

Prudential Short Duration High Yield Fund, Inc.
Form N-Q
October 26, 2012

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, 100 Mulberry Street, Newark, New Jersey 07102 |
| Name and address of agent for service: | Deborah A. Docs Gateway Center 3, 100 Mulberry Street, Newark, New Jersey 07102 |
| Registrant's telephone number, including area code: | 800-225-1852 |
| Date of fiscal year end: | 5/31/2013 |
| Date of reporting period: | 8/31/2012 |

Item 1. Schedule of Investments

Prudential Short Duration High Yield Fund, Inc.**Schedule of Investments**

as of August 31, 2012 (Unaudited)

| Description | Moody's Ratings** | Interest Rate | Maturity Date | Principal Amount (000)# | Value |
|--|-------------------|---------------|---------------|-------------------------|--------------|
| LONG-TERM INVESTMENTS 126.9% | | | | | |
| BANK LOANS(a) 3.6% | | | | | |
| Technology | | | | | |
| First Data Corp. | B1 | 2.987% | 09/24/14 | \$ 2,869 | \$ 2,828,239 |
| Flextronics International Ltd. | Ba1 | 2.482 | 10/01/14 | 7,481 | 7,430,071 |
| Freescall Semiconductor, Inc. | B1 | 4.496 | 12/01/16 | 13,000 | 12,447,500 |
| TOTAL BANK LOANS | | | | | 22,705,810 |
| (cost \$22,413,481) | | | | | |
| CORPORATE BONDS 123.3% | | | | | |
| Aerospace & Defense 3.8% | | | | | |
| Alliant Techsystems, Inc., Gtd. Notes | Ba3 | 6.750 | 04/01/16 | 5,000 | 5,112,500 |
| Bombardier, Inc. (Canada), Sr. Unsec d. Notes, 144A | Ba2 | 6.300 | 05/01/14 | 1,725 | 1,824,187 |
| Esterline Technologies Corp., Gtd. Notes(b) | Ba2 | 6.625 | 03/01/17 | 3,550 | 3,665,375 |
| L-3 Communications Corp., Gtd. Notes, Ser. B | Ba1 | 6.375 | 10/15/15 | 5,276 | 5,361,735 |
| Moog, Inc., Sr. Sub. Notes(b) | Ba3 | 6.250 | 01/15/15 | 5,000 | 5,062,500 |
| TransDigm, Inc., Gtd. Notes | B3 | 7.750 | 12/15/18 | 3,000 | 3,341,250 |
| | | | | | 24,367,547 |
| Automotive 4.4% | | | | | |
| American Axle & Manufacturing Holdings, Inc., Sr. Sec d. Notes, 144A(b) | Ba1 | 9.250 | 01/15/17 | 10,900 | 12,235,250 |
| Chrysler Group LLC/CG Co.-Issuer, Inc., Sec d. Notes(b) | B2 | 8.000 | 06/15/19 | 7,500 | 7,912,500 |
| Delphi Corp., Gtd. Notes | Ba2 | 5.875 | 05/15/19 | 1,500 | 1,620,000 |
| Learn Corp., Gtd. Notes | Ba2 | 7.875 | 03/15/18 | 5,350 | 5,864,937 |
| | | | | | 27,632,687 |
| Banking 2.8% | | | | | |
| Bank of America Corp., Sr. Unsec d. Notes | Baa2 | 6.500 | 08/01/16 | 9,250 | 10,548,598 |
| Morgan Stanley, Sr. Unsec d. Notes, MTN | Baa1 | 5.750 | 10/18/16 | 7,000 | 7,450,541 |
| | | | | | 17,999,139 |
| Building Materials & Construction 2.2% | | | | | |
| Beazer Homes USA, Inc., Sr. Sec d. Notes, 144A | B3 | 6.625 | 04/15/18 | 725 | 741,313 |
| D.R. Horton, Inc., Gtd. Notes | Ba2 | 4.750 | 05/15/17 | 3,000 | 3,161,250 |

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

| | | | | | |
|---------------------------------------|----|--------|----------|-------|-----------|
| Lennar Corp., Gtd. Notes, 144A(b) | B2 | 4.750 | 12/15/17 | 5,075 | 5,062,312 |
| Standard Pacific Corp., Gtd. Notes(b) | B3 | 10.750 | 09/15/16 | 4,000 | 4,830,000 |

13,794,875

Cable 9.0%

| | | | | | |
|---|----|--------|----------|-------|-----------|
| Cablevision Systems Corp., Sr. Unsec d. Notes | B1 | 7.750 | 04/15/18 | 750 | 811,875 |
| Sr. Unsec d. Notes | B1 | 8.625 | 09/15/17 | 1,400 | 1,603,000 |
| CCH II LLC/CCH II Capital Corp., Gtd. Notes(b) | B2 | 13.500 | 11/30/16 | 5,000 | 5,475,000 |

