

Prudential Short Duration High Yield Fund, Inc.  
Form N-Q  
October 27, 2014

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

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS**  
**OF REGISTERED MANAGEMENT INVESTMENT COMPANIES**

|                                                     |                                                                                          |
|-----------------------------------------------------|------------------------------------------------------------------------------------------|
| Investment Company Act file number:                 | 811-22632                                                                                |
| Exact name of registrant as specified in charter:   | Prudential Short Duration High Yield Fund, Inc.                                          |
| Address of principal executive offices:             | Gateway Center 3,<br>100 Mulberry Street,<br>Newark, New Jersey 07102                    |
| Name and address of agent for service:              | Deborah A. Docs<br>Gateway Center 3,<br>100 Mulberry Street,<br>Newark, New Jersey 07102 |
| Registrant's telephone number, including area code: | 800-225-1852                                                                             |
| Date of fiscal year end:                            | 5/31/2015                                                                                |

Date of reporting period:

8/31/2014

**Item 1. Schedule of Investments**

## Prudential Short Duration High Yield Fund, Inc.

## Schedule of Investments

as of August 31, 2014 (Unaudited)

|                                             | Interest Rate | Maturity Date | Principal Amount (000)# | Value        |
|---------------------------------------------|---------------|---------------|-------------------------|--------------|
| <b>LONG-TERM INVESTMENTS</b> 139.6%         |               |               |                         |              |
| <b>BANK LOANS(a)</b> 7.8%                   |               |               |                         |              |
| <b>Cable</b> 0.5%                           |               |               |                         |              |
| Newsday LLC                                 | 3.657%        | 10/12/16      | 2,954                   | \$ 2,953,846 |
| <b>Capital Goods</b> 1.3%                   |               |               |                         |              |
| CPM Acquisition Holdings, Inc.              | 6.250%        | 08/29/17      | 6,000                   | 6,015,000    |
| CPM Acquisition Holdings, Inc.              | 10.250%       | 03/01/18      | 1,749                   | 1,769,769    |
|                                             |               |               |                         | 7,784,769    |
| <b>Chemicals</b> 0.5%                       |               |               |                         |              |
| Axalta Coating Systems US Holdings          | 4.000%        | 02/01/20      | 997                     | 990,831      |
| Colouroz Investment 2 LLC                   | 4.750%        | 09/30/21      | 2,250                   | 2,239,454    |
|                                             |               |               |                         | 3,230,285    |
| <b>Electric</b> 0.8%                        |               |               |                         |              |
| Calpine Corp.                               | 4.000%        | 10/09/19      | 3,734                   | 3,722,844    |
| Energy Future Intermediate Co. LLC          | 4.250%        | 06/20/16      | 1,000                   | 1,002,917    |
|                                             |               |               |                         | 4,725,761    |
| <b>Energy Other</b> 0.3%                    |               |               |                         |              |
| Samson Investment Co.                       | 5.000%        | 09/25/18      | 1,850                   | 1,829,519    |
| <b>Food</b> 2.3%                            |               |               |                         |              |
| Albertsons Holdings LLC                     | 5.000%        | 08/31/19      | 14,000                  | 13,979,588   |
| <b>Gaming</b> 0.3%                          |               |               |                         |              |
| MGM Resorts International                   | 3.500%        | 12/20/19      | 1,970                   | 1,956,866    |
| <b>Healthcare &amp; Pharmaceutical</b> 0.1% |               |               |                         |              |
| Catalent Pharma Solutions, Inc.             | 6.500%        | 12/29/17      | 875                     | 879,832      |
| <b>Technology</b> 1.7%                      |               |               |                         |              |
| Avago Technologies Finance Pte Ltd.         | 3.750%        | 05/06/21      | 5,000                   | 4,992,855    |
| Kronos, Inc.                                | 9.750%        | 04/30/20      | 3,743                   | 3,836,514    |
| Sungard Availability Services Capital, Inc. | 6.000%        | 03/29/19      | 1,995                   | 1,962,581    |
|                                             |               |               |                         | 10,791,950   |
| <b>TOTAL BANK LOANS</b>                     |               |               |                         |              |
| (cost \$47,872,636)                         |               |               |                         | 48,132,416   |
| <b>CORPORATE BONDS</b> 131.8%               |               |               |                         |              |

Edgar Filing: Prudential Short Duration High Yield Fund, Inc. - Form N-Q

**Aerospace & Defense 2.0%**

|                                                              |        |          |       |            |
|--------------------------------------------------------------|--------|----------|-------|------------|
| Bombardier, Inc. (Canada), Sr. Unsec d. Notes, 144A(b)       | 7.500% | 03/15/18 | 2,875 | 3,205,625  |
| Ducommun, Inc., Gtd. Notes(b)                                | 9.750% | 07/15/18 | 2,975 | 3,250,188  |
| Esterline Technologies Corp., Gtd. Notes(b)                  | 7.000% | 08/01/20 | 1,225 | 1,310,750  |
| Michael Baker International, Inc., Sr. Sec d. Notes, 144A(b) | 8.250% | 10/15/18 | 4,525 | 4,660,750  |
|                                                              |        |          |       | 12,427,313 |

**Automotive 3.8%**

|                                                                         |        |          |       |            |
|-------------------------------------------------------------------------|--------|----------|-------|------------|
| Allison Transmission, Inc., Gtd. Notes, 144A(b)                         | 7.125% | 05/15/19 | 2,420 | 2,559,150  |
| American Axle & Manufacturing, Inc., Gtd. Notes(b)                      | 5.125% | 02/15/19 | 1,550 | 1,596,500  |
| Chrysler Group LLC/CG Co.-Issuer, Inc., Sec d. Notes(b)                 | 8.000% | 06/15/19 | 7,275 | 7,825,354  |
| General Motors Co., Sr. Unsec d. Notes(b)                               | 3.500% | 10/02/18 | 2,925 | 2,987,156  |
| Lear Corp., Gtd. Notes(b)                                               | 8.125% | 03/15/20 | 1,214 | 1,286,840  |
| Schaeffler Holding Finance BV (Germany), Sr. Sec d. Notes, PIK, 144A(b) | 6.875% | 08/15/18 | 6,850 | 7,218,188  |
|                                                                         |        |          |       | 23,473,188 |

