology, Sr. Scd. Notes	6.25	2/15/22	1,750,000	b,c	1,789,025
MGM Resorts International, Gtd. Notes	11.38	3/1/18	6,310,000	b	7,322,124
MGM Resorts International, Gtd. Notes	7.75	3/15/22	740,000	b	826,950
Peninsula Gaming, Gtd. Notes	8.38	2/15/18	525,000	b,c	536,813
Pinnacle Entertainment, Gtd. Notes	8.75	5/15/20	1,095,000	b	1,136,063
Pinnacle Entertainment, Gtd. Notes	7.50	4/15/21	1,695,000	b	1,764,919
Scientific Games International, Gtd. Notes	10.00	12/1/22	4,915,000	b	4,005,725
					22,518,506

Consumer Discretionary - 19.8%

American Builders & Contractors Supply, Sr. Unscd. Notes	5.75	12/15/23	895,000	b,c	933,038
Beacon Roofing Supply, Gtd. Notes	6.38	10/1/23	805,000	b,c	857,325
Brookfield Residential Properties, Gtd. Notes	6.50	12/15/20	1,250,000	b,c	1,200,000
Cablevision Systems, Sr. Unscd. Notes	8.63	9/15/17	2,675,000	b	2,835,500
CalAtlantic Group, Gtd. Notes	8.38	5/15/18	2,025,000	b	2,262,937
CCO Holdings, Gtd. Notes	6.63	1/31/22	2,945,000	b	3,106,975
CCO Holdings, Gtd. Notes	5.75	9/1/23	640,000	b	665,600
CCO Holdings, Gtd. Notes	5.88	4/1/24	745,000	b,c	782,250
Cequel Communications Holdings I, Sr. Unscd. Notes	6.38	9/15/20	1,690,000	b,c	1,681,550
ClubCorp Club Operations, Gtd. Notes	8.25	12/15/23	1,575,000	b,c	1,512,000
DriveTime Automotive Group, Sr. Scd. Notes	8.00	6/1/21	1,185,000	b,c	1,030,950
Ferrellgas Partners, Sr. Unscd. Notes	8.63	6/15/20	2,785,000	b	2,590,050
Gray Television, Gtd. Notes	7.50	10/1/20	975,000	b	1,033,500
Hillman Group, Sr. Unscd. Notes	6.38	7/15/22	1,265,000	b,c	1,062,600

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iHeartCommunications, Sr. Scd. Notes	9.00	12/15/19	1,865,000	b	1,387,094
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Bonds and Notes - 141.7% (continued)	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	a	Value (\$)
Consumer Discretionary - 19.8% (continued)					
Midcontinent Communications & Midcontinent Finance, Gtd. Notes	6.88	8/15/23	1,155,000	b,c	1,201,200
MPG Holdco I, Gtd. Notes	7.38	10/15/22	1,730,000	b	1,721,350
Neiman Marcus Group, Gtd. Notes	8.75	10/15/21	1,890,000	b,c	1,465,922
Nexstar Broadcasting, Gtd. Notes	6.88	11/15/20	1,615,000	b	1,683,637
RCN Telecom Services, Sr. Unscd. Notes	8.50	8/15/20	2,805,000	b,c	2,815,519
Rite Aid, Gtd. Notes	6.75	6/15/21	1,860,000	b	1,969,275
Schaeffler Holding Finance, Sr. Scd. Notes	6.75	11/15/22	610,000	b,c	666,425
Sinclair Television Group, Gtd. Notes	6.38	11/1/21	1,600,000	b	1,696,000
StoneMor Partners, Gtd. Notes	7.88	6/1/21	1,540,000	b	1,559,952
TI Group Automotive Systems, Sr. Unscd. Notes	8.75	7/15/23	1,200,000	b,c	1,158,000
Townsquare Media, Gtd. Notes	6.50	4/1/23	1,285,000	b,c	1,236,812
United Rentals North America, Gtd. Notes	7.63	4/15/22	1,800,000	b	1,926,000
Univision Communications, Sr. Scd. Notes	6.75	9/15/22	1,020,000	b,c	1,086,300
Wave Holdco, Sr. Unscd. Notes	8.25	7/15/19	1,175,625	b,c	1,152,113
William Lyon Homes, Gtd. Notes	8.50	11/15/20	2,585,000	b	2,665,352
					46,945,226
Consumer Staples - 4.7%					
Albea Beauty Holdings, Sr. Scd. Notes	8.38	11/1/19	3,040,000	b,c	3,214,800
Bakkavor Finance 2, Sr. Scd. Notes	GBP 8.75	6/15/20	975,000		1,509,040
New Albertsons, Sr. Unscd. Bonds	8.00	5/1/31	540,000		513,000
	9.00	11/15/20	985,000	b,c	854,488

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Pinnacle Operating, Scd. Notes Post Holdings, Gtd. Notes	7.38	2/15/22	1,815,000	b	1,926,169
Post Holdings, Gtd. Notes	8.00	7/15/25	1,310,000	b,c	1,460,650
RSI Home Products, Scd. Notes	6.50	3/15/23	1,460,000	b,c	1,529,350
					11,007,497

Energy - 5.6%

Bonanza Creek Energy, Gtd. Notes	6.75	4/15/21	505,000	b	143,925
Carrizo Oil & Gas, Gtd. Notes	7.50	9/15/20	2,615,000	b	2,451,562
Continental Resources, Gtd. Notes	4.50	4/15/23	880,000	b	740,300

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STATEMENT OF INVESTMENTS (continued)

Bonds and Notes - 141.7% (continued)	Coupon Rate (%)	Maturity Date	Principal Amount ^a (\$)	Value (\$)
Energy - 5.6% (continued)				
Continental Resources, Gtd. Notes	3.80	6/1/24	610,000	b 484,950
Energy Transfer Equity, Sr. Scd. Notes	7.50	10/15/20	1,800,000	b 1,741,500
Forum Energy Technologies, Gtd. Notes	6.25	10/1/21	1,465,000	b 1,267,225
Genesis Energy, Gtd. Notes	6.75	8/1/22	1,900,000	b 1,767,000
Matador Resources, Gtd. Notes	6.88	4/15/23	1,050,000	b 1,010,625
Rice Energy, Gtd. Notes	6.25	5/1/22	605,000	b 529,375
RSP Permian, Gtd. Notes	6.63	10/1/22	920,000	b 910,800
Sanchez Energy, Gtd. Notes	7.75	6/15/21	935,000	b 553,988
Targa Resources Partners, Gtd. Notes	6.88	2/1/21	1,005,000	b 989,925
Whiting Petroleum, Gtd. Notes	5.00	3/15/19	410,000	b 285,975
Whiting Petroleum, Gtd. Notes	5.75	3/15/21	545,000	b 365,150
				13,242,300

Financials - 19.2%

Ally Financial, Gtd. Notes		7.50	9/15/20	860,000	b	954,600
Ally Financial, Gtd. Notes		8.00	11/1/31	2,275,000	b	2,604,875
Argos Merger Sub, Sr. Unscd. Notes		7.13	3/15/23	2,645,000	b,c	2,818,247
Ashton Woods USA/Finance, Sr. Unscd. Notes		6.88	2/15/21	1,320,000	b,c	1,089,000
Cabot Financial, Sr. Scd. Notes	GBP	8.38	8/1/20	475,000		699,804
Communications Sales & Leasing, Gtd. Notes		8.25	10/15/23	1,985,000	b	1,846,050
Consolidated Energy Finance, Gtd. Notes		6.75	10/15/19	1,081,000	b,c	1,035,058
Garfunkelux Holdco 2, Sr. Scd. Bonds	GBP	11.00	11/1/23	2,045,000	c	2,815,965
Hub Holdings, Sr. Unscd. Notes		8.13	7/15/19	2,640,000	b,c	2,442,000
HUB International, Sr. Unscd. Notes		7.88	10/1/21	1,175,000	b,c	1,160,313
International Lease Finance, Sr. Unscd. Notes		8.88	9/1/17	1,675,000	b	1,805,650
International Lease Finance, Sr. Unscd. Notes		8.25	12/15/20	3,195,000	b	3,742,144
International Lease Finance, Sr. Unscd. Notes		8.63	1/15/22	1,255,000	b	1,513,844
KCG Holdings, Sr. Scd. Notes		6.88	3/15/20	1,175,000	b,c	1,016,375
Ladder Capital Finance Holdings, Sr. Unscd. Notes		7.38	10/1/17	1,100,000	b	1,097,250
Lloyds Bank, Sub. Notes	GBP	10.75	12/16/21	2,385,000	d	3,629,861

8**Bonds and Notes - 141.7%
(continued)**

Coupon Rate (%)	Maturity Date	Principal Amount (\$)	a Value (\$)
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Financials - 19.2% (continued)

Lloyds Bank, Sub. Notes	EUR	11.88	12/16/21	690,000	d	846,907
Lloyds Banking Group, Jr. Sub. Bonds		7.50	4/30/49	707,000	d	701,627
Navient, Sr. Unscd. Notes		8.45	6/15/18	2,675,000	b	2,875,625
Provident Funding Associates, Gtd. Notes		6.75	6/15/21	2,205,000	b,c	2,100,262