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

| | | | | | | |
|---|-----|-------|----------|--------|------------|------------|
| Cequel Communications Holdings I LLC and Cequel Capital Corp., | | | | | | |
| Sr. Unsec d. Notes, 144A(b) | B3 | 8.625 | 11/15/17 | 7,700 | 8,267,875 | |
| CSC Holdings LLC, | | | | | | |
| Sr. Unsec d. Notes(b) | Ba3 | 8.500 | 04/15/14 | 4,840 | 5,317,950 | |
| Sr. Unsec d. Notes | Ba3 | 8.500 | 06/15/15 | 600 | 627,750 | |
| Sr. Unsec d. Notes | Ba3 | 8.625 | 02/15/19 | 2,500 | 2,925,000 | |
| DISH DBS Corp., | | | | | | |
| Gtd. Notes, 144A(b) | Ba2 | 4.625 | 07/15/17 | 4,500 | 4,545,000 | |
| Gtd. Notes(b) | Ba2 | 7.750 | 05/31/15 | 5,765 | 6,427,975 | |
| UPC Holding BV (Netherlands), | | | | | | |
| Sec d. Notes, 144A | B2 | 9.875 | 04/15/18 | 4,000 | 4,490,000 | |
| Videotron LTee (Canada), | | | | | | |
| Gtd. Notes(b) | Ba1 | 9.125 | 04/15/18 | 4,989 | 5,438,010 | |
| Virgin Media Finance PLC (United Kingdom), | | | | | | |
| Gtd. Notes, Ser. 1(b) | Ba2 | 9.500 | 08/15/16 | 10,128 | 11,318,040 | |
| | | | | | | 57,247,475 |

Capital Goods 8.0%

| | | | | | | |
|--|------|--------|----------|-------|-----------|------------|
| Altra Holdings, Inc., | | | | | | |
| Sec d. Notes | Ba3 | 8.125 | 12/01/16 | 2,500 | 2,681,250 | |
| Avis Budget Car Rental LLC/Avis Budget Finance, Inc., | | | | | | |
| Gtd. Notes(b) | B2 | 9.625 | 03/15/18 | 5,115 | 5,677,650 | |
| CNH America LLC, | | | | | | |
| Gtd. Notes(b) | Ba2 | 7.250 | 01/15/16 | 7,235 | 8,139,375 | |
| Griffon Corp., | | | | | | |
| Gtd. Notes | B1 | 7.125 | 04/01/18 | 3,000 | 3,146,250 | |
| Interline Brands, Inc., Gtd. Notes | | | | | | |
| | B2 | 7.000 | 11/15/18 | 2,275 | 2,420,031 | |
| SPX Corp., Gtd. Notes(b) | | | | | | |
| | Ba2 | 7.625 | 12/15/14 | 5,867 | 6,497,703 | |
| Terex Corp., Sr. Sub. Notes | | | | | | |
| | Caa1 | 8.000 | 11/15/17 | 2,235 | 2,341,163 | |
| Trimas Corp., Sec d. Notes | | | | | | |
| | B1 | 9.750 | 12/15/17 | 5,637 | 6,285,255 | |
| United Rentals Merger Sub Corp., | | | | | | |
| Gtd. Notes(b) | B3 | 9.250 | 12/15/19 | 5,000 | 5,625,000 | |
| Gtd. Notes(b) | B3 | 10.875 | 06/15/16 | 3,570 | 3,993,937 | |
| WireCo WorldGroup, Inc., | | | | | | |
| Gtd. Notes(b) | B3 | 9.500 | 05/15/17 | 4,000 | 4,150,000 | |
| | | | | | | 50,957,614 |

Chemicals 3.6%

| | | | | | | |
|---------------------------------------|-----|-------|----------|--------|------------|------------|
| Huntsman International LLC, | | | | | | |
| Gtd. Notes(b) | B1 | 5.500 | 06/30/16 | 10,000 | 10,012,500 | |
| Koppers, Inc., Gtd. Notes(b) | | | | | | |
| | B1 | 7.875 | 12/01/19 | 4,074 | 4,450,845 | |
| NOVA Chemicals Corp. (Canada), | | | | | | |
| Sr. Unsec d. Notes(b) | Ba2 | 8.375 | 11/01/16 | 7,673 | 8,517,030 | |
| | | | | | | 22,980,375 |

Consumer 0.6%

| | | | | | | |
|---|-----|-------|----------|-------|-----------|-----------|
| Service Corporation International, | | | | | | |
| Sr. Unsec d. Notes | Ba3 | 7.000 | 05/15/19 | 735 | 804,825 | |
| Sr. Unsec d. Notes | Ba3 | 7.625 | 10/01/18 | 2,668 | 3,138,235 | |
| | | | | | | 3,943,060 |

Electric 5.6%

| | | | | | | |
|--|-----|-------|----------|-------|-----------|--|
| | Ba3 | 8.000 | 10/15/17 | 4,000 | 4,670,000 | |
|--|-----|-------|----------|-------|-----------|--|