Edgar Filing: Prudential Short Duration High Yield Fund, Inc. - Form N-Q

| <b>Building Materials &amp; Construction 8.3%</b>                                                                                       |           |          |       |            |
|-----------------------------------------------------------------------------------------------------------------------------------------|-----------|----------|-------|------------|
| Beazer Homes USA, Inc., Gtd. Notes                                                                                                      | 5.750%    | 06/15/19 | 1,675 | 1,662,438  |
| Beazer Homes USA, Inc., Sr. Sec d. Notes(b)                                                                                             | 6.625%    | 04/15/18 | 5,275 | 5,578,312  |
| Building Materials Corp. of America, Sr. Sec d. Notes, 144A<br>(original cost \$1,522,894; purchased 06/30/14)(b)(c)(d)                 | 7.000%    | 02/15/20 | 1,435 | 1,506,750  |
| Building Materials Corp. of America, Sr. Unsec d. Notes, 144A<br>(original cost \$4,015,735;<br>purchased 06/20/13 - 08/12/14)(b)(c)(d) | 6.875%    | 08/15/18 | 3,850 | 3,994,375  |
| Cemex Finance LLC (Mexico), Sr. Sec d. Notes, 144A(b)                                                                                   | 9.875%    | 04/30/19 | 5,000 | 5,675,000  |
| D.R. Horton, Inc., Gtd. Notes(b)                                                                                                        | 4.750%    | 05/15/17 | 3,000 | 3,157,500  |
| KB Home, Gtd. Notes                                                                                                                     | 4.750%    | 05/15/19 | 1,000 | 1,000,000  |
| Lennar Corp., Gtd. Notes(b)                                                                                                             | 4.500%    | 06/15/19 | 2,600 | 2,652,000  |
| Lennar Corp., Gtd. Notes(b)                                                                                                             | 4.750%    | 12/15/17 | 5,075 | 5,278,000  |
| Standard Pacific Corp., Gtd. Notes                                                                                                      | 8.375%    | 05/15/18 | 1,000 | 1,160,000  |
| Standard Pacific Corp., Gtd. Notes(b)                                                                                                   | 10.750%   | 09/15/16 | 4,000 | 4,660,000  |
| Taylor Morrison Communities, Inc./Monarch Communities, Inc.,<br>Gtd. Notes, 144A(b)                                                     | 7.750%    | 04/15/20 | 3,500 | 3,788,750  |
| Toll Brothers Finance Corp., Gtd. Notes                                                                                                 | 4.000%    | 12/31/18 | 400   | 407,000    |
| Toll Brothers Finance Corp., Gtd. Notes(b)                                                                                              | 8.910%    | 10/15/17 | 1,600 | 1,904,000  |
| US Concrete, Inc., Sr. Sec d. Notes                                                                                                     | 8.500%    | 12/01/18 | 5,075 | 5,481,000  |
| Weyerhaeuser Real Estate Co., Sr. Unsec d. Notes, 144A(b)                                                                               | 4.375%    | 06/15/19 | 3,125 | 3,125,000  |
|                                                                                                                                         |           |          |       | 51,030,125 |
| <b>Cable 8.7%</b>                                                                                                                       |           |          |       |            |
| Cablevision Systems Corp., Sr. Unsec d. Notes(b)                                                                                        | 7.750%    | 04/15/18 | 2,750 | 3,059,375  |
| Cablevision Systems Corp., Sr. Unsec d. Notes(b)                                                                                        | 8.625%    | 09/15/17 | 6,700 | 7,638,000  |
| CCO Holdings LLC/CCO Holdings Capital Corp., Gtd.<br>Notes(b)                                                                           | 7.000%    | 01/15/19 | 9,620 | 10,088,494 |
| CCO Holdings LLC/CCO Holdings Capital Corp., Gtd.<br>Notes(b)                                                                           | 7.250%    | 10/30/17 | 2,900 | 3,030,500  |
| CCO Holdings LLC/CCO Holdings Capital Corp., Gtd. Notes                                                                                 | 7.375%    | 06/01/20 | 1,000 | 1,080,000  |
| CCO Holdings LLC/CCO Holdings Capital Corp., Gtd. Notes                                                                                 | 8.125%    | 04/30/20 | 2,460 | 2,638,350  |
| CSC Holdings LLC, Sr. Unsec d. Notes(b)                                                                                                 | 8.625%    | 02/15/19 | 2,500 | 2,937,500  |
| DISH DBS Corp., Gtd. Notes(b)                                                                                                           | 4.250%    | 04/01/18 | 3,390 | 3,470,512  |
| DISH DBS Corp., Gtd. Notes                                                                                                              | 7.875%    | 09/01/19 | 1,000 | 1,160,000  |
| Nara Cable Funding Ltd. (Spain), Sr. Sec d. Notes, 144A                                                                                 | 8.875%    | 12/01/18 | 4,725 | 4,996,687  |
| Nara Cable Funding Ltd. (Spain), Sr. Sec d. Notes, 144A                                                                                 | 8.875%    | 12/01/18 | 5,100 | 5,393,250  |
| Numericable Group SA (France), Sr. Sec d. Notes, 144A(b)                                                                                | 4.875%    | 05/15/19 | 5,155 | 5,219,437  |
| Unitymedia Hessen GmbH & Co. KG/Unitymedia NRW GmbH<br>(Germany), Sr. Sec d. Notes, 144A(b)                                             | 7.500%    | 03/15/19 | 1,625 | 1,718,438  |
| Videotron Ltee (Canada), Gtd. Notes                                                                                                     | 9.125%    | 04/15/18 | 41    | 42,333     |
| Virgin Media Finance PLC (United Kingdom), Gtd. Notes(b)                                                                                | 8.375%    | 10/15/19 | 1,350 | 1,414,125  |
|                                                                                                                                         |           |          |       | 53,887,001 |
| <b>Capital Goods 12.8%</b>                                                                                                              |           |          |       |            |
| Avis Budget Car Rental LLC/Avis Budget Finance, Inc., Gtd.<br>Notes(b)                                                                  | 2.977%(a) | 12/01/17 | 6,375 | 6,343,125  |
| BlueLine Rental Finance Corp., Sec d. Notes, 144A<br>(original cost \$1,142,312; purchased<br>01/16/14 - 02/12/14)(b)(c)(d)             | 7.000%    | 02/01/19 | 1,125 | 1,189,688  |
| Clean Harbors, Inc., Gtd. Notes                                                                                                         | 5.250%    | 08/01/20 | 850   | 873,375    |
| Cleaver-Brooks, Inc., Sr. Sec d. Notes, 144A<br>(original cost \$1,526,000; purchased 03/21/14)(b)(c)(d)                                | 8.750%    | 12/15/19 | 1,400 | 1,554,000  |
| CNH America LLC, Gtd. Notes(b)                                                                                                          | 7.250%    | 01/15/16 | 7,235 | 7,687,187  |
| CNH Capital LLC, Gtd. Notes(b)                                                                                                          | 3.875%    | 11/01/15 | 2,075 | 2,106,125  |

Edgar Filing: Prudential Short Duration High Yield Fund, Inc. - Form N-Q

|                                                                                                                                     |        |          |        |            |
|-------------------------------------------------------------------------------------------------------------------------------------|--------|----------|--------|------------|
| Columbus McKinnon Corp., Gtd. Notes(b)                                                                                              | 7.875% | 02/01/19 | 2,900  | 3,066,750  |
| Hertz Corp. (The), Gtd. Notes(b)                                                                                                    | 4.250% | 04/01/18 | 3,875  | 3,894,375  |
| Hertz Corp. (The), Gtd. Notes                                                                                                       | 6.750% | 04/15/19 | 925    | 970,094    |
| Hertz Corp. (The), Gtd. Notes(b)                                                                                                    | 7.500% | 10/15/18 | 3,250  | 3,392,187  |
| International Wire Group Holdings, Inc., Sec d. Notes, 144A                                                                         | 8.500% | 10/15/17 | 1,000  | 1,077,500  |
| Kenan Advantage Group, Inc. (The), Sr. Unsec d. Notes, 144A<br>(original cost \$10,792,500;<br>purchased 04/04/14 - 04/15/14)(c)(d) | 8.375% | 12/15/18 | 10,000 | 10,500,000 |
| Laureate Education, Inc., Gtd. Notes, 144A                                                                                          | 9.250% | 09/01/19 | 3,875  | 3,971,875  |
| Light Tower Rentals, Inc., Sr. Sec d. Notes, 144A                                                                                   | 8.125% | 08/01/19 | 950    | 973,750    |
| NCSG Crane & Heavy Haul Services (Canada), Sec d. Notes, 144A                                                                       | 9.500% | 08/15/19 | 4,175  | 4,274,156  |
| Polymer Group, Inc., Sr. Sec d. Notes(b)                                                                                            | 7.750% | 02/01/19 | 1,342  | 1,414,133  |
| Safway Group Holding LLC/Safway Finance Corp., Sec d. Notes,<br>144A(b)                                                             | 7.000% | 05/15/18 | 7,474  | 7,866,385  |
| SPX Corp., Gtd. Notes(b)                                                                                                            | 6.875% | 09/01/17 | 3,000  | 3,307,500  |
| Unifrax I LLC/Unifrax Holding Co., Gtd. Notes, 144A<br>(original cost \$6,924,030;<br>purchased 05/14/14 - 06/30/14)(c)(d)          | 7.500% | 02/15/19 | 6,538  | 6,734,140  |
| Unifrax I LLC/Unifrax Holding Co., Gtd. Notes, 144A<br>(original cost \$4,080,000; purchased 07/28/14)(c)(d)                        | 7.500% | 02/15/19 | 4,000  | 4,120,000  |
| United Rentals North America, Inc., Sec d. Notes(b)                                                                                 | 5.750% | 07/15/18 | 1,600  | 1,684,000  |
| WireCo WorldGroup, Inc., Gtd. Notes(b)                                                                                              | 9.500% | 05/15/17 | 2,000  | 2,050,000  |
|                                                                                                                                     |        |          |        | 79,050,345 |

