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Neuberger Berman High Yield Strategies Fund Inc.

Form N-CSRS

July 06, 2017

As filed with the Securities and Exchange Commission on July 6, 2017

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: 811-22396

NEUBERGER BERMAN HIGH YIELD STRATEGIES FUND INC.

(Exact Name of Registrant as specified in charter)

c/o Neuberger Berman Investment Advisers LLC

1290 Avenue of the Americas

New York, New York 10104-0002

(Address of Principal Executive Offices – Zip Code)

Registrant's telephone number, including area code: (212) 476-8800

Robert Conti

Chief Executive Officer and President

Neuberger Berman High Yield Strategies Fund Inc.

c/o Neuberger Berman Investment Advisers LLC

1290 Avenue of the Americas

New York, New York 10104-0002

Arthur C. Delibert, Esq.

K&L Gates LLP

1601 K Street, N.W.

Washington, D.C. 20006-1600

(Names and Addresses of agents for service)

Date of fiscal year end: October 31

Date of reporting period: April 30, 2017

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940, as amended ("Act") (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the

burden to the

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Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

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Item 1. Report to Stockholders.

Following is a copy of the semi-annual report transmitted to stockholders pursuant to Rule 30e-1 under the Act.

Neuberger Berman  
High Yield Strategies  
Fund Inc.



Semi-Annual Report

April 30, 2017



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President's Letter

Dear Stockholder,

I am pleased to present the annual report for Neuberger Berman High Yield Strategies Fund Inc. (the "Fund") for the six months ended April 30, 2017. The report includes a portfolio commentary, a listing of the Fund's investments and its unaudited financial statements for the reporting period.

The Fund seeks high total return (income plus capital appreciation). To pursue that objective, we have assembled a portfolio that consists primarily of high yield debt securities.

On March 31, 2017, the Fund announced a decrease in its monthly distribution rate to \$0.0725 per share of common stock from the prior monthly distribution rate of \$0.08 per share. The Fund's decrease in distribution rate was the result of numerous factors, including the decline in the absolute level of yields available in the high yield market, the degree of credit spread tightening that had occurred in the high yield market, the increase in the Fund's cost of leverage and the resultant overall reduction in the level of income generated by the Fund relative to its current distribution amount.

Thank you for your confidence in the Fund. We will do our best to continue earning your trust in the years to come.

Sincerely,

Robert Conti  
President and CEO  
Neuberger Berman High Yield Strategies Fund Inc.

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Neuberger Berman High Yield Strategies Fund Inc.

Portfolio Commentary

Neuberger Berman High Yield Strategies Fund Inc. generated a 6.76% total return on a net asset value (NAV) basis for the six months ended April 30, 2017 and outperformed its benchmark, the BofA Merrill Lynch U.S. High Yield Master II Constrained Index, which provided a 5.49% return for the same period. (Fund performance on a market basis is provided in the table immediately following this letter.) The use of leverage (typically a performance enhancer in up markets and a detractor during market retreats) contributed to performance during the reporting period.

Despite periods of volatility, the high yield market generated solid results during the reporting period. After a weak start in November 2016, the high yield market rallied over the next three months, as investor demand was strong, oil prices stabilized and there were expectations for improving economic growth under the Trump administration. After a modest setback in March 2017, the market ended the reporting period on a positive note as first quarter profit results were generally better than anticipated. Within the benchmark, securities rated CCC or lower (relatively low ratings) and securities rated BB (a higher rating) returned 10.14% and 3.87%, respectively.<sup>1</sup>

From a sector perspective, security selection within health care, support services and diversified financial services detracted the most from performance. In contrast, security selection within gaming and telecommunications, as well as an underweight to super retail (non-food & drug retailers), contributed the most to performance.

In terms of the Fund's quality biases, security selection within BB and B rated securities was negative for performance, as was our underweight to CCC rated securities.

We made several adjustments to the portfolio during the reporting period. The Fund's allocation to BBB and BB rated securities was reduced. We increased our allocation to B rated bonds, reducing our underweight to about 1% from 5%. From a sector perspective, the Fund slightly increased its allocation to higher quality energy and metals/mining securities, while reducing its health care exposure.

The Fund's use of swap contracts contributed to performance during the reporting period.

We continue to believe that the high yield market is compensating investors for default risk. While U.S. economic activity decelerated during the first quarter of 2017, we anticipate continued, albeit relatively modest, growth as the year progresses. Turning to the U.S. Federal Reserve, while it raised rates in December 2016 and March 2017, we believe it will take a measured approach in terms of further rate hikes. In our view, high yield defaults peaked in 2016 and will remain below historical averages (approximately 3.1% according to JPMorgan) in 2017 if, as we expect, U.S. economic growth improves. Finally, we feel there could be periods of increased volatility as the year progresses, possibly driven by uncertainties regarding future fiscal and monetary policy, global economic growth and geopolitical developments.

Sincerely,

Thomas P. O'Reilly, Russ Covode, Daniel Doyle and Patrick Flynn  
Portfolio Co-Managers

The portfolio composition, industries and holdings of the Fund are subject to change without notice.

The opinions expressed are those of the Fund's portfolio managers. The opinions are as of the date of this report and are subject to change without notice.

The value of securities owned by the Fund, as well as the market value of shares of the Fund's common stock, may decline in response to certain events, including those directly involving the issuers whose securities are owned by the Fund; conditions affecting the general economy; overall market changes; local, regional, national or global political, social or economic instability; regulatory or legislative developments; price, currency and interest rate fluctuations, including those resulting from changes in central bank policies; and changes in investor sentiment.

<sup>1</sup> The performance of certain rated bonds within the benchmark, as noted above, represent issues that are rated Ba1/BB+ through Ba3/BB- and CCC+/Caa1 or lower, based on an average of Moody's, S&P and Fitch, as calculated by BofA Merrill Lynch.

High Yield Strategies Fund NHS

# **PORTFOLIO BY MATURITY DISTRIBUTION**

(as a % of Total Investments\*)

|                             |        |
|-----------------------------|--------|
| Less than One Year          | 2.9%   |
| One to less than Five Years | 30.5   |
| Five to less than Ten Years | 59.3   |
| Ten Years or Greater        | 7.3    |
| Total                       | 100.0% |

\* Does not include Short-Term Investments or the impact of the Fund's open positions in derivatives, if any.

|                                                                                   | Inception<br>Date | Six Month<br>Period Ended<br>04/30/2017 | Average Annual Total Return<br>Ended 04/30/2017 |         |          |              |
|-----------------------------------------------------------------------------------|-------------------|-----------------------------------------|-------------------------------------------------|---------|----------|--------------|
|                                                                                   |                   |                                         | 1 Year                                          | 5 Years | 10 Years | Life of Fund |
| At NAV <sup>2</sup>                                                               | 07/28/2003        | 6.76%                                   | 17.42%                                          | 8.51%   | 9.07%    | 10.07%       |
| At Market Price <sup>3</sup>                                                      | 07/28/2003        | 8.00%                                   | 20.53%                                          | 5.25%   | 7.91%    | 8.82%        |
| Index                                                                             |                   |                                         |                                                 |         |          |              |
| BofA Merrill Lynch U.S.<br>High Yield Master II<br>Constrained Index <sup>4</sup> |                   | 5.49%                                   | 13.65%                                          | 6.87%   | 7.41%    | 8.10%        |

Closed-end funds, unlike open-end funds, are not continually offered. Generally, there is an initial public offering and, once issued, shares of common stock of closed-end funds are sold in the secondary market on a stock exchange.

The performance data quoted represent past performance and do not indicate future results. Current performance may be lower or higher than the performance data quoted. For more current performance data, please visit [www.nb.com/cef-performance](http://www.nb.com/cef-performance).

**The results shown in the table reflect the reinvestment of income dividends and other distributions, if any.** The results do not reflect the effect of taxes a stockholder would pay on Fund distributions or on the sale of shares of the Fund's common stock.

The investment return and market price will fluctuate and shares of the Fund's common stock may trade at prices above or below NAV. Shares of the Fund's common stock, when sold, may be worth more or less than their original cost.

Returns would have been lower if Neuberger Berman Investment Advisers LLC ("Management") had not waived certain expenses during certain of the periods shown. Please see the Notes to Financial Highlights for additional information regarding fee waivers.



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Endnotes

- 1** The performance information for periods prior to August 6, 2010 is that of Neuberger Berman High Yield Strategies Fund, a predecessor to the Fund.
- 2** Returns based on the NAV of the Fund.
- 3** Returns based on the market price of shares of the Fund's common stock on the NYSE MKT.
- 4** Please see "Description of Index" on page 5 for a description of the index.  
For more complete information on Neuberger Berman High Yield Strategies Fund Inc., call Neuberger Berman Investment Advisers LLC at (800) 877-9700, or visit our website at [www.nb.com](http://www.nb.com).

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Description of Index

BofA Merrill Lynch  
U.S. High Yield Master II  
Constrained Index:

The index tracks the performance of U.S. dollar-denominated, below investment grade corporate debt publicly issued in the U.S. domestic market. In addition to meeting other criteria, qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch ratings), and have risk exposure to countries that are members of the FX-G10, Western Europe or territories of the U.S. and Western Europe. Securities in legal default are excluded from the index. Index constituents are capitalization-weighted, provided the total allocation to an individual issuer does not exceed 2%.

Please note that the index does not take into account any fees and expenses or any tax consequences of investing in the individual securities that it tracks and that individuals cannot invest directly in any index. Data about the performance of this index are prepared or obtained by Management and include reinvestment of all income dividends and other distributions, if any. The Fund may invest in securities not included in the above described index and generally does not invest in all securities included in the index.

Schedule of Investments High Yield Strategies Fund Inc.  
(Unaudited) April 30, 2017

| PRINCIPAL AMOUNT                              |                                                                                      | VALUE            |
|-----------------------------------------------|--------------------------------------------------------------------------------------|------------------|
| <b>Loan Assignments<sup>(a)</sup> 8.9%</b>    |                                                                                      |                  |
| <b>All Telecom 0.6%</b>                       |                                                                                      |                  |
| \$ 405,000                                    | Level 3 Financing, Inc., First Lien Term Loan B, 3.24%, due 2/22/24                  | \$ 406,158       |
|                                               | Syniverse Technologies                                                               |                  |
| 594,278                                       | First Lien Term Loan, 4.15%, due 4/23/19                                             | 543,206          |
| 677,582                                       | First Lien Term Loan, 4.15%, due 4/23/19                                             | 621,682          |
|                                               |                                                                                      | <b>1,571,046</b> |
| <b>Business Equipment &amp; Services 1.7%</b> |                                                                                      |                  |
| 1,834,866                                     | Advantage Sales and Marketing, Second Lien Term Loan, 7.50%, due 7/25/22             | 1,745,875        |
| 1,212,839                                     | First Data Corporation, First Lien Term Loan, 3.99%, due 7/10/22                     | 1,219,207        |
| 804,860                                       | Presidio, First Lien Term Loan, 4.40%, due 2/2/22                                    | 813,665          |
| 773,063                                       | Servicemaster Company, First Lien Term Loan B, 3.48%, due 11/8/23                    | 781,280          |
|                                               |                                                                                      | <b>4,560,027</b> |
| <b>Cable &amp; Satellite Television 0.2%</b>  |                                                                                      |                  |
| 448,662                                       | Cablevision Systems Corp., First Lien Term Loan B, 3.24%, due 7/17/25                | 448,262          |
| <b>Conglomerates 0.2%</b>                     |                                                                                      |                  |
| 540,000                                       | Harland Clark Holdings Corp., First Lien Term Loan B6, 6.65%, due 2/3/22             | 540,675          |
| <b>Containers &amp; Glass Products 0.6%</b>   |                                                                                      |                  |
| 1,585,629                                     | Reynolds Group, First Lien Term Loan, 3.99%, due 2/5/23                              | 1,593,462        |
| <b>Drugs 0.1%</b>                             |                                                                                      |                  |
| 411,467                                       | Pharmaceutical Product Development, Inc., First Lien Term Loan B, 4.33%, due 8/18/22 | 413,524          |
| <b>Electronics - Electrical 0.2%</b>          |                                                                                      |                  |
| 577,988                                       | Rackspace Hosting Inc., First Lien Term Loan B, 4.53%, due 11/3/23                   | 581,964          |
| <b>Equipment Leasing 0.4%</b>                 |                                                                                      |                  |
| 975,000                                       | Avolon, First Lien Term Loan B2, 3.74%, due 3/20/22                                  | 989,196          |
| <b>Food &amp; Drug Retailers 0.2%</b>         |                                                                                      |                  |
| 599,662                                       | General Nutrition Centers, First Lien Term Loan, 3.50%, due 3/4/19                   | 551,942          |
| <b>Health Care 0.9%</b>                       |                                                                                      |                  |
| 733,163                                       | Envision Healthcare, First Lien Term Loan B, 4.15%, due 12/1/23                      | 739,944          |
| 401,779                                       | Multiplan, Inc., First Lien Term Loan B, 4.90%, due 6/7/23                           | 406,874          |
| 1,140,000                                     | Team Health, Inc., First Lien Term Loan B, 3.75%, due 2/6/24                         | 1,129,318        |
|                                               |                                                                                      | <b>2,276,136</b> |

**Leisure Goods - Activities - Movies 0.2%**

462,455 Match Group Inc., First Lien Term Loan B, 4.28%, due 11/16/22

**467,658**

See Notes to Financial Statements 6

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Schedule of Investments High Yield Strategies Fund Inc.  
(Unaudited) (cont'd)

| PRINCIPAL AMOUNT                                  |                                                                            | VALUE                       |
|---------------------------------------------------|----------------------------------------------------------------------------|-----------------------------|
| <b>Lodging &amp; Casinos 2.0%</b>                 |                                                                            |                             |
| \$2,540,000                                       | Cowlitz Tribal Gaming, First Lien Term Loan B, 11.50%, due 12/6/21         | \$ 2,794,000 <sup>(b)</sup> |
| 621,879                                           | Extended Stay, First Lien Term Loan B, 3.49%, due 8/30/23                  | 624,727                     |
| 849,600                                           | Hilton Worldwide, First Lien Term Loan B2, 2.99%, due 10/25/23             | 856,549                     |
| 425,700                                           | MGM Growth Properties, First Lien Term Loan B, 3.49%, due 4/25/23          | 426,462                     |
| 631,541                                           | MTR Gaming Group, First Lien Term Loan B, 6.25%, due 7/23/22               | 628,781                     |
|                                                   |                                                                            | <b>5,330,519</b>            |
| <b>Radio &amp; Television 0.4%</b>                |                                                                            |                             |
| 305,350                                           | Sinclair Broadcasting, First Lien Term Loan B2, 3.25%, due 1/3/24          | 305,732                     |
| 770,871                                           | Univision Communications Inc., First Lien Term Loan C5, 3.75%, due 3/15/24 | 765,452                     |
|                                                   |                                                                            | <b>1,071,184</b>            |
| <b>Retailers (except food &amp; drug) 0.8%</b>    |                                                                            |                             |
|                                                   | Bass Pro Shops                                                             |                             |
| 403,014                                           | First Lien Term Loan B1, 4.24%, due 6/5/20                                 | 402,175                     |
| 853,636                                           | First Lien Term Loan B, 6.15%, due 12/16/23                                | 830,639                     |
| 785,000                                           | BJS Wholesale Club Inc., First Lien Term Loan B, 4.75%, due 1/27/24        | 781,405 <sup>(c)(d)</sup>   |
|                                                   |                                                                            | <b>2,014,219</b>            |
| <b>Utilities 0.4%</b>                             |                                                                            |                             |
| 771,404                                           | Calpine Corp., First Lien Term Loan B6, 3.90%, due 1/15/23                 | 773,818                     |
| 254,363                                           | Texas Competitive, First Lien Term Loan B2, 4.25%, due 8/4/24              | 255,159                     |
|                                                   |                                                                            | <b>1,028,977</b>            |
| <b>Total Loan Assignments (Cost \$23,104,858)</b> |                                                                            | <b>23,438,791</b>           |
| <b>Corporate Bonds 133.8%</b>                     |                                                                            |                             |
| <b>Advertising 1.7%</b>                           |                                                                            |                             |
| 290,000                                           | Lamar Media Corp., 5.75%, due 2/1/26                                       | 315,737                     |
| 940,000                                           | MDC Partners, Inc., 6.50%, due 5/1/24                                      | 916,500 <sup>(e)</sup>      |
| 3,010,000                                         | Nielsen Finance LLC, 5.00%, due 4/15/22                                    | 3,098,419 <sup>(e)</sup>    |
|                                                   |                                                                            | <b>4,330,656</b>            |
| <b>Auto Parts &amp; Equipment 0.4%</b>            |                                                                            |                             |
| 585,000                                           | IHO Verwaltungs GmbH, 4.50% Cash/5.25% PIK, due 9/15/23                    | 584,269 <sup>(e)(f)</sup>   |
| 540,000                                           | ZF N.A. Capital, Inc., 4.00%, due 4/29/20                                  | 562,275 <sup>(e)</sup>      |
|                                                   |                                                                            | <b>1,146,544</b>            |
| <b>Banking 4.0%</b>                               |                                                                            |                             |
|                                                   | Ally Financial, Inc.                                                       |                             |
| 1,530,000                                         | 3.60%, due 5/21/18                                                         | 1,549,278                   |
| 3,115,000                                         | 8.00%, due 3/15/20                                                         | 3,516,056 <sup>(g)</sup>    |