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

| | | | | | |
|---|-----|-------|----------|-------|-----------|
| AES Corp. (The), Sr. Unsec d. Notes(b) | | | | | |
| Sr. Unsec d. Notes(b) | Ba3 | 9.750 | 04/15/16 | 6,120 | 7,313,400 |
| Calpine Construction Finance Co. LP/CCFC Finance Corp., | | | | | |
| Sr. Sec d. Notes, 144A | Ba3 | 8.000 | 06/01/16 | 4,710 | 5,092,688 |
| GenOn REMA LLC, Pass-thru Certs., Ser. B(c) | B1 | 9.237 | 07/02/17 | 1,050 | 1,128,980 |
| Pass-thru Certs., Ser. C | B1 | 9.681 | 07/02/26 | 900 | 967,500 |
| Mirant Mid-Atlantic Pass-Through Trust B, Pass-thru Certs., Ser. B | Ba1 | 9.125 | 06/30/17 | 1,030 | 1,106,909 |

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

| | | | | | |
|---|------|-------|----------|-------|------------|
| NRG Energy, Inc., Gtd. Notes(b) | B1 | 7.375 | 01/15/17 | 8,000 | 8,320,000 |
| Public Service Co. of New Mexico, Sr. Unsec d. Notes | Baa3 | 7.950 | 05/15/18 | 5,500 | 6,678,012 |
| | | | | | 35,277,489 |

Energy Other 5.9%

| | | | | | |
|--|-----|--------|----------|-------|------------|
| Cie Generale de Geophysique - Veritas (France), Gtd. Notes(b) | Ba3 | 9.500 | 05/15/16 | 8,025 | 8,747,250 |
| Denbury Resources, Inc., Gtd. Notes(b) | B1 | 9.750 | 03/01/16 | 7,500 | 8,137,500 |
| Harvest Operations Corp. (Canada), Gtd. Notes | Ba2 | 6.875 | 10/01/17 | 2,850 | 3,049,500 |
| Offshore Group Investments Ltd. (Cayman Islands), Sr. Sec d. Notes, 144A | B3 | 11.500 | 08/01/15 | 5,000 | 5,525,000 |
| Parker Drilling Co., Gtd. Notes(b) | B1 | 9.125 | 04/01/18 | 5,000 | 5,362,500 |
| Plains Exploration & Production Co., Gtd. Notes | B1 | 8.625 | 10/15/19 | 2,000 | 2,265,000 |
| Range Resources Corp., Gtd. Notes | Ba3 | 7.250 | 05/01/18 | 2,000 | 2,120,000 |
| WPX Energy, Inc., Sr. Unsec d. Notes | Ba1 | 5.250 | 01/15/17 | 2,000 | 2,105,000 |
| | | | | | 37,311,750 |

Foods 8.3%

| | | | | | |
|--|------|--------|----------|-------|-----------|
| ARAMARK Corp., Gtd. Notes(b) | B3 | 8.500 | 02/01/15 | 5,000 | 5,125,050 |
| ARAMARK Holdings Corp., Sr. Unsec d. Notes, PIK, 144A | B3 | 8.625 | 05/01/16 | 2,000 | 2,047,520 |
| Bumble Bee Acquisition Corp., Sr. Sec d. Notes, 144A | B2 | 9.000 | 12/15/17 | 2,780 | 2,842,550 |
| Constellation Brands, Inc., Gtd. Notes | Ba1 | 7.250 | 09/01/16 | 3,052 | 3,479,280 |
| Cott Beverages, Inc., Gtd. Notes | B3 | 8.375 | 11/15/17 | 3,499 | 3,827,031 |
| Darling International, Inc., Gtd. Notes(b) | Ba3 | 8.500 | 12/15/18 | 5,175 | 5,860,688 |
| Dole Food Co., Inc., Sec d. Notes, 144A(b) | B2 | 8.000 | 10/01/16 | 5,000 | 5,225,000 |
| Fiesta Restaurant Group, Inc., Sec d. Notes | B2 | 8.875 | 08/15/16 | 200 | 213,000 |
| Ingles Markets, Inc., Sr. Unsec d. Notes | B1 | 8.875 | 05/15/17 | 3,000 | 3,240,000 |
| JBS USA LLC/JBS USA Finance, Inc., Gtd. Notes (original cost \$2,315,000; purchased 05/02/12)(c)(d) | B1 | 11.625 | 05/01/14 | 2,000 | 2,255,000 |
| Michael Foods Group, Inc., Gtd. Notes | Caa1 | 9.750 | 07/15/18 | 2,505 | 2,768,025 |
| Stater Bros. Holdings, Inc., Gtd. Notes | B2 | 7.375 | 11/15/18 | 1,990 | 2,139,250 |
| SUPERVALU, Inc., Sr. Unsec d. Notes | Caa1 | 7.500 | 11/15/14 | 4,419 | 4,242,240 |
| Sr. Unsec d. Notes | Caa1 | 8.000 | 05/01/16 | 5,000 | 4,475,000 |
| TreeHouse Foods, Inc., Gtd. Notes | Ba2 | 7.750 | 03/01/18 | 4,600 | 5,014,000 |