**Chemicals 5.3%**

|                                                                                                                        |        |          |       |            |
|------------------------------------------------------------------------------------------------------------------------|--------|----------|-------|------------|
| Ashland, Inc., Sr. Unsec d. Notes(b)                                                                                   | 3.000% | 03/15/16 | 3,350 | 3,396,063  |
| Axalta Coating Systems US Holdings Inc./Axalta Coating Systems Dutch<br>Holdings BV, Gtd. Notes, 144A                  | 7.375% | 05/01/21 | 1,750 | 1,907,500  |
| Celanese U.S. Holdings LLC, Gtd. Notes                                                                                 | 6.625% | 10/15/18 | 495   | 513,563    |
| Hexion U.S. Finance Corp., Sr. Sec d. Notes                                                                            | 8.875% | 02/01/18 | 3,425 | 3,553,437  |
| Huntsman International LLC, Gtd. Notes(b)                                                                              | 8.625% | 03/15/20 | 4,500 | 4,826,250  |
| Kissner Milling Co., Ltd. (Canada), Sr. Sec d. Notes, 144A<br>(original cost \$2,025,000; purchased 05/15/14)(b)(c)(d) | 7.250% | 06/01/19 | 2,025 | 2,088,281  |
| Koppers, Inc., Gtd. Notes(b)                                                                                           | 7.875% | 12/01/19 | 5,494 | 5,761,832  |
| Taminco Global Chemical Corp. (Belgium), Sec d. Notes,<br>144A(b)                                                      | 9.750% | 03/31/20 | 9,800 | 10,780,000 |
|                                                                                                                        |        |          |       | 32,826,926 |

**Consumer 1.8%**

|                                                                                                    |        |          |       |            |
|----------------------------------------------------------------------------------------------------|--------|----------|-------|------------|
| Gibson Brands, Inc., Sr. Sec d. Notes, 144A<br>(original cost \$625,500; purchased 05/13/14)(c)(d) | 8.875% | 08/01/18 | 600   | 606,000    |
| Jarden Corp., Gtd. Notes(b)                                                                        | 7.500% | 05/01/17 | 3,750 | 4,185,938  |
| Scotts Miracle-Gro Co. (The), Gtd. Notes(b)                                                        | 6.625% | 12/15/20 | 2,000 | 2,135,000  |
| Service Corp. International, Sr. Unsec d. Notes                                                    | 7.000% | 06/15/17 | 1,000 | 1,103,750  |
| Service Corp. International, Sr. Unsec d. Notes(b)                                                 | 7.625% | 10/01/18 | 2,753 | 3,172,833  |
|                                                                                                    |        |          |       | 11,203,521 |

**Electric 3.4%**

|                                                              |        |          |       |           |
|--------------------------------------------------------------|--------|----------|-------|-----------|
| AES Corp. (The), Sr. Unsec d. Notes(b)                       | 8.000% | 10/15/17 | 4,000 | 4,610,000 |
| AES Corp. (The), Sr. Unsec d. Notes(b)                       | 9.750% | 04/15/16 | 3,444 | 3,848,670 |
| DPL, Inc., Sr. Unsec d. Notes(b)                             | 6.500% | 10/15/16 | 1,550 | 1,643,000 |
| GenOn REMA LLC, Pass-Through Certificates, Series B(d)       | 9.237% | 07/02/17 | 860   | 917,674   |
| GenOn REMA LLC, Pass-Through Certificates, Series C(b)       | 9.681% | 07/02/26 | 900   | 981,000   |
| Mirant Mid Atlantic LLC, Pass-Through Certificates, Series B | 9.125% | 06/30/17 | 613   | 657,133   |