See Notes to Financial Statements 7

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Schedule of Investments High Yield Strategies Fund Inc.  
(Unaudited) (cont'd)

| PRINCIPAL AMOUNT                                   |                                                                                        | VALUE                    |
|----------------------------------------------------|----------------------------------------------------------------------------------------|--------------------------|
| <b>CIT Group, Inc.</b>                             |                                                                                        |                          |
| \$ 795,000                                         | 5.25%, due 3/15/18                                                                     | \$ 820,281               |
| 1,830,000                                          | 6.63%, due 4/1/18                                                                      | 1,913,265 <sup>(e)</sup> |
| 2,645,000                                          | 5.00%, due 5/15/18                                                                     | 2,660,605 <sup>(e)</sup> |
| 122,000                                            | 5.50%, due 2/15/19                                                                     | 128,863 <sup>(e)</sup>   |
|                                                    |                                                                                        | <b>10,588,348</b>        |
| <b>Building &amp; Construction 2.4%</b>            |                                                                                        |                          |
| 445,000                                            | CalAtlantic Group, Inc., 5.25%, due 6/1/26                                             | 454,456                  |
| <b>Lennar Corp.</b>                                |                                                                                        |                          |
| 1,140,000                                          | 4.75%, due 12/15/17                                                                    | 1,149,975                |
| 1,415,000                                          | 4.75%, due 11/15/22                                                                    | 1,469,831                |
| 275,000                                            | 4.88%, due 12/15/23                                                                    | 284,625                  |
| 445,000                                            | Meritage Homes Corp., 6.00%, due 6/1/25                                                | 474,148                  |
| 570,000                                            | Ryland Group, Inc., 5.38%, due 10/1/22                                                 | 608,475                  |
| 490,000                                            | Standard Pacific Corp., 8.38%, due 1/15/21                                             | 575,750                  |
| 735,000                                            | Taylor Morrison Communities, Inc./Taylor Morrison Holdings II, Inc., 5.63%, due 3/1/24 | 777,263 <sup>(e)</sup>   |
| <b>Toll Brothers Finance Corp.</b>                 |                                                                                        |                          |
| 260,000                                            | 4.00%, due 12/31/18                                                                    | 267,150                  |
| 290,000                                            | 4.38%, due 4/15/23                                                                     | 296,525                  |
|                                                    |                                                                                        | <b>6,358,198</b>         |
| <b>Building Materials 1.8%</b>                     |                                                                                        |                          |
| 340,000                                            | Allegion PLC, 5.88%, due 9/15/23                                                       | 362,950                  |
| <b>HD Supply, Inc.</b>                             |                                                                                        |                          |
| 1,325,000                                          | 5.25%, due 12/15/21                                                                    | 1,397,875 <sup>(e)</sup> |
| 440,000                                            | 5.75%, due 4/15/24                                                                     | 467,500 <sup>(e)</sup>   |
| <b>USG Corp.</b>                                   |                                                                                        |                          |
| 1,990,000                                          | 8.25%, due 1/15/18                                                                     | 2,087,013                |
| 435,000                                            | 5.50%, due 3/1/25                                                                      | 456,750 <sup>(e)</sup>   |
|                                                    |                                                                                        | <b>4,772,088</b>         |
| <b>Cable &amp; Satellite Television 11.5%</b>      |                                                                                        |                          |
| <b>Altice Luxembourg SA</b>                        |                                                                                        |                          |
| 1,155,000                                          | 7.75%, due 5/15/22                                                                     | 1,227,187 <sup>(e)</sup> |
| 810,000                                            | 7.63%, due 2/15/25                                                                     | 864,675 <sup>(e)</sup>   |
| 700,000                                            | Altice US Finance I Corp., 5.50%, due 5/15/26                                          | 723,625 <sup>(e)</sup>   |
| <b>CCO Holdings LLC/CCO Holdings Capital Corp.</b> |                                                                                        |                          |
| 1,460,000                                          | 5.25%, due 9/30/22                                                                     | 1,514,750                |
| 1,480,000                                          | 5.13%, due 5/1/23                                                                      | 1,544,750 <sup>(e)</sup> |
| 1,850,000                                          | 5.75%, due 2/15/26                                                                     | 1,965,033 <sup>(e)</sup> |
| 350,000                                            | 5.13%, due 5/1/27                                                                      | 357,000 <sup>(e)</sup>   |
| 1,080,000                                          | 5.88%, due 5/1/27                                                                      | 1,148,850 <sup>(e)</sup> |

|           |                                                           |                          |
|-----------|-----------------------------------------------------------|--------------------------|
|           | Cequel Communications Holdings I LLC/Cequel Capital Corp. |                          |
| 841,000   | 6.38%, due 9/15/20                                        | 866,760 <sub>(e)</sub>   |
| 1,614,000 | 5.13%, due 12/15/21                                       | 1,650,315 <sub>(e)</sub> |

See Notes to Financial Statements 8

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Schedule of Investments High Yield Strategies Fund Inc.  
(Unaudited) (cont'd)

| PRINCIPAL AMOUNT                                  |                                                                          | VALUE                       |
|---------------------------------------------------|--------------------------------------------------------------------------|-----------------------------|
|                                                   | CSC Holdings LLC                                                         |                             |
| \$2,215,000                                       | 10.88%, due 10/15/25                                                     | \$ 2,660,769 <sup>(e)</sup> |
| 385,000                                           | 5.50%, due 4/15/27                                                       | 397,994 <sup>(e)</sup>      |
| 845,000                                           | CSC Holdings, Inc., 7.63%, due 7/15/18                                   | 894,644                     |
|                                                   | DISH DBS Corp.                                                           |                             |
| 705,000                                           | 6.75%, due 6/1/21                                                        | 766,688                     |
| 1,475,000                                         | 5.88%, due 11/15/24                                                      | 1,546,906                   |
| 530,000                                           | 7.75%, due 7/1/26                                                        | 620,763                     |
|                                                   | Numericable-SFR SA                                                       |                             |
| 4,160,000                                         | 6.00%, due 5/15/22                                                       | 4,336,800 <sup>(e)</sup>    |
| 2,435,000                                         | 7.38%, due 5/1/26                                                        | 2,562,837 <sup>(e)</sup>    |
| 380,000                                           | UPCB Finance IV Ltd., 5.38%, due 1/15/25                                 | 386,650 <sup>(e)</sup>      |
| 1,270,000                                         | Virgin Media Secured Finance PLC, 5.50%, due 8/15/26                     | 1,296,987 <sup>(e)</sup>    |
| 1,380,000                                         | WideOpenWest Finance LLC/WideOpenWest Capital Corp., 10.25%, due 7/15/19 | 1,436,925                   |
| 1,425,000                                         | Ziggo Secured Finance B.V., 5.50%, due 1/15/27                           | 1,464,187 <sup>(e)</sup>    |
|                                                   |                                                                          | <b>30,235,095</b>           |
| <b>Chemicals 0.9%</b>                             |                                                                          |                             |
| 495,000                                           | CF Industries, Inc., 5.38%, due 3/15/44                                  | 431,269                     |
|                                                   | Momentive Performance Materials, Inc.                                    |                             |
| 420,000                                           | 8.88%, due 10/15/20                                                      | 42 <sup>(b)(h)(i)</sup>     |
| 420,000                                           | 3.88%, due 10/24/21                                                      | 417,375                     |
| 1,100,000                                         | NOVA Chemicals Corp., 5.00%, due 5/1/25                                  | 1,126,125 <sup>(e)</sup>    |
|                                                   | WR Grace & Co-Conn                                                       |                             |
| 180,000                                           | 5.13%, due 10/1/21                                                       | 193,275 <sup>(e)</sup>      |
| 180,000                                           | 5.63%, due 10/1/24                                                       | 195,300 <sup>(e)</sup>      |
|                                                   |                                                                          | <b>2,363,386</b>            |
| <b>Consumer - Commercial Lease Financing 3.7%</b> |                                                                          |                             |
|                                                   | Aircastle Ltd.                                                           |                             |
| 150,000                                           | 4.63%, due 12/15/18                                                      | 155,438                     |
| 705,000                                           | 6.25%, due 12/1/19                                                       | 764,572                     |
| 740,000                                           | 5.13%, due 3/15/21                                                       | 789,025                     |
| 340,000                                           | 5.50%, due 2/15/22                                                       | 368,186                     |
| 430,000                                           | 5.00%, due 4/1/23                                                        | 459,025                     |
|                                                   | Navient Corp.                                                            |                             |
| 300,000                                           | 5.50%, due 1/15/19                                                       | 311,625                     |
| 2,635,000                                         | 4.88%, due 6/17/19                                                       | 2,720,374 <sup>(g)</sup>    |
|                                                   | Park Aerospace Holdings Ltd.                                             |                             |
| 1,925,000                                         | 5.25%, due 8/15/22                                                       | 2,033,281 <sup>(e)</sup>    |
| 1,930,000                                         | 5.50%, due 2/15/24                                                       | 2,040,975 <sup>(e)</sup>    |
|                                                   |                                                                          | <b>9,642,501</b>            |

**Discount Stores 0.5%**

1,320,000 Dollar Tree, Inc., 5.75%, due 3/1/23

**1,400,520**

See Notes to Financial Statements 9

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Schedule of Investments High Yield Strategies Fund Inc.  
(Unaudited) (cont'd)

| PRINCIPAL AMOUNT                                   |                                                                           | VALUE                       |
|----------------------------------------------------|---------------------------------------------------------------------------|-----------------------------|
| <b>Electric - Generation 4.3%</b>                  |                                                                           |                             |
| Calpine Corp.                                      |                                                                           |                             |
| \$1,370,000                                        | 6.00%, due 1/15/22                                                        | \$ 1,431,650 <sup>(e)</sup> |
| 1,915,000                                          | 5.38%, due 1/15/23                                                        | 1,886,275                   |
| Dynergy, Inc.                                      |                                                                           |                             |
| 625,000                                            | 5.88%, due 6/1/23                                                         | 551,562                     |
| 680,000                                            | 7.63%, due 11/1/24                                                        | 622,200                     |
| NRG Energy, Inc.                                   |                                                                           |                             |
| 1,490,000                                          | 6.25%, due 7/15/22                                                        | 1,518,027                   |
| 1,135,000                                          | 6.63%, due 3/15/23                                                        | 1,152,025                   |
| 1,850,000                                          | 7.25%, due 5/15/26                                                        | 1,891,625                   |
| 2,340,000                                          | 6.63%, due 1/15/27                                                        | 2,316,600                   |
|                                                    |                                                                           | <b>11,369,964</b>           |
| <b>Electric - Integrated 1.2%</b>                  |                                                                           |                             |
| 495,000                                            | IPALCO Enterprises, Inc., 5.00%, due 5/1/18                               | 508,613                     |
| 2,750,000                                          | PPL Energy Supply LLC, 4.60%, due 12/15/21                                | 2,131,250                   |
| 615,000                                            | Talen Energy Supply LLC, 6.50%, due 6/1/25                                | 488,925                     |
|                                                    |                                                                           | <b>3,128,788</b>            |
| <b>Electronics 1.9%</b>                            |                                                                           |                             |
| 1,275,000                                          | Amkor Technology, Inc., 6.38%, due 10/1/22                                | 1,329,187                   |
| 425,000                                            | Flextronics Int'l Ltd., 5.00%, due 2/15/23                                | 458,340                     |
| Micron Technology, Inc.                            |                                                                           |                             |
| 435,000                                            | 5.25%, due 8/1/23                                                         | 450,225 <sup>(e)</sup>      |
| 440,000                                            | 5.50%, due 2/1/25                                                         | 459,800                     |
| 385,000                                            | 5.63%, due 1/15/26                                                        | 407,138 <sup>(e)</sup>      |
| 670,000                                            | NXP BV/NXP Funding LLC, 4.13%, due 6/1/21                                 | 700,988 <sup>(e)</sup>      |
| 675,000                                            | Sensata Technologies UK Financing Co. PLC, 6.25%, due 2/15/26             | 730,687 <sup>(e)</sup>      |
| 455,000                                            | Zebra Technologies Corp., 7.25%, due 10/15/22                             | 491,969                     |
|                                                    |                                                                           | <b>5,028,334</b>            |
| <b>Energy - Exploration &amp; Production 13.1%</b> |                                                                           |                             |
| Antero Resources Corp.                             |                                                                           |                             |
| 745,000                                            | 5.38%, due 11/1/21                                                        | 769,213                     |
| 1,275,000                                          | 5.13%, due 12/1/22                                                        | 1,294,125                   |
| 710,000                                            | Ascent Resources Utica Holdings LLC/ARU Finance Corp., 10.00%, due 4/1/22 | 732,188 <sup>(e)</sup>      |
| Bill Barrett Corp.                                 |                                                                           |                             |
| 1,788,000                                          | 7.00%, due 10/15/22                                                       | 1,707,540                   |
| 920,000                                            | 8.75%, due 6/15/25                                                        | 921,150 <sup>(e)</sup>      |
| Chesapeake Energy Corp.                            |                                                                           |                             |
| 865,000                                            | 6.13%, due 2/15/21                                                        | 849,862                     |
| 1,600,000                                          | 5.38%, due 6/15/21                                                        | 1,512,000                   |

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|           |                                           |                          |
|-----------|-------------------------------------------|--------------------------|
| 365,000   | 5.75%, due 3/15/23                        | 339,450                  |
| 2,150,000 | 5.50%, due 9/15/26                        | 2,115,062 <sub>(e)</sub> |
| 635,000   | Concho Resources, Inc., 5.50%, due 4/1/23 | 658,416                  |

See Notes to Financial Statements 10

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Schedule of Investments High Yield Strategies Fund Inc.  
(Unaudited) (cont'd)

| PRINCIPAL AMOUNT                                                               |                                                                                | VALUE                    |
|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------|
| <b>Continental Resources, Inc.</b>                                             |                                                                                |                          |
| \$ 520,000                                                                     | 4.50%, due 4/15/23                                                             | \$ 512,200               |
| 945,000                                                                        | 3.80%, due 6/1/24                                                              | 888,300                  |
| 440,000                                                                        | 4.90%, due 6/1/44                                                              | 381,700                  |
| <b>EP Energy LLC/Everest Acquisition Finance, Inc.</b>                         |                                                                                |                          |
| 3,751,000                                                                      | 9.38%, due 5/1/20                                                              | 3,554,072                |
| 940,000                                                                        | 7.75%, due 9/1/22                                                              | 752,000                  |
| 2,770,000                                                                      | 6.38%, due 6/15/23                                                             | 2,084,425                |
| 805,000                                                                        | Extraction Oil & Gas Holdings LLC/Extraction Finance Corp., 7.88%, due 7/15/21 | 843,238 <sup>(e)</sup>   |
| 930,000                                                                        | Halcon Resources Corp., 6.75%, due 2/15/25                                     | 892,800 <sup>(e)</sup>   |
| 930,000                                                                        | Newfield Exploration Co., 5.38%, due 1/1/26                                    | 975,337                  |
| 1,385,000                                                                      | Oasis Petroleum, Inc., 6.88%, due 3/15/22                                      | 1,402,312                |
| 405,000                                                                        | PDC Energy, Inc., 6.13%, due 9/15/24                                           | 415,125 <sup>(e)</sup>   |
| <b>Range Resources Corp.</b>                                                   |                                                                                |                          |
| 925,000                                                                        | 5.00%, due 8/15/22                                                             | 914,594 <sup>(e)</sup>   |
| 2,340,000                                                                      | 5.00%, due 3/15/23                                                             | 2,316,600 <sup>(e)</sup> |
| 500,000                                                                        | 4.88%, due 5/15/25                                                             | 480,000                  |
| 2,310,000                                                                      | Sanchez Energy Corp., 6.13%, due 1/15/23                                       | 2,125,177                |
| <b>SM Energy Co.</b>                                                           |                                                                                |                          |
| 450,000                                                                        | 6.13%, due 11/15/22                                                            | 456,750                  |
| 430,000                                                                        | 5.00%, due 1/15/24                                                             | 405,275                  |
| <b>Whiting Petroleum Corp.</b>                                                 |                                                                                |                          |
| 705,000                                                                        | 5.00%, due 3/15/19                                                             | 712,050                  |
| 850,000                                                                        | 5.75%, due 3/15/21                                                             | 845,750                  |
| 1,325,000                                                                      | 6.25%, due 4/1/23                                                              | 1,325,000                |
| 1,160,000                                                                      | WPX Energy, Inc., 5.25%, due 9/15/24                                           | 1,136,800                |
|                                                                                |                                                                                | <b>34,318,511</b>        |
| <b>Food &amp; Drug Retail 1.4%</b>                                             |                                                                                |                          |
| <b>Albertsons Cos. LLC/Safeway, Inc./New Albertson's, Inc./Albertson's LLC</b> |                                                                                |                          |
| 1,730,000                                                                      | 6.63%, due 6/15/24                                                             | 1,768,925 <sup>(e)</sup> |
| 1,220,000                                                                      | 5.75%, due 3/15/25                                                             | 1,186,450 <sup>(e)</sup> |
| 835,000                                                                        | Rite Aid Corp., 6.13%, due 4/1/23                                              | 826,650 <sup>(e)</sup>   |
|                                                                                |                                                                                | <b>3,782,025</b>         |
| <b>Food - Wholesale 1.9%</b>                                                   |                                                                                |                          |
| 1,760,000                                                                      | NBTY, Inc., 7.63%, due 5/15/21                                                 | 1,870,000 <sup>(e)</sup> |
| <b>Post Holdings, Inc.</b>                                                     |                                                                                |                          |
| 915,000                                                                        | 6.00%, due 12/15/22                                                            | 976,762 <sup>(e)</sup>   |
| 530,000                                                                        | 7.75%, due 3/15/24                                                             | 588,963 <sup>(e)</sup>   |
| 890,000                                                                        | 5.50%, due 3/1/25                                                              | 930,050 <sup>(e)</sup>   |
| 710,000                                                                        | 5.75%, due 3/1/27                                                              | 735,738 <sup>(e)</sup>   |
|                                                                                |                                                                                | <b>5,101,513</b>         |