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

52,753,634

| Gaming 8.5% | | | | | | |
|---|-----|--------|----------|--------|------------|--|
| Boyd Gaming Corp., Gtd. Notes(b) | B3 | 9.125 | 12/01/18 | 5,000 | 5,181,250 | |
| Caesars Entertainment Operating Co., Inc., Sr. Sec d. Notes(b) | B2 | 11.250 | 06/01/17 | 10,000 | 10,775,000 | |
| MGM Resorts International, Gtd. Notes | B3 | 7.500 | 06/01/16 | 2,000 | 2,087,500 | |
| Gtd. Notes | B3 | 10.000 | 11/01/16 | 3,000 | 3,341,250 | |
| Sr. Sec d. Notes(b) | Ba2 | 11.125 | 11/15/17 | 11,000 | 12,237,500 | |
| Peninsula Gaming LLC/Peninsula Gaming Corp., Sec d. Notes | Ba3 | 8.375 | 08/15/15 | 3,000 | 3,150,000 | |
| Pinnacle Entertainment, Inc., Gtd. Notes | B1 | 8.625 | 08/01/17 | 3,125 | 3,414,063 | |

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

| | | | | | | |
|--|----|--------|----------|-------|------------|--|
| Sugarhouse HSP Gaming Prop Mezz | | | | | | |
| LP/Sugarhouse | | | | | | |
| HSP Gaming Finance Corp., Sec d. Notes, 144A | B2 | 8.625 | 04/15/16 | 5,000 | 5,325,000 | |
| Yonkers Racing Corp., Sec d. Notes, 144A (original cost \$8,393,939; purchased 05/03/12-05/09/12)(b)(c)(d) | | | | | | |
| | B1 | 11.375 | 07/15/16 | 7,681 | 8,141,860 | |
| | | | | | 53,653,423 | |

Healthcare & Pharmaceutical 9.4%

| | | | | | | |
|---|-----|--------|----------|--------|------------|--|
| Accellent, Inc., Sr. Sec d. Notes | B1 | 8.375 | 02/01/17 | 300 | 309,375 | |
| Biomet, Inc., Gtd. Notes(b) | B3 | 10.000 | 10/15/17 | 7,421 | 7,852,346 | |
| Capella Healthcare, Inc., Gtd. Notes (original cost \$7,457,250; purchased 04/27/12)(b)(c)(d) | | | | | | |
| | B3 | 9.250 | 07/01/17 | 7,320 | 7,768,350 | |
| HCA, Inc., Sr. Sec d. Notes | | | | | | |
| | Ba3 | 8.500 | 04/15/19 | 4,000 | 4,510,000 | |
| Sr. Unsec d. Notes(b) | B3 | 6.375 | 01/15/15 | 7,500 | 7,996,875 | |
| Sr. Unsec d. Notes, MTN | B3 | 9.000 | 12/15/14 | 3,250 | 3,591,250 | |
| Mylan, Inc., Gtd. Notes, 144A | Ba2 | 7.625 | 07/15/17 | 10,000 | 11,100,000 | |
| Tenet Healthcare Corp., Sr. Sec d. Notes(b) | | | | | | |
| | B1 | 10.000 | 05/01/18 | 5,000 | 5,750,000 | |
| Valeant Pharmaceuticals International, Gtd. Notes, 144A | | | | | | |
| | B1 | 6.500 | 07/15/16 | 10,000 | 10,550,000 | |
| | | | | | 59,428,196 | |

Lodging 5.3%

| | | | | | | |
|---|-----|--------|----------|--------|------------|--|
| Lodging 5.3% | | | | | | |
| FelCor Lodging LP, Sr. Sec d. Notes(b) | B2 | 10.000 | 10/01/14 | 14,296 | 16,404,660 | |
| Host Hotels & Resorts LP, Gtd. Notes(b) | Ba1 | 9.000 | 05/15/17 | 15,925 | 17,358,250 | |
| | | | | | 33,762,910 | |