Edgar Filing: Prudential Short Duration High Yield Fund, Inc. - Form N-Q

|                                                                                                                               |         |          |       |            |
|-------------------------------------------------------------------------------------------------------------------------------|---------|----------|-------|------------|
| NRG Energy, Inc., Gtd. Notes(b)                                                                                               | 7.625%  | 01/15/18 | 7,600 | 8,557,600  |
|                                                                                                                               |         |          |       | 21,215,077 |
| <b>Energy Integrated 0.3%</b>                                                                                                 |         |          |       |            |
| Pacific Rubiales Energy Corp. (Colombia), Gtd. Notes, 144A(b)                                                                 | 7.250%  | 12/12/21 | 1,500 | 1,665,000  |
| <b>Energy Other 3.9%</b>                                                                                                      |         |          |       |            |
| Energy XXI Gulf Coast, Inc., Gtd. Notes(b)                                                                                    | 9.250%  | 12/15/17 | 1,725 | 1,828,500  |
| EP Energy LLC/EP Energy Finance, Inc., Sr. Unsec d. Notes(b)                                                                  | 9.375%  | 05/01/20 | 2,250 | 2,536,875  |
| Harvest Operations Corp. (South Korea), Gtd. Notes(b)                                                                         | 6.875%  | 10/01/17 | 3,050 | 3,255,875  |
| Hilcorp Energy I LP/Hilcorp Finance Co., Sr. Unsec d. Notes, 144A<br>(original cost \$7,717,500; purchased 03/15/13)(b)(c)(d) | 8.000%  | 02/15/20 | 7,000 | 7,385,000  |
| Ocean Rig UDW, Inc. (Cyprus), Sr. Unsec d. Notes, 144A                                                                        | 7.250%  | 04/01/19 | 1,125 | 1,119,375  |
| PHI Inc., Gtd. Notes                                                                                                          | 5.250%  | 03/15/19 | 1,225 | 1,240,312  |
| SESI LLC, Gtd. Notes(b)                                                                                                       | 6.375%  | 05/01/19 | 2,550 | 2,683,875  |
| Tesoro Corp., Gtd. Notes(b)                                                                                                   | 4.250%  | 10/01/17 | 3,675 | 3,822,000  |
|                                                                                                                               |         |          |       | 23,871,812 |
| <b>Foods 4.1%</b>                                                                                                             |         |          |       |            |
| ARAMARK Corp., Gtd. Notes                                                                                                     | 5.750%  | 03/15/20 | 950   | 995,125    |
| Constellation Brands, Inc., Gtd. Notes(b)                                                                                     | 7.250%  | 09/01/16 | 3,052 | 3,364,830  |
| JBS USA LLC/JBS USA Finance, Inc. (Brazil), Gtd. Notes, 144A<br>(original cost \$3,784,375; purchased 06/17/14)(b)(c)(d)      | 7.250%  | 06/01/21 | 3,500 | 3,736,250  |
| Landry s, Inc., Sr. Unsec d. Notes, 144A<br>(original cost \$2,898,125; purchased 05/27/14 - 07/08/14)(c)(d)                  | 9.375%  | 05/01/20 | 2,625 | 2,821,875  |
| Pilgrim s Pride Corp., Gtd. Notes(b)                                                                                          | 7.875%  | 12/15/18 | 2,250 | 2,368,125  |
| Smithfield Foods, Inc., Sr. Unsec d. Notes, 144A(b)                                                                           | 5.250%  | 08/01/18 | 4,585 | 4,768,400  |
| Tops Holding Corp./Tops Markets LLC, Sr. Sec d. Notes(b)                                                                      | 8.875%  | 12/15/17 | 6,700 | 7,152,250  |
|                                                                                                                               |         |          |       | 25,206,855 |
| <b>Gaming 7.4%</b>                                                                                                            |         |          |       |            |
| Boyd Gaming Corp., Gtd. Notes(b)                                                                                              | 9.125%  | 12/01/18 | 5,120 | 5,388,800  |
| Caesars Entertainment Operating Co., Inc., Sr. Sec d. Notes                                                                   | 11.250% | 06/01/17 | 365   | 300,213    |
| Caesars Entertainment Resort Properties LLC, Sr. Sec d. Notes, 144A                                                           | 8.000%  | 10/01/20 | 1,575 | 1,563,188  |
| CCM Merger, Inc., Gtd. Notes, 144A<br>(original cost \$3,788,015; purchased 09/04/13 - 05/21/14)(c)(d)                        | 9.125%  | 05/01/19 | 3,618 | 3,853,170  |
| GLP Capital LP/GLP Financing II, Inc., Gtd. Notes(b)                                                                          | 4.375%  | 11/01/18 | 3,775 | 3,916,562  |
| Isle of Capri Casinos, Inc., Gtd. Notes(b)                                                                                    | 7.750%  | 03/15/19 | 5,575 | 5,895,562  |
| MGM Resorts International, Gtd. Notes(b)                                                                                      | 7.500%  | 06/01/16 | 2,000 | 2,175,000  |
| MGM Resorts International, Gtd. Notes(b)                                                                                      | 10.000% | 11/01/16 | 5,000 | 5,762,500  |
| MTR Gaming Group, Inc., Sec d. Notes(b)                                                                                       | 11.500% | 08/01/19 | 3,502 | 3,913,485  |
| Peninsula Gaming LLC/Peninsula Gaming Corp., Gtd. Notes, 144A                                                                 | 8.375%  | 02/15/18 | 4,000 | 4,220,000  |
| Pinnacle Entertainment, Inc., Gtd. Notes(b)                                                                                   | 7.500%  | 04/15/21 | 3,050 | 3,271,125  |
| Pinnacle Entertainment, Inc., Gtd. Notes(b)                                                                                   | 8.750%  | 05/15/20 | 4,974 | 5,334,615  |
|                                                                                                                               |         |          |       | 45,594,220 |
| <b>Healthcare &amp; Pharmaceutical 10.8%</b>                                                                                  |         |          |       |            |
| Allergan Inc., Sr. Unsec d. Notes(b)                                                                                          | 1.350%  | 03/15/18 | 2,940 | 2,856,701  |
| Capella Healthcare, Inc., Gtd. Notes(b)                                                                                       | 9.250%  | 07/01/17 | 4,128 | 4,326,660  |
| Capsugel SA, Sr. Unsec d. Notes, PIK, 144A                                                                                    | 7.000%  | 05/15/19 | 3,700 | 3,783,250  |
| CHS/Community Health Systems, Inc., Gtd. Notes(b)                                                                             | 8.000%  | 11/15/19 | 6,750 | 7,340,625  |
| ConvaTec Finance International SA (Luxembourg),<br>Sr. Unsec d. Notes, PIK, 144A                                              | 8.250%  | 01/15/19 | 1,235 | 1,272,050  |

Edgar Filing: Prudential Short Duration High Yield Fund, Inc. - Form N-Q

|                                                            |         |          |       |           |
|------------------------------------------------------------|---------|----------|-------|-----------|
| ConvaTec Healthcare E SA (Luxembourg), Gtd. Notes, 144A    | 10.500% | 12/15/18 | 5,615 | 6,022,087 |
| Emdeon, Inc., Gtd. Notes(b)                                | 11.000% | 12/31/19 | 8,000 | 9,040,000 |
| HCA Holdings, Inc., Sr. Unsec d. Notes(b)                  | 7.750%  | 05/15/21 | 1,500 | 1,635,000 |
| HCA, Inc., Gtd. Notes(b)                                   | 8.000%  | 10/01/18 | 1,325 | 1,550,250 |
| HCA, Inc., Sr. Sec d. Notes(b)                             | 3.750%  | 03/15/19 | 3,075 | 3,098,063 |
| HCA, Inc., Sr. Unsec d. Notes(b)                           | 6.375%  | 01/15/15 | 1,325 | 1,344,875 |
| HCA, Inc., Sr. Unsec d. Notes, MTN(b)                      | 9.000%  | 12/15/14 | 4,203 | 4,297,568 |
| MedAssets, Inc., Gtd. Notes(b)                             | 8.000%  | 11/15/18 | 7,026 | 7,368,517 |
| Tenet Healthcare Corp., Sr. Sec d. Notes(b)                | 6.250%  | 11/01/18 | 2,750 | 2,997,500 |
| Tenet Healthcare Corp., Sr. Unsec d. Notes                 | 8.000%  | 08/01/20 | 1,000 | 1,080,000 |
| Tenet Healthcare Corp., Sr. Unsec d. Notes, 144A           | 5.000%  | 03/01/19 | 1,200 | 1,215,000 |
| Valeant Pharmaceuticals International, Gtd. Notes, 144A(b) | 6.875%  | 12/01/18 | 7,500 | 7,809,375 |

67,037,521

**Media & Entertainment 8.5%**

|                                                                                                                                                            |        |          |       |           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|----------|-------|-----------|
| AMC Entertainment, Inc., Gtd. Notes(b)                                                                                                                     | 9.750% | 12/01/20 | 5,140 | 5,769,650 |
| AMC Networks, Inc., Gtd. Notes(b)                                                                                                                          | 7.750% | 07/15/21 | 2,170 | 2,395,137 |
| Carlson Travel Holdings, Inc., Sr. Unsec d. Notes, PIK, 144A<br>(original cost \$7,505,750; purchased 06/26/14 - 08/04/14)(c)(d)                           | 7.500% | 08/15/19 | 7,400 | 7,603,500 |
| Carmike Cinemas, Inc., Sec d. Notes(b)                                                                                                                     | 7.375% | 05/15/19 | 1,250 | 1,345,312 |
| Cinemark USA, Inc., Gtd. Notes                                                                                                                             | 7.375% | 06/15/21 | 825   | 897,188   |
| Clear Channel Worldwide Holdings, Inc., Gtd. Notes                                                                                                         | 7.625% | 03/15/20 | 215   | 229,513   |
| Gannett Co., Inc., Gtd. Notes(b)                                                                                                                           | 8.750% | 11/15/14 | 6,254 | 6,335,302 |
| Gannett Co., Inc., Gtd. Notes, 144A                                                                                                                        | 5.125% | 10/15/19 | 650   | 666,250   |
| Intelsat Jackson Holdings SA (Luxembourg), Gtd. Notes                                                                                                      | 7.250% | 04/01/19 | 6,135 | 6,472,425 |
| LIN Television Corp., Gtd. Notes(b)                                                                                                                        | 8.375% | 04/15/18 | 880   | 919,600   |
| NAI Entertainment Holdings/NAI Entertainment Holdings Finance Corp.,<br>Sr. Sec d. Notes, 144A (original cost \$1,225,000;<br>purchased 07/30/13)(b)(c)(d) | 5.000% | 08/01/18 | 1,225 | 1,258,688 |
| Sinclair Television Group, Inc., Gtd. Notes                                                                                                                | 8.375% | 10/15/18 | 800   | 838,000   |
| Telesat Canada/Telesat LLC (Canada), Gtd. Notes, 144A(b)                                                                                                   | 6.000% | 05/15/17 | 9,000 | 9,270,000 |
| Univision Communications, Inc., Sr. Sec d. Notes, 144A<br>(original cost \$1,381,912; purchased 05/27/14)(b)(c)(d)                                         | 6.875% | 05/15/19 | 1,290 | 1,367,400 |
| Univision Communications, Inc., Sr. Sec d. Notes, 144A<br>(original cost \$5,451,125; purchased 06/04/14 - 07/22/14)(b)(c)(d)                              | 7.875% | 11/01/20 | 4,950 | 5,395,500 |
| Wave Holdco LLC/Wave Holdco Corp., Sr. Unsec d. Notes, PIK, 144A                                                                                           | 8.250% | 07/15/19 | 1,425 | 1,464,187 |