See Notes to Financial Statements 11

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Schedule of Investments High Yield Strategies Fund Inc.  
(Unaudited) (cont'd)

| PRINCIPAL AMOUNT              |                                                                                                    | VALUE                       |
|-------------------------------|----------------------------------------------------------------------------------------------------|-----------------------------|
| <b>Gaming 4.0%</b>            |                                                                                                    |                             |
| \$ 340,000                    | Boyd Gaming Corp.<br>6.88%, due 5/15/23                                                            | \$ 365,925                  |
| 795,000                       | 6.38%, due 4/1/26                                                                                  | 856,612                     |
| 1,455,000                     | GLP Capital L.P./GLP Financing II, Inc.<br>4.88%, due 11/1/20                                      | 1,549,575 <sup>(g)</sup>    |
| 705,000                       | 5.38%, due 11/1/23                                                                                 | 761,400                     |
| 740,000                       | Isle of Capri Casinos, Inc.<br>8.88%, due 6/15/20                                                  | 762,200                     |
| 1,103,000                     | 5.88%, due 3/15/21                                                                                 | 1,138,847                   |
| 435,000                       | MGM Growth Properties Operating Partnership L.P./MGP Finance Co-Issuer, Inc.,<br>5.63%, due 5/1/24 | 469,256                     |
| 1,030,000                     | MGM Resorts Int'l<br>8.63%, due 2/1/19                                                             | 1,138,150                   |
| 405,000                       | 6.63%, due 12/15/21                                                                                | 454,613                     |
| 640,000                       | Scientific Games Int'l, Inc.<br>6.25%, due 9/1/20                                                  | 616,000                     |
| 515,000                       | 6.63%, due 5/15/21                                                                                 | 496,331                     |
| 800,000                       | 10.00%, due 12/1/22                                                                                | 866,600                     |
| 318,000                       | Station Casinos LLC, 7.50%, due 3/1/21                                                             | 331,118                     |
| 750,000                       | Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp., 5.50%, due 3/1/25                                 | 780,000 <sup>(e)</sup>      |
|                               |                                                                                                    | <b>10,586,627</b>           |
| <b>Gas Distribution 11.1%</b> |                                                                                                    |                             |
| 1,055,000                     | Antero Midstream Partners L.P./Antero Midstream Finance Corp., 5.38%, due 9/15/24                  | 1,078,737 <sup>(e)</sup>    |
| 1,130,000                     | Cheniere Corpus Christi Holdings LLC, 5.88%, due 3/31/25                                           | 1,203,450 <sup>(e)</sup>    |
| 1,550,000                     | Crestwood Midstream Partners L.P./Crestwood Midstream Finance Corp.<br>6.25%, due 4/1/23           | 1,617,812                   |
| 710,000                       | 5.75%, due 4/1/25                                                                                  | 736,625 <sup>(e)</sup>      |
| 280,000                       | DCP Midstream LLC<br>9.75%, due 3/15/19                                                            | 317,100 <sup>(e)</sup>      |
| 365,000                       | 5.35%, due 3/15/20                                                                                 | 380,969 <sup>(e)</sup>      |
| 375,000                       | 4.75%, due 9/30/21                                                                                 | 383,438 <sup>(e)</sup>      |
| 935,000                       | 6.75%, due 9/15/37                                                                                 | 1,024,433 <sup>(e)</sup>    |
| 1,735,000                     | 5.85%, due 5/21/43                                                                                 | 1,656,925 <sup>(a)(e)</sup> |
| 485,000                       | DCP Midstream Operating L.P.<br>2.50%, due 12/1/17                                                 | 485,606                     |
| 505,000                       | 5.60%, due 4/1/44                                                                                  | 482,275                     |
| 270,000                       | Duke Energy Corp.<br>8.13%, due 8/16/30                                                            | 315,900                     |
| 420,000                       | 6.45%, due 11/3/36                                                                                 | 450,450 <sup>(e)</sup>      |
| 680,000                       | Energy Transfer Equity L.P.<br>7.50%, due 10/15/20                                                 | 766,275                     |

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|           |                    |           |
|-----------|--------------------|-----------|
| 1,140,000 | 5.88%, due 1/15/24 | 1,228,350 |
| 355,000   | 5.50%, due 6/1/27  | 381,625   |

See Notes to Financial Statements 12

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Schedule of Investments High Yield Strategies Fund Inc.  
(Unaudited) (cont'd)

| PRINCIPAL AMOUNT              |                                                                                  | VALUE                    |
|-------------------------------|----------------------------------------------------------------------------------|--------------------------|
|                               | Ferrellgas L.P./Ferrellgas Finance Corp.                                         |                          |
| \$ 1,230,000                  | 6.75%, due 1/15/22                                                               | \$ 1,183,875             |
| 1,240,000                     | 6.75%, due 6/15/23                                                               | 1,196,600                |
| 430,000                       | NuStar Logistics L.P., 5.63%, due 4/28/27                                        | 443,051                  |
| 645,000                       | ONEOK, Inc., 6.00%, due 6/15/35                                                  | 678,863                  |
| 1,470,000                     | Regency Energy Partners L.P./Regency Energy Finance Corp., 5.50%, due 4/15/23    | 1,530,402                |
|                               | Rockies Express Pipeline LLC                                                     |                          |
| 745,000                       | 5.63%, due 4/15/20                                                               | 796,405 <sup>(e)</sup>   |
| 450,000                       | 7.50%, due 7/15/38                                                               | 497,250 <sup>(e)</sup>   |
| 860,000                       | 6.88%, due 4/15/40                                                               | 919,125 <sup>(e)</sup>   |
| 1,565,000                     | SemGroup Corp./Rose Rock Finance Corp., 5.63%, due 11/15/23                      | 1,545,437                |
| 1,235,000                     | Summit Midstream Holdings LLC/Summit Midstream Finance Corp., 5.75%, due 4/15/25 | 1,250,437                |
|                               | Targa Resources Partners L.P./Targa Resources Partners Finance Corp.             |                          |
| 1,155,000                     | 4.25%, due 11/15/23                                                              | 1,143,450                |
| 870,000                       | 6.75%, due 3/15/24                                                               | 948,300                  |
| 965,000                       | 5.13%, due 2/1/25                                                                | 996,362 <sup>(e)</sup>   |
| 1,470,000                     | 5.38%, due 2/1/27                                                                | 1,536,150 <sup>(e)</sup> |
|                               | Williams Cos., Inc.                                                              |                          |
| 470,000                       | 4.55%, due 6/24/24                                                               | 481,163                  |
| 535,000                       | Ser. A, 7.50%, due 1/15/31                                                       | 632,638                  |
| 930,000                       | 5.75%, due 6/24/44                                                               | 962,550                  |
|                               |                                                                                  | <b>29,252,028</b>        |
| <b>Health Facilities 9.5%</b> |                                                                                  |                          |
| 1,500,000                     | Columbia Healthcare Corp., 7.50%, due 12/15/23                                   | 1,713,750                |
|                               | Columbia/HCA Corp.                                                               |                          |
| 1,500,000                     | 7.69%, due 6/15/25                                                               | 1,710,000                |
| 2,160,000                     | 7.05%, due 12/1/27                                                               | 2,386,800                |
|                               | HCA, Inc.                                                                        |                          |
| 525,000                       | 6.50%, due 2/15/20                                                               | 576,219                  |
| 350,000                       | 5.88%, due 3/15/22                                                               | 388,063                  |
| 1,275,000                     | 4.75%, due 5/1/23                                                                | 1,338,750                |
| 1,565,000                     | 5.00%, due 3/15/24                                                               | 1,660,856                |
| 380,000                       | 5.38%, due 2/1/25                                                                | 395,675                  |
| 980,000                       | 5.25%, due 4/15/25                                                               | 1,053,196                |
| 730,000                       | 5.88%, due 2/15/26                                                               | 775,625                  |
| 695,000                       | 4.50%, due 2/15/27                                                               | 701,596                  |
| 3,275,000                     | IASIS Healthcare LLC/IASIS Capital Corp., 8.38%, due 5/15/19                     | 3,193,125                |
| 455,000                       | LifePoint Health, Inc., 5.88%, due 12/1/23                                       | 469,787                  |
|                               | MPT Operating Partnership L.P./MPT Finance Corp.                                 |                          |
| 1,100,000                     | 6.38%, due 3/1/24                                                                | 1,190,750                |
| 1,350,000                     | 5.50%, due 5/1/24                                                                | 1,420,875                |
| 930,000                       | 5.25%, due 8/1/26                                                                | 953,250                  |

1,315,000      Sabra Health Care L.P./Sabra Capital Corp., 5.50%, due 2/1/21

1,372,531

See Notes to Financial Statements 13

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Schedule of Investments High Yield Strategies Fund Inc.  
(Unaudited) (cont'd)

| PRINCIPAL AMOUNT                                       |                                                                            | VALUE                          |
|--------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------|
| <b>Tenet Healthcare Corp.</b>                          |                                                                            |                                |
| \$ 545,000                                             | 6.25%, due 11/1/18                                                         | \$ 571,236                     |
| 955,000                                                | 5.00%, due 3/1/19                                                          | 959,183                        |
| 1,240,000                                              | 7.50%, due 1/1/22                                                          | 1,326,800 <sup>(e)</sup>       |
| 505,000                                                | 8.13%, due 4/1/22                                                          | 512,575                        |
| 295,000                                                | 6.88%, due 11/15/31                                                        | 252,225                        |
|                                                        |                                                                            | <b>24,922,867</b>              |
| <b>Health Services 1.0%</b>                            |                                                                            |                                |
| 565,000                                                | DaVita HealthCare Partners, Inc., 5.13%, due 7/15/24                       | 580,893                        |
| 545,000                                                | DaVita, Inc., 5.75%, due 8/15/22                                           | 564,756                        |
| <b>Service Corp. Int'l</b>                             |                                                                            |                                |
| 450,000                                                | 5.38%, due 1/15/22                                                         | 464,063                        |
| 830,000                                                | 5.38%, due 5/15/24                                                         | 876,688                        |
|                                                        |                                                                            | <b>2,486,400</b>               |
| <b>Hotels 0.6%</b>                                     |                                                                            |                                |
| 1,545,000                                              | ESH Hospitality, Inc., 5.25%, due 5/1/25                                   | <b>1,564,313<sup>(e)</sup></b> |
| <b>Investments &amp; Misc. Financial Services 1.2%</b> |                                                                            |                                |
| 1,225,000                                              | Icahn Enterprises L.P./Icahn Enterprises Finance Corp., 4.88%, due 3/15/19 | 1,240,312                      |
| <b>MSCI, Inc.</b>                                      |                                                                            |                                |
| 815,000                                                | 5.25%, due 11/15/24                                                        | 863,900 <sup>(e)</sup>         |
| 1,065,000                                              | 5.75%, due 8/15/25                                                         | 1,147,538 <sup>(e)</sup>       |
|                                                        |                                                                            | <b>3,251,750</b>               |
| <b>Machinery 1.3%</b>                                  |                                                                            |                                |
| 1,024,000                                              | Case New Holland Industrial, Inc., 7.88%, due 12/1/17                      | 1,061,120                      |
| <b>CNH Industrial Capital LLC</b>                      |                                                                            |                                |
| 380,000                                                | 3.38%, due 7/15/19                                                         | 385,225                        |
| 460,000                                                | 4.88%, due 4/1/21                                                          | 483,575                        |
| 440,000                                                | 4.38%, due 4/5/22                                                          | 448,602                        |
| 525,000                                                | CNH Industrial NV, 4.50%, due 8/15/23                                      | 537,332                        |
| 485,000                                                | Manitowoc Foodservice, Inc., 9.50%, due 2/15/24                            | 560,175                        |
|                                                        |                                                                            | <b>3,476,029</b>               |
| <b>Managed Care 0.3%</b>                               |                                                                            |                                |
| 605,000                                                | MPH Acquisition Holdings LLC, 7.13%, due 6/1/24                            | <b>650,375<sup>(e)</sup></b>   |
| <b>Media Content 3.4%</b>                              |                                                                            |                                |
| <b>Gannett Co., Inc.</b>                               |                                                                            |                                |
| 480,000                                                | 5.13%, due 10/15/19                                                        | 492,000                        |
| 725,000                                                | 5.13%, due 7/15/20                                                         | 748,563                        |

|                       |                     |  |                        |
|-----------------------|---------------------|--|------------------------|
| Gray Television, Inc. |                     |  |                        |
| 620,000               | 5.13%, due 10/15/24 |  | 621,550 <sub>(e)</sub> |
| 220,000               | 5.88%, due 7/15/26  |  | 227,700 <sub>(e)</sub> |

See Notes to Financial Statements 14

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Schedule of Investments High Yield Strategies Fund Inc.  
(Unaudited) (cont'd)

| PRINCIPAL AMOUNT                                  |                                                         | VALUE                    |
|---------------------------------------------------|---------------------------------------------------------|--------------------------|
| <b>iHeartCommunications, Inc.</b>                 |                                                         |                          |
| \$ 252,000                                        | 6.88%, due 6/15/18                                      | \$ 171,360               |
| 1,022,000                                         | 11.25%, due 3/1/21                                      | 784,385                  |
| <b>Netflix, Inc.</b>                              |                                                         |                          |
| 665,000                                           | 5.50%, due 2/15/22                                      | 711,550                  |
| 420,000                                           | 4.38%, due 11/15/26                                     | 413,700 <sup>(e)</sup>   |
| 45,000                                            | Sinclair Television Group, Inc., 5.38%, due 4/1/21      | 46,350                   |
| <b>Sirius XM Radio, Inc.</b>                      |                                                         |                          |
| 565,000                                           | 4.25%, due 5/15/20                                      | 570,650 <sup>(e)</sup>   |
| 720,000                                           | 6.00%, due 7/15/24                                      | 770,400 <sup>(e)</sup>   |
| 1,135,000                                         | 5.38%, due 7/15/26                                      | 1,161,956 <sup>(e)</sup> |
| <b>Univision Communications, Inc.</b>             |                                                         |                          |
| 550,000                                           | 6.75%, due 9/15/22                                      | 576,125 <sup>(e)</sup>   |
| 1,680,000                                         | 5.13%, due 5/15/23                                      | 1,707,300 <sup>(e)</sup> |
|                                                   |                                                         | <b>9,003,589</b>         |
| <b>Medical Products 0.9%</b>                      |                                                         |                          |
| <b>Fresenius Medical Care US Finance II, Inc.</b> |                                                         |                          |
| 1,095,000                                         | 6.50%, due 9/15/18                                      | 1,155,225 <sup>(e)</sup> |
| 530,000                                           | 5.88%, due 1/31/22                                      | 581,012 <sup>(e)</sup>   |
| 475,000                                           | 4.75%, due 10/15/24                                     | 485,688 <sup>(e)</sup>   |
|                                                   |                                                         | <b>2,221,925</b>         |
| <b>Metals - Mining Excluding Steel 5.2%</b>       |                                                         |                          |
| 390,000                                           | Alcoa, Inc., 5.13%, due 10/1/24                         | 408,525                  |
| 365,000                                           | Anglo American Capital PLC, 4.45%, due 9/27/20          | 379,600 <sup>(e)</sup>   |
| <b>First Quantum Minerals Ltd.</b>                |                                                         |                          |
| 2,300,000                                         | 7.00%, due 2/15/21                                      | 2,380,500 <sup>(e)</sup> |
| 1,385,000                                         | 7.25%, due 5/15/22                                      | 1,426,550 <sup>(e)</sup> |
| 1,085,000                                         | FMG Resources (August 2006) Pty Ltd., 9.75%, due 3/1/22 | 1,248,428 <sup>(e)</sup> |
| <b>Freeport-McMoRan, Inc.</b>                     |                                                         |                          |
| 920,000                                           | 2.38%, due 3/15/18                                      | 915,400                  |
| 245,000                                           | 4.00%, due 11/14/21                                     | 240,406                  |
| 1,420,000                                         | 3.88%, due 3/15/23                                      | 1,317,050                |
| 1,100,000                                         | 5.40%, due 11/14/34                                     | 979,000                  |
| 450,000                                           | 5.45%, due 3/15/43                                      | 383,625                  |
| <b>Hudbay Minerals, Inc.</b>                      |                                                         |                          |
| 400,000                                           | 7.25%, due 1/15/23                                      | 425,500 <sup>(e)</sup>   |
| 1,080,000                                         | 7.63%, due 1/15/25                                      | 1,156,950 <sup>(e)</sup> |
| 775,000                                           | Novelis Corp., 5.88%, due 9/30/26                       | 796,313 <sup>(e)</sup>   |
| <b>Teck Resources Ltd.</b>                        |                                                         |                          |
| 435,000                                           | 4.75%, due 1/15/22                                      | 450,225                  |
| 1,185,000                                         | 6.25%, due 7/15/41                                      | 1,256,100                |