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Royal Bank of Scotland, Sub. Notes	9.50	3/16/22	1,530,000	d	1,621,257
Royal Bank of Scotland Group, Jr. Sub. Bonds	8.00	12/29/49	1,920,000	d	1,835,520
Solera Finance, Sr. Unscd. Notes	10.50	3/1/24	1,690,000	b,c	1,702,675
USI, Sr. Unscd. Notes	7.75	1/15/21	2,355,000	b,c	2,363,831
York Risk Services Holding, Gtd. Notes	8.50	10/1/22	1,930,000	b,c	1,242,437
					45,561,177

Health Care - 15.9%

Auris Luxembourg II, Sr. Unscd. Bonds	EUR	8.00	1/15/23	1,165,000	1,459,415
Auris Luxembourg II, Sr. Unscd. Bonds	EUR	8.00	1/15/23	530,000	c 663,940
Capsugel, Sr. Unscd. Notes	7.00	5/15/19	1,775,000	b,c	1,787,203
Centene Escrow, Sr. Unscd. Notes	5.63	2/15/21	565,000	b,c	590,425
Centene Escrow, Sr. Unscd. Notes	6.13	2/15/24	565,000	b,c	596,075
CHS/Community Health Systems, Gtd. Notes	8.00	11/15/19	1,900,000	b	1,859,625
CHS/Community Health Systems, Gtd. Notes	6.88	2/1/22	1,145,000	b	1,039,088
Concordia Healthcare, Gtd. Notes	9.50	10/21/22	870,000	b,c	846,075
ConvaTec Finance International, Gtd. Notes	8.25	1/15/19	3,660,000	b,c	3,639,412
Endo Finance, Gtd. Notes	6.00	7/15/23	815,000	b,c	771,194
HCA, Gtd. Notes	7.50	2/15/22	5,470,000	b	6,222,125
IASIS Healthcare, Gtd. Notes	8.38	5/15/19	1,405,000	b	1,392,706
Jaguar Holding Co. II, Gtd. Notes	6.38	8/1/23	1,225,000	b,c	1,260,892
JLL/Delta Dutch Pledgeco, Sr. Unscd. Notes	8.75	5/1/20	1,794,000	b,c	1,753,635
Kindred Healthcare, Gtd. Notes	8.75	1/15/23	3,515,000	b	3,378,794
LifePoint Health, Gtd. Notes	5.88	12/1/23	290,000	b	303,775
Prestige Brands, Gtd. Notes	6.38	3/1/24	890,000	b,c	932,275
Tenet Healthcare, Sr. Unscd. Notes	5.00	3/1/19	390,000	b,d	387,563

STATEMENT OF INVESTMENTS (continued)

Bonds and Notes - 141.7% (continued)	Coupon Rate (%)	Maturity Date	Principal Amount	a Value (\$)
Health Care - 15.9% (continued)				
Tenet Healthcare, Sr. Unscd. Notes	8.13	4/1/22	5,355,000	b 5,535,731
Valeant Pharmaceuticals International, Gtd. Notes	7.50	7/15/21	3,940,000	b,c 3,302,193
				37,722,141
Industrials - 13.3%				
Acosta, Sr. Unscd. Notes	7.75	10/1/22	1,175,000	b,c 1,092,750
Advanced Disposal Services, Gtd. Notes	8.25	10/1/20	2,930,000	b 3,002,957
Ahern Rentals, Scd. Notes	7.38	5/15/23	2,265,000	b,c 1,574,175
ATS Automation Tooling Systems, Sr. Unscd. Notes	6.50	6/15/23	885,000	b,c 912,656
Bombardier, Sr. Unscd. Notes	7.75	3/15/20	425,000	b,c 367,625
Bombardier, Sr. Unscd. Notes	7.50	3/15/25	745,000	b,c 569,925
Cemex, Sr. Scd. Notes	9.50	6/15/18	1,795,000	c 1,904,944
Cemex, Sr. Scd. Notes	7.75	4/16/26	1,310,000	c 1,345,894
Cemex Espana, Sr. Scd. Notes	9.88	4/30/19	725,000	c 765,600
DPx Holdings, Sr. Unscd. Notes	7.50	2/1/22	1,990,000	b,c 1,987,512
Galapagos Holding, Sr. Scd. Notes	EUR 7.00	6/15/22	700,000	c 730,420
Gardner Denver, Sr. Unscd. Notes	6.88	8/15/21	1,095,000	b,c 900,638
Gates Global, Gtd. Notes	6.00	7/15/22	1,185,000	b,c 1,019,100
H&E Equipment Services, Gtd. Notes	7.00	9/1/22	750,000	b 765,000
HD Supply, Gtd. Notes	11.50	7/15/20	3,725,000	b 4,151,047
Mobile Mini, Gtd. Notes	7.88	12/1/20	945,000	b 980,438
Navios Maritime Acquisition, Sr. Scd. Notes	8.13	11/15/21	475,000	b,c 317,063
Navios South American Logistics, Gtd. Notes	7.25	5/1/22	545,000	b,c 354,250
	8.50	4/15/21	1,570,000	b 1,636,725

Nortek, Gtd. Notes					
Reliance Intermediate Holdings, Sr. Scd. Notes	6.50	4/1/23	2,038,000	b,c	2,106,782
XPO Logistics, Gtd. Notes	6.50	6/15/22	1,815,000	b,c	1,771,894
XPO Logistics, Sr. Unscd. Notes	7.88	9/1/19	950,000	b,c	988,000
Zachry Holdings, Sr. Unscd. Notes	7.50	2/1/20	2,300,000	b,c	2,254,000
					31,499,395

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Bonds and Notes - 141.7% (continued)	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$) a
Information Technology - 4.9%				
Ensemble S Merger Sub, Sr. Notes	9.00	9/30/23	2,030,000	b,c 1,997,012
First Data, Gtd. Notes	7.00	12/1/23	4,450,000	b,c 4,511,187
Infor Software Parent, Gtd. Notes	7.13	5/1/21	2,410,000	b,c 1,813,525
Infor US, Gtd. Notes	6.50	5/15/22	1,335,000	b 1,221,525
Riverbed Technology, Gtd. Notes	8.88	3/1/23	2,075,000	b,c 2,075,000
				11,618,249
Materials - 19.3%				
ArcelorMittal, Sr. Unscd. Bonds	10.85	6/1/19	4,473,000	b,d 5,020,942
Ardagh Finance Holdings, Sr. Unscd. Notes	8.63	6/15/19	2,288,668	b,c 2,220,008
Ardagh Packaging Finance, Gtd. Notes	9.13	10/15/20	2,000,000	b,c 2,061,250
Ardagh Packaging Finance, Gtd. Notes	EUR 9.25	10/15/20	1,625,000	1,936,932
Axalta Coating Systems/Dutch, Gtd. Notes	7.38	5/1/21	2,625,000	b,c 2,789,062
Boise Cascade, Gtd. Notes	6.38	11/1/20	985,000	b 987,463
BWAY Holding, Sr. Unscd. Notes	9.13	8/15/21	5,750,000	b,c 5,160,625
Eco Services Operations, Sr. Unscd. Notes	8.50	11/1/22	720,000	b,c 666,000
Freeport-McMoRan, Gtd. Notes	3.55	3/1/22	1,435,000	b 1,008,088

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Freeport-McMoRan, Gtd. Notes		3.88	3/15/23	1,205,000	b	822,413
Global Brass & Copper, Sr. Scd. Notes		9.50	6/1/19	1,655,000	b	1,754,300
Hexion, Sr. Scd. Notes		8.88	2/1/18	220,000	b	151,800
Hexion, Sr. Scd. Notes		10.00	4/15/20	1,125,000	b	1,015,313
Horizon Holdings I, Sr. Unscd. Notes	EUR	7.25	8/1/23	570,000	c	685,332
INEOS Group Holdings, Scd. Notes		6.13	8/15/18	1,300,000	b,c	1,326,806
INEOS Group Holdings, Scd. Notes	EUR	6.50	8/15/18	750,000		874,289
Mercer International, Gtd. Notes		7.75	12/1/22	2,620,000	b	2,623,275
Platform Specialty Products, Sr. Unscd. Bonds		10.38	5/1/21	2,295,000	b,c	2,226,150
Ply Gem Industries, Gtd. Notes		6.50	2/1/22	435,000	b	428,475
Reynolds Group, Gtd. Notes		8.50	5/15/18	1,375,000	b,d	1,376,719
Reynolds Group, Gtd. Notes		9.88	8/15/19	2,765,000	b	2,866,959
Sappi Papier Holding, Sr. Scd. Notes		7.75	7/15/17	730,000	b,c	768,325

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STATEMENT OF INVESTMENTS (continued)

Bonds and Notes - 141.7% (continued)	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	^a Value (\$)
Materials - 19.3% (continued)				
Signode Industrial Group, Gtd. Notes	6.38	5/1/22	2,520,000	b,c 2,302,650
Summit Materials, Gtd. Notes	8.50	4/15/22	1,030,000	c 1,068,625
Trinseo Materials Operating, Sr. Unscd. Notes	6.75	5/1/22	1,450,000	b,c 1,453,625
Tronox Finance, Gtd. Notes	6.38	8/15/20	1,110,000	b 858,863
Univar, Gtd. Notes	6.75	7/15/23	1,200,000	b,c 1,177,500
				45,631,789
Telecommunications - 23.7%				
	6.45	3/15/29	2,295,000	2,449,912