52,227,652

**Metals 11.4%**

|                                                                                                                      |         |          |       |           |
|----------------------------------------------------------------------------------------------------------------------|---------|----------|-------|-----------|
| AK Steel Corp., Sr. Sec d. Notes(b)                                                                                  | 8.750%  | 12/01/18 | 7,691 | 8,517,782 |
| Alcoa, Inc., Sr. Unsec d. Notes(b)                                                                                   | 6.750%  | 07/15/18 | 3,000 | 3,436,458 |
| ArcelorMittal SA (Luxembourg), Sr. Unsec d. Notes                                                                    | 5.000%  | 02/25/17 | 3,600 | 3,766,500 |
| ArcelorMittal SA (Luxembourg), Sr. Unsec d. Notes                                                                    | 6.125%  | 06/01/18 | 1,800 | 1,959,750 |
| AuRico Gold, Inc. (Canada), Sec d. Notes, 144A(b)                                                                    | 7.750%  | 04/01/20 | 1,500 | 1,541,250 |
| Barmingo Finance Pty Ltd. (Australia), Gtd. Notes, 144A<br>(original cost \$2,400,000; purchased 05/13/13)(b)(c)(d)  | 9.000%  | 06/01/18 | 2,400 | 2,169,000 |
| Berau Capital Resources Pte Ltd. (Indonesia), Sr. Sec d. Notes, 144A                                                 | 12.500% | 07/08/15 | 3,850 | 3,951,063 |
| Calcipar SA (Luxembourg), Sr. Sec d. Notes, 144A<br>(original cost \$6,234,862; purchased 05/27/14 - 06/30/14)(c)(d) | 6.875%  | 05/01/18 | 5,850 | 6,084,000 |
| FMG Resources (August 2006) Pty Ltd. (Australia), Gtd. Notes, 144A(b)                                                | 6.000%  | 04/01/17 | 3,000 | 3,127,500 |

Edgar Filing: Prudential Short Duration High Yield Fund, Inc. - Form N-Q

|                                                                                                      |         |          |       |            |
|------------------------------------------------------------------------------------------------------|---------|----------|-------|------------|
| FMG Resources (August 2006) Pty Ltd. (Australia), Gtd. Notes, 144A(b)                                | 6.875%  | 02/01/18 | 4,000 | 4,206,240  |
| FMG Resources (August 2006) Pty Ltd. (Australia), Gtd. Notes, 144A(b)                                | 8.250%  | 11/01/19 | 6,500 | 7,117,500  |
| JMC Steel Group, Sr. Unsec d. Notes, 144A<br>(original cost \$501,250; purchased 08/11/14)(c)(d)     | 8.250%  | 03/15/18 | 500   | 506,250    |
| Kaiser Aluminum Corp., Gtd. Notes                                                                    | 8.250%  | 06/01/20 | 1,200 | 1,339,500  |
| Murray Energy Corp., Sr. Sec d. Notes, 144A<br>(original cost \$2,669,920; purchased 05/27/14)(c)(d) | 9.500%  | 12/05/20 | 2,368 | 2,604,800  |
| Peabody Energy Corp., Gtd. Notes(b)                                                                  | 6.000%  | 11/15/18 | 4,174 | 4,299,220  |
| Steel Dynamics, Inc., Gtd. Notes(b)                                                                  | 6.125%  | 08/15/19 | 6,525 | 6,981,750  |
| Westmoreland Coal Co./Westmoreland Partners, Sr. Sec d. Notes                                        | 10.750% | 02/01/18 | 6,500 | 6,930,625  |
| Westmoreland Coal Co./Westmoreland Partners, Sr. Sec d. Notes, 144A                                  | 10.750% | 02/01/18 | 2,000 | 2,132,500  |
|                                                                                                      |         |          |       | 70,671,688 |

**Non-Captive Finance 2.4%**

|                                                          |        |          |       |           |
|----------------------------------------------------------|--------|----------|-------|-----------|
| CIT Group, Inc., Sr. Unsec d. Notes(b)                   | 4.250% | 08/15/17 | 4,175 | 4,331,562 |
| International Lease Finance Corp., Sr. Unsec d. Notes(b) | 3.875% | 04/15/18 | 1,350 | 1,371,938 |
| International Lease Finance Corp., Sr. Unsec d. Notes(b) | 8.875% | 09/01/17 | 4,000 | 4,650,000 |
| SLM Corp., Sr. Unsec d. Notes, MTN                       | 8.000% | 03/25/20 | 425   | 490,875   |
| SLM Corp., Sr. Unsec d. Notes, MTN(b)                    | 8.450% | 06/15/18 | 3,650 | 4,247,505 |

15,091,880

**Packaging 5.0%**

|                                                                                           |        |          |       |           |
|-------------------------------------------------------------------------------------------|--------|----------|-------|-----------|
| AEP Industries, Inc., Sr. Unsec d. Notes(b)                                               | 8.250% | 04/15/19 | 4,500 | 4,680,000 |
| Ardagh Packaging Finance PLC (Ireland), Gtd. Notes, 144A                                  | 6.250% | 01/31/19 | 200   | 202,000   |
| Ardagh Packaging Finance PLC (Ireland), Gtd. Notes, 144A                                  | 9.125% | 10/15/20 | 3,000 | 3,285,000 |
| Berry Plastics Corp., Sec d. Notes                                                        | 9.750% | 01/15/21 | 1,625 | 1,830,156 |
| Beverage Packaging Holdings Luxembourg II SA, Gtd. Notes, 144A                            | 6.000% | 06/15/17 | 1,150 | 1,167,250 |
| Greif, Inc., Sr. Unsec d. Notes(b)                                                        | 6.750% | 02/01/17 | 1,200 | 1,302,000 |
| Greif, Inc., Sr. Unsec d. Notes                                                           | 7.750% | 08/01/19 | 700   | 801,500   |
| Owens-Brockway Glass Container, Inc., Gtd. Notes(b)                                       | 7.375% | 05/15/16 | 5,965 | 6,472,025 |
| PaperWorks Industries, Inc., Sr. Sec d. Notes, 144A                                       | 9.500% | 08/15/19 | 2,525 | 2,600,750 |
| Reynolds Group Issuer, Inc./Reynolds Group Issuer LLC/Reynolds Group LU, Gtd. Notes       | 9.875% | 08/15/19 | 3,000 | 3,326,250 |
| Reynolds Group Issuer, Inc./Reynolds Group Issuer LLC/Reynolds Group LU, Sr. Sec d. Notes | 7.875% | 08/15/19 | 900   | 974,250   |
| Sealed Air Corp., Gtd. Notes, 144A(b)                                                     | 8.125% | 09/15/19 | 4,000 | 4,370,000 |