**13,764,172**

See Notes to Financial Statements 15

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Schedule of Investments High Yield Strategies Fund Inc.  
(Unaudited) (cont'd)

| PRINCIPAL AMOUNT                               |                                                                                 | VALUE                    |
|------------------------------------------------|---------------------------------------------------------------------------------|--------------------------|
| <b>Oil Field Equipment &amp; Services 1.0%</b> |                                                                                 |                          |
| Precision Drilling Corp.                       |                                                                                 |                          |
| \$ 669,659                                     | 6.63%, due 11/15/20                                                             | \$ 679,804               |
| 675,000                                        | 6.50%, due 12/15/21                                                             | 683,438                  |
| 1,350,000                                      | 5.25%, due 11/15/24                                                             | 1,299,375                |
|                                                |                                                                                 | <b>2,662,617</b>         |
| <b>Packaging 2.6%</b>                          |                                                                                 |                          |
| 1,310,000                                      | Ardagh Packaging Finance PLC/Ardagh Holdings USA, Inc., 6.00%, due 2/15/25      | 1,354,212 <sup>(e)</sup> |
| Ball Corp.                                     |                                                                                 |                          |
| 550,000                                        | 4.38%, due 12/15/20                                                             | 578,875                  |
| 720,000                                        | 5.00%, due 3/15/22                                                              | 768,600                  |
| 560,000                                        | Berry Plastics Corp., 5.13%, due 7/15/23                                        | 582,232                  |
| 605,000                                        | BWAY Holding Co., 5.50%, due 4/15/24                                            | 611,806 <sup>(e)</sup>   |
| Reynolds Group Issuer, Inc.                    |                                                                                 |                          |
| 680,000                                        | 5.75%, due 10/15/20                                                             | 700,400                  |
| 495,824                                        | 6.88%, due 2/15/21                                                              | 509,459                  |
| 1,105,000                                      | 5.13%, due 7/15/23                                                              | 1,151,963 <sup>(e)</sup> |
| 635,000                                        | Sealed Air Corp., 5.50%, due 9/15/25                                            | 679,450 <sup>(e)</sup>   |
|                                                |                                                                                 | <b>6,936,997</b>         |
| <b>Personal &amp; Household Products 1.0%</b>  |                                                                                 |                          |
| Energizer Holdings, Inc.                       |                                                                                 |                          |
| 485,000                                        | 4.70%, due 5/19/21                                                              | 514,100                  |
| 1,490,000                                      | 4.70%, due 5/24/22                                                              | 1,587,356                |
| 370,000                                        | Spectrum Brands, Inc., 5.75%, due 7/15/25                                       | 396,607                  |
|                                                |                                                                                 | <b>2,498,063</b>         |
| <b>Pharmaceuticals 4.9%</b>                    |                                                                                 |                          |
| 2,890,000                                      | Endo Finance LLC & Endo Finco, Inc., 5.38%, due 1/15/23                         | 2,478,175 <sup>(e)</sup> |
| Endo Ltd./Endo Finance LLC/Endo Finco, Inc.    |                                                                                 |                          |
| 1,375,000                                      | 6.00%, due 7/15/23                                                              | 1,204,844 <sup>(e)</sup> |
| 410,000                                        | 6.00%, due 2/1/25                                                               | 346,245 <sup>(e)</sup>   |
| 605,000                                        | Jaguar Holding Co. II/Pharmaceutical Product Development LLC, 6.38%, due 8/1/23 | 630,712 <sup>(e)</sup>   |
| 405,000                                        | Mallinckrodt Int'l Finance SA/Mallinckrodt CB LLC, 5.50%, due 4/15/25           | 368,550 <sup>(e)</sup>   |
| Valeant Pharmaceuticals Int'l, Inc.            |                                                                                 |                          |
| 2,670,000                                      | 5.50%, due 3/1/23                                                               | 1,969,125 <sup>(e)</sup> |
| 6,990,000                                      | 5.88%, due 5/15/23                                                              | 5,163,862 <sup>(e)</sup> |
| 835,000                                        | 6.13%, due 4/15/25                                                              | 616,439 <sup>(e)</sup>   |
|                                                |                                                                                 | <b>12,777,952</b>        |
| <b>Printing &amp; Publishing 2.4%</b>          |                                                                                 |                          |
| R.R. Donnelley & Sons Co.                      |                                                                                 |                          |

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|           |                     |                  |
|-----------|---------------------|------------------|
| 2,220,000 | 7.63%, due 6/15/20  | 2,436,450        |
| 1,540,000 | 7.88%, due 3/15/21  | 1,663,200        |
| 1,005,000 | 6.50%, due 11/15/23 | 981,131          |
| 1,160,000 | 6.00%, due 4/1/24   | 1,088,950        |
|           |                     | <b>6,169,731</b> |

See Notes to Financial Statements 16

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Schedule of Investments High Yield Strategies Fund Inc.  
(Unaudited) (cont'd)

| PRINCIPAL AMOUNT                                                |                                                                                         | VALUE             |
|-----------------------------------------------------------------|-----------------------------------------------------------------------------------------|-------------------|
| <b>Recreation &amp; Travel 1.2%</b>                             |                                                                                         |                   |
| Cedar Fair L.P./Canada's Wonderland Co./Magnum Management Corp. |                                                                                         |                   |
| \$ 535,000                                                      | 5.25%, due 3/15/21                                                                      | \$ 549,659        |
| 430,000                                                         | 5.38%, due 4/15/27                                                                      | 444,470(e)        |
| NCL Corp. Ltd.                                                  |                                                                                         |                   |
| 555,000                                                         | 4.63%, due 11/15/20                                                                     | 568,875(e)        |
| 1,100,000                                                       | 4.75%, due 12/15/21                                                                     | 1,127,500(e)      |
| 505,000                                                         | Royal Caribbean Cruises Ltd., 5.25%, due 11/15/22                                       | 556,762           |
|                                                                 |                                                                                         | <b>3,247,266</b>  |
| <b>Restaurants 0.5%</b>                                         |                                                                                         |                   |
| 500,000                                                         | 1011778 BC ULC/New Red Finance, Inc., 4.63%, due 1/15/22                                | 515,150(e)        |
| 750,000                                                         | KFC Holding Co./Pizza Hut Holdings LLC/Taco Bell of America LLC, 5.25%, due 6/1/26      | 768,750(e)        |
|                                                                 |                                                                                         | <b>1,283,900</b>  |
| <b>Software - Services 4.0%</b>                                 |                                                                                         |                   |
| First Data Corp.                                                |                                                                                         |                   |
| 990,000                                                         | 7.00%, due 12/1/23                                                                      | 1,061,478(e)      |
| 1,145,000                                                       | 5.00%, due 1/15/24                                                                      | 1,171,049(e)      |
| 1,117,000                                                       | Infor Software Parent LLC/Infor Software Parent, Inc., 7.13% Cash/7.88% PIK, due 5/1/21 | 1,141,574(e)      |
| Nuance Communications, Inc.                                     |                                                                                         |                   |
| 374,000                                                         | 5.38%, due 8/15/20                                                                      | 381,947(e)        |
| 1,370,000                                                       | 6.00%, due 7/1/24                                                                       | 1,445,350(e)      |
| 1,010,000                                                       | Open Text Corp., 5.88%, due 6/1/26                                                      | 1,078,175(e)      |
| 1,420,000                                                       | Rackspace Hosting, Inc., 8.63%, due 11/15/24                                            | 1,503,425(e)      |
| 615,000                                                         | Symantec Corp., 5.00%, due 4/15/25                                                      | 635,756(e)        |
| 2,104,000                                                       | Syniverse Foreign Holdings Corp., 9.13%, due 1/15/22                                    | 2,088,220(e)      |
|                                                                 |                                                                                         | <b>10,506,974</b> |
| <b>Specialty Retail 1.5%</b>                                    |                                                                                         |                   |
| 390,000                                                         | Argos Merger Sub, Inc., 7.13%, due 3/15/23                                              | 355,875(e)        |
| 995,000                                                         | Hanesbrands, Inc., 4.88%, due 5/15/26                                                   | 990,025(e)        |
| 185,000                                                         | L Brands, Inc., 5.63%, due 10/15/23                                                     | 194,213           |
| 700,000                                                         | Liberty Media Corp., 8.50%, due 7/15/29                                                 | 778,750           |
| 190,000                                                         | Penske Automotive Group, Inc., 5.38%, due 12/1/24                                       | 191,425           |
| QVC, Inc.                                                       |                                                                                         |                   |
| 665,000                                                         | 5.13%, due 7/2/22                                                                       | 697,103           |
| 825,000                                                         | 5.45%, due 8/15/34                                                                      | 763,066           |
|                                                                 |                                                                                         | <b>3,970,457</b>  |
| <b>Steel Producers - Products 1.4%</b>                          |                                                                                         |                   |
| 3,310,000                                                       | ArcelorMittal, 7.75%, due 10/15/39                                                      | <b>3,781,675</b>  |

See Notes to Financial Statements 17

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Schedule of Investments High Yield Strategies Fund Inc.  
(Unaudited) (cont'd)

| PRINCIPAL AMOUNT                                |                                                      | VALUE                     |
|-------------------------------------------------|------------------------------------------------------|---------------------------|
| <b>Support - Services 5.2%</b>                  |                                                      |                           |
| \$ 770,000                                      | ADT Corp., 4.88%, due 7/15/32                        | \$ 671,825 <sup>(e)</sup> |
| 340,000                                         | AECOM, 5.88%, due 10/15/24                           | 364,820                   |
| 3,460,000                                       | Anna Merger Sub, Inc., 7.75%, due 10/1/22            | 2,932,350 <sup>(e)</sup>  |
| 905,000                                         | Aramark Services, Inc., 5.13%, due 1/15/24           | 954,775                   |
|                                                 | Avis Budget Car Rental LLC/Avis Budget Finance, Inc. |                           |
| 975,000                                         | 5.50%, due 4/1/23                                    | 960,375                   |
| 535,000                                         | 6.38%, due 4/1/24                                    | 534,331 <sup>(e)</sup>    |
| 775,000                                         | 5.25%, due 3/15/25                                   | 730,437 <sup>(e)</sup>    |
| 1,750,000                                       | Hertz Corp., 5.50%, due 10/15/24                     | 1,500,625 <sup>(e)</sup>  |
| 1,813,000                                       | IHS Markit Ltd., 5.00%, due 11/1/22                  | 1,937,644 <sup>(e)</sup>  |
|                                                 | Iron Mountain, Inc.                                  |                           |
| 820,000                                         | 6.00%, due 8/15/23                                   | 871,234                   |
| 926,000                                         | 5.75%, due 8/15/24                                   | 953,780                   |
| 1,080,000                                       | United Rental N.A., Inc., 5.75%, due 11/15/24        | 1,138,050                 |
|                                                 |                                                      | <b>13,550,246</b>         |
| <b>Technology Hardware &amp; Equipment 3.0%</b> |                                                      |                           |
| 350,000                                         | CDW LLC/CDW Finance Corp., 5.00%, due 9/1/25         | 358,750                   |
| 725,000                                         | CommScope Technologies LLC, 6.00%, due 6/15/25       | 773,031 <sup>(e)</sup>    |
|                                                 | Diamond 1 Finance Corp./Diamond 2 Finance Corp.      |                           |
| 540,000                                         | 5.88%, due 6/15/21                                   | 572,400 <sup>(e)</sup>    |
| 740,000                                         | 6.02%, due 6/15/26                                   | 815,108 <sup>(e)</sup>    |
| 895,000                                         | EMC Corp., 1.88%, due 6/1/18                         | 891,103                   |
| 575,000                                         | Riverbed Technology, Inc., 8.88%, due 3/1/23         | 592,250 <sup>(e)</sup>    |
| 3,345,000                                       | Western Digital Corp., 10.50%, due 4/1/24            | 3,947,100                 |
|                                                 |                                                      | <b>7,949,742</b>          |
| <b>Telecom - Satellite 0.8%</b>                 |                                                      |                           |
| 534,000                                         | Hughes Satellite Systems Corp., 6.50%, due 6/15/19   | 577,388                   |
|                                                 | Intelsat Luxembourg SA                               |                           |
| 1,470,000                                       | 7.75%, due 6/1/21                                    | 850,762                   |
| 1,340,000                                       | 8.13%, due 6/1/23                                    | 763,800                   |
|                                                 |                                                      | <b>2,191,950</b>          |
| <b>Telecom - Wireless 5.8%</b>                  |                                                      |                           |
|                                                 | Sprint Corp.                                         |                           |
| 315,000                                         | 7.25%, due 9/15/21                                   | 344,531                   |
| 2,760,000                                       | 7.88%, due 9/15/23                                   | 3,098,100                 |
| 3,335,000                                       | 7.13%, due 6/15/24                                   | 3,626,812                 |
|                                                 | Sprint Nextel Corp.                                  |                           |
| 570,000                                         | 9.00%, due 11/15/18                                  | 623,438 <sup>(e)</sup>    |
| 1,905,000                                       | 6.00%, due 11/15/22                                  | 1,984,772                 |

See Notes to Financial Statements 18

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Schedule of Investments High Yield Strategies Fund Inc.  
(Unaudited) (cont'd)

| PRINCIPAL AMOUNT                                         |                                                                                   | VALUE                     |
|----------------------------------------------------------|-----------------------------------------------------------------------------------|---------------------------|
|                                                          | T-Mobile USA, Inc.                                                                |                           |
| \$ 425,000                                               | 6.13%, due 1/15/22                                                                | \$ 448,906                |
| 1,940,000                                                | 6.00%, due 3/1/23                                                                 | 2,065,499                 |
| 450,000                                                  | 5.38%, due 4/15/27                                                                | 481,500                   |
| 345,000                                                  | Uniti Group, Inc./Uniti Fiber Holdings, Inc./CSL Capital LLC, 7.13%, due 12/15/24 | 352,763 <sup>(e)(j)</sup> |
|                                                          | Wind Acquisition Finance SA                                                       |                           |
| 1,325,000                                                | 4.75%, due 7/15/20                                                                | 1,346,531 <sup>(e)</sup>  |
| 800,000                                                  | 7.38%, due 4/23/21                                                                | 832,000 <sup>(e)</sup>    |
|                                                          |                                                                                   | <b>15,204,852</b>         |
| <b>Telecom - Wireline Integrated &amp; Services 8.3%</b> |                                                                                   |                           |
| 395,000                                                  | CenturyLink, Inc., Ser. W, 6.75%, due 12/1/23                                     | 423,144                   |
| 3,079,000                                                | Citizens Communications Co., 9.00%, due 8/15/31                                   | 2,632,545                 |
| 1,050,000                                                | Communications Sales & Leasing, Inc./CSL Capital LLC, 8.25%, due 10/15/23         | 1,120,549                 |
| 3,100,000                                                | Embarq Corp., 8.00%, due 6/1/36                                                   | 3,158,125                 |
| 655,000                                                  | Equinix, Inc., 5.88%, due 1/15/26                                                 | 705,763                   |
|                                                          | Frontier Communications Corp.                                                     |                           |
| 360,000                                                  | 8.13%, due 10/1/18                                                                | 382,950                   |
| 270,000                                                  | 7.13%, due 1/15/23                                                                | 236,250                   |
| 610,000                                                  | 7.63%, due 4/15/24                                                                | 523,075                   |
| 4,130,000                                                | 11.00%, due 9/15/25                                                               | 3,980,287                 |
|                                                          | Level 3 Financing, Inc.                                                           |                           |
| 1,515,000                                                | 5.38%, due 8/15/22                                                                | 1,564,540                 |
| 610,000                                                  | 5.13%, due 5/1/23                                                                 | 626,013                   |
| 430,000                                                  | 5.38%, due 1/15/24                                                                | 446,916                   |
| 710,000                                                  | SoftBank Group Corp., 4.50%, due 4/15/20                                          | 737,974 <sup>(e)</sup>    |
| 1,080,000                                                | Telecom Italia Capital SA, 6.00%, due 9/30/34                                     | 1,104,300                 |
| 2,111,000                                                | U.S. West Communications Group, 6.88%, due 9/15/33                                | 2,111,781                 |
|                                                          | Zayo Group LLC/Zayo Capital, Inc.                                                 |                           |
| 365,000                                                  | 6.00%, due 4/1/23                                                                 | 387,813                   |
| 1,500,000                                                | 5.75%, due 1/15/27                                                                | 1,591,875 <sup>(e)</sup>  |
|                                                          |                                                                                   | <b>21,733,900</b>         |
| <b>Theaters &amp; Entertainment 1.0%</b>                 |                                                                                   |                           |
|                                                          | AMC Entertainment Holdings, Inc.                                                  |                           |
| 905,000                                                  | 5.75%, due 6/15/25                                                                | 933,282                   |
| 545,000                                                  | 6.13%, due 5/15/27                                                                | 556,581 <sup>(e)</sup>    |
| 1,167,000                                                | Regal Entertainment Group, 5.75%, due 3/15/22                                     | 1,219,515                 |
|                                                          |                                                                                   | <b>2,709,378</b>          |
| <b>Total Corporate Bonds (Cost \$343,347,052)</b>        |                                                                                   | <b>351,922,246</b>        |

See Notes to Financial Statements 19



Schedule of Investments High Yield Strategies Fund Inc.  
(Unaudited) (cont'd)

| NUMBER OF SHARES                                                                            | VALUE                          |
|---------------------------------------------------------------------------------------------|--------------------------------|
| <b>Short-Term Investment 2.2%</b>                                                           |                                |
| <b>Investment Company 2.2%</b>                                                              |                                |
| 5,718,009 State Street Institutional U.S. Government Money Market Fund Premier Class, 0.68% | \$ 5,718,009 <sup>(g)(k)</sup> |
| (Cost \$5,718,009)                                                                          |                                |
| <b>Total Investments 144.9% (Cost \$372,169,919)</b>                                        | <b>381,079,046</b>             |
| Other Assets Less Liabilities (31.6%)                                                       | (83,030,969) <sup>(l)</sup>    |
| Liquidation Value of Mandatory Redeemable Preferred Shares (13.3%)                          | (35,000,000)                   |
| <b>Net Assets Applicable to Common Shareholders 100.0%</b>                                  | <b>\$263,048,077</b>           |

- (a) Variable or floating rate security. The interest rate shown was the current rate as of April 30, 2017 and changes periodically.
- (b) Illiquid security.
- (c) All or a portion of this security was purchased on a delayed delivery basis.
- (d) All or a portion of this security had not settled as of April 30, 2017 and thus may not have an interest rate in effect. Interest rates do not take effect until settlement.
- (e) Securities were purchased under Rule 144A of the Securities Act of 1933, as amended (the "1933 Act"), or are otherwise restricted and, unless registered under the 1933 Act or exempted from registration, may only be sold to qualified institutional investors or may have other restrictions on resale. At April 30, 2017, these securities amounted to \$147,111,599 or 55.9% of net assets applicable to common stockholders of the Fund. Securities denoted with (e) but without (b) have been deemed by the investment manager to be liquid.
- (f) Payment-in-kind (PIK) security.
- (g) All or a portion of this security is segregated in connection with obligations for when-issued securities and/or swap contracts and/or delayed delivery securities with a total value of approximately \$13,278,264.
- (h) Security fair valued as of April 30, 2017 in accordance with procedures approved by the Board of Directors. Total value of all such securities at April 30, 2017, amounted to approximately \$42, which represents 0.0% of net assets applicable to common stockholders of the Fund.
- (i) Defaulted Security.
- (j) When-issued security. Total value of all such securities at April 30, 2017, amounted to \$352,763, which represents 0.1% of net assets applicable to common stockholders of the Fund.
- (k) Represents 7-day effective yield as of April 30, 2017.
- (l) Includes the impact of the Fund's open positions in derivatives at April 30, 2017.