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Alcatel-Lucent USA, Sr. Unscd. Notes					
Altice, Gtd. Notes	7.75	5/15/22	2,330,000	b,c	2,304,556
Altice, Gtd. Notes	7.63	2/15/25	1,500,000	b,c	1,440,000
Altice Finco, Gtd. Notes	7.63	2/15/25	210,000	b,c	202,125
Altice Finco, Sr. Scd. Notes	9.88	12/15/20	2,000,000	b,c	2,160,000
Altice Finco, Sr. Scd. Notes	8.13	1/15/24	1,900,000	b,c	1,890,500
CenturyLink, Sr. Unscd. Notes, Ser. W	6.75	12/1/23	3,900,000	b	3,807,375
Cincinnati Bell, Gtd. Notes	8.38	10/15/20	1,025,000	b	1,045,500
CPI International, Gtd. Notes	8.75	2/15/18	410,000	b,d	402,825
Digicel Group, Sr. Unscd. Notes	8.25	9/30/20	3,175,000	c	2,738,437
Digicel Group, Sr. Unscd. Notes	7.13	4/1/22	1,425,000	c	1,114,920
DISH DBS, Gtd. Notes	6.75	6/1/21	3,450,000	b	3,570,750
Frontier Communications, Sr. Unscd. Notes	10.50	9/15/22	2,605,000	b,c	2,679,894
Frontier Communications, Sr. Unscd. Notes	11.00	9/15/25	3,190,000	b,c	3,217,912
Hughes Satellite Systems, Gtd. Notes	7.63	6/15/21	3,510,000	b	3,926,812
Neptune Finco, Sr. Unscd. Notes	10.13	1/15/23	2,825,000	b,c	3,029,812
Neptune Finco, Sr. Unscd. Notes	6.63	10/15/25	350,000	b,c	379,278
Sable International Finance, Gtd. Notes	6.88	8/1/22	1,220,000	b,c	1,226,100
Sable International Finance, Sr. Scd. Notes	8.75	2/1/20	1,845,000	b,c	1,937,250
Sprint, Gtd. Notes	7.88	9/15/23	501,000	b	385,665
Sprint Capital, Gtd. Notes	8.75	3/15/32	800,000	b	630,000
Sprint Communications, Gtd. Notes	9.00	11/15/18	650,000	b,c	684,125

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Coupon Rate (%)

a

Value (\$)

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Bonds and Notes - 141.7%		Maturity	Principal	
(continued)		Date	Amount	
			(\$)	
Telecommunications - 23.7% (continued)				
Sprint Communications, Sr. Unscd. Notes	11.50	11/15/21	5,325,000	4,765,875
T-Mobile USA, Gtd. Bonds	6.63	4/28/21	1,000,000	1,050,000
T-Mobile USA, Gtd. Bonds	6.73	4/28/22	1,000,000	1,049,800
T-Mobile USA, Gtd. Bonds	6.84	4/28/23	2,840,000	3,010,400
T-Mobile USA, Gtd. Notes	6.00	4/15/24	765,000	776,475
Wind Acquisition Finance, Scd. Notes	7.38	4/23/21	2,550,000	2,320,500
Windstream Services, Gtd. Notes	7.75	10/15/20	975,000	843,375
Windstream Services, Gtd. Notes	7.75	10/1/21	1,375,000	1,128,359
			56,168,532	
Utilities - 5.8%				
Calpine, Sr. Scd. Notes	7.88	1/15/23	1,719,000	1,830,735
Dynegy, Gtd. Notes	7.63	11/1/24	3,745,000	3,417,312
NRG Energy, Gtd. Notes	7.88	5/15/21	3,317,000	3,321,146
NRG Energy, Gtd. Notes	6.25	7/15/22	1,010,000	944,350
Talen Energy Supply, Sr. Unscd. Notes	6.50	6/1/25	2,295,000	1,916,325
Viridian Group Fundco II, Sr. Scd. Notes	EUR 7.50	3/1/20	1,390,000	1,660,769
Williams Cos., Sr. Unscd. Notes	7.88	9/1/21	485,000	450,923
Williams Cos., Sr. Unscd. Notes	4.55	6/24/24	175,000	133,875
			13,675,435	
Total Bonds and Notes			335,590,247	
(cost \$345,955,344)				
Preferred Stocks - 1.0%				
Financials - 1.0%				
GMAC Capital Trust I, Ser. 2	6.40	2/15/40	98,738 ^d	2,420,068
(cost \$2,492,932)				

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STATEMENT OF INVESTMENTS (continued)

Other Investment - 1.6%	Shares	Value (\$)
Registered Investment Company; Dreyfus Institutional Preferred Plus Money Market Fund (cost \$3,785,781)	3,785,781	e 3,785,781
Total Investments (cost \$352,234,057)	144.3%	341,796,096
Liabilities, Less Cash and Receivables	(44.3%)	(104,852,048)
Net Assets	100.0%	236,944,048

^a Principal amount stated in U.S. Dollars unless otherwise noted.

EUR—Euro

GBP—British Pound

^b Security, or portion thereof, on collateral for Revolving Credit and Security Agreement.

^c Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At March 31, 2016, these securities were valued at \$151,095,503 or 63.77% of net assets.

^d Variable rate security—rate shown is the interest rate in effect at period end.

^e Investment in affiliated money market mutual fund.

Portfolio Summary (Unaudited) †	Value (%)
Corporate Bonds	141.7
Money Market Investment	1.6
Preferred Stocks	1.0
	144.3

†Based on net assets.

See notes to financial statements.

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Summary of Abbreviations

ABAG	Association of Bay Area Governments	ACA	American Capital Access
AGC	ACE Guaranty Corporation	AGIC	Asset Guaranty Insurance Company

AMBAC	American Municipal Bond Assurance Corporation	ARRN	Adjustable Rate Receipt Notes
BAN	Bond Anticipation Notes	BPA	Bond Purchase Agreement
CIFG	CDC Ixis Financial Guaranty	COP	Certificate of Participation
CP	Commercial Paper	DRIVERS	Derivative Inverse Tax-Exempt Receipts
EDR	Economic Development Revenue	EIR	Environmental Improvement Revenue
FGIC	Financial Guaranty Insurance Company	FHA	Federal Housing Administration
FHLB	Federal Home Loan Bank	FHLMC	Federal Home Loan Mortgage Corporation
FNMA	Federal National Mortgage Association	GAN	Grant Anticipation Notes
GIC	Guaranteed Investment Contract	GNMA	Government National Mortgage Association
GO	General Obligation	HR	Hospital Revenue
IDB	Industrial Development Board	IDC	Industrial Development Corporation
IDR	Industrial Development Revenue	LIFERS	Long Inverse Floating Exempt Receipts
LOC	Letter of Credit	LOR	Limited Obligation Revenue
LR	Lease Revenue	MERLOTS	Municipal Exempt Receipts Liquidity Option Tender
MFHR	Multi-Family Housing Revenue	MFMR	Multi-Family Mortgage Revenue
PCR	Pollution Control Revenue	PILOT	Payment in Lieu of Taxes
P-FLOATS	Puttable Floating Option Tax-Exempt Receipts	PUTTERS	Puttable Tax-Exempt Receipts
RAC	Revenue Anticipation Certificates	RAN	Revenue Anticipation Notes
RAW	Revenue Anticipation Warrants	RIB	Residual Interest Bonds
ROCS	Reset Options Certificates	RRR	Resources Recovery Revenue
SAAN	State Aid Anticipation Notes	SBPA	Standby Bond Purchase Agreement
SFHR	Single Family Housing Revenue	SFMR	Single Family Mortgage Revenue
SONYMA	State of New York Mortgage Agency	SPEARS	Short Puttable Exempt Adjustable Receipts
SWDR	Solid Waste Disposal Revenue	TAN	Tax Anticipation Notes
TAW	Tax Anticipation Warrants	TRAN	Tax and Revenue Anticipation Notes
XLCA	XL Capital Assurance		

See notes to financial statements.

STATEMENT OF ASSETS AND LIABILITIES

March 31, 2016

	Cost	Value
Assets (\$):		
Investments in securities—See Statement of Investments:		
Unaffiliated issuers	348,448,276	338,010,315
Affiliated issuers	3,785,781	3,785,781
Cash		91,351
Cash denominated in foreign currency	2,790,136	2,657,937
Dividends and interest receivable		7,481,598
Receivable for investment securities sold		1,112,557
Prepaid expenses		275,975
		353,415,514
Liabilities (\$):		
Due to The Dreyfus Corporation and affiliates—Note 3(b)		241,299
Loan payable—Note 2		110,000,000
Payable for investment securities purchased		3,477,822
Dividends payable		2,106,625
Unrealized depreciation on forward foreign currency exchange contracts—Note 4		355,418
Interest and loan fees payable—Note 2		126,164
Accrued expenses		164,138
		116,471,466
Net Assets (\$)		236,944,048
Composition of Net Assets (\$):		
Paid-in capital		335,429,856
Accumulated undistributed investment income—net		74,107
Accumulated net realized gain (loss) on investments		(87,636,090)
Accumulated net unrealized appreciation (depreciation) on investments and foreign currency transactions		(10,923,825)
Net Assets (\$)		236,944,048
Shares Outstanding		
(unlimited number of \$.001 par value shares of Beneficial Interest authorized)		72,642,245
Net Asset Value Per Share (\$)		3.26

See notes to financial statements.