31,011,181

**Paper 0.9%**

|                                                              |        |          |       |           |
|--------------------------------------------------------------|--------|----------|-------|-----------|
| Cascades, Inc. (Canada), Gtd. Notes(b)                       | 7.875% | 01/15/20 | 1,850 | 1,947,125 |
| Smurfit Kappa Acquisitions (Ireland), Sr. Sec d. Notes, 144A | 4.875% | 09/15/18 | 3,450 | 3,579,375 |

5,526,500

**Pipelines & Other 0.5%**

|                                                                                                                               |        |          |       |           |
|-------------------------------------------------------------------------------------------------------------------------------|--------|----------|-------|-----------|
| AmeriGas Partners LP/AmeriGas Eagle Finance Corp., Sr. Unsec d. Notes                                                         | 6.500% | 05/20/21 | 725   | 764,875   |
| Rockies Express Pipeline LLC, Sr. Unsec d. Notes, 144A<br>(original cost \$2,144,688; purchased 01/10/13 - 05/02/13)(b)(c)(d) | 6.000% | 01/15/19 | 2,150 | 2,284,375 |

3,049,250

Edgar Filing: Prudential Short Duration High Yield Fund, Inc. - Form N-Q

**Real Estate Investment Trusts 0.2%**

|                                                              |        |          |     |           |
|--------------------------------------------------------------|--------|----------|-----|-----------|
| CTR Partnership LP/CareTrust Capital Corp., Gtd. Notes, 144A | 5.875% | 06/01/21 | 525 | 532,875   |
| Felcor Lodging LP, Sr. Sec d. Notes                          | 6.750% | 06/01/19 | 500 | 527,500   |
|                                                              |        |          |     | 1,060,375 |

**Retailers 2.9%**

|                                                                                                               |         |          |           |            |
|---------------------------------------------------------------------------------------------------------------|---------|----------|-----------|------------|
| Academy Ltd./Academy Finance Corp., Gtd. Notes, 144A                                                          | 9.250%  | 08/01/19 | 4,250     | 4,558,125  |
| Claire s Stores, Inc., Sr. Sec d. Notes, 144A                                                                 | 6.125%  | 03/15/20 | 400       | 379,000    |
| Claire s Stores, Inc., Sr. Sec d. Notes, 144A(b)                                                              | 9.000%  | 03/15/19 | 5,200     | 5,408,000  |
| HT Intermediate Holdings Corp., Sr. Unsec d. Notes, PIK, 144A                                                 | 12.000% | 05/15/19 | 350       | 369,250    |
| Petco Holdings, Inc., Sr. Unsec d. Notes, PIK, 144A<br>(original cost \$348,250;<br>purchased 10/04/12)(c)(d) | 8.500%  | 10/15/17 | 350       | 359,188    |
| THOM Europe SAS (France), Sr. Sec d. Notes, 144A                                                              | 7.375%  | 07/15/19 | EUR 4,000 | 5,137,571  |
| Toys R Us Property Co. II LLC,<br>Sr. Sec d. Notes(b)                                                         | 8.500%  | 12/01/17 | 1,500     | 1,533,750  |
|                                                                                                               |         |          |           | 17,744,884 |

**Technology 17.6%**

|                                                                                                                   |         |          |       |             |
|-------------------------------------------------------------------------------------------------------------------|---------|----------|-------|-------------|
| Alcatel-Lucent USA, Inc. (France), Gtd. Notes, 144A                                                               | 4.625%  | 07/01/17 | 2,800 | 2,842,000   |
| Anixter International, Inc., Gtd. Notes(b)                                                                        | 5.625%  | 05/01/19 | 1,500 | 1,582,500   |
| Avaya, Inc., Sec d. Notes, 144A                                                                                   | 10.500% | 03/01/21 | 1,250 | 1,146,875   |
| Brightstar Corp., Gtd. Notes, 144A<br>(original cost \$6,028,750;<br>purchased 04/27/12 - 06/23/14)(b)(c)(d)      | 9.500%  | 12/01/16 | 5,650 | 6,000,300   |
| Brightstar Corp., Sr. Unsec d. Notes, 144A<br>(original cost \$3,193,501;<br>purchased 07/26/13 - 10/23/13)(c)(d) | 7.250%  | 08/01/18 | 3,100 | 3,382,875   |
| CDW LLC/CDW Finance Corp., Gtd. Notes(b)                                                                          | 8.500%  | 04/01/19 | 7,870 | 8,460,250   |
| Ceridian LLC/Comdata, Inc., Gtd. Notes, 144A                                                                      | 8.125%  | 11/15/17 | 6,400 | 6,486,400   |
| CommScope Holding Co., Inc., Sr. Unsec d. Notes, PIK, 144A(b)                                                     | 6.625%  | 06/01/20 | 4,355 | 4,648,962   |
| CoreLogic, Inc., Gtd. Notes                                                                                       | 7.250%  | 06/01/21 | 500   | 530,000     |
| First Data Corp., Gtd. Notes                                                                                      | 12.625% | 01/15/21 | 8,352 | 10,210,320  |
| First Data Corp., Sr. Sec d. Notes, 144A(b)                                                                       | 7.375%  | 06/15/19 | 2,500 | 2,668,750   |
| First Data Corp., Sr. Sec d. Notes, 144A(b)                                                                       | 8.875%  | 08/15/20 | 2,240 | 2,441,600   |
| Freescale Semiconductor, Inc., Gtd. Notes                                                                         | 8.050%  | 02/01/20 | 500   | 538,750     |
| Freescale Semiconductor, Inc., Gtd. Notes                                                                         | 10.750% | 08/01/20 | 9,374 | 10,545,750  |
| iGATE Corp., Gtd. Notes, 144A                                                                                     | 4.750%  | 04/15/19 | 1,050 | 1,052,625   |
| Igloo Holdings Corp., Sr. Unsec d. Notes, PIK, 144A                                                               | 8.250%  | 12/15/17 | 950   | 973,750     |
| Infor US, Inc., Gtd. Notes                                                                                        | 9.375%  | 04/01/19 | 8,910 | 9,801,000   |
| Infor US, Inc., Gtd. Notes                                                                                        | 11.500% | 07/15/18 | 4,559 | 5,111,779   |
| Interactive Data Corp., Gtd. Notes, 144A                                                                          | 5.875%  | 04/15/19 | 7,400 | 7,349,125   |
| Jabil Circuit, Inc., Sr. Unsec d. Notes(b)                                                                        | 7.750%  | 07/15/16 | 2,000 | 2,230,000   |
| Seagate HDD Cayman, Gtd. Notes, 144A                                                                              | 3.750%  | 11/15/18 | 75    | 76,781      |
| Sensata Technologies BV (Netherlands), Gtd. Notes, 144A(b)                                                        | 6.500%  | 05/15/19 | 3,700 | 3,889,625   |
| SunGard Data Systems, Inc., Gtd. Notes                                                                            | 6.625%  | 11/01/19 | 1,425 | 1,492,688   |
| SunGard Data Systems, Inc., Gtd. Notes                                                                            | 7.375%  | 11/15/18 | 8,093 | 8,457,185   |
| TransUnion Holding Co., Inc., Sr. Unsec d. Notes                                                                  | 8.125%  | 06/15/18 | 3,835 | 3,988,400   |
| TransUnion Holding Co., Inc., Sr. Unsec d. Notes                                                                  | 9.625%  | 06/15/18 | 2,580 | 2,692,875   |
|                                                                                                                   |         |          |       | 108,601,165 |