See Notes to Financial Statements 20

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Schedule of Investments High Yield Strategies Fund Inc.  
(Unaudited) (cont'd)

## Derivative Instruments

Interest rate swap contracts ("interest rate swaps")

At April 30, 2017, the Fund had outstanding centrally cleared interest rate swaps as follows:

|                 | Notional     | Portfolio<br>Pays/Receives | Floating Rate | Annual     | Termination | Total Fair           |
|-----------------|--------------|----------------------------|---------------|------------|-------------|----------------------|
| Clearinghouse   | Amount       | Floating Rate              | Index         | Fixed-rate | Date        | Value <sup>(a)</sup> |
| CME Group, Inc. | \$25,000,000 | Receive                    | 3-month LIBOR | 1.371%     | 5/14/2018   | \$(96,944 )          |
| CME Group, Inc. | \$20,000,000 | Receive                    | 3-month LIBOR | 1.292%     | 4/17/2019   | 109,846              |
| CME Group, Inc. | \$25,000,000 | Receive                    | 3-month LIBOR | 1.138%     | 6/17/2021   | 638,787              |
| CME Group, Inc. | \$20,000,000 | Receive                    | 3-month LIBOR | 0.994%     | 6/29/2021   | 643,267              |
| <b>Total</b>    |              |                            |               |            |             | <b>\$1,294,956</b>   |

(a) Total Fair Value reflects the appreciation/(depreciation) of the interest rate swaps plus accrued interest as of April 30, 2017.

For the six months ended April 30, 2017, the average notional value of interest rate swaps was \$91,424,353 when the Fund paid the fixed rate.

At April 30, 2017, the Fund had \$612,920 deposited in a segregated account to cover margin requirements for interest rate swaps.

The following is a summary, categorized by Level (see Note A of Notes to Financial Statements), of inputs used to value the Fund's investments as of April 30, 2017:

| Asset Valuation Inputs          | Level 1    | Level 2              | Level 3 <sup>(b)</sup> | Total                |
|---------------------------------|------------|----------------------|------------------------|----------------------|
| <b>Investments:</b>             |            |                      |                        |                      |
| Loan Assignments <sup>(a)</sup> | \$—        | \$ 23,438,791        | \$—                    | \$ 23,438,791        |
| Corporate Bonds <sup>(a)</sup>  | —          | 351,922,246          | —                      | 351,922,246          |
| Short-Term Investment           | —          | 5,718,009            | —                      | 5,718,009            |
| <b>Total Investments</b>        | <b>\$—</b> | <b>\$381,079,046</b> | <b>\$—</b>             | <b>\$381,079,046</b> |

(a) The Schedule of Investments provides information on the industry or sector categorization for the portfolio.

See Notes to Financial Statements 21

Schedule of Investments High Yield Strategies Fund Inc.  
(Unaudited) (cont'd)

- (b) The following is a reconciliation between the beginning and ending balances of investments in which unobservable inputs (Level 3) were used in determining value:

|                                  | Beginning<br>balance,<br>as of<br>11/1/2016 | Accrued<br>discounts/<br>(premiums) | Realized<br>gain/(loss) | Change in<br>unrealized<br>appreciation/<br>(depreciation) | Purchases  | Sales      | Transfers<br>into<br>Level 3 | Transfers<br>out of<br>Level 3 | Balance<br>as of<br>4/30/2017 |
|----------------------------------|---------------------------------------------|-------------------------------------|-------------------------|------------------------------------------------------------|------------|------------|------------------------------|--------------------------------|-------------------------------|
| <b>Investments in Securities</b> |                                             |                                     |                         |                                                            |            |            |                              |                                |                               |
| Loan Assignments <sup>(c)</sup>  |                                             |                                     |                         |                                                            |            |            |                              |                                |                               |
| Radio & Television               | \$308,427                                   | \$—                                 | \$—                     | \$—                                                        | \$—        | \$—        | \$—                          | \$—\$(308,427)                 |                               |
| <b>Total</b>                     | <b>\$308,427</b>                            | <b>\$—</b>                          | <b>\$—</b>              | <b>\$—</b>                                                 | <b>\$—</b> | <b>\$—</b> | <b>\$—</b>                   | <b>\$—\$(308,427)</b>          |                               |

- (c) At the beginning of the period, the Fund's Level 3 investments were valued based on a single quotation obtained from a dealer. The Fund held no Level 3 securities at April 30, 2017.

As of the six months ended April 30, 2017, certain securities were transferred from one level (as of October 31, 2016) to another. Based on beginning of period market values as of November 1, 2016, \$308,427 was transferred from Level 3 to Level 2. Transfers of loan assignments into or out of Level 3 were primarily due to the pricing methodology being based on a single broker quote (Level 3), or a single observable input (Level 3) by the independent pricing service. As of the six months ended April 30, 2017, the Fund had no transfers between Levels 1 and 2.

The following is a summary, categorized by Level (see Note A of Notes to Financial Statements), of inputs used to value the Fund's derivatives as of April 30, 2017:

|              | Level 1    | Level 2            | Level 3    | Total              |
|--------------|------------|--------------------|------------|--------------------|
| <b>Swaps</b> |            |                    |            |                    |
| Assets       | \$—        | \$1,391,900        | \$—        | \$1,391,900        |
| Liabilities  | —          | (96,944)           | —          | (96,944)           |
| <b>Total</b> | <b>\$—</b> | <b>\$1,294,956</b> | <b>\$—</b> | <b>\$1,294,956</b> |

See Notes to Financial Statements 22

## Statement of Assets and Liabilities (Unaudited)

Neuberger Berman

**HIGH  
YIELD  
STRATEGIES  
FUND INC.  
April 30, 2017**

|                                                                                                                                      |                      |
|--------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| <b>Assets</b>                                                                                                                        |                      |
| Investments in securities, at value* (Note A)—see Schedule of Investments:                                                           |                      |
| Unaffiliated issuers                                                                                                                 | \$381,079,046        |
| Cash collateral segregated for interest rate swaps                                                                                   | 612,920              |
| Interest receivable                                                                                                                  | 6,030,685            |
| Receivable for securities sold                                                                                                       | 5,495,965            |
| Receivable for variation margin on centrally cleared interest rate swaps (Note A)                                                    | 217,103              |
| Total Assets                                                                                                                         | 393,435,719          |
| <b>Liabilities</b>                                                                                                                   |                      |
| Notes payable (net of unamortized deferred issuance costs of \$144,363) (Note A)                                                     | 89,855,637           |
| Mandatory Redeemable Preferred Shares, Series B (\$25,000 liquidation value per share; 1,400 shares issued and outstanding) (Note A) | 35,000,000           |
| Distributions payable—preferred shares                                                                                               | 106,897              |
| Distributions payable—common stock                                                                                                   | 24,051               |
| Payable for securities purchased                                                                                                     | 4,848,944            |
| Payable to investment manager (Note B)                                                                                               | 190,600              |
| Payable to administrator (Note B)                                                                                                    | 15,883               |
| Payable to directors                                                                                                                 | 1,267                |
| Interest payable (Note A)                                                                                                            | 181,877              |
| Accrued expenses and other payables                                                                                                  | 162,486              |
| Total Liabilities                                                                                                                    | 130,387,642          |
| Net Assets applicable to Common Stockholders                                                                                         | \$263,048,077        |
| <b>Net Assets applicable to Common Stockholders consist of:</b>                                                                      |                      |
| Paid-in capital—common stock                                                                                                         | \$279,796,188        |
| Distributions in excess of net investment income                                                                                     | (268,175)            |
| Accumulated net realized gains (losses) on investments                                                                               | (26,684,019)         |
| Net unrealized appreciation (depreciation) in value of investments                                                                   | 10,204,083           |
| Net Assets applicable to Common Stockholders                                                                                         | \$263,048,077        |
| <b>Shares of Common Stock Outstanding (\$0.0001 par value; 999,999,997,100 shares authorized)</b>                                    | <b>19,540,585</b>    |
| <b>Net Asset Value Per Share of Common Stock Outstanding</b>                                                                         | <b>\$13.46</b>       |
| <b>* Cost of Investments</b>                                                                                                         | <b>\$372,169,919</b> |

See Notes to Financial Statements 23

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## Statement of Operations (Unaudited)

Neuberger Berman

**HIGH YIELD  
STRATEGIES  
FUND INC.**  
**For the Six Months Ended  
April 30, 2017**
**Investment Income:**

Income (Note A):

Interest income-unaffiliated issuers \$11,9

**Expenses:**

Investment management fees (Note B) 1,1

Administration fees (Note B)

Audit fees

Basic maintenance expense (Note A)

Custodian and accounting fees 1

Insurance expense

Legal fees

Stockholder reports

Stock exchange listing fees

Stock transfer agent fees

Distributions to mandatory redeemable preferred shareholders (Note A) 5

Directors' fees and expenses

Interest expense (Note A) 9

Miscellaneous

Total expenses 3,1

Custodian out-of-pocket expenses refunded (Note E) (

Total net expenses 3,0

Net investment income (loss) \$8,8

**Realized and Unrealized Gain (Loss) on Investments (Note A):****Net realized gain (loss) on:**

Sales of investment securities of unaffiliated issuers 4,6

Interest rate swaps (1

**Change in net unrealized appreciation (depreciation) in value of:**

Unaffiliated investment securities 1,3

Interest rate swaps 1,2

Net gain (loss) on investments 7,0

|                                                                                                   |        |
|---------------------------------------------------------------------------------------------------|--------|
| Net increase (decrease) in net assets applicable to Common Stockholders resulting from operations | \$15,9 |
|---------------------------------------------------------------------------------------------------|--------|

See Notes to Financial Statements 24

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## Statements of Changes in Net Assets

Neuberger Berman

|                                                                                                      | <b>HIGH YIELD<br/>STRATEGIES FUND INC.</b>                         |                                        |
|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|----------------------------------------|
|                                                                                                      | <b>Six Months<br/>Ended<br/>April 30,<br/>2017<br/>(Unaudited)</b> | <b>Year Ended<br/>October 31, 2016</b> |
| <b>Increase (Decrease) in Net Assets Applicable to Common Stockholders:</b>                          |                                                                    |                                        |
| <b>From Operations (Note A):</b>                                                                     |                                                                    |                                        |
| Net investment income (loss)                                                                         | \$8,844,161                                                        | \$18,074,545                           |
| Net realized gain (loss) on investments                                                              | 4,482,406                                                          | (16,375,650)                           |
| Net increase from payments by affiliates (Note B)                                                    | —                                                                  | 2,435                                  |
| Change in net unrealized appreciation (depreciation) of investments                                  | 2,600,246                                                          | 25,655,891                             |
| Net increase (decrease) in net assets applicable to<br>Common Stockholders resulting from operations | 15,926,813                                                         | 27,357,221                             |
| <b>Distributions to Common Stockholders From (Note A):</b>                                           |                                                                    |                                        |
| Net investment income                                                                                | (9,232,926)                                                        | (17,647,876)                           |
| Tax return of capital                                                                                | —                                                                  | (1,111,086)                            |
| <b>Net Increase (Decrease) in Net Assets Applicable to Common Stockholders</b>                       | <b>6,693,887</b>                                                   | <b>8,598,259</b>                       |
| <b>Net Assets Applicable to Common Stockholders:</b>                                                 |                                                                    |                                        |
| Beginning of period                                                                                  | 256,354,190                                                        | 247,755,931                            |
| End of period                                                                                        | \$263,048,077                                                      | \$256,354,190                          |
| Undistributed net investment income (loss) at end of period                                          | \$—                                                                | \$120,590                              |
| Distributions in excess of net investment income at end of period                                    | \$(268,175)                                                        | \$—                                    |

See Notes to Financial Statements 25

## Statement of Cash Flows (Unaudited)

Neuberger Berman

**HIGH YIELD  
STRATEGIES  
FUND INC.  
For the Six Months  
Ended April 30, 2018**
**Increase (decrease) in cash:****Cash flows from operating activities:**

Net increase in net assets applicable to Common Stockholders resulting from operations \$15,926,000

Adjustments to reconcile net increase in net assets applicable to Common Stockholders resulting from operations to net cash provided by operating activities:

Changes in assets and liabilities:

Purchase of investment securities (139,011,000)

Proceeds from disposition of investment securities 140,364,000

Purchase/sale of short-term investment securities, net 292,000

Increase in receivable (payable) for variation margin on centrally cleared interest rate swaps 287,000

Unrealized appreciation of centrally cleared interest rate swaps 1,250,000

Decrease in interest receivable 125,000

Decrease in deferred offering costs 11,000

Amortization of deferred offering costs 16,000

Increase in receivable for securities sold (4,488,000)

Decrease in cash collateral segregated for interest rate swaps 226,000

Increase in accumulated unpaid dividends on preferred shares 6,000

Increase in payable for securities purchased 883,000

Increase in interest payable 18,000

Net amortization of premium (discount) on investments (417,000)

Decrease in accrued expenses and other payables (16,000)

Unrealized appreciation on securities (1,320,000)

Unrealized appreciation on interest rate swaps (1,279,000)

Net realized gain from investments (4,618,000)

Net realized loss from interest rate swaps 136,000

**Net cash provided by (used in) operating activities** \$8,392,000**Cash flows from financing activities:**

Cash distributions paid on common stock (9,236,000)

**Net cash provided by (used in) financing activities** (9,236,000)

Net increase (decrease) in cash (843,000)

**Cash:**

Beginning balance 843,000

Ending balance 0

**Supplemental disclosure**

Cash paid for interest

\$974,

See Notes to Financial Statements 26

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Notes to Financial Statements High Yield Strategies Fund Inc.  
(Unaudited)

## Note A—Summary of Significant Accounting Policies:

- 1 General:** Neuberger Berman High Yield Strategies Fund Inc. (the “Fund”) was organized as a Maryland corporation on March 18, 2010, and registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as a non-diversified, closed-end management investment company. Under the 1940 Act, the status of a fund that was registered as non-diversified may, under certain circumstances, change to that of a diversified fund. The Fund is currently a diversified fund. The Fund’s Board of Directors (the “Board”) may classify or re-classify any unissued shares of capital stock into one or more classes of preferred stock without the approval of stockholders.

The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (“FASB”) Accounting Standard Codification Topic 946 “Financial Services—Investment Companies.”

The preparation of financial statements in accordance with U.S. generally accepted accounting principles (“GAAP”) requires Neuberger Berman Investment Advisers LLC (“Management”) to make estimates and assumptions at the date of the financial statements. Actual results could differ from those estimates.

- 2 Portfolio valuation:** In accordance with Accounting Standards Codification (“ASC”) 820 “Fair Value Measurement” (“ASC 820”), all investments held by the Fund are carried at the value that Management believes the Fund would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment under current market conditions. Various inputs, including the volume and level of activity for the asset or liability in the market, are considered in valuing the Fund’s investments, some of which are discussed below. Significant Management judgment may be necessary to value investments in accordance with ASC 820.

ASC 820 established a three-tier hierarchy of inputs to create a classification of value measurements for disclosure purposes. The three-tier hierarchy of inputs is summarized in the three broad Levels listed below.

Level 1 – quoted prices in active markets for identical investments

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

Level 3 – unobservable inputs (including the Fund’s own assumptions in determining the fair value of investments)

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

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

The value of the Fund’s investments in debt securities is determined by Management primarily by obtaining valuations from independent pricing services based on readily available bid or offer quotations, respectively, or if quotations are not available, by methods which include various considerations based on security type (generally Level 2 inputs). In addition to the consideration of yields or prices of securities of comparable quality, coupon, maturity and type, indications as to values from dealers, and general market conditions, the

following is a description of other Level 2 inputs and related valuation techniques used by independent pricing services to value certain types of debt securities held by the Fund:

*Corporate Bonds.* Inputs used to value corporate debt securities generally include relative credit information, observed market movements, sector news, U.S. Treasury yield curve or relevant benchmark curve, and other market information, which may include benchmark yields, reported trades, broker-dealer quotes, issuer spreads, benchmark securities, bids, offers, and reference data, such as market research publications, when available (“Other Market Information”).