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STATEMENT OF OPERATIONS
Year Ended March 31, 2016

Investment Income (\$):**Income:**

Interest	26,686,647
Dividends:	
Unaffiliated issuers	200,562
Affiliated issuers	11,719
Total Income	26,898,928

Expenses:

Management fee—Note 3(a)	2,788,604
Interest expense—Note 2	1,622,986
Professional fees	151,435
Shareholders' reports	67,277
Registration fees	63,670
Trustees' fees and expenses—Note 3(c)	53,133
Custodian fees—Note 3(b)	40,979
Shareholder servicing costs	17,197
Loan commitment fees—Note 2	4,246
Miscellaneous	69,357
Total Expenses	4,878,884
Investment Income—Net	22,020,044

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

Net realized gain (loss) on investments and foreign currency transactions	(22,966,358)
Net realized gain (loss) on forward foreign currency exchange contracts	80,046
Net Realized Gain (Loss)	(22,886,312)
Net unrealized appreciation (depreciation) on investments and foreign currency transactions	(16,121,792)
Net unrealized appreciation (depreciation) on forward foreign currency exchange contracts	(96,351)
Net Unrealized Appreciation (Depreciation)	(16,218,143)
Net Realized and Unrealized Gain (Loss) on Investments	(39,104,455)
Net (Decrease) in Net Assets Resulting from Operations	(17,084,411)

See notes to financial statements.

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STATEMENT OF CASH FLOWS

Year Ended March 31, 2016

Cash Flows from Operating Activities (\$):

Purchases of portfolio securities	(197,268,713)
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Net proceeds from sales of short-term securities	11,382,348
Proceeds from sales of portfolio securities	197,404,072
Interest received	30,161,982
Dividends received	212,440
Interest and loan fees paid	(1,593,310)
Operating expenses paid	(436,103)
Paid to The Dreyfus Corporation	(2,811,113)
Realized gain from forward foreign currency exchange contracts transactions	80,046
Net Cash Provided by Operating Activities	37,131,649
Cash Flows from Financing Activities (\$):	
Dividends paid	(25,279,502)
Decrease in loan outstanding	(10,000,000)
Net Cash Used in Financing Activities	(35,279,502)
Net increase in cash	1,852,147
Cash at beginning of period	897,141
Cash and cash denominated in foreign currency at end of period	2,749,288
Reconciliation of Net Decrease in Net Assets Resulting from Operations to Net Cash Provided by Operating Activities (\$):	
Net Decrease in Net Assets Resulting From Operations	(17,084,411)
Adjustments to reconcile net decrease in net assets resulting from operations to net cash provided by operating activities (\$):	
Purchases of portfolio securities	(197,268,713)
Proceeds from sales of portfolio securities	197,404,072
Net proceeds from sales of short-term securities	11,382,348
Decrease in interest receivable	952,927
Increase in interest and loan fees payable	29,676
Increased in accrued operating expenses	28,995
Decrease in Due to The Dreyfus Corporation and affiliates	(22,509)
Decrease in prepaid expenses	2,196
Net realized gain on investment and foreign currency transactions	22,886,312
Net unrealized depreciation on investments and foreign currency transactions	16,218,143
Decreased in dividends receivable	159
Net amortization of premiums on investments	2,522,408
Realized gain from forward foreign currency exchange contracts transactions	80,046
Net Cash Provided By Operating Activities	37,131,649
<i>See notes to financial statements.</i>	

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STATEMENT OF CHANGES IN NET ASSETS

Year Ended March 31,
2016

2015

Operations (\$):		
Investment income—net	22,020,044	23,089,560
Net realized gain (loss) on investments	(22,886,312)	7,471,974
Net unrealized appreciation (depreciation) on investments	(16,218,143)	(23,318,873)
Net Increase (Decrease) in Net Assets Resulting from Operations	(17,084,411)	7,242,661
Dividends to Shareholders from (\$):		
Investment income—net Beneficial Interest Transactions (\$):		
Dividends reinvested	-	296,797
Increase (Decrease) in Net Assets from Beneficial Interest Transactions	-	296,797
Total Increase (Decrease) in Net Assets	(42,363,913)	(18,603,472)
Net Assets (\$):		
Beginning of Period	279,307,961	297,911,433
End of Period	236,944,048	279,307,961
Undistributed investment income—net	74,107	752,867
Capital Share Transactions (Shares):		
Shares issued for dividends reinvested	-	73,185

See notes to financial statements.

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FINANCIAL HIGHLIGHTS

The following table describes the performance for the fiscal periods indicated. Total return shows how much your investment in the fund would have increased (or decreased) during each period, assuming you had reinvested all dividends and distributions. These figures have been derived from the fund's financial statements and market price data for the fund's shares.

	Year Ended March 31,				
	2016	2015	2014	2013	2012
Per Share Data (\$):					
Net asset value, beginning of period	3.84	4.11	4.10	3.90	4.25
Investment Operations:					
Investment income—net	.30	.32	.36	.38	.41

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Net realized and unrealized gain (loss) on investments	(.53)	(.23)	.05	.26	(.26)
Total from Investment Operations	(.23)	.09	.41	.64	.15
Distributions:					
Dividends from investment income—net	(.35)	(.36)	(.40)	(.44)	(.50)
Net asset value, end of period	3.26	3.84	4.11	4.10	3.90
Market value, end of period	3.13	3.65	4.19	4.40	4.65
Total Return (%)^b	(4.44)	(4.51)	4.95	5.12	11.65
Ratios/Supplemental Data (%):					
Ratio of total expenses to average net assets	1.91	1.81	1.92	2.03 ^c	2.11 ^c
Ratio of net expenses to average net assets	1.91	1.74	1.71	1.82 ^d	1.90 ^d
Ratio of interest expense to average net assets	.64	.52	.51	.57	.61
Ratio of net investment income to average net assets	8.63	8.04	8.80	9.56	10.60
Portfolio Turnover Rate	54.23	48.20	48.39	42.42	57.91
Net Assets, end of period (\$ x 1,000)	236,944	279,308	297,911	297,210	281,897
Average borrowings outstanding (\$ x 1,000)	116,593	120,000	120,000	120,000	120,000
Weighted average number of fund shares outstanding (\$ x 1,000)	72,642	72,621	72,518	72,410	72,194
Average amount of debt per share (\$)	1.61	1.65	1.65	1.66	1.66

^a Based on average shares outstanding.

^b Calculated based on market value.

^c The presentation of total expense ratios has been changed to include interest expense. Total expenses excluding interest expense for the periods ended March 31, 2013 and 2012 were previously presented as 1.46% and 1.50%, respectively.

^d The presentation of net expense ratios has been changed to include interest expense. Net expenses excluding interest expense for the periods ended March 31, 2013 and 2012 were previously presented as 1.25% and 1.29%, respectively.

See notes to financial statements.

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NOTES TO FINANCIAL STATEMENTS

NOTE 1—Significant Accounting Policies:

Dreyfus High Yield Strategies Fund (the “fund”) is registered under the Investment Company Act of 1940, as amended (the “Act”), as a non-diversified, closed-end management investment company. The fund’s primary investment objective is to seek high current income. Under normal market conditions, the fund invests at least 65% of its total assets in income securities of U.S. issuers rated below investment grade quality or unrated income securities that The Dreyfus Corporation (the “Manager” or “Dreyfus”), a wholly-owned subsidiary of The Bank of New York Mellon Corporation

(“BNY Mellon”), serving as the fund’s investment manager and administrator, determines to be of comparable quality. The fund’s Common Stock trades on the New York Stock Exchange Amex (the “NYSE”) under the ticker symbol DHF.

The Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) is the exclusive reference of authoritative U.S. generally accepted accounting principles (“GAAP”) recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission (“SEC”) under authority of federal laws are also sources of authoritative GAAP for SEC registrants. The fund’s financial statements are prepared in accordance with GAAP, which may require the use of management estimates and assumptions. Actual results could differ from those estimates.

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

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

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

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NOTES TO FINANCIAL STATEMENTS *(continued)*

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

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

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

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

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. Valuation techniques used to value the fund’s investments are as follows:

Registered investment companies that are not traded on an exchange are valued at their net asset value and are generally categorized within Level 1 of the fair value hierarchy.

Investments in securities, excluding short-term investments (other than U.S. Treasury Bills), and forward foreign currency exchange contracts (“forward contracts”) are valued each business day by an independent pricing service (the “Service”) approved by the fund’s Board of Trustees (the “Board”). Investments for which quoted bid prices are readily available and are representative of the bid side of the market in the judgment of the Service are valued at the mean between the quoted bid prices (as obtained by the Service from dealers in such securities) and asked prices (as

calculated by the Service based upon its evaluation of the market for such securities). Other investments (which constitute a majority of the portfolio securities) are valued as determined by the Service, based on methods which include consideration of the following: yields or prices of securities of comparable quality, coupon, maturity and type; indications as to values from dealers; and general market conditions. These securities are generally categorized within Level 2 of the fair value hierarchy.

