

Prudential Short Duration High Yield Fund, Inc.
Form N-CSR
August 07, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number:	811-22632
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:	973-367-7521
Date of fiscal year end:	5/31/2013
Date of reporting period:	5/31/2013

Item 1 Reports to Stockholders

PRUDENTIAL INVESTMENTS»CLOSED-END FUNDS

PRUDENTIAL SHORT DURATION HIGH YIELD FUND, INC.

ANNUAL REPORT · MAY 31, 2013

Fund Type

Short Duration, High Yield Bond

Objective

High level of current income

The views expressed in this report and information about the Fund's portfolio holdings are for the period covered by this report and are subject to change thereafter.

Prudential Investments, Prudential, the Prudential logo, the Rock symbol, and Bring Your Challenges are service marks of Prudential Financial, Inc., and its related entities, registered in many jurisdictions worldwide.

July 15, 2013

Dear Shareholder:

We hope you find the annual report for the Prudential Short Duration High Yield Fund, Inc. informative and useful. The report covers performance for the 12-month period that ended May 31, 2013.

We recognize that ongoing market volatility may make it a difficult time to be an investor. We continue to believe a prudent response to uncertainty is to maintain a diversified portfolio of funds consistent with your tolerance for risk, time horizon, and financial goals.

Your financial advisor can help you create a diversified investment plan that may include funds covering all the basic asset classes and that reflects your personal investor profile and risk tolerance. Keep in mind, however, that diversification and asset allocation strategies do not assure a profit or protect against loss in declining markets.

Prudential Investments® is dedicated to helping you solve your toughest investment challenges whether it's capital growth, reliable income, or protection from market volatility and other risks. We offer the expertise of Prudential Financial's affiliated asset managers* that strive to be leaders in a broad range of funds to help you stay on course to the future you envision. They also manage money for major corporations and pension funds around the world, which means you benefit from the same expertise, innovation, and attention to risk demanded by today's most sophisticated investors.

Thank you for choosing the Prudential Investments family of funds.

Sincerely,

Stuart S. Parker, President

Prudential Short Duration High Yield Fund, Inc.

*Most of Prudential Investments' equity funds are advised by Jennison Associates LLC, Quantitative Management Associates LLC (QMA), or Prudential Real Estate Investors. Prudential Investments' fixed income and money market funds are advised by Prudential Investment Management, Inc. (PIM) through its Prudential Fixed Income unit. Jennison Associates, QMA, Prudential Investments LLC and PIM are registered investment advisers and Prudential Financial companies. Prudential Real Estate Investors is a unit of PIM.

Your Fund's Performance

Performance data quoted represent past performance and assume the reinvestment of all dividends. Past performance does not guarantee future results. An investor may obtain performance data as of the most recent month-end by visiting our website at www.prudentialfunds.com.

Investment Objective

The Fund seeks to provide a high level of current income by investing primarily in higher-rated, below-investment-grade fixed income instruments¹. The Fund seeks to maintain a weighted average portfolio duration of three years or less and a weighted average maturity of five years or less.

¹There can be no guarantee the Fund will achieve its objective. Higher-rated high yield bonds are below investment grade, commonly referred to as junk bonds, and are considered speculative. Rated Ba, B by Moody's Investors Service, Inc. (Moody's); BB, B by Standard & Poor's Ratings Services (S&P) or Fitch, Inc.; or comparably rated by another nationally recognized statistical rating organization (NRSRO), or if unrated, are considered of comparable quality.

Performance Snapshot as of 5/31/13

	Price Per Share	Total Return* For 12 Months Ended 5/31/13
\$19.18 (NAV)		10.96%
\$19.45 (Market Price)		4.97%

*Total returns are based on changes in net asset value (NAV) or market price, respectively. NAV total return assumes the reinvestment of all distributions, including returns of capital, if any, at NAV. Market Price total return assumes the reinvestment of all distributions, including returns of capital, if any, in accordance with the Fund's Dividend Reinvestment Plan.

Source: Prudential Investments LLC.

Key Fund Statistics as of 5/31/13

Duration	2.5 years	Average Maturity	4.4 years
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Credit Quality** expressed as a percentage of total investments as of 5/31/13

Baa	4.2%
Ba	45.3
B	43.2
Caa or Lower	6.6
Not Rated	0.7
Total Investments	100.0%

**Moody's rating, defaulting to the highest rated category received from Moody's, Standard & Poors and Fitch.

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Yield and Dividends as of 5/31/13

Total Monthly Dividends Paid per Share for Period	Current Monthly Dividend Paid per Share	Yield at Market Price as of 5/31/13*
\$1.565	\$0.1225	7.56%

**Yield at market price is the annualized rate determined by dividing Current Monthly Dividend paid per share by the market price per share as of May 31, 2013.*

Prudential Short Duration High Yield Fund, Inc. 3

Strategy and Performance Overview

How did the Fund perform?