Media & Entertainment 14.4%

| | | | | | | |
|---|------|--------|----------|--------|------------|--|
| Media & Entertainment 14.4% | | | | | | |
| AMC Entertainment, Inc., Gtd. Notes | Caa1 | 9.750 | 12/01/20 | 2,275 | 2,513,875 | |
| Belo Corp., Gtd. Notes(b) | Ba1 | 8.000 | 11/15/16 | 8,500 | 9,392,500 | |
| Cedar Fair LP/Canada s Wonderland Co./Magnum Management Corp., Gtd. Notes | | | | | | |
| | B2 | 9.125 | 08/01/18 | 2,240 | 2,542,400 | |
| Clear Channel Worldwide Holdings, Inc., Gtd. Notes, Ser. B(b) | | | | | | |
| | B1 | 9.250 | 12/15/17 | 12,500 | 13,578,125 | |
| Gannett Co., Inc., Gtd. Notes(b) | Ba1 | 8.750 | 11/15/14 | 6,254 | 7,082,655 | |
| Inmarsat Finance PLC (United Kingdom), Gtd. Notes, 144A(b) | | | | | | |
| | Ba2 | 7.375 | 12/01/17 | 8,300 | 9,026,250 | |
| Lamar Media Corp., Gtd. Notes | Ba3 | 9.750 | 04/01/14 | 2,146 | 2,408,885 | |
| McClatchy Co. (The), Sr. Sec d. Notes | | | | | | |
| | B1 | 11.500 | 02/15/17 | 2,500 | 2,650,000 | |
| NAI Entertainment Holdings LLC, Sr. Sec d. Notes, 144A (original cost \$1,962,130; purchased 06/05/12)(c)(d) | | | | | | |
| | B1 | 8.250 | 12/15/17 | 1,796 | 2,002,540 | |
| Newport Television LLC / NTV Finance Corp., Sr. Unsec d. Notes, PIK, 144A (original cost \$7,930,883; purchased 08/03/12-08/06/12)(c)(d) | | | | | | |
| | Caa3 | 13.000 | 03/15/17 | 7,318 | 7,921,735 | |
| Nielsen Finance LLC/Nielsen Finance Co., Gtd. Notes(b) | | | | | | |
| | B2 | 11.625 | 02/01/14 | 9,792 | 11,113,920 | |

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

| | | | | | |
|---|------|--------|----------|-------|------------|
| R.R. Donnelley & Sons Co., Sr. Unsec d. Notes | Ba2 | 6.125 | 01/15/17 | 500 | 497,500 |
| Sinclair Television Group, Inc., Sec d. Notes, 144A | B1 | 9.250 | 11/01/17 | 4,000 | 4,450,000 |
| SSI Investments II Ltd./SSI Co.-Issuer LLC, Gtd. Notes | Caa1 | 11.125 | 06/01/18 | 750 | 843,750 |
| Telesat Canada/Telesat LLC (Canada), Sr. Unsec d. Notes, 144A(b) | B3 | 6.000 | 05/15/17 | 5,750 | 5,980,000 |
| WMG Acquisition Corp., Sr. Sec d. Notes | Ba2 | 9.500 | 06/15/16 | 3,251 | 3,559,845 |
| Sr. Sec d. Notes | Ba2 | 9.500 | 06/15/16 | 5,326 | 5,818,655 |
| | | | | | 91,382,635 |

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

Metals 6.7%

| | | | | | |
|---|------|--------|----------|-------|------------|
| Arcelormittal (Luxembourg), | | | | | |
| Sr. Unsec d. Notes | Baa3 | 5.375 | 06/01/13 | 3,225 | 3,297,372 |
| Sr. Unsec d. Notes | Baa3 | 9.000 | 02/15/15 | 4,500 | 4,955,121 |
| Arcelormittal USA LLC, | | | | | |
| Gtd. Notes | Baa3 | 6.500 | 04/15/14 | 2,000 | 2,084,078 |
| Berau Capital Resources Pte Ltd. (Singapore), | | | | | |
| Sr. Sec d. Notes, 144A | B1 | 12.500 | 07/08/15 | 5,000 | 5,437,500 |
| CONSOL Energy, Inc., Gtd. Notes | B1 | 8.000 | 04/01/17 | 1,200 | 1,293,000 |
| FMG Resources (August 2006) Pty Ltd. (Australia), | | | | | |
| Gtd. Notes, 144A | Ba3 | 6.375 | 02/01/16 | 2,000 | 1,920,000 |
| Gtd. Notes, 144A | Ba3 | 7.000 | 11/01/15 | 6,000 | 5,895,000 |
| Metals USA, Inc., Sr. Sec d. Notes(b) | B2 | 11.125 | 12/01/15 | 8,000 | 8,320,000 |
| Optima Specialty Steel, Inc., | | | | | |
| Sr. Sec d. Notes, 144A(b) | B2 | 12.500 | 12/15/16 | 3,500 | 3,683,750 |
| Peabody Energy Corp., | | | | | |
| Gtd. Notes, 144A | Ba1 | 6.000 | 11/15/18 | 3,500 | 3,578,750 |
| Steel Dynamics, Inc., | | | | | |
| Gtd. Notes, 144A | Ba2 | 6.125 | 08/15/19 | 1,725 | 1,789,688 |
| | | | | | 42,254,259 |