The Service's procedures are reviewed by Dreyfus under the general supervision of the Board.

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, but before the fund calculates its net asset value, the fund may value these investments at fair value as determined in accordance with the procedures approved by the Board. Certain factors may be considered when fair

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valuing investments 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. These securities are either categorized within Level 2 or 3 of the fair value hierarchy depending on the relevant inputs used.

For restricted securities where observable inputs are limited, assumptions about market activity and risk are used and are generally categorized within Level 3 of the fair value hierarchy.

Investments denominated in foreign currencies are translated to U.S. dollars at the prevailing rates of exchange.

Forward contracts are valued at the forward rate and are generally categorized within Level 2 of the fair value hierarchy.

The following is a summary of the inputs used as of March 31, 2016 in valuing the fund's investments:

	Level 1– Unadjusted Quoted Prices	Level 2–Other Significant Observable Inputs	Level 3–Significant Unobservable Inputs	Total
Assets (\$)				
Investments in Securities:				
Corporate Bonds [†]	–	335,590,247	–	335,590,247
Mutual Funds	3,785,781	–	–	3,785,781
Preferred Stocks [†]	–	2,420,068	–	2,420,068
Liabilities (\$)				
Other Financial Instruments:				
Forward Foreign Currency	–	(355,418)	–	(355,418)
Exchange Contracts ^{††}				

[†]See *Statement of Investments* for additional detailed categorizations.

^{††}Amount shown represents unrealized appreciation (depreciation) at period end.

At March 31, 2016, there were no transfers between levels of the fair value hierarchy.

(b) Foreign currency transactions: The fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in the market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss on investments.

Net realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized on securities transactions between trade and settlement date, and the difference between the

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NOTES TO FINANCIAL STATEMENTS (continued)

amounts of dividends, interest and foreign withholding taxes recorded on the fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the value of assets and liabilities other than investments resulting from changes in exchange rates. Foreign currency gains and losses on foreign currency transactions are also included with net realized and unrealized gain or loss on investments.

(c) 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.

(d) Affiliated issuers: Investments in other investment companies advised by Dreyfus are defined as "affiliated" under the Act. Investments in affiliated investment companies during the period ended March 31, 2016 were as follows:

Affiliated Investment Company	Value 3/31/2015 (\$)	Purchases (\$)	Sales (\$)	Value 3/31/2016 (\$)	Net Assets (%)
Dreyfus Institutional Preferred Plus Money Market Fund	15,168,129	133,699,497	145,081,845	3,785,781	1.6

(e) Risk: The fund invests primarily in debt securities. Failure of an issuer of the debt securities to make timely interest or principal payments, or a decline or the perception of a decline in the credit quality of a debt security, can cause the debt security's price to fall, potentially lowering the fund's share price. High yield ("junk") bonds involve greater credit risk, including the risk of default, than investment grade bonds, and are considered predominantly speculative with respect to the issuer's continuing ability to make principal and interest payments. In addition, the value of debt securities may decline due to general market conditions that are not specifically related to a particular issuer, such as real or perceived adverse economic conditions, changes in outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment. They may also decline because of factors that affect a particular industry.

The fund is permitted to invest up to 5% of its assets directly in the common stock of junk bond issuers. This percentage will be in addition to

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any other common stock holdings acquired as part of warrants or “units”, so that the fund’s total common stock holdings could exceed 5% at a particular time. However, the fund currently intends to invest directly in common stocks (including those offered in an initial public offering) to gain sector exposure and when suitable junk bonds are not available for sale. The fund expects to sell the common stock promptly when suitable junk bonds are subsequently acquired.

(f) Dividends to Shareholders: Dividends are recorded on the ex-dividend date. Dividends from investment income-net are normally declared and paid monthly. Dividends from net realized capital gains, if any, are normally declared and paid annually, but the fund may make distributions on a more frequent basis to comply with the distribution requirements of the Internal Revenue Code of 1986, as amended (the “Code”). To the extent that net realized capital gains can be offset by capital loss carryovers, it is the policy of the fund not to distribute such gains. Income and capital gain distributions are determined in accordance with income tax regulations, which may differ from GAAP.

Shareholders will have their distributions reinvested in additional shares of the fund, unless such Shareholders elect to receive cash, at the lower of the market price or net asset value per share (but not less than 95% of the market price). If market price is equal to or exceeds net asset value, shares will be issued at net asset value. If net asset value exceeds market price, Computershare Inc., the transfer agent, will buy fund shares in the open market and reinvest those shares accordingly.

On March 29, 2016, the Board declared a cash dividend of \$0.029 per share from undistributed investment income-net, payable on April 27, 2016 to Shareholders of record as of the close of business on April 13, 2016. The ex-dividend date was April 11, 2016.

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

As of and during the period ended March 31, 2016, the fund did not have any liabilities for any uncertain tax positions. The fund recognizes interest and penalties, if any, related to uncertain tax positions as income tax expense in the Statement of Operations. During the period ended March 31, 2016, the fund did not incur any interest or penalties.

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NOTES TO FINANCIAL STATEMENTS *(continued)*

Each tax year in the four-year period ended March 31, 2016 remains subject to examination by the Internal Revenue Service and state taxing authorities.

At March 31, 2016, the components of accumulated earnings on a tax basis were as follows: ordinary income \$2,007,573, accumulated capital losses \$83,221,086 and unrealized depreciation \$15,165,670.

Under the Regulated Investment Company Modernization Act of 2010 (the “2010 Act”), the fund is permitted to carry forward capital losses incurred in taxable years beginning after December 22, 2010 (“post-enactment losses”) for an unlimited period. Furthermore, post-enactment capital loss carryovers retain their character as either short-term or long-term capital losses rather than short-term as they were under previous statute. The 2010 Act requires post-enactment losses to be utilized before the utilization of losses incurred in taxable years prior to the effective date

of the 2010 Act (“pre-enactment losses”). As a result of this ordering rule, pre-enactment losses may be more likely to expire unused.

The accumulated capital loss carryover is available for federal income tax purposes to be applied against future net realized capital gains, if any, realized subsequent to March 31, 2016. If not applied, \$24,707,290 of the carryover expires in fiscal year 2017 and \$33,464,139 expires in fiscal year 2018. The fund has \$7,838,390 of post-enactment short-term capital losses and \$17,211,267 of post enactment long-term capital losses which can be carried forward for an unlimited period.

The tax character of distributions paid to shareholders during the fiscal periods ended March 31, 2016 and March 31, 2015 were as follows: ordinary income \$25,279,502 and \$26,142,930, respectively.

During the period ended March 31, 2016, as a result of permanent book to tax differences, primarily due to the tax treatment for amortization of premium, consent fees, capital loss carryover expiration and foreign currency transactions, the fund increased accumulated undistributed investment income-net by \$2,580,698, increased accumulated net realized gain (loss) on investments by \$3,352,895 and decreased paid-in capital by \$5,933,593. Net assets and net asset value per share were not affected by this reclassification.

NOTE 2—Borrowings:

The fund has a \$125,000,000 Revolving Credit and Security Agreement (the “Agreement”), which was renewed until November 23, 2016, subject to certain amendments. Under the terms of the Agreement, the fund may borrow “Advances” (including Eurodollar Advances), on a collateralized

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basis with certain fund assets used as collateral, which amounted to \$299,840,481 as of March 31, 2016. The interest to be paid by the fund on such Advances is determined with reference to the principal amount of each Advance (and/or Eurodollar Advance) outstanding from time to time. The fund also pays additional fees pursuant to the Agreement. During the period ended March 31, 2016, total expenses pursuant to the Agreement amounted to \$1,622,986.

The average amount of borrowings outstanding under the Agreement during the period ended March 31, 2016 was \$116,592,900, with a related weighted average annualized interest rate of 1.39% and is inclusive of all expenses related to the Agreement.

NOTE 3—Management Fee and Other Transactions with Affiliates:

(a) Pursuant to a management and administration agreement with Dreyfus, the management and administration fee is computed at the annual rate of .75% of the value of the fund’s average weekly total assets minus the sum of accrued liabilities (other than the aggregate indebtedness constituting financial leverage) (the “Managed Assets”) and is payable monthly.

(b) The fund compensates The Bank of New York Mellon , a subsidiary of BNY Mellon and an affiliate of Dreyfus, under a custody agreement for providing custodial services for the fund. These fees are determined based on net assets and transaction activity. During the period ended March 31, 2016, the fund was charged \$40,979 pursuant to the custody agreement.

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

During the period ended March 31, 2016, the fund was charged \$6,313 for services performed by the Chief Compliance Officer and his staff.

The components of “Due to The Dreyfus Corporation and affiliates” in the Statement of Assets and Liabilities consist of: management fees \$217,548, custodian fees \$20,575 and Chief Compliance Officer fees \$3,176.

(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.

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NOTES TO FINANCIAL STATEMENTS *(continued)*

NOTE 4—Securities Transactions:

The aggregate amount of purchases and sales of investment securities, excluding short-term securities and forward contracts, during the period ended March 31, 2016, amounted to \$194,916,124 and \$198,459,973, respectively.