**Telecommunications 9.8%**

Edgar Filing: Prudential Short Duration High Yield Fund, Inc. - Form N-Q

|                                                                                        |         |          |       |           |
|----------------------------------------------------------------------------------------|---------|----------|-------|-----------|
| CenturyLink, Inc., Sr. Unsec d. Notes                                                  | 5.150%  | 06/15/17 | 565   | 603,138   |
| Digicel Group Ltd. (Jamaica), Sr. Unsec d. Notes, 144A                                 | 8.250%  | 09/01/17 | 5,000 | 5,081,250 |
| Eileme 2 AB (Poland), Sr. Sec d. Notes, 144A                                           | 11.625% | 01/31/20 | 750   | 873,825   |
| Embarq Corp., Sr. Unsec d. Notes<br>(original cost \$53,015; purchased 04/11/13)(c)(d) | 7.082%  | 06/01/16 | 46    | 50,605    |
| Frontier Communications Corp.,<br>Sr. Unsec d. Notes(b)                                | 8.250%  | 04/15/17 | 2,000 | 2,275,000 |
| Level 3 Communications, Inc., Sr. Unsec d. Notes                                       | 8.875%  | 06/01/19 | 2,000 | 2,160,000 |
| Level 3 Communications, Inc., Sr. Unsec d. Notes                                       | 11.875% | 02/01/19 | 2,750 | 3,007,812 |

Edgar Filing: Prudential Short Duration High Yield Fund, Inc. - Form N-Q

|                                                             |           |          |       |           |
|-------------------------------------------------------------|-----------|----------|-------|-----------|
| Level 3 Financing, Inc., Gtd. Notes                         | 8.125%    | 07/01/19 | 2,675 | 2,895,688 |
| Level 3 Financing, Inc., Gtd. Notes, 144A                   | 3.823%(a) | 01/15/18 | 1,145 | 1,150,725 |
| Sprint Communications, Inc., Gtd. Notes, 144A(b)            | 9.000%    | 11/15/18 | 3,500 | 4,160,625 |
| Sprint Communications, Inc., Sr. Unsec d. Notes             | 8.375%    | 08/15/17 | 7,550 | 8,607,000 |
| Sprint Communications, Inc., Sr. Unsec d. Notes(b)          | 9.125%    | 03/01/17 | 1,900 | 2,166,000 |
| T-Mobile USA, Inc., Gtd. Notes(b)                           | 6.464%    | 04/28/19 | 5,760 | 6,004,800 |
| Telecom Italia Capital SA (Italy), Gtd. Notes               | 6.999%    | 06/04/18 | 3,000 | 3,397,500 |
| Wind Acquisition Finance SA (Italy), Sr. Sec d. Notes, 144A | 6.500%    | 04/30/20 | 3,000 | 3,210,000 |
| Windstream Corp., Gtd. Notes(b)                             | 7.875%    | 11/01/17 | 6,250 | 7,109,375 |
| Zayo Group LLC/Zayo Capital, Inc., Gtd. Notes               | 10.125%   | 07/01/20 | 504   | 573,300   |
| Zayo Group LLC/Zayo Capital, Inc., Sr. Sec d. Notes(b)      | 8.125%    | 01/01/20 | 6,494 | 7,005,402 |

60,332,045

**TOTAL CORPORATE BONDS**

(cost \$809,372,348) 813,805,524

**TOTAL INVESTMENTS 139.6%**

(cost \$857,244,984)(e) 861,937,940

Liabilities in excess of other assets(f) (39.6)% (244,597,557)

**NET ASSETS 100.0%**

\$ 617,340,383

The following abbreviations are used in the portfolio descriptions:

- 144A Security was purchased pursuant to Rule 144A under the Securities Act of 1933 and may not be resold subject to that rule except to qualified institutional buyers. Unless otherwise noted, 144A securities are deemed to be liquid.
- MTN Medium Term Note
- PIK Payment-in-Kind
- EUR Euro

# Principal amount is shown in U.S. dollars unless otherwise stated.

(a) Variable rate instrument. The interest rate shown reflects the rate in effect at August 31, 2014.

(b) Represents security, or a portion thereof, with aggregate value of \$497,563,994, segregated as collateral for amount of \$243,000,000 borrowed and outstanding as of August 31, 2014. Of such securities, securities in the amount of \$61,153,359 have been loaned for which, the amount borrowed serves as collateral. Securities on loan are subject to contractual netting arrangements.

(c) Indicates a restricted security; the aggregate cost of the restricted securities is \$89,980,009. The aggregate value, \$89,156,010, is approximately 14.4% of net assets.

(d) Indicates a security or securities that have been deemed illiquid.

(e) The United States federal income tax basis of investments and net unrealized depreciation were as follows:

|                             |                |
|-----------------------------|----------------|
| Tax Basis                   | \$ 868,295,325 |
| Appreciation                | 6,108,426      |
| Depreciation                | (12,465,811)   |
| Net Unrealized Depreciation | \$ (6,357,385) |

Edgar Filing: Prudential Short Duration High Yield Fund, Inc. - Form N-Q

The book basis may differ from tax basis due to certain tax-related adjustments.

(f) Includes net unrealized appreciation on the following derivative contracts held at reporting period end:  
**Forward foreign currency exchange contract outstanding at August 31, 2014.**

| Sale Contracts          | Counterparty    | Notional<br>Amount<br>(000) | Value at<br>Settlement<br>Date Receivable | Current<br>Value | Unrealized<br>Appreciation(1) |
|-------------------------|-----------------|-----------------------------|-------------------------------------------|------------------|-------------------------------|
| Euro, Expiring 09/26/14 | Bank of America | EUR 3,980                   | \$ 5,274,674                              | \$ 5,229,632     | \$ 45,042                     |

(1) The amount represents fair value of derivative instrument subjects to foreign exchange contacts risk exposure as of August 31, 2014. Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the three broad levels listed below.

Level 1 - quoted prices generally in active markets for identical securities.

Level 2 - other significant observable inputs including, but not limited to, quoted prices for similar securities, interest rates and yield curves, prepayment speeds, foreign currency exchange rates, and amortized cost.

Level 3 - significant unobservable inputs for securities valued in accordance with Board approved fair valuation procedures.

The following is a summary of the inputs used as of August 31, 2014 in valuing such portfolio securities:

|                                            | Level 1 | Level 2        | Level 3      |
|--------------------------------------------|---------|----------------|--------------|
| <b>Investments in Securities</b>           |         |                |              |
| Bank Loans                                 | \$      | \$ 47,252,584  | \$ 879,832   |
| Corporate Bonds                            |         | 811,906,850    | 1,898,674    |
| <b>Other Financial Instruments*</b>        |         |                |              |
| Forward Foreign Currency Exchange Contract |         | 45,042         |              |
| <b>Total</b>                               | \$      | \$ 859,204,476 | \$ 2,778,506 |

The following is a reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining fair value:

|                                                    | Bank Loans   | Corporate Bonds |
|----------------------------------------------------|--------------|-----------------|
| <b>Balance as of 5/31/14</b>                       | \$ 3,282,112 | \$ 2,181,224    |
| Realized gain (loss)                               |              |                 |
| Change in unrealized appreciation (depreciation)** | (8,428)      | 18,354          |
| Purchases                                          |              |                 |
| Sales                                              | (622,990)    | (300,904)       |
| Accrued discount/premium                           |              |                 |
| Transfers into Level 3                             |              |                 |
| Transfer out of Level 3                            | (1,770,862)  |                 |
| <b>Balance as of 8/31/14</b>                       | \$ 879,832   | \$ 1,898,674    |

## Edgar Filing: Prudential Short Duration High Yield Fund, Inc. - Form N-Q

\* Other financial instruments are derivative instruments not reflected in the Schedule of Investments, such as futures, forwards and swaps contracts, which are recorded at the unrealized appreciation/depreciation of the instrument.