Non-Captive Finance 3.4%

| | | | | | |
|--------------------------------------|----|-------|----------|-------|------------|
| Ally Financial, Inc., | | | | | |
| Gtd. Notes | B1 | 4.625 | 06/26/15 | 1,625 | 1,667,676 |
| Gtd. Notes | B1 | 8.300 | 02/12/15 | 3,000 | 3,330,000 |
| CIT Group, Inc., Gtd. Notes, 144A(b) | B1 | 7.000 | 05/02/16 | 8,021 | 8,040,617 |
| Sr. Unsec d. Notes | B1 | 4.250 | 08/15/17 | 8,750 | 8,873,541 |
| | | | | | 21,911,834 |

Packaging 5.2%

| | | | | | |
|--|------|--------|----------|-------|------------|
| Ardagh Packaging Finance PLC (Ireland), | | | | | |
| Sr. Sec d. Notes, 144A | | | | | |
| (original cost \$6,847,200; | | | | | |
| purchased 05/07/12-05/18/12)(c)(d) | Ba3 | 7.375 | 10/15/17 | 6,330 | 6,788,925 |
| BWAY Holding Co., Gtd. Notes | | | | | |
| | B3 | 10.000 | 06/15/18 | 1,000 | 1,110,000 |
| Owens-Brockway Glass Container, Inc., | | | | | |
| Gtd. Notes(b) | Ba3 | 7.375 | 05/15/16 | 5,965 | 6,800,100 |
| Plastipak Holdings, Inc., Gtd. Notes, 144A | | | | | |
| (original cost \$3,092,500; | | | | | |
| purchased 05/23/12-06/04/12)(c)(d) | B3 | 8.500 | 12/15/15 | 3,000 | 3,090,000 |
| Reynolds Group Issuer, Inc./Reynolds Group | | | | | |
| Issuer LLC/Reynolds Group Issuer LU, | | | | | |
| Gtd. Notes | Caa1 | 9.875 | 08/15/19 | 5,000 | 5,287,500 |
| Sr. Sec d. Notes(b) | Ba3 | 7.750 | 10/15/16 | 5,000 | 5,225,000 |
| Sealed Air Corp., Gtd. Notes, 144A | | | | | |
| | B1 | 8.125 | 09/15/19 | 4,000 | 4,450,000 |
| | | | | | 32,751,525 |

Paper 0.5%

| | | | | | |
|---|----|-------|----------|-------|-----------|
| Longview Fibre Paper & Packaging, Inc., | | | | | |
| Sr. Sec d. Notes, 144A | | | | | |
| (original cost \$2,907,000; | | | | | |
| purchased 05/01/12-06/04/12)(c)(d) | B2 | 8.000 | 06/01/16 | 2,850 | 2,949,750 |

Retailers 1.6%

| | | | | | |
|----------------------------------|-----|-------|----------|-----|---------|
| Dollar General Corp., Gtd. Notes | | | | | |
| | Ba2 | 4.125 | 07/15/17 | 675 | 702,000 |

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

| | | | | | |
|---|----|-------|----------|-------|------------|
| Rite Aid Corp., Sr. Sec d. Notes(b) | B2 | 9.750 | 06/12/16 | 5,000 | 5,487,500 |
| Toys R Us Delaware, Inc., Sr. Sec d. Notes, 144A | B1 | 7.375 | 09/01/16 | 4,000 | 4,030,000 |
| | | | | | 10,219,500 |

Technology 9.9%

| | | | | | |
|--|------|--------|----------|-------|-----------|
| Anixter, Inc., Gtd. Notes | Ba3 | 5.950 | 03/01/15 | 1,000 | 1,042,500 |
| Avaya, Inc., Gtd. Notes | Caa2 | 9.750 | 11/01/15 | 4,000 | 3,470,000 |
| CDW LLC/CDW Finance Corp., Gtd. Notes | Caa1 | 12.535 | 10/12/17 | 8,410 | 9,019,725 |
| DuPont Fabros Technology LP, Gtd. Notes | Ba1 | 8.500 | 12/15/17 | 1,825 | 2,016,625 |

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

| | | | | | |
|---|-------|--------|----------|-------|------------|
| Interactive Data Corp., Gtd. Notes | Caa1 | 10.250 | 08/01/18 | 4,500 | 5,073,750 |
| Jabil Circuit, Inc., Sr. Unsec d. Notes | Ba1 | 7.750 | 07/15/16 | 2,000 | 2,310,000 |
| NXP BV/NXP Funding LLC (Netherlands), Sr. Sec d. Notes, 144A | B3 | 9.750 | 08/01/18 | 2,500 | 2,856,250 |
| Sr. Sec d. Notes, 144A(b) | BB(e) | 10.000 | 07/15/13 | 6,000 | 6,390,000 |
| Seagate HDD Cayman (Cayman Islands), Gtd. Notes | Ba1 | 7.750 | 12/15/18 | 1,500 | 1,646,250 |
| Seagate Technology HDD Holdings (Cayman Islands), Gtd. Notes | Ba1 | 6.800 | 10/01/16 | 170 | 187,425 |
| STATS ChipPAC Ltd. (Singapore), Gtd. Notes, 144A | Ba1 | 7.500 | 08/12/15 | 6,625 | 7,105,312 |
| SunGard Data Systems, Inc., Gtd. Notes | Caa1 | 10.250 | 08/15/15 | 4,000 | 4,095,000 |
| TransUnion LLC/TransUnion Financing Corp., Gtd. Notes(b) | B3 | 11.375 | 06/15/18 | 9,500 | 11,210,000 |
| Unisys Corp., Sr. Sec d. Notes, 144A | Ba1 | 12.750 | 10/15/14 | 1,308 | 1,412,640 |
| Sr. Unsec d. Notes | B1 | 6.250 | 08/15/17 | 5,000 | 5,162,500 |
| | | | | | 62,997,977 |