*High Yield Securities.* Inputs used to value high yield securities generally include a number of observations of equity and credit default swap curves related to the issuer and Other Market Information.

The value of loan assignments is determined by Management primarily by obtaining valuations from independent pricing services based on broker quotes (generally Level 2 or Level 3 inputs depending on the number of quotes available).

The value of interest rate swaps is determined by Management primarily by obtaining valuations from independent pricing services based on references to the underlying rates including the local overnight index swap rate and the respective interbank offered forward rate to produce the daily price. The present value is calculated based off of expected cash flows based on swap parameters along with reference to the underlying yield curve and reference rate (generally Level 2 inputs).

Management has developed a process to periodically review information provided by independent pricing services for all types of securities.

Investments in non-exchange traded investment companies are valued using the respective fund's daily calculated net asset value per share (Level 2 inputs).

If a valuation is not available from an independent pricing service, or if Management has reason to believe that the valuation received does not represent the amount the Fund might reasonably expect to receive on a current sale in an orderly transaction, Management seeks to obtain quotations from brokers or dealers (generally considered Level 2 or Level 3 inputs depending on the number of quotes available). If such quotations are not readily available, the security is valued using methods the Fund's Board has approved in the good-faith belief that the resulting valuation will reflect the fair value of the security. Numerous factors may be considered when determining the fair value of a security based on Level 2 or Level 3 inputs, including available analyst, media or other reports, securities within the same industry with recent highly correlated performance, trading in futures or American Depositary Receipts ("ADRs") and whether the issuer of the security being fair valued has other securities outstanding.

Fair value prices are necessarily estimates, and there is no assurance that such a price will be at or close to the price at which the security is next quoted or next trades.

- 3 Securities transactions and investment income:** Securities transactions are recorded on trade date for financial reporting purposes. Dividend income is recorded on the ex-dividend date. Interest income, including amortization of premium, where applicable, and accretion of discount on securities (adjusted for original issue discount, where applicable) is recorded on the accrual basis. Realized gains and losses from security transactions are recorded on the basis of identified cost and stated separately in the Statement of Operations. Included in net realized gain (loss) on investments are proceeds from the settlements of class action litigation in which the Fund participated as a class member. The amount of such proceeds for the six months ended April 30, 2017 was \$1,529.
- 4 Income tax information:** It is the policy of the Fund to continue to qualify for treatment as a regulated investment company ("RIC") by complying with the requirements of the U.S. Internal Revenue Code applicable to RICs and to distribute substantially all of its net investment income and net realized capital gains to its stockholders. To the extent the Fund distributes substantially all of its net investment income and net realized capital gains to stockholders, no federal income or excise tax provision is required.

The Fund has adopted the provisions of ASC 740 "Income Taxes" ("ASC 740"). ASC 740 sets forth a minimum threshold for financial statement recognition of a tax position taken, or expected to be taken, in a tax return. The

Fund recognizes interest and penalties, if any, related to unrecognized tax positions as an income tax expense in the Statement of Operations. The Fund is subject to examination by U.S. federal and state tax authorities for returns filed for the tax years for which the applicable statutes of limitations have not yet expired. As of April 30, 2017, the Fund did not have any unrecognized tax positions.

At April 30, 2017, the cost of investments for U.S. federal income tax basis was \$372,195,275. Gross unrealized appreciation of investments was \$14,872,219 and gross unrealized depreciation of investments was \$5,988,448 resulting in net unrealized appreciation of \$8,883,771 based on cost for U.S. federal income tax purposes.

Income distributions and capital gain distributions are determined in accordance with income tax regulations, which may differ from GAAP. These differences are primarily due to differing treatments of income and gains on various investment securities held by the Fund, timing differences and differing characterization of distributions made by the Fund.

As determined on October 31, 2016, permanent differences resulting primarily from different book and tax accounting were reclassified at year end. Such differences may be attributed to the tax treatment of one or more of the following: gains and losses on interest rate swaps, expiration of capital loss carryforwards and non-deductible restructuring costs. These reclassifications had no effect on net income, net asset value ("NAV") applicable to common stockholders or NAV per share of common stock of the Fund. For the year ended October 31, 2016, the Fund recorded the following permanent reclassifications:

|                        | <b>Undistributed<br/>Net Investment<br/>Income (Loss)</b> | <b>Accumulated Net<br/>Realized Gains<br/>(Losses) on<br/>Investments</b> |
|------------------------|-----------------------------------------------------------|---------------------------------------------------------------------------|
| <b>Paid-in Capital</b> |                                                           |                                                                           |
| \$(4,993,455)          | \$(694,298)                                               | \$5,687,753                                                               |

The tax character of distributions paid during the years ended October 31, 2016 and October 31, 2015 was as follows:

| <b>Distributions Paid From:</b> |              |                                |             |                              |             |              |              |
|---------------------------------|--------------|--------------------------------|-------------|------------------------------|-------------|--------------|--------------|
| <b>Ordinary Income</b>          |              | <b>Long-Term Capital Gains</b> |             | <b>Tax Return of Capital</b> |             | <b>Total</b> |              |
| <b>2016</b>                     | <b>2015</b>  | <b>2016</b>                    | <b>2015</b> | <b>2016</b>                  | <b>2015</b> | <b>2016</b>  | <b>2015</b>  |
| \$18,712,931                    | \$19,331,537 | \$—                            | \$—         | \$1,111,086                  | \$1,351,795 | \$19,824,017 | \$20,683,332 |

As of October 31, 2016, the components of distributable earnings (accumulated losses) on a U.S. federal income tax basis were as follows:

| <b>Undistributed<br/>Ordinary<br/>Income</b> | <b>Undistributed<br/>Long-Term<br/>Capital Gain</b> | <b>Unrealized<br/>Appreciation/<br/>(Depreciation)</b> | <b>Loss<br/>Carryforwards<br/>and Deferrals</b> | <b>Other<br/>Temporary<br/>Differences</b> | <b>Total</b>   |
|----------------------------------------------|-----------------------------------------------------|--------------------------------------------------------|-------------------------------------------------|--------------------------------------------|----------------|
| \$—                                          | \$—                                                 | \$7,796,519                                            | \$(31,110,342)                                  | \$(128,175)                                | \$(23,441,998) |

The temporary differences between book basis and tax basis distributable earnings are primarily due to: losses disallowed and recognized on wash sales, distribution payments, mark to market on certain swap contract transactions, delayed settlement compensation on bank loans and capital loss carryforwards.

To the extent the Fund's net realized capital gains, if any, can be offset by capital loss carryforwards, it is the policy of the Fund not to distribute such gains. The Regulated Investment Company Modernization Act of 2010 made changes to the capital loss carryforward rules allowing for RICs to carry forward capital losses indefinitely and to retain the character of capital loss carryforwards as short-term or long-term ("Post-Enactment"). Rules in effect previously limited the carryforward period to eight years and all carryforwards were considered short-term in character ("Pre-Enactment"). As determined at October 31, 2016, the Fund had unused capital loss carryforwards available for federal income tax purposes to offset net realized capital gains, if any, as follows:

**Pre-Enactment**  
**Expiring in: 2017**  
\$4,089,608

**Post-Enactment (No Expiration Date)**

| <b>Long-Term</b> | <b>Short-Term</b> |
|------------------|-------------------|
| \$22,480,483     | \$4,540,251       |

During the year ended October 31, 2016, the Fund had capital loss carryforwards expire of \$4,971,059.

- 5 Foreign taxes:** Foreign taxes withheld, if any, represent amounts withheld by foreign tax authorities net of refunds recoverable.
- 6 Distributions to common stockholders:** The Fund earns income, net of expenses, daily on its investments. It is the policy of the Fund to declare and pay monthly distributions to common stockholders. The Fund has adopted a policy to pay common stockholders a stable monthly distribution. The Fund's ability to satisfy its policy will depend on a number of factors, including the stability of income received from its investments, the availability of capital gains, distributions paid on any preferred shares, interest paid on any notes and the level of Fund expenses. In an effort to maintain a stable monthly distribution amount, the Fund may pay distributions consisting of net investment income, net realized gains and paid-in capital. There is no assurance that the Fund will always be able to pay distributions of a particular size, or that distributions will consist solely of net investment income and net realized capital gains. The composition of the Fund's distributions for the calendar year 2017 will be reported to Fund stockholders on IRS Form 1099-DIV. The Fund may pay distributions in excess of those required by its stable distribution policy to avoid excise tax or to satisfy the requirements of Subchapter M of the U.S. Internal Revenue Code. Distributions to common stockholders are recorded on the ex-date. Net realized capital gains, if any, will be offset to the extent of any available capital loss carryforwards. Any such offset will not reduce the level of the stable distribution paid by the Fund. Distributions to preferred stockholders are accrued and determined as described in Note A-8.

On April 28, 2017, the Fund declared a monthly distribution to common stockholders in the amount of \$0.0725 per share, payable on May 31, 2017 to stockholders of record on May 15, 2017, with an ex-date of May 11, 2017. Subsequent to April 30, 2017, the Fund declared a monthly distribution to common stockholders in the amount of \$0.0725 per share, payable on June 30, 2017 to stockholders of record on June 15, 2017, with an ex-date of June 13, 2017.

- 7 Expense allocation:** Certain expenses are applicable to multiple funds within the complex of related investment companies, which includes open-end and closed-end investment companies for which Management serves as investment manager. Expenses directly attributable to the Fund are charged to the Fund. Expenses borne by the complex of related investment companies that are not directly attributable to a particular investment company (e.g., the Fund) are allocated among the Fund and the other investment companies or series thereof in the complex on the basis of relative net assets, except where a more appropriate allocation of expenses to each of the investment companies or series thereof in the complex can otherwise be made fairly.
- 8 Financial leverage:** In 2010, the Fund issued 1,087 privately placed perpetual preferred shares ("PPS") with an aggregate liquidation preference of \$27,175,000 and privately placed notes ("PNs") with an aggregate principal value of \$82,610,000. In September 2013, the Fund issued privately placed notes ("New PNs") with an aggregate principal value of \$90,000,000 and Mandatory Redeemable Preferred Shares, Series B ("MRPS" and, together with the New PNs, "Private Securities") with an aggregate liquidation preference of \$35,000,000 to holders of the PNs and PPS and used the proceeds to redeem and prepay their PNs and PPS and increase the Fund's leverage.

The New PNs and MRPS have a maturity date of September 18, 2023. The interest on the New PNs is accrued daily and paid quarterly. The MRPS have a liquidation preference of \$25,000 per share plus any accumulated unpaid distributions, whether or not earned or declared by the Fund, but excluding interest thereon ("Liquidation Value"). Distributions on the MRPS are accrued daily and paid quarterly. The PNs and PPS had these same terms. For financial reporting purposes only, the liquidation preference of the MRPS is recognized as a liability in the Statement of Assets and Liabilities.

For the six months ended April 30, 2017, the distribution rates on the MRPS ranged from 3.24% to 3.55% and the interest rates on the New PNs ranged from 2.04% to 2.35%.

The table below sets forth key terms of the MPRS.

| Series   | Mandatory Redemption Date | Interest Rate | Shares Outstanding | Aggregate Liquidation Preference | Estimated Fair Value |
|----------|---------------------------|---------------|--------------------|----------------------------------|----------------------|
| Series B | 9/18/23                   | 3.5468%*      | 1,400              | \$35,000,000                     | \$35,000,000         |

\* Floating rate effective for the six months ended April 30, 2017.

The Fund has paid up front offering and organizational expenses which are being amortized over the life of the New PNs and MRPS. The expenses are included in the interest expense that is reflected in the Statement of Operations.

The Fund may redeem MRPS or prepay the New PNs, in whole or in part, at its option after giving a minimum amount of notice to the relevant holders of the Private Securities but will incur additional expenses if it chooses to so redeem or prepay. The Fund is also subject to certain restrictions relating to the Private Securities. Failure to comply with these restrictions could preclude the Fund from declaring any distributions to common stockholders or repurchasing shares of common stock and/or could trigger the mandatory redemption of MRPS at Liquidation Value and certain expenses and/or mandatory prepayment of New PNs at par plus accrued but unpaid interest and certain expenses. The holders of MRPS are entitled to one vote per share and will vote with holders of shares of common stock as a single class, except that the holders of MRPS will vote separately as a class on certain matters, as required by law or the Fund's organizational documents. The holders of MRPS, voting as a separate class, are entitled at all times to elect two Directors of the Fund, and to elect a majority of the Directors of the Fund if the Fund fails to pay distributions on MRPS for two consecutive years.

- 9 Concentration of credit risk:** The Fund will normally invest at least 80% of its total assets in high yield debt securities of U.S. and foreign issuers, which include securities that are rated below investment grade by a rating agency or are unrated debt securities determined to be of comparable quality by the Fund's investment manager.

Due to the likelihood of volatility and potential illiquidity of the high yield securities in which the Fund invests and the real or perceived difficulty of issuers of those high yield securities to meet their payment obligations during economic downturns or because of negative business developments relating to the issuer or its industry in general, the value and/or price of the Fund's shares of common stock may fluctuate more than would be the case if the Fund did not concentrate in high yield securities.

- 10 Derivative instruments:** The Fund's use of derivatives during the six months ended April 30, 2017, is described below. Please see the Schedule of Investments for the Fund's open positions in derivatives, at April 30, 2017. The Fund has adopted the provisions of ASC 815 "Derivatives and Hedging" ("ASC 815"). The disclosure requirements of ASC 815 distinguish between derivatives that qualify for hedge accounting and those that do not. Because investment companies value their derivatives at fair value and recognize changes in fair value through the Statement of Operations, they do not qualify for hedge accounting. Accordingly, even though the Fund's investments in derivatives may represent economic hedges, they are considered non-hedge transactions for purposes of this disclosure.

**Interest rate swaps:** During the six months ended April 30, 2017 the Fund used interest rate swaps to reduce the risk that an increase in short-term interest rates could reduce common share net earnings as a result of leverage. Under the terms of the interest rate swaps, the Fund agrees to pay the swap counterparty a fixed-rate

payment in exchange for the counterparty's paying the Fund a variable-rate payment that is intended to approximate all or a portion of the Fund's variable-rate payment obligations on the Fund's Private Securities. The fixed-rate and variable-rate payment flows are netted against each other, with the difference being paid by one party to the other on a monthly basis. The Fund segregates cash or liquid securities having a value at least equal to the Fund's net payment obligations under any interest rate swap transaction, marked to market daily. There is no guarantee that these interest rate swap transactions will be successful in reducing or limiting risk.

Risks may arise if the counterparty to a swap contract fails to comply with the terms of its contract. The loss incurred by the failure of a counterparty is generally limited to the net interest payment to be received by the Fund and/or the termination value at the end of the contract. Additionally, risks may arise if there is no liquid market for these agreements or from movements in interest rates unanticipated by Management.

Periodic expected interim net interest payments or receipts on the swaps are recorded as an adjustment to unrealized gains/losses, along with the fair value of the future periodic payment or receivable streams on the swaps. The unrealized gains/losses associated with the periodic interim net interest payments or receipts are reclassified to realized gains/losses in conjunction with the actual net receipt or payment of such amounts. The reclassifications do not impact the Fund's total net assets applicable to common stockholders or its total net increase (decrease) in net assets applicable to common stockholders resulting from operations.

Certain clearinghouses currently offer clearing for limited types of derivative transactions. In a cleared derivative transaction, a fund typically enters into the transaction with a financial institution counterparty that is then cleared through a central clearinghouse. Upon acceptance of a swap by a central clearinghouse, the original swap is extinguished and replaced with a swap with the clearinghouse, thereby reducing or eliminating the fund's exposure to the credit risk of the original counterparty. A fund typically will be required to post specified levels of both initial and variation margin with the clearinghouse or at the instruction of the clearinghouse. The daily change in valuation is recorded as a receivable or payable for variation margin and settled in cash with the centrally clearing party. For financial reporting purposes, unamortized upfront payments, if any, are netted with unrealized appreciation or depreciation and net interest received or paid on swap contracts to determine the fair value of swaps.

At April 30, 2017, the Fund had the following derivatives (which did not qualify for hedge accounting under ASC 815), grouped by primary risk exposure:

| <b>Asset Derivatives</b>              | <b>Interest Rate Risk</b> | <b>Statement of Assets and Liabilities Location</b>                                             |
|---------------------------------------|---------------------------|-------------------------------------------------------------------------------------------------|
| Centrally Cleared Interest Rate Swaps | \$1,391,900               | Receivable/Payable for variation margin on centrally cleared interest rate swaps <sup>(a)</sup> |
| <b>Total Value - Assets</b>           | <b>\$1,391,900</b>        |                                                                                                 |
| <b>Liability Derivatives</b>          | <b>Interest Rate Risk</b> | <b>Statement of Assets and Liabilities Location</b>                                             |
| Centrally Cleared Interest Rate Swaps | \$(96,944)                | Receivable/Payable for variation margin on centrally cleared interest rate swaps <sup>(a)</sup> |
| <b>Total Value - Liabilities</b>      | <b>\$(96,944)</b>         |                                                                                                 |

(a) "Centrally Cleared Interest Rate Swaps" reflects cumulative unrealized appreciation or (depreciation). Only the current day's variation margin on open centrally cleared interest rate swaps is reported within the Statement of Assets and Liabilities as "Receivable for variation margin on centrally cleared interest rate swaps (Note A)."