\*\* Of which, \$9,926 was included in Net Assets relating to securities held at the reporting period end.

It is the Fund's policy to recognize transfers in and transfers out at the fair value as of the beginning of the period. At the reporting period end, there was one Bank Loan transferred out of Level 3 as a result of being valued by an independent pricing source.

Level 3 securities as presented in the table above are being fair valued using pricing methodologies approved by the Board of Directors, which contain unobservable inputs. Such methodologies include, but are not limited to, using pricing provided by a single broker/dealer, the cost of the investment, and prices of any recent transactions or bids/offers for such securities or any comparable securities.

**Notes to Schedule of Investments (Unaudited)**

*Securities Valuation:* The Fund holds securities and other assets that are fair valued at the close of each day the New York Stock Exchange ( NYSE ) is open for trading. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Board of Directors (the Board ) has adopted Valuation Procedures for security valuation under which fair valuation responsibilities have been delegated to Prudential Investments LLC ( PI or Manager ). Under the current Valuation Procedures, the established Valuation Committee is responsible for supervising the valuation of portfolio securities and other assets. The Valuation Procedures permit the Fund to utilize independent pricing vendor services, quotations from market makers, and alternative valuation methods when market quotations are either not readily available or not deemed representative of fair value. A record of the Valuation Committee's actions is subject to the Board's review, approval, and ratification at its next regularly-scheduled quarterly meeting.

Various inputs determine how the Fund's investments are valued, all of which are categorized according to the three broad levels (Level 1, 2, or 3) detailed in the table following the Schedule of Investments.

Common and preferred stocks, exchange-traded funds, and derivative instruments that are traded on a national securities exchange are valued at the last sale price as of the close of trading on the applicable exchange. Securities traded via NASDAQ are valued at the NASDAQ official closing price. To the extent these securities are valued at the last sale price or NASDAQ official closing price; they are classified as Level 1 in the fair value hierarchy except for exchange-traded and cleared swaps which are classified as level 2 in the fair value hierarchy, as the prices marked at the official settle are not public.

In the event that no sale or official closing price on valuation date exists, these securities are generally valued at the mean between the last reported bid and asked prices, or at the last bid price in the absence of an asked price. These securities are classified as Level 2 in the fair value hierarchy, as the inputs are observable and considered to be significant to the valuation.

Common and preferred stocks traded on foreign securities exchanges are valued using pricing vendor services that provide model prices derived using adjustment factors based on information such as local closing price, relevant general and sector indices, currency fluctuations, depository receipts, and futures, as applicable. Securities valued using such model prices are classified as Level 2 in the fair value hierarchy, as the adjustment factors are observable and considered to be significant to the valuation. Securities not valued using such model prices are valued in accordance with exchange-traded common and preferred stocks discussed above.

Investments in open-end, non-exchange-traded mutual funds are valued at their net asset values as of the close of the NYSE on the date of valuation. These securities are classified as Level 1 in the fair value hierarchy since they may be purchased or sold at their net asset values on the date of valuation.

Fixed income securities traded in the over-the-counter market are generally valued at prices provided by approved independent pricing vendors. The pricing vendors provide these prices after evaluating observable inputs including, but not limited to yield curves, yield spreads, credit ratings, deal terms, tranche level attributes, default rates, cash flows, prepayment speeds, broker/dealer quotations, and reported trades. Securities valued using such vendor prices are classified as Level 2 in the fair value hierarchy.

Over-the-counter derivative instruments are generally valued using pricing vendor services, which derive the valuation based on inputs such as underlying asset prices, indices, spreads, interest rates, and exchange rates. These instruments are categorized as Level 2 in the fair value hierarchy.

Securities and other assets that cannot be priced according to the methods described above are valued based on pricing methodologies approved by the Board. In the event that significant unobservable inputs are used when determining such valuations, the securities will be classified as Level 3 in the fair value hierarchy.

When determining the fair value of securities, some of the factors influencing the valuation include: the nature of any restrictions on disposition of the securities; assessment of the general liquidity of the securities; the issuer's financial condition and the markets in which it does business; the cost of the investment; the size of the holding and the capitalization of the issuer; the prices of any recent transactions or bids/offers for such securities or any comparable securities; any available analyst media or other reports or information deemed reliable by the investment adviser regarding the issuer or the markets or industry in which it operates. Using fair value to price securities may result in a value that is different from a security's most recent closing price and from the price used by other mutual funds to calculate their net asset values.

The Fund may hold up to 15% of its net assets in illiquid securities, including repurchase agreements which have a maturity of longer than seven days, certain securities with legal or contractual restrictions on resale (restricted securities, sometimes referred to as Private Placements) and securities that are not readily marketable. Restricted securities are valued pursuant to the valuation procedures noted above.

The Fund may invest in open market or receive pursuant to debt restructuring, securities that pay in kind (PIK) the interest due on such debt instruments. The PIK interest, computed at the contractual rate specified, is added to the existing principal balance of the debt when issued bonds have same terms as the bond or recorded as a separate bond when terms are different from the existing debt, and is recorded as interest income. The interest rate on PIK debt is paid out over time.

The Fund invests in the Prudential Core Taxable Money Market Fund, a portfolio of the Prudential Investment Portfolios 2, registered under the Investment Company Act of 1940, as amended, and managed by PI.

*Other information regarding the Fund is available in the Fund's most recent Report to Shareholders. This information is available on the Securities and Exchange Commission's website. ([www.sec.gov](http://www.sec.gov)).*

**Item 2. Controls and Procedures**

- (a) It is the conclusion of the registrant's principal executive officer and principal financial officer that the effectiveness of the registrant's current disclosure controls and procedures (such disclosure controls and procedures having been evaluated within 90 days of the date of this filing) provide reasonable assurance that the information required to be disclosed by the registrant has been recorded, processed, summarized and reported within the time period specified in the Commission's rules and forms and that the information required to be disclosed by the registrant has been accumulated and communicated to the registrant's principal executive officer and principal financial officer in order to allow timely decisions regarding required disclosure.
  
- (b) There have been no significant changes in the registrant's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

**Item 3. Exhibits**

Certifications pursuant to Rule 30a-2(a) under the Investment Company Act of 1940 Attached hereto.

**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.

(Registrant) Prudential Short Duration High Yield Fund, Inc.

By (Signature and Title)\* /s/ Deborah A. Docs  
Deborah A. Docs  
Secretary of the Fund

Date October 20, 2014

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 (Signature and Title)\* /s/ Stuart S. Parker  
Stuart S. Parker  
President and Principal Executive Officer

Date October 20, 2014

By (Signature and Title)\* /s/ M. Sadiq Peshimam  
M. Sadiq Peshimam  
Treasurer and Principal Financial Officer

Date October 20, 2014

\* Print the name and title of each signing officer under his or her signature.