Telecommunications 4.2%

| | | | | | |
|---|-------|-------|----------|-------|------------|
| Brightstar Corp., Gtd. Notes, 144A (original cost \$4,220,000; purchased 04/27/12)(b)(c)(d) | B1 | 9.500 | 12/01/16 | 4,000 | 4,200,000 |
| Cricket Communications, Inc., Sr. Sec d. Notes(b) | Ba2 | 7.750 | 05/15/16 | 8,643 | 9,118,365 |
| Crown Castle International Corp., Sr. Unsec d. Notes(b) | B1 | 9.000 | 01/15/15 | 4,437 | 4,797,506 |
| Frontier Communications Corp., Sr. Unsec d. Notes | Ba2 | 8.250 | 04/15/17 | 2,000 | 2,230,000 |
| Nextel Communications, Inc., Gtd. Notes, Ser. C | B+(e) | 5.950 | 03/15/14 | 2,650 | 2,656,625 |
| Sprint Nextel Corp., Sr. Unsec d. Notes | B3 | 8.375 | 08/15/17 | 2,500 | 2,750,000 |
| Windstream Corp., Gtd. Notes | Ba3 | 7.875 | 11/01/17 | 1,000 | 1,087,500 |
| | | | | | 26,839,996 |

TOTAL CORPORATE BONDS

(cost \$779,720,676) 782,417,650

TOTAL LONG-TERM INVESTMENTS

(cost \$802,134,157) 805,123,460

SHORT-TERM INVESTMENT 2.8%

| | Shares | |
|--|------------|------------|
| AFFILIATED MONEY MARKET MUTUAL FUND | | |
| Prudential Investment Portfolios 2 Prudential Core Taxable Money Market Fund(f) (cost \$18,093,009) | 18,093,009 | 18,093,009 |

TOTAL INVESTMENTS 129.7%

(cost \$820,227,166)(g) 823,216,469
Liabilities in excess of other assets(h) (29.7)% (188,583,332)

NET ASSETS 100.0%

\$634,633,137

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

The following abbreviations are used in 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

The ratings reflected are as of August 31, 2012. Ratings of certain bonds may have changed subsequent to that date.

- ** The Fund's current registration statement contains a description of Moody's and Standard & Poor's ratings.
- # Principal amount shown in U.S. dollars unless otherwise stated.
- (a) Variable rate instrument. The interest rate shown reflects the rate in effect at August 31, 2012.
- (b) Represents security, or a portion thereof, segregated as collateral for loan outstanding. There was a loan balance of \$200,000,000 outstanding at August 31, 2012, which was used to provide the Fund with portfolio leverage and meet its general cashflow requirements.
- (c) Indicates a security that has been deemed illiquid.

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

- (d) Indicates a restricted security; the aggregate original cost of such securities is \$45,125,902. The aggregate value of \$45,118,160 is approximately 7.1% of net assets.
- (e) Standard & Poor's Rating.
- (f) Prudential Investments LLC, the manager of the Fund, also serves as manager of the Prudential Investment Portfolios 2 Prudential Core Taxable Money Market Fund.
- (g) The United States federal income tax basis of the Fund's investments and the net unrealized depreciation as of August 31, 2012 were as follows:

| Tax Basis | Appreciation | Depreciation | Net Unrealized Depreciation |
|----------------|--------------|----------------|-----------------------------|
| \$ 823,913,748 | \$ 5,407,332 | \$ (6,104,611) | \$ (697,279) |

The difference between book basis and tax basis is primarily attributable to deferred losses on wash sales and differences in the treatment of premium amortization for book and tax purposes as of the most recent fiscal year end.

- (h) Includes net unrealized appreciation on the following derivative contracts held at reporting period end:
Credit default swap agreement outstanding at August 31, 2012:

| Reference Entity/Obligation | Termination Date | Fixed Rate | Notional Amount (000)#(3) | Fair Value(2) | Upfront Premiums Paid/(Received) | Unrealized Appreciation(4) | Counterparty |
|--|------------------|------------|---------------------------|---------------|----------------------------------|----------------------------|---------------------------------|
| Over-the-counter credit default swaps on credit indices Sell Protection(1): | | | | | | | |
| CDX.NA.HY.15.V4 | 12/20/15 | 5.000% | \$ 24,000 | \$ 993,023 | \$ 355,333 | \$ 637,690 | Morgan Stanley Capital Services |

The Fund entered into credit default swaps as the protection seller on credit indices to take an active short position with respect to the likelihood of a particular issuer's default or the referenced entity's credit soundness.