The impact of the use of these derivative instruments on the Statement of Operations during the six months ended April 30, 2017, was as follows:

| <b>Realized Gain (Loss)</b> | <b>Interest Rate Risk</b> | <b>Statement of Operations Location</b> |
|-----------------------------|---------------------------|-----------------------------------------|
| Interest Rate Swaps         | \$(136,188)               | Net realized gain (loss)                |

|                                                    |                                   |                                                                            |
|----------------------------------------------------|-----------------------------------|----------------------------------------------------------------------------|
| <b>Total Realized Gain (Loss)</b>                  | <b>\$(136,188)</b>                | on: interest rate swaps                                                    |
| <b>Change in Appreciation/(Depreciation)</b>       |                                   |                                                                            |
| Interest Rate Swaps                                | Interest Rate Risk<br>\$1,279,515 | Statement of Operations Location<br>Change in net unrealized appreciation/ |
| <b>Total Change in Appreciation/(Depreciation)</b> | <b>\$1,279,515</b>                | (depreciation) in value of: interest rate swaps                            |

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The Fund adopted the provisions of Accounting Standards Update (“ASU”) 2011-11 Disclosures about Offsetting Assets and Liabilities (“ASU 2011-11”). ASU 2011-11 is intended to enhance disclosure requirements on the offsetting of financial assets and liabilities. Pursuant to ASU 2011-11, an entity is required to disclose both gross and net information for assets and liabilities related to derivatives, repurchase and reverse repurchase agreements, and securities lending and securities borrowing transactions that are eligible for offset or subject to an enforceable master netting or similar agreement. At April 30, 2017, the Fund had no derivatives eligible for offset or subject to an enforceable master netting or similar agreement.

- 11 Indemnifications:** Like many other companies, the Fund’s organizational documents provide that its officers (“Officers”) and directors (“Directors”) are indemnified against certain liabilities arising out of the performance of their duties to the Fund. In addition, both in some of its principal service contracts and in the normal course of its business, the Fund enters into contracts that provide indemnifications to other parties for certain types of losses or liabilities. The Fund’s maximum exposure under these arrangements is unknown as this could involve future claims against the Fund.
- 12 Arrangements with certain non-affiliated service providers:** In order to satisfy rating agency requirements and the terms of the Private Securities, the Fund is required to provide the rating agency and holders of Private Securities a report on a monthly basis verifying that the Fund is maintaining eligible assets having a discounted value equal to or greater than the basic maintenance amount, which is the minimum level set by the rating agency as one of the conditions to maintain the AAA rating on the New PNs and the AA rating on the MRPS. “Discounted value” refers to the fact that the rating agency requires the Fund, in performing this calculation, to discount portfolio securities below their face value, at rates determined by the rating agency. The Fund pays State Street Bank and Trust Company (“State Street”) for the preparation of this report, which is reflected in the Statement of Operations under the caption “Basic maintenance expense (Note A).”

## **Note B—Investment Management Fees, Administration Fees, and Other Transactions with Affiliates:**

The Fund retains Management as its investment manager under a Management Agreement. For such investment management services, the Fund pays Management a fee computed at an annual rate of 0.60% of the Fund’s average daily Managed Assets. Managed Assets equal the total assets of the Fund, less liabilities other than the aggregate indebtedness entered into for purposes of leverage. For purposes of calculating Managed Assets, the Liquidation Value of any MRPS (PPS prior to September 2013) outstanding and borrowings under the New PNs (PNs prior to September 2013) are not considered liabilities.

The Fund retains Management as its administrator under an Administration Agreement. The Fund pays Management an administration fee at the annual rate of 0.05% of its average daily Managed Assets under this agreement. Additionally, Management retains State Street as its sub-administrator under a Sub-Administration Agreement. Management pays State Street a fee for all services received under the agreement.

Prior to January 1, 2016, Neuberger Berman Fixed Income LLC was the sub-adviser to the Fund, retained by Management pursuant to a Sub-Advisory Agreement to be responsible for developing, implementing and supervising the Fund’s investment program and providing certain administrative services to the Fund, and received a monthly fee paid by Management.

Several individuals who are Officers and/or Directors of the Fund are also employees of Management.

In April 2016, the Fund recorded a capital contribution from a portfolio manager in the amount of \$2,435. This amount was paid in accordance with Section 16(b) of the Securities Exchange Act of 1934, as amended.

## Note C—Securities Transactions:

During the six months ended April 30, 2017, there were purchases and sales of long-term securities (excluding interest rate swap contracts) of \$132,160,515 and \$130,473,641, respectively.

## Note D—Legal Matters:

On June 1, 2015, the Fund was served with a lawsuit filed in the United States Bankruptcy Court for the Southern District of New York, entitled Motors Liquidation Company Avoidance Action Trust vs. JPMorgan Chase Bank, N.A. et al. and numbered Adv. No. 09-00504 (MG). In addition to the Fund, the lawsuit also names over five hundred other institutional investors as defendants. The lawsuit does not allege any misconduct by the defendants, but seeks to recover payments made by General Motors Corporation (n/k/a Motors Liquidation Company) and its affiliates (collectively, “GM”) to the defendants shortly prior to and after GM’s Chapter 11 bankruptcy filing on June 1, 2009 (the “Petition Date”). The complaint alleges that GM made the payments to the defendants under a certain term loan agreement, dated as of November 29, 2006, as amended by that first amendment dated as of March 4, 2009 (the “Term Loan Agreement”); that the payments occurred both during the ninety (90) days prior to the Petition Date (the “Prepetition Transfer”) and after the Petition Date when all amounts due under the Term Loan Agreement were paid in full in connection with GM’s postpetition financing (the “Postpetition Transfer”); that the lien purportedly securing the Term Loan Agreement was not perfected as of the Petition Date; and that the lenders under the Term Loan Agreement should therefore have been treated as unsecured creditors rather than paid in full as secured creditors. The plaintiff seeks avoidance of the lien securing the Term Loan Agreement as unperfected under Section 544(a) of the Bankruptcy Code; disgorgement of all amounts paid to the defendants as Postpetition Transfer (plus interest) under Section 549 of the Bankruptcy Code; and disallowance of any bankruptcy claims of the defendants against GM until they repay all such amounts under Section 502(d) of the Bankruptcy Code. On November 17, 2016, all claims against the Fund relating to the Prepetition Transfer were dismissed from the action. On May 5, 2017, the Bankruptcy Court concluded the evidentiary portion of a trial on certain legal issues with respect to the defendants’ right to the Postpetition Transfer, closing arguments are scheduled for June 5, 2017. During 2009, the Fund received pay downs from GM in connection with the term loan totaling approximately \$3.0 million. The Fund cannot predict the outcome of the lawsuit. If the lawsuit were to be decided or settled in a manner adverse to the Fund, the payment of such judgment or settlement could have an adverse effect on the Fund’s net asset value. However, no liability for litigation relating to this matter has been accrued in the financial statements as neither the likelihood nor the amount of any liability can reasonably be determined at this time. The Fund will incur legal expenses associated with the defense of the lawsuit.

## Note E—Custodian Out-of-Pocket Expenses Refunded:

In May 2016, the Fund’s custodian, State Street, announced that it had identified inconsistencies in the way in which the Fund was invoiced for categories of expenses, particularly those deemed “out-of-pocket” costs, from 1998 through November 2015. The amounts in the table below represent the refunded expenses and interest determined to be payable to the Fund for the period in question. These amounts were refunded to the Fund by State Street during the period ended April 30, 2017.

| <b>Expenses<br/>Refunded</b> | <b>Interest Paid to<br/>the Fund</b> |
|------------------------------|--------------------------------------|
| \$51,210                     | \$3,677                              |

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## Note F—Recent Accounting Pronouncements:

In October 2016, the U.S. Securities and Exchange Commission (“SEC”) adopted new rules and forms, and amendments to certain current rules and forms, to modernize reporting and disclosure of information by registered investment companies. The amendments to Regulation S-X will require standardized, enhanced disclosure about derivatives in investment company financial statements, and will also change the rules governing the form and content of such financial statements. The compliance date for the amendments to Regulation S-X is August 1, 2017. Management is currently evaluating the impact, if any, that the adoption of the amendments to Regulation S-X will have on the Fund’s financial statements and related disclosures.

During the six months ended April 30, 2017, the Fund adopted the FASB’s ASU No. 2015-03, which provides guidance to simplify the presentation of debt issuance costs. Pursuant to the new standard, the Fund is required to present debt issuance costs in its Statement of Assets and Liabilities as a direct deduction from the carrying value of the related debt liability. Prior to the change, such costs were presented by the Fund as a deferred asset. This change in accounting had no impact on the Fund’s net assets.

In December 2016, FASB issued ASU No. 2016-19, “Technical Corrections and Improvements” (“ASU 2016-19”). The guidance includes an amendment to Topic 820, Fair Value Measurement, which clarifies the difference between a valuation approach and a valuation technique. The amendments also require an entity to disclose when it has changed either a valuation approach and/or a valuation technique. The guidance is effective for interim and annual reporting periods beginning after December 15, 2016. Management is currently evaluating the impact, if any, of applying this guidance.

On August 26, 2016, FASB issued a new ASU No. 2016-15, “Statement of Cash Flows (Topic 230), Classification of Certain Cash Receipts and Cash Payments, a consensus of the FASB’s Emerging Issues Task Force” (“ASU 2016-15”). ASU 2016-15 is intended to reduce diversity in practice in how certain transactions are classified in the statement of cash flows. The types of transactions addressed in ASU 2016-15 are debt prepayment or debt extinguishment costs, settlement of zero-coupon debt instruments, contingent consideration payments made after a business combination, proceeds from the settlement of insurance claims, proceeds from the settlement of corporate-owned life insurance, distributions received from equity method investees, and beneficial interests in securitization transactions. The amendments also clarify how the predominance principle should be applied. ASU 2016-15 is effective for interim and annual reporting periods beginning after December 15, 2017. Management is currently evaluating the impact, if any, of applying this provision.

In November 2016, FASB issued a new ASU No. 2016-18, “Statement of Cash Flows (Topic 230), Restricted Cash” (“ASU 2016-18”). ASU 2016-18 requires that a statement of cash flows show the changes during the period in the total of cash, cash equivalents, restricted cash and restricted cash equivalents. ASU 2016-18 is effective for interim and annual reporting periods beginning after December 15, 2017. Management is currently evaluating the impact, if any, of applying this guidance.

## Note G—Unaudited Financial Information:

The financial information included in this interim report is taken from the records of the Fund without audit by an independent registered public accounting firm. Annual reports contain audited financial statements.

## Financial Highlights

**High Yield Strategies Fund Inc.**

The following table includes selected data for a share of common stock outstanding throughout each period and other performance information derived from the Financial Statements. Amounts that do not round to \$0.01 or \$(0.01) per share are presented as \$0.00 or \$(0.00), respectively. Ratios that do not round to 0.01% or (0.01)% are presented as 0.00% or (0.00)%, respectively. A “-” indicates that the line item was not applicable in the corresponding period.

|                                                                                  | <b>Six Months<br/>Ended April<br/>30,<br/>2017<br/>(Unaudited)</b> | <b>2016</b>          | <b>Year Ended October 31,</b> |                    | <b>2013</b>     |
|----------------------------------------------------------------------------------|--------------------------------------------------------------------|----------------------|-------------------------------|--------------------|-----------------|
|                                                                                  | <b>2015</b>                                                        | <b>2014</b>          |                               |                    |                 |
| <b>Common Stock Net Asset Value,<br/>Beginning of Period</b>                     | \$ 13.12                                                           | \$ 12.68             | \$ 14.42                      | \$ 14.67           | \$ 14.00        |
| <b>Income From Investment Operations<br/>Applicable to Common Stockholders:</b>  |                                                                    |                      |                               |                    |                 |
| Net Investment Income (Loss) <sup>@</sup>                                        | 0.45                                                               | 0.92                 | 1.02                          | 1.10               | 1.15            |
| Net Gains or Losses on Securities<br>(both realized and unrealized)              | 0.36                                                               | 0.48                 | (1.75)                        | (0.27)             | 0.61            |
| Common Stock Equivalent of Distributions<br>to MRPS Preferred Stockholders From: |                                                                    |                      |                               |                    |                 |
| Net Investment Income <sup>@</sup>                                               | —                                                                  | —                    | —                             | —                  | (0.04)          |
| <b>Total From Investment Operations<br/>Applicable to Common Stockholders</b>    | <b>0.81</b>                                                        | <b>1.40</b>          | <b>(0.73)</b>                 | <b>0.83</b>        | <b>1.72</b>     |
| <b>Less Distributions to Common<br/>Stockholders From:</b>                       |                                                                    |                      |                               |                    |                 |
| Net Investment Income                                                            | (0.47)                                                             | (0.90)               | (0.94)                        | (1.08)             | (1.00)          |
| Tax Return of Capital                                                            | —                                                                  | (0.06)               | (0.07)                        | —                  | —               |
| <b>Total Distributions to<br/>Common Stockholders</b>                            | <b>(0.47)</b>                                                      | <b>(0.96)</b>        | <b>(1.01)</b>                 | <b>(1.08)</b>      | <b>(1.00)</b>   |
| <b>Voluntary Contribution<br/>from Management</b>                                | <b>—</b>                                                           | <b>0.00</b>          | <b>—</b>                      | <b>0.00</b>        | <b>—</b>        |
| <b>Common Stock Net Asset Value,<br/>End of Period</b>                           | <b>\$ 13.46</b>                                                    | <b>\$ 13.12</b>      | <b>\$ 12.68</b>               | <b>\$ 14.42</b>    | <b>\$ 14.67</b> |
| <b>Common Stock Market Value,<br/>End of Period</b>                              | <b>\$ 12.05</b>                                                    | <b>\$ 11.61</b>      | <b>\$ 10.69</b>               | <b>\$ 13.16</b>    | <b>\$ 13.50</b> |
| Total Return, Common Stock<br>Net Asset Value <sup>†</sup>                       | 6.76% <sup>a *</sup>                                               | 13.08% <sup>ab</sup> | (4.23)%                       | 6.48% <sup>b</sup> | 13.18%          |
| Total Return, Common Stock<br>Market Value <sup>†</sup>                          | 8.00% <sup>a *</sup>                                               | 18.69% <sup>ab</sup> | (11.53)%                      | 5.13% <sup>b</sup> | 3.50%           |
| <b>Supplemental Data/Ratios<sup>††</sup></b>                                     |                                                                    |                      |                               |                    |                 |
| Net Assets Applicable to Common<br>Stockholders, End of Period (in millions)     | \$ 263.0                                                           | \$ 256.4             | \$ 247.8                      | \$ 281.7           | \$ 286.7        |
| Preferred Stock Outstanding,<br>End of Period (in millions) <sup>^</sup>         | \$ 35.0                                                            | \$ 35.0              | \$ 35.0                       | \$ 35.0            | \$ 35.0         |

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|                                             |           |           |           |           |           |
|---------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Preferred Stock Liquidation Value Per Share | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 |
|---------------------------------------------|-----------|-----------|-----------|-----------|-----------|

**Ratios are Calculated Using Average Net Assets Applicable to Common Stockholders**

|                                                                                    |            |            |            |            |            |
|------------------------------------------------------------------------------------|------------|------------|------------|------------|------------|
| Ratio of Gross Expenses <sup>00</sup>                                              | 2.43%**    | 2.39%      | 2.02%      | 1.89%      | 1.73%      |
| Ratio of Net Expenses <sup>00</sup>                                                | 2.41 %**c  | 2.39%      | 2.02%      | 1.89%      | 1.73%      |
| Ratio of Net Investment Income (Loss) Excluding MRPS Preferred Stock Distributions | 6.87%**c   | 7.53%      | 7.46%      | 7.47%      | 8.02%      |
| Portfolio Turnover Rate                                                            | 35%*       | 57%        | 54%        | 60%        | 69%        |
| Asset Coverage Per Share, of Preferred Stock, End of Period <sup>c</sup>           | \$ 212,968 | \$ 208,182 | \$ 202,029 | \$ 226,286 | \$ 229,813 |
| Notes Payable (in millions)                                                        | \$ 89.9^^  | \$ 90.0    | \$ 90.0    | \$ 90.0    | \$ 90.0    |
| Asset Coverage Per \$1,000 of Notes Payable <sup>c¢</sup>                          | \$ 4,313   | \$ 4,238   | \$ 4,143   | \$ 4,520   | \$ 4,573   |

See Notes to Financial Highlights 36

## Notes to Financial Highlights (Unaudited)

- † Total return based on per share NAV reflects the effects of changes in NAV on the performance of the Fund during each fiscal period. Total return based on per share market value assumes the purchase of shares of common stock at the market price on the first day and sale of common stock at the market price on the last day of the period indicated. Distributions, if any, are assumed to be reinvested at prices obtained under the Fund's distribution reinvestment plan. Results represent past performance and do not indicate future results. Current returns may be lower or higher than the performance data quoted. Investment returns may fluctuate and shares of common stock when sold may be worth more or less than original cost. Total return would have been lower if Management had not waived certain expenses during certain of the periods shown. Total return would have been the same for each of the respective years if the Fund had not received the refund listed in Note E of the Notes to Financial Statements
- # Represents the annualized ratios of net expenses to average daily net assets if Management had not waived a portion of the investment management fee.
- @ Calculated based on the average number of shares of common stock outstanding during each fiscal period.
- †† Expense ratios do not include the effect of distribution payments to PPS stockholders outstanding. Income ratios include income earned on assets attributable to Private Securities (PPS and PNs prior to September 18, 2013) outstanding.
- ^ From August 6, 2010 to September 17, 2013, the Fund had 1,087 PPS outstanding. Since September 18, 2013, the Fund has 1,400 MRPS outstanding (see Note A to Financial Statements).
- ^^ During the six months ended April 30, 2017, the Fund adopted FASB's Accounting Standards Update No. 2015-03. At April 30, 2017, the value of Notes Payable is being shown net of unamortized deferred issuance costs of \$144,363.
- \* Not annualized.
- \*\* Annualized.
- ØØ Interest expense is included in expense ratios. The annualized ratios of interest expense to average net assets applicable to common stockholders were:

### Six Months

#### Ended

April 30,      Year Ended October 31,

|  | 2017  | 2016  | 2015  | 2014  | 2013  | 2012  |
|--|-------|-------|-------|-------|-------|-------|
|  | 0.77% | 0.68% | 0.51% | 0.46% | 0.58% | 0.69% |

- Ø Prior to January 1, 2013, the Fund had an expense offset arrangement in connection with its custodian contract. The impact of expense reductions related to expense offset arrangements, if any, was less than 0.01%.
- ¢ Calculated by subtracting the Fund's total liabilities (excluding the liquidation preference of MRPS and accumulated unpaid distributions on MRPS (PPS prior to September 18, 2013)) from the Fund's total assets and dividing by the number of MRPS/PPS outstanding.