Derivatives: A derivative is a financial instrument whose performance is derived from the performance of another asset. The fund enters into International Swaps and Derivatives Association, Inc. Master Agreements or similar agreements (collectively, “Master Agreements”) with its over-the-counter (“OTC”) derivative contract counterparties in order to, among other things, reduce its credit risk to counterparties. Master Agreements include provisions for general obligations, representations, collateral and events of default or termination. Under a Master Agreement, the fund may offset with the counterparty certain derivative financial instrument’s payables and/or receivables with collateral held and/or posted and create one single net payment in the event of default or termination.

Each type of derivative instrument that was held by the fund during the period ended March 31, 2016 is discussed below.

Forward Foreign Currency Exchange Contracts: The fund enters into forward contracts in order to hedge its exposure to changes in foreign currency exchange rates on its foreign portfolio holdings, to settle foreign currency transactions or as a part of its investment strategy. When executing forward contracts, the fund is obligated to buy or sell a foreign currency at a specified rate on a certain date in the future. With respect to sales of forward contracts, the fund incurs a loss if the value of the contract increases between the date the forward contract is opened and the date the forward contract is closed. The fund realizes a gain if the value of the contract decreases between those dates. With respect to purchases of forward contracts, the fund incurs a loss if the value of the contract decreases between the date the forward contract is opened and the date the forward contract is closed. The fund realizes a gain if the value of the contract increases between those dates. Any realized or unrealized gains or losses which occurred during the period are reflected in the Statement of Operations. The fund is exposed to foreign currency risk as a result of changes in value of underlying financial instruments. The fund is also exposed to credit risk associated with counterparty nonperformance on these forward contracts, which is generally limited to the unrealized gain on each open contract. This risk may be mitigated by Master Agreements, if any, between the fund and the counterparty and the posting of collateral, if any, by the counterparty to the fund to cover the fund’s exposure to the

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counterparty. The following summarizes open forward contracts at March 31, 2016:

Forward Foreign Currency Exchange Contracts	Foreign Currency Amounts	Proceeds (\$)	Value (\$) Unrealized (Depreciation)(\$)
Sales:			
Barclays Bank			
British Pound, Expiring 4/28/2016	4,300,000	6,078,629	6,176,436(97,807)
Common Wealth Bank of Australia			
Euro, Expiring 4/28/2016	2,535,000	2,828,744	2,887,007(58,263)
Goldman Sachs International			
British Pound, Expiring 4/28/2016	3,345,000	4,729,341	4,804,693(75,352)
Euro, Expiring 4/28/2016	2,845,000	3,179,112	3,240,053(60,941)
Morgan Stanley Capital Services			
Euro, Expiring 4/28/2016	2,940,000	3,285,189	3,348,244(63,055)
Gross Unrealized Depreciation			(355,418)

The provisions of ASC Topic 210 "Disclosures about Offsetting Assets and Liabilities" require disclosure on the offsetting of financial assets and liabilities. These disclosures are required for certain investments, including derivative financial instruments subject to Master Agreements which are eligible for offsetting in the Statement of Assets and Liabilities and require the fund to disclose both gross and net information with respect to such investments. For financial reporting purposes, the fund does not offset derivative assets and derivative liabilities that are subject to Master Agreements in the Statement of Assets and Liabilities.

At March 31, 2016, derivative assets and liabilities (by type) on a gross basis are as follows:

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NOTES TO FINANCIAL STATEMENTS (continued)

Derivative Financial Instruments:	Assets (\$)	Liabilities (\$)
Forward contracts	-	(355,418)
Total gross amount of derivative assets and liabilities in the Statement of Assets and Liabilities	-	(355,418)
Derivatives not subject to Master Agreements	-	-

Total gross amount of assets
and liabilities subject to
Master Agreements

- (355,418)

The following table presents derivative liabilities net of amounts available for offsetting under Master Agreements and net of related collateral received or pledged, if any, as of March 31, 2016:

Counterparty	Gross Amount of Liabilities (\$)	¹	Financial Instruments and Derivatives Available for Offset (\$)	Collateral Pledged (\$)	Net Amount of Liabilities (\$)
Barclays Bank	(97,807)		-	-	(97,807)
Commonwealth Bank of Australia	(58,263)		-	-	(58,263)
Goldman Sachs International	(136,293)		-	-	(136,293)
Morgan Stanley Capital Services	(63,055)		-	-	(63,055)
Total	(355,418)		-	-	(355,418)

¹ Absent a default event or early termination, OTC derivative assets and liabilities are presented at gross amounts and are not offset in the Statement of Assets and Liabilities.

The following summarizes the average market value of derivatives outstanding during the period ended March 31, 2016:

	Average Market Value (\$)
Forward contracts	22,566,654

At March 31, 2016, the cost of investments for federal income tax purposes was \$356,831,320; accordingly, accumulated net unrealized depreciation on investments was \$15,035,224, consisting of \$5,856,811 gross unrealized appreciation and \$20,892,035 gross unrealized depreciation.

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REPORT OF INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM

The Board of Trustees and Shareholders of Dreyfus High Yield Strategies Fund

We have audited the accompanying statement of assets and liabilities of Dreyfus High Yield Strategies Fund (the "Fund"), including the statement of investments, as of March 31, 2016, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years in the five-year period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on

these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of March 31, 2016, by correspondence with the custodian and brokers or by other appropriate auditing procedures. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Dreyfus High Yield Strategies Fund as of March 31, 2016, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years in the five-year period then ended, in conformity with U.S. generally accepted accounting principles.

New York, New York
May 26, 2016

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ADDITIONAL INFORMATION (Unaudited)

Dividend Reinvestment Plan

To participate automatically in the Dividend Reinvestment Plan (the “Plan”) of the Dreyfus High Yield Strategies Fund (the “fund”), fund shares must be registered in either your name, or, if your fund shares are held in nominee or “street” name through your broker-dealer, your broker-dealer must be a participant in the Plan. You may terminate your participation in the Plan, as set forth below. All shareholders participating (the “Participants”) in the Plan will be bound by the following provisions:

Computershare Inc. (the “Agent”) will act as Agent for each Participant, and will open an account for each Participant under the Plan in the same name as their present shares are registered, and put into effect for them the dividends reinvestment option of the plan as of the first record date for a dividend or capital gains distribution.

Whenever the fund declares income dividend or capital gains distribution payable in shares of the fund or cash at the option of the shareholders, each Participant that does not opt for cash distributions shall take such distribution entirely in shares. If on the payment date for a dividend or capital gains distribution, the net asset value is equal to or less than the market price per share plus estimated brokerage commissions, the Agent shall automatically receive such shares, including fractions, for each Participant’s account except in the circumstances described in the following paragraph. Except in such circumstances, the number of additional shares to be credited to each Participant’s account shall be determined by dividing the dollar amount of the income dividend or capital gains distribution payable on their shares by the greater of the net asset value per share determined as of the date of purchase or 95% of the then current market price per share of the fund’s shares on the payment date.

Should the net asset value per share of the fund shares exceed the market price per share plus estimated brokerage commissions on the payment date for a share or cash income dividend or capital gains distribution, the Agent or a broker-dealer selected by the Agent shall endeavor, for a purchase period of 30 days to apply the amount of such dividend or capital gains distribution on each Participant's shares (less their pro rata share of brokerage commissions incurred with respect to the Agent's open-market purchases in connection with the reinvestment of such dividend or distribution) to purchase shares of the fund on the open market for each Participant's account. In no event may such purchase be made more than 30 days after the payment date for such dividend or distribution except

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where temporary curtailment or suspension of purchase is necessary to comply with applicable provisions of federal securities laws. If, at the close of business on any day during the purchase period the net asset value per share equals or is less than the market price per share plus estimated brokerage commissions, the Agent will not make any further open-market purchases in connection with the reinvestment of such dividend or distribution. If the Agent is unable to invest the full dividend or distribution amount through open-market purchases during the purchase period, the Agent shall request that, with respect to the uninvested portion of such dividend or distribution amount, the fund issue new shares at the close of business on the earlier of the last day of the purchase period or the first day during the purchase period on which the net asset value per share equals or is less than the market price per share, plus estimated brokerage commissions. These newly issued shares will be valued at the then-current market price per share of the fund's shares at the time such shares are to be issued.

For purposes of making the dividend reinvestment purchase comparison under the Plan, (a) the market price of the fund's shares on a particular date shall be the last sales price on the NYSE on that date, or, if there is no sale on such NYSE on that date, then the mean between the closing bid and asked quotations for such shares on such NYSE on such date and (b) the net asset value per share of the fund's shares on a particular date shall be the net asset value per share most recently calculated by or on behalf of the fund.

Open-market purchases provided for above may be made on any securities exchange where the fund's shares are traded, in the over-the counter market or in negotiated transactions and may be on such terms as to price, delivery and otherwise as the Agent shall determine. Each Participant's uninvested funds held by the Agent will not bear interest, and it is understood that, in any event, the Agent shall have no liability in connection with any inability to purchase shares within 30 days after the initial date of such purchase as herein provided, or with the timing of any purchase effected. The Agent shall have no responsibility as to the value of the fund's shares acquired for each Participant's account. For the purpose of cash investments, the Agent may commingle each Participant's fund with those of other shareholders of the fund for whom the Agent similarly acts as Agent, and the average price (including brokerage commissions) of all shares purchased by the Agent as Agent shall be the price per share allocable to each Participant in connection therewith.