- (1) If the Fund is a seller of protection, it receives the fixed rate. When a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.
- (2) The fair value of credit default swap agreements on asset-backed securities and credit indices serves as an indicator of the current status of the payment/performance risk and represents the likelihood of an expected liability (or profit) for the credit derivative should the notional amount of the swap agreement be closed/sold as of the reporting date. Increasing fair value in absolute terms, represents a deterioration of the referenced entity's credit soundness and a greater likelihood of risk of default or other credit event occurring as defined under the terms of the agreement.
- (3) Notional amount represents the maximum potential amount the Fund could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.
- (4) The amount represents fair value of derivative instruments subject to credit contracts risk exposure as of August 31, 2012.
- # Notional amount is shown in U.S. dollars unless otherwise stated.

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

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, 2012 in valuing such portfolio securities:

| | Level 1 | Level 2 | Level 3 |
|-------------------------------------|----------------------|-----------------------|---------------------|
| Investments in Securities | | | |
| Bank Loans | \$ | \$ 22,705,810 | \$ |
| Corporate Bonds | | 781,310,741 | 1,106,909 |
| Affiliated Money Market Mutual Fund | 18,093,009 | | |
| Other Financial Instruments* | | | |
| Credit Default Swap Agreement | | 637,690 | |
| Total | \$ 18,093,009 | \$ 804,654,241 | \$ 1,106,909 |

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

Notes to Schedule of Investments (Unaudited)

Securities Valuation: The Fund holds portfolio 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 Trustees has delegated fair valuation responsibilities to the Prudential Investments LLC (PI or Manager) through the adoption of Valuation Procedures for valuation of the Funds securities. Under the current Valuation Procedures, a Valuation Committee is established and responsible for supervising the valuation of portfolio securities and other assets. The Valuation Procedures allow the Fund to utilize independent pricing vendor services, quotations from market makers and other valuation methods in events when market quotations are not readily available. A record of Valuation Committee s actions is subject to review, approval and ratification by the Board at its next regularly scheduled quarterly meeting.

Various inputs are used in determining the value of the Fund s investments, which are summarized in the three broad level hierarchies based on any observable inputs used as described in the table following the Schedule of Investments. The valuation methodologies and significant inputs used in determining the fair value of securities and other assets classified as Level 1, Level 2 and Level 3 of the hierarchy are as follows:

Common stock, exchange-traded funds and financial derivative instruments (including futures contracts and certain options contracts on securities), 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 of the fair value hierarchy.

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

For common stocks traded on foreign securities exchanges, certain valuation adjustments will be applied when events occur after the close of the security s foreign market and before the Fund s normal pricing time. These securities are valued using pricing vendor services that provide 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 adjustment factors are classified as Level 2 of the fair value hierarchy.

Investments in open-end, non-exchange-traded mutual funds are valued at their net asset value as of the close of the NYSE on the date of valuation. These securities are classified as Level 1 as these securities have the ability to be purchased or sold at their net asset value on the date of valuation.

Fixed income securities traded in the over-the-counter market, such as corporate bonds, municipal bonds, U.S. Government agencies, U.S. Treasury obligations, and sovereign issues are usually valued at prices provided by approved independent pricing vendors. The pricing vendors provide these prices usually after evaluating observable inputs including yield curves, prepayment speeds, credit spreads, default rates, cash flows as well as broker/dealer quotations and reported trades. Securities valued using such vendor prices are classified as Level 2 of the fair value hierarchy.

Asset-backed and mortgage-related securities are usually valued by approved independent pricing vendors. The pricing vendors provide the prices using their internal pricing model with input from deal term, tranche level attributes, yield curve, prepayment speeds, and broker/dealer quotes. Securities valued using such vendor prices are classified as Level 2 of the fair value hierarchy.

Short-term debt securities of sufficient credit quality which mature in 60 days or less are valued at amortized cost which approximates fair value. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity of the difference between the principal amount due at maturity and cost. These securities are categorized as Level 2 of the fair value hierarchy.

Over-the-counter financial derivative instruments, such as option contracts, foreign currency contracts and swap agreements, are usually valued using pricing vendor services, which derive the valuation based on underlying asset prices, indices, spreads, and other inputs. These instruments are categorized as Level 2 of the fair value hierarchy.

Securities and other assets that cannot be priced using the methods described above are valued with pricing methodologies approved by the Valuation Committee. Where there are unobservable inputs used when determining such valuation, the securities will be classified as Level 3 of 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 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).

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 22, 2012

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 22, 2012

By (Signature and Title)* /s/ Grace C. Torres
Grace C. Torres
Treasurer and Principal Financial Officer

Date October 22, 2012

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