- cc Calculated by subtracting the Fund's total liabilities (excluding the liquidation preference of MRPS (PPS prior to September 18, 2013)), the outstanding principal of New PNs (PNs prior to September 18, 2013) and accumulated unpaid liabilities on Private Securities (PPS and PNs prior to September 18, 2013) from the Fund's total assets and dividing by the outstanding Notes payable balance.
- a The class action proceeds listed in Note A of the Notes to Financial Statements had no impact on the Fund's total return for the six months ended April 30, 2017.

The class action proceeds received in 2016 had no impact on the Fund's total return for the year ended October 31, 2016.

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- b The payments by affiliates received in 2014 and 2016 had no impact on the Fund's total returns for the years ended October 31, 2014 and October 31, 2016, respectively.
- c Custodian Out-of-Pocket Expenses Refunded, as listed in Note E of the Notes to Financial Statements, which is non-recurring, is included in these ratios on a non-annualized basis. Had the Fund not received the refund, the annualized ratios of net expenses to average net assets applicable to common stockholders and net investment income/(loss) to average net assets applicable to common stockholders would have been:

| <b>Ratio of<br/>Net Expenses to Average<br/>Net Assets Applicable to<br/>Common Stockholders<br/>Six Months Ended<br/>April 30, 2017</b> | <b>Ratio of<br/>Net Investment Income/(Loss) to<br/>Average Net Assets Applicable<br/>to Common Stockholders<br/>Six Months Ended<br/>April 30, 2017</b> |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.43%                                                                                                                                    | 6.85%                                                                                                                                                    |

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## Distribution Reinvestment Plan

American Stock Transfer & Trust Company, LLC (the “Plan Agent”) will act as Plan Agent for stockholders who have not elected in writing to receive dividends and distributions in cash (each a “Participant”), will open an account for each Participant under the Distribution Reinvestment Plan (“Plan”) in the same name as their then-current shares of the Fund’s common stock (“Shares”) are registered, and will put the Plan into effect for each Participant as of the first record date for a dividend or capital gains distribution.

Whenever the Fund declares a dividend or distribution with respect to the Shares, each Participant will receive such dividends and distributions in additional Shares, including fractional Shares acquired by the Plan Agent and credited to each Participant’s account. If on the payment date for a cash dividend or distribution, the net asset value is equal to or less than the market price per Share plus estimated brokerage commissions, the Plan Agent shall automatically receive such Shares, including fractions, for each Participant’s account. Except in the circumstances described in the next paragraph, the number of additional Shares to be credited to each Participant’s account shall be determined by dividing the dollar amount of the dividend or 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 on the payment date.

Should the net asset value per Share exceed the market price per Share plus estimated brokerage commissions on the payment date for a cash dividend or distribution, the Plan Agent or a broker-dealer selected by the Plan Agent shall endeavor, for a purchase period lasting until the last business day before the next date on which the Shares trade on an “ex-dividend” basis, but in no event, except as provided below, more than 30 days after the payment date, to apply the amount of such dividend or distribution on each Participant’s Shares (less their pro rata share of brokerage commissions incurred with respect to the Plan Agent’s open-market purchases in connection with the reinvestment of such dividend or distribution) to purchase Shares on the open market for each Participant’s account. No such purchases may be made more than 30 days after the payment date for such dividend or distribution except 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 Plan Agent will not make any further open-market purchases in connection with the reinvestment of such dividend or distribution. If the Plan Agent is unable to invest the full dividend or distribution amount through open-market purchases during the purchase period, the Plan 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, such Shares to be issued in accordance with the terms specified in the third paragraph hereof. These newly issued Shares will be valued at the then-current market price per Share at the time such Shares are to be issued.

For purposes of making the reinvestment purchase comparison under the Plan, (a) the market price of the Shares on a particular date shall be the last sales price on the New York Stock Exchange (or if the Shares are not listed on the New York Stock Exchange, such other exchange on which the Shares are principally traded) on that date, or, if there is no sale on such Exchange (or if not so listed, in the over-the-counter market) on that date, then the mean between the closing bid and asked quotations for such Shares on such Exchange on such date and (b) the net asset value per Share on a particular date shall be the net asset value per Share most recently calculated by or on behalf of the Fund. All dividends, distributions and other payments (whether made in cash or Shares) shall be made net of any applicable withholding tax.

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 Plan Agent shall determine. Each Participant's uninvested funds held by the Plan Agent will not bear interest, and it is understood that, in any event, the Plan 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 purchases effected. The Plan Agent shall have no responsibility as to the value of the Shares acquired for each

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Participant's account. For the purpose of cash investments, the Plan Agent may commingle each Participant's funds with those of other stockholders of the Fund for whom the Plan Agent similarly acts as agent, and the average price (including brokerage commissions) of all Shares purchased by the Plan Agent as Plan Agent shall be the price per Share allocable to each Participant in connection therewith.

The Plan Agent may hold each Participant's Shares acquired pursuant to the Plan together with the Shares of other stockholders of the Fund acquired pursuant to the Plan in noncertificated form in the Plan Agent's name or that of the Plan Agent's nominee. The Plan Agent will forward to each Participant any proxy solicitation material and will vote any Shares so held for each Participant only in accordance with the instructions set forth on proxies returned by the Participant to the Fund.

The Plan 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 three decimal places) in a Share, 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 Plan Agent will adjust for any such undivided fractional interest in cash at the market value of the Shares at the time of termination, less the pro rata expense of any sale required to make such an adjustment.

Any Share dividends or split Shares distributed by the Fund on Shares held by the Plan Agent for Participants will be credited to their accounts. In the event that the Fund makes available to its stockholders rights to purchase additional Shares or 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 Plan Agent's service fee for handling capital gains and other distributions or income dividends will be paid by the Fund. Participants 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 Plan Agent in writing. Such termination will be effective immediately if the Participant's notice is received by the Plan Agent not less than ten days prior to any dividend or distribution record date, otherwise such termination will be effective the first trading day after the payment date for such dividend or distribution with respect to any subsequent dividend or distribution. The Plan may be terminated by the Plan Agent or the Fund upon notice in writing mailed to each Participant at least 30 days prior to any record date for the payment of any dividend or distribution by the Fund.

These terms and conditions may be amended or supplemented by the Plan 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 Plan Agent receives written notice of the termination of their account under the Plan. Any such amendment may include an appointment by the Plan Agent in its place and stead of a successor Plan Agent under these terms and conditions, with full power and authority to perform all or any of the acts to be performed by the Plan Agent under these terms and conditions. Upon any such appointment of any Plan Agent for the purpose of receiving dividends and distributions, the Fund will be authorized to pay to such successor Plan Agent, for each Participant's account, all dividends and distributions payable on Shares held in their name or under the Plan for retention or application by such successor Plan Agent as provided in these terms and conditions.

The Plan Agent shall at all times act in good faith and agrees to use its best efforts within reasonable limits to ensure 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 Plan Agent's

negligence, bad faith, or willful misconduct or that of its employees. These terms and conditions are governed by the laws of the State of Maryland.

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Reinvested dividends and distributions are taxed in the same manner as cash dividends and distributions — i.e., reinvestment in additional Shares does not relieve stockholders of, or defer the need to pay, any income tax that may be payable (or that is required to be withheld) on Fund dividends and distributions. Participants should contact their tax professionals for information on how the Plan impacts their personal tax situation. For additional information about the Plan, please contact the Plan Agent by telephone at 1-866-227-2136 or by mail at 6201 15th Avenue, Brooklyn, NY, 11219 or online at [www.astfinancial.com](http://www.astfinancial.com).

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## Directory

### **Investment Manager and Administrator**

Neuberger Berman Investment Advisers LLC  
1290 Avenue of the Americas  
New York, NY 10104-0002  
877.461.1899 or 212.476.8800

### **Custodian**

State Street Bank and Trust Company  
One Lincoln Street  
Boston, MA 02111

### **Transfer Agent**

American Stock Transfer & Trust Company, LLC\*  
6201 15th Avenue  
Brooklyn, NY 11219

Computershare, Inc. (As of April 30, 2017)

480 Washington Boulevard  
Jersey City, NJ 07310

### **Plan Agent**

American Stock Transfer & Trust Company, LLC\*  
Plan Administration Department  
P.O. Box 922  
Wall Street Station  
New York, NY 10269-0560

Overnight correspondence should be sent to:  
American Stock Transfer & Trust Company, LLC\*  
6201 15th Avenue  
Brooklyn, NY 11219

### **Legal Counsel**

K&L Gates LLP  
1601 K Street, NW  
Washington, DC 20006-1600

### **Independent Registered Public Accounting Firm**

Ernst & Young LLP  
200 Clarendon Street  
Boston, MA 02116

\* Prior to June 13, 2017, Computershare, Inc. served as the Fund's Transfer Agent and Plan Agent. Effective June 13, 2017, American Stock Transfer & Trust Company, LLC became the Fund's Transfer Agent and Plan Agent.

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## Proxy Voting Policies and Procedures

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available, without charge, by calling 800-877-9700 (toll-free) and on the Securities and Exchange Commission's website, at [www.sec.gov](http://www.sec.gov). Information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is also available upon request, without charge, by calling 800-877-9700 (toll-free), on the Securities and Exchange Commission's website at [www.sec.gov](http://www.sec.gov), and on Management's website at [www.nb.com](http://www.nb.com).

## Quarterly Portfolio Schedule

The Fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the Securities and Exchange Commission's website at [www.sec.gov](http://www.sec.gov) and may be reviewed and copied at the Securities and Exchange Commission's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 800-SEC-0330. The information on Form N-Q is available upon request, without charge, by calling 800-877-9700 (toll-free).

**FACTS** WHAT DOES NEUBERGER BERMAN  
DO WITH YOUR PERSONAL INFORMATION?

**Why?** Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

**What?** Social Security number and account balances  
income and transaction history  
credit history and credit scores  
When you are *no longer* our customer, we continue to share your information as described in this notice.

**How?** All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Neuberger Berman chooses to share; and whether you can limit this sharing.

| Reasons we can share your personal information                                                                                                                                                    | Does Neuberger<br>Berman share? Can you limit this sharing? |                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|----------------|
| <b>For our everyday business purposes—</b><br>such as to process your transactions, maintain your account(s),<br>respond to court orders and legal investigations, or report to credit<br>bureaus | Yes                                                         | No             |
| <b>For our marketing purposes—</b><br>to offer our products and services to you                                                                                                                   | Yes                                                         | No             |
| <b>For joint marketing with other financial companies</b>                                                                                                                                         | No                                                          | We don't share |
| <b>For our affiliates' everyday business purposes—</b><br>information about your transactions and experiences                                                                                     | Yes                                                         | No             |
| <b>For our affiliates' everyday business purposes—</b><br>information about your creditworthiness                                                                                                 | No                                                          | We don't share |
| <b>For nonaffiliates to market to you</b>                                                                                                                                                         | No                                                          | We don't share |

**Questions?** Call 800.223.6448

This is not part of the Fund's stockholder report.

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**Who we are**

**Who is providing this notice?**

Entities within the Neuberger Berman family of companies, mutual funds, and private investment funds.

**What we do**

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

**How does Neuberger Berman protect my personal information?**

We restrict access to customer information to those employees who need to know such information in order to perform their job responsibilities. We collect your personal information, for example, when you

open an account or provide account information  
seek advice about your investments or give us your income information  
give us your contact information

**How does Neuberger Berman collect my personal information?**

We also collect your personal information from others, such as credit bureaus, affiliates, or other companies. Federal law gives you the right to limit only

sharing for affiliates' everyday business purposes—information about your creditworthiness

affiliates from using your information to market to you  
sharing for nonaffiliates to market to you

**Why can't I limit all sharing?**

State laws and individual companies may give you additional rights to limit sharing.

**Definitions**

Companies related by common ownership or control. They can be financial and nonfinancial companies.

**Affiliates**

*Our affiliates include companies with a Neuberger Berman name; financial companies, such as investment advisers, broker dealers; mutual funds, and private investment funds.*

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

**Nonaffiliates**

*Nonaffiliates we share with can include companies that perform administrative services on our behalf (such as vendors that provide data processing, transaction processing, and printing services) or other companies such as brokers, dealers, or counterparties in connection with servicing your account. A formal agreement between nonaffiliated financial companies that together market financial products or services to you.*

**Joint marketing**

*Neuberger Berman doesn't jointly market.*

This is not part of the Fund's stockholder report.

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**Neuberger Berman Investment Advisers LLC**

1290 Avenue of the Americas

New York, NY 10104-0002

Internal Sales & Services

877.461.1899

www.nb.com

Statistics and projections in this report are derived from sources deemed to be reliable but cannot be regarded as a representation of future results of the Fund. This report is prepared for the general information of stockholders and is not an offer for shares of the Fund.

H0547 06/17



Item 2. Code of Ethics.

The Board of Directors (“Board”) of Neuberger Berman High Yield Strategies Fund Inc. (“Registrant”) has adopted a code of ethics that applies to the Registrant’s principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions (“Code of Ethics”). During the period covered by this Form N-CSR, there were no substantive amendments to the Code of Ethics and there were no waivers from the Code of Ethics granted to the Registrant’s principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions.

A copy of the Code of Ethics is incorporated by reference to Neuberger Berman Advisers Management Trust’s Form N-CSRS, Investment Company Act file number 811-04255 (filed August 25, 2016). The Code of Ethics is also available, without charge, by calling 1-800-877-9700 (toll-free).

Item 3. Audit Committee Financial Expert.

Not applicable to semi-annual reports on Form N-CSR.

Item 4. Principal Accountant Fees and Services.

Not applicable to semi-annual reports on Form N-CSR.

Item 5. Audit Committee of Listed Registrants.

Not applicable to semi-annual reports on Form N-CSR.

Item 6. Schedule of Investments.

The complete schedule of investments for the Registrant is disclosed in the Registrant’s semi-annual report, which is included as Item 1 of this Form N-CSR.

Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.

Not applicable to semi-annual reports on Form N-CSR.

Item 8. Portfolio Managers of Closed-End Management Investment Companies.

Not applicable to semi-annual reports on Form N-CSR. There have been no changes in any of the Portfolio Managers since the filing of the Registrant’s most recent annual report on Form N-CSR.

Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.

No reportable purchases for the period covered by this report.

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Item 10. Submission of Matters to a Vote of Security Holders.

There were no changes to the procedures by which stockholders may recommend nominees to the Board.

Item 11. Controls and Procedures.

Based on an evaluation of the disclosure controls and procedures (as defined in Rule 30a-3(c) under the Act) as of a date within 90 days of the filing date of this report, the Chief Executive Officer and President and the Treasurer and Principal Financial and Accounting Officer of the Registrant have concluded that such disclosure controls and procedures are effectively designed to ensure that information required to be disclosed by the Registrant on Form N-CSR is accumulated and communicated to the Registrant's management to allow timely decisions regarding required disclosure.

There were no significant changes in the Registrant's internal controls over financial reporting (as defined in Rule 30a-3(d) under the Act) that occurred during the Registrant's second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

Item 12. Exhibits.

(a)(1) Not applicable for the period covered by this Form N-CSR.

(a)(2) The certifications required by Rule 30a-2(a) under the Act and Section 302 of the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley Act") are filed herewith.

(a)(3) Not applicable to the Registrant.

(b) The certification required by Rule 30a-2(b) under the Act and Section 906 of the Sarbanes-Oxley Act is furnished herewith.

The certification furnished pursuant to Rule 30a-2(b) under the Act and Section 906 of the Sarbanes-Oxley Act will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended ("Exchange Act"), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Registrant specifically incorporates it by reference.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Neuberger Berman High Yield Strategies Fund Inc.

By: /s/ Robert Conti  
Robert Conti  
Chief Executive Officer and President

Date: July 5, 2017

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By: /s/ Robert Conti  
Robert Conti  
Chief Executive Officer and President

Date: July 5, 2017

By: /s/ John M. McGovern  
John M. McGovern  
Treasurer and Principal Financial  
and Accounting Officer

Date: July 5, 2017