The Agent may hold each Participant's shares acquired pursuant to the Plan together with the shares of other shareholders of the fund acquired

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ADDITIONAL INFORMATION (Unaudited) (continued)

pursuant to the Plan in noncertificated form in the Agent's name or that of the Agent's nominee. The Agent will forward to each Participant any proxy solicitation material; and will vote any shares so held for each Participant first

in accordance with the instructions set forth on proxies returned by the Participant to the fund, and then with respect to any proxies not returned by the participant to the fund in the same portion as the Agent votes proxies returned by the Participants to the fund. Upon a Participant's written request, the Agent will deliver to the Participant, without charge, a certificate or certificates for the full shares.

The Agent will confirm to each Participant each acquisition made for their account as soon as practicable but not later than 60 days after the date thereof. Although each Participant may from time to time have an undivided fractional interest (computed to four decimal places) in a share of the fund, no certificates for a fractional share will be issued. However, dividends and distributions on fractional shares will be credited to each Participant's account. In the event of termination of a Participant's account under the Plan, the Agent will adjust for any such undivided fractional interest in cash at the market value of the fund's shares at the time of termination.

Any share dividends or split shares distributed by the fund on shares held by the Agent for Participants will be credited to their accounts. In the event that the fund makes available to its shareholders rights to purchase additional shares of other securities, the shares held for each Participant under the Plan will be added to other shares held by the Participant in calculating the number of rights to be issued to each Participant.

The Agent's service fee for handling capital gains distributions or income dividends will be paid by the fund. Each Participant will be charged their pro rata share of brokerage commissions on all open market purchases.

Each Participant may terminate their account under the Plan by notifying the Agent in writing. Such termination will be effective immediately if the Participant's notice is received by the Agent not less than ten days prior to any dividend or distribution record date, otherwise such termination will be effective shortly after the investment of such dividend distributions with respect to any subsequent dividend or distribution. The Plan may be terminated by the Agent or the fund upon notice in writing mailed to each Participant at least 90 days prior to any record date for the payment of any dividend or distribution by the fund. Upon any termination, the Agent will cause a certificate or certificates to be issued for the full shares held for each Participant under the Plan and cash adjustment for any fraction to be delivered to them without charge. If a Participant elects by notice to the Agent in writing in advance of such termination to have the Agent sell part

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or all of their shares and remit the proceeds to them, the Agent is authorized to deduct a \$5.00 fee plus brokerage commission for this transaction from the proceeds.

These terms and conditions may be amended or supplemented by the Agent or the fund at any time or times but, except when necessary or appropriate to comply with applicable law or the rules or policies of the SEC or any other regulatory authority, only by mailing to each Participant appropriate written notice at least 30 days prior to the effective date thereof. The amendment or supplement shall be deemed to be accepted by each Participant unless, prior to the effective date thereof, the Agent receives written notice of the termination of their account under the Plan. Any such amendment may include an appointment by the Agent in its place and stead of a successor Agent under these terms and conditions, with full power and authority to perform all or any of the acts to be performed by the Agent under these terms and conditions. Upon any such appointment of any Agent for the purpose of receiving dividends and distributions, the fund will be authorized to pay to such successor Agent, for each Participant's account, all dividends and distributions payable on shares of the fund held in their name or under the Plan for retention or application by such successor Agent as provided in these terms and conditions.

The Agent shall at all times act in good faith and agree to use its best efforts within reasonable limits to insure the accuracy of all services performed under this Agreement and to comply with applicable law, but assumes no

responsibility and shall not be liable for loss or damage due to errors unless such error is caused by the Agent's negligence, bad faith, or willful misconduct or that of its employees.

These terms and conditions shall be governed by the laws of the State of New York.

Supplemental Information

During the period ended March 31, 2016, there were: (i) no material changes in the fund's investment objectives or fundamental investment policies, (ii) no changes in the fund's charter or by-laws that would delay or prevent a change of control of the fund, and (iii) no change in the persons primarily responsible for the day-to-day management of the fund's portfolio.

Shareholders should take note of the following information about certain risks of investing in the fund.

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ADDITIONAL INFORMATION (Unaudited) *(continued)*

High yield securities risk. High yield ("junk") securities involve greater credit risk, including the risk of default, than investment grade securities, and are considered predominantly speculative with respect to the issuer's ability to make principal and interest payments. The prices of high yield securities can fall in response to bad news about the issuer or its industry, or the economy in general, to a greater extent than those of higher rated securities. Securities rated investment grade when purchased by the fund may subsequently be downgraded.

Interest rate risk. Prices of bonds and other fixed-income securities tend to move inversely with changes in interest rates. Typically, a rise in rates will adversely affect fixed-income securities and, accordingly, will cause the value of the fund's investments in these securities to decline. During periods of very low interest rates, which occur from time to time due to market forces or actions of governments and/or their central banks, including the Board of Governors of the Federal Reserve System in the U.S., the fund may be subject to a greater risk of principal decline from rising interest rates. When interest rates fall, the values of already-issued fixed-income securities generally rise. However, when interest rates fall, the fund's investments in new securities may be at lower yields and may reduce the fund's income. The magnitude of these fluctuations in the market price of fixed-income securities is generally greater for securities with longer effective maturities and durations because such instruments do not mature, reset interest rates or become callable for longer periods of time. The change in the value of a fixed-income security or portfolio can be approximated by multiplying its duration by a change in interest rates. For example, the market price of a fixed-income security with a duration of three years would be expected to decline 3% if interest rates rose 1%. Conversely, the market price of the same security would be expected to increase 3% if interest rates fell 1%. Risks associated with rising interest rates are heightened given that interest rates in the United States and other countries are at or near historic lows. Unlike investment grade bonds, however, the prices of high yield bonds may fluctuate unpredictably and not necessarily inversely with changes in interest rates.

Liquidity risk. When there is little or no active trading market for specific types of securities, it can become more difficult to sell the securities in a timely manner at or near their perceived value. In such a market, the value of such securities and the fund's net asset value per share of Common Stock may fall dramatically, even during periods of declining interest rates. The secondary market for certain municipal bonds tends to be less well developed or liquid than many other securities markets, which may adversely affect the fund's ability to sell such municipal bonds at attractive prices. Investments that are illiquid or that trade in lower volumes may be

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more difficult to value. The market for below investment grade securities may be less liquid and therefore these securities may be harder to value or sell at an acceptable price, especially during times of market volatility or decline.

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IMPORTANT TAX INFORMATION (Unaudited)

For federal tax purposes, the fund reports the maximum amount allowable but not less than 74.14% as interest-related dividends in accordance with Section 871(k)(1) and 881(e) of the Internal Revenue Code.

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PROXY RESULTS (Unaudited)

Holders of Beneficial Interest voted on the following proposal presented at the annual shareholders' meeting held on August 6, 2015.

	Shares For	Authority Withheld
To elect two Class I Trustees: †		
Francine J. Bovich	58,332,527	3,571,728
Stephen J. Lockwood	58,466,641	3,437,614

†The terms of these Class I Trustees expire in 2018.

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INFORMATION ABOUT THE RENEWAL OF THE FUND'S MANAGEMENT AGREEMENT (Unaudited)

At a meeting of the fund's Board of Trustees held on February 24-25, 2016, the Board considered the renewal of the fund's Investment Management and Administration Agreement, pursuant to which Dreyfus provides the fund with investment advisory and administrative services (the "Agreement"). The Board members, none of whom are "interested persons" (as defined in the Investment Company Act of 1940, as amended) of the fund, were assisted in their review by independent legal counsel and met with counsel in executive session separate from Dreyfus representatives. In considering the renewal of the Agreement, the Board considered all factors that it believed to be relevant, including those discussed below. The Board did not identify any one factor as dispositive, and each Board member may have attributed different weights to the factors considered.

Analysis of Nature, Extent, and Quality of Services Provided to the Fund. The Board considered information provided to them at the meeting and in previous presentations from Dreyfus representatives regarding the nature, extent, and quality of the services provided to funds in the Dreyfus fund complex. Dreyfus representatives noted that the fund was a closed-end fund without daily inflows and outflows of capital and provided the fund's asset size. Dreyfus also had

previously provided information regarding the diverse intermediary relationships and distribution channels of funds in the Dreyfus fund complex and Dreyfus' corresponding need for broad, deep, and diverse resources to be able to provide ongoing shareholder services to intermediaries and shareholders.

The Board also considered research support available to, and portfolio management capabilities of, the fund's portfolio management personnel and that Dreyfus also provides oversight of day-to-day fund operations, including fund accounting and administration and assistance in meeting legal and regulatory requirements. The Board also considered Dreyfus' extensive administrative, accounting and compliance infrastructures.

Comparative Analysis of the Fund's Performance and Management Fee and Expense Ratio. The Board reviewed reports prepared by Broadridge Financial Solutions, Inc. ("Broadridge"), an independent provider of investment company data, which included information comparing (1) the fund's performance with the performance of a group of comparable funds (the "Performance Group") and with a broader group of funds (the "Performance Universe"), all for various periods ended December 31, 2015, and (2) the fund's actual and contractual management fees and total expenses with those of a group of comparable funds (the "Expense Group") and with a broader group of funds (the "Expense Universe"), the information for which was derived in part from fund financial statements available to Broadridge as of the date of its analysis. Dreyfus previously had furnished the Board with a description of the methodology Broadridge used to select the Performance Group and Performance Universe and the Expense Group and Expense Universe.

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Dreyfus representatives stated that the usefulness of performance comparisons may be affected by a number of factors, including different investment limitations that may be applicable to the fund and comparison funds. The Board discussed the results of the comparisons and noted that the fund's total return performance, on a net asset value basis, was at or above the Performance Group and Performance Universe medians in all periods, except the five-year period when the fund's total return performance was below the Performance Group, and the fund's total return performance, on a market price basis, was above the Performance Group median in most periods, although below the Performance Universe median in most periods. The Board noted that the fund's yield performance, on a net asset value and a market price basis, was at or above the Performance Group and the Performance Universe median for at least six of the one-year periods ended December 31st. Dreyfus also provided a comparison of the fund's calendar year total returns, based on net asset value, to the returns of the fund's benchmark index.

The Board also reviewed the range of actual and contractual management fees and total expenses of the Expense Group and Expense Universe funds and discussed the results of the comparisons. The Board was reminded that the fund's management fee was .75% of the value of the fund's average weekly total assets (minus the sum of accrued liabilities, other than the aggregate indebtedness constituting financial leverage) ("Managed Assets"). The Board noted that the fund's contractual management fee was below the Expense Group median, the fund's actual management fee was below or approximately equal to the Expense Group and Expense Universe medians (based on both common assets and Managed Assets). The Board also noted that the fund's total expense ratio, which was provided by Broadridge and included investment-related expenses such as costs associated with the fund's leverage, was below the Expense Group medians (based on both common assets and Managed Assets) and below and slightly above the Expense Universe medians based on common assets and Managed Assets, respectively.

Dreyfus representatives reviewed with the Board the management or investment advisory fees (1) paid by funds advised or administered by Dreyfus that are in the same Broadridge category as the fund and (2) paid to Dreyfus or the Dreyfus-affiliated primary employer of the fund's primary portfolio manager(s) for advising any separate accounts and/or other types of client portfolios that are considered to have similar investment strategies and policies as the fund (the "Similar Clients"), and explained the nature of the Similar Clients. They discussed differences in fees paid and the

relationship of the fees paid in light of any differences in the services provided and other relevant factors, noting the fund is a closed-end fund. The Board considered the relevance of the fee information provided for the Similar Clients to evaluate the appropriateness and reasonableness of the fund's management fee.

Analysis of Profitability and Economies of Scale. Dreyfus representatives reviewed the expenses allocated and profit received by Dreyfus and its affiliates and the resulting

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INFORMATION ABOUT THE RENEWAL OF THE FUND'S MANAGEMENT AGREEMENT (Unaudited) (continued)

profitability percentage for managing the fund and the aggregate profitability percentage to Dreyfus and its affiliates for managing the funds in the Dreyfus fund complex, and the method used to determine the expenses and profit. The Board concluded that the profitability results were not unreasonable, given the services rendered and service levels provided by Dreyfus. The Board also had been provided with information prepared by an independent consulting firm regarding Dreyfus' approach to allocating costs to, and determining the profitability of, individual funds and the entire Dreyfus fund complex. The consulting firm also had analyzed where any economies of scale might emerge in connection with the management of a fund.

The Board considered, on the advice of its counsel, the profitability analysis as part of its evaluation of whether the fees under the Agreement bear a reasonable relationship to the mix of services provided by Dreyfus, including the nature, extent and quality of such services. It was noted that, because the fund is a closed-end fund without daily inflows and outflows of capital, there were not at this time significant economies of scale to be realized by Dreyfus in managing the fund's assets. Dreyfus representatives also noted that, as a result of shared and allocated costs among funds in the Dreyfus fund complex, the extent of economies of scale could depend substantially on the level of assets in the complex as a whole, so that increases and decreases in complex-wide assets can affect potential economies of scale in a manner that is disproportionate to, or even in the opposite direction from, changes in the fund's asset level. The Board also considered potential benefits to Dreyfus from acting as investment adviser and noted that there were no soft dollar arrangements in effect for trading the fund's investments.

At the conclusion of these discussions, the Board agreed that it had been furnished with sufficient information to make an informed business decision with respect to the renewal of the Agreement. Based on the discussions and considerations as described above, the Board concluded and determined as follows.

- The Board concluded that the nature, extent and quality of the services provided by Dreyfus are adequate and appropriate.
- The Board was satisfied with the fund's overall performance.
- The Board concluded that the fee paid to Dreyfus was reasonable in light of the considerations described above.
- The Board determined that the economies of scale which may accrue to Dreyfus and its affiliates in connection with the management of the fund had been adequately considered by Dreyfus in connection with the fee rate charged to the fund pursuant to the Agreement and that, to the extent in the future it were determined that material economies of scale had not been shared with the fund, the Board would seek to have those economies of scale shared with the fund.

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In evaluating the Agreement, the Board considered these conclusions and determinations and also relied on its previous knowledge, gained through meetings and other interactions with Dreyfus and its affiliates, of the fund and the services provided to the fund by Dreyfus. The Board also relied on information received on a routine and regular basis throughout the year relating to the operations of the fund and the investment management and other services provided under the Agreement, including information on the investment performance of the fund in comparison to similar funds and benchmark performance indices; general market outlook as applicable to the fund; and compliance reports. In addition, the Board's consideration of the contractual fee arrangements for this fund had the benefit of a number of years of reviews of prior or similar agreements during which lengthy discussions took place between the Board and Dreyfus representatives. Certain aspects of the arrangements may receive greater scrutiny in some years than in others, and the Board's conclusions may be based, in part, on their consideration of the same or similar arrangements in prior years. The Board determined to renew the Agreement.

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BOARD MEMBERS INFORMATION (Unaudited)

INDEPENDENT BOARD MEMBERS

Joseph S. DiMartino (72)

Chairman of the Board (1995)

Current term expires in 2017

Principal Occupation During Past 5 Years:

- Corporate Director and Trustee (1995-present)

Other Public Company Board Memberships During Past 5 Years:

- CBIZ (formerly, Century Business Services, Inc.), a provider of outsourcing functions for small and medium size companies, Director (1997-present)

No. of Portfolios for which Board Member Serves: 137

Francine J. Bovich (64)

Board Member (2011)

Current term expires in 2018

Principal Occupation During Past 5 Years:

- Trustee, The Bradley Trusts, private trust funds (2011-present)

Other Public Company Board Memberships During Past 5 Years:

- Annaly Capital Management, Inc., Board Member (May 2014-present)

No. of Portfolios for which Board Member Serves: 78

Kenneth A. Himmel (69)

Board Member (1998)

Current term expires in 2017

Principal Occupation During Past 5 Years:

- Managing Partner, Gulf Related, an international real estate development company (2010-present)
- President and CEO, Related Urban Development, a real estate development company (1996-present)
- President and CEO, Himmel & Company, a real estate development company (1980-present)
- CEO, American Food Management, a restaurant company (1983-present)

No. of Portfolios for which Board Member Serves: 28

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Stephen J. Lockwood (68)

Board Member (1998)

Current term expires in 2018

Principal Occupation During Past 5 Years:

- Chairman of the Board, Stephen J. Lockwood and Company LLC, a real estate investment company (2000-present)

No. of Portfolios for which Board Member Serves: 28

Roslyn M. Watson (66)

Board Member (1998)

Current term expires in 2016

Principal Occupation During Past 5 Years:

- Principal, Watson Ventures, Inc., a real estate investment company (1993-present)

No. of Portfolios for which Board Member Serves: 64

Benaree Pratt Wiley (69)

Board Member (1998)

Current term expires in 2016

Principal Occupation During Past 5 Years:

- Principal, The Wiley Group, a firm specializing in strategy and business development (2005-present)

Other Public Company Board Memberships During Past 5 Years:

- CBIZ (formerly, Century Business Services, Inc.), a provider of outsourcing functions for small and medium size companies, Director (2008-present)

No. of Portfolios for which Board Member Serves: 88

The address of the Board Members and Officers is c/o The Dreyfus Corporation, 200 Park Avenue, New York, New York 10166.

James M. Fitzgibbons, Emeritus Board Member

J. Tomlinson Fort, Emeritus Board Member

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OFFICERS OF THE FUND (Unaudited)

BRADLEY J. SKAPYAK, President since January 2010.

Chief Operating Officer and a director of the Manager since June 2009, Chairman of Dreyfus Transfer, Inc., an affiliate of the Manager and the transfer agent of the funds, since May 2011 and Executive Vice President of the Distributor since June 2007. From April 2003 to June 2009, Mr. Skapyak was the head of the Investment Accounting and Support Department of the Manager. He is an officer of 65 investment companies (comprised of 137 portfolios) managed by the Manager. He is 57 years old and has been an employee of the Manager since February 1988.

BENNETT A. MACDOUGALL, Chief Legal Officer since October 2015.