For the 12-month reporting period that ended May 31, 2013, the **Prudential Short Duration High Yield Fund** s (the Fund) NAV per share increased by \$0.43 from \$18.75 to \$19.18. The Fund returned 10.96% for the period, underperforming the 11.67% gain of the Barclays U.S. High Yield Ba/B 1 5 Year 1% Issuer Constrained Index (the Index). The Fund also underperformed the 19.24% gain of the Lipper High Current Yield Funds (Leveraged) Average.

The Fund s market price declined by \$0.64, from \$20.09 to \$19.45 for the period. The Fund s market price total return including the reinvestment of dividends, was 4.97% for the period.

What were conditions like in the short-term U.S. high yield corporate bond market?

The high yield market was driven primarily by strong technical factors as investors thirst for yield outweighed signs of slowing global economic growth.

As the search for yield intensified throughout the year, lower-quality bonds rated CCC outperformed higher-quality bonds rated BB and B.

As prices of high yield bonds climbed, their yields fell because bond prices move inversely to yields. This caused spreads (the amount of extra yield) that high yield bonds provide over similar-duration U.S. Treasury securities to narrow. Spreads reached their tightest point in early May of 2013, but widened later in the month.

All sectors in the Barclays High Yield Index posted a positive total return. The top three performing sectors were insurance, telecommunications, and home construction, which all had returns in excess of 20.0%. The worst-performing sectors included lodging, cable media, and transportation, although each sector returned between 10.0 11.0% during the period. Consumer cyclical companies, which are tied more closely to the economy, edged out non-cyclical consumer companies.

A plus for high yield bonds during the reporting period included low default rates. The trailing 12-month U.S. speculative-grade issuer default rate fell to 2.9%, and was forecasted to drop to 2.6% by the end of 2013. Also, the dollar-weighted default rate, which measures the dollar value of defaults as a percentage of the overall market, ended the period at a low rate of 1.3%.

What strategies proved most beneficial to the Fund s performance?

The Fund benefitted from strong issue selection within the packaging and cable media sectors, though those sectors underperformed overall.

Underweight sector positions in oil and gas pipelines and real estate investment trusts (REITs) also contributed to the Fund's positive performance, since these sectors underperformed.

In individual company selection, the Fund's overweight positions in the Italian auto manufacturer Fiat and in the financial company Morgan Stanley helped performance.

The Fund benefitted from its broad exposure to the high yield market through a position in the CDX Index, a basket of 100 equally weighted credit default swaps on high yield bonds. A credit default swap is a contract between a buyer of protection who makes fixed periodic payments to a seller of protection, who then pays the buyer in the event of a bond default. It is similar to buying or selling insurance contracts on a corporation's debt. The Fund closed this position in January.

What strategies detracted most from the Fund's performance?

Security selection in the media & entertainment and telecommunications sectors hindered the Fund's performance.

An underweight to the building materials sectors detracted from performance. An overweight to the cable media sector also hurt performance, but was partially offset by strong issue selection within the sector.

The Fund's underweight positions in the Dutch telecommunications services provider Vimpelcom and the Royal Bank of Scotland hurt performance, since both companies were strong performers during the year.

How did the Fund's leverage strategy affect its performance?

The Fund's use of leverage positively contributed to results as the returns of the securities purchased was in excess of the cost of borrowing.

As of May 31, 2013, the Fund had borrowed approximately \$209 million and was about 24.7% leveraged. During the reporting period, the average amount of leverage utilized by the Fund was about 24.7%.

Strategy and Performance Overview (continued)

Benchmark Definitions

Barclays US High Yield Ba/B 1 5 Year 1% Issuer Constrained Index

The Barclays US High Yield Ba/B 1 5 Year 1% Issuer Constrained Index is an unmanaged index which represents performance of U.S. higher-rated short duration high yield bonds.

Source: Barclays.

Lipper High Current Yield Funds (Leveraged) Average

The Lipper High Current Yield Funds (Leveraged) Average (Lipper Average) represents returns based on an average return of 42 funds in the Closed-End High Current Yield Funds (Leveraged) category.

Investors cannot invest directly in an index or average.

Looking for additional information?

The Fund is traded under the symbol **ISD** and its closing market price is available in most newspapers under the NYSE listings. The daily NAV is available online under the symbol **XISDX** on most financial websites. *Barron's* and *The Wall Street Journal's* Monday edition both carry closed end fund tables that provide additional information. In addition, the Fund issues press releases that can be found on most major financial websites as well on www.prudentialfunds.com.

In a continuing effort to provide information concerning the Fund, shareholders may go to www.prudentialfunds.com or call (800) 451-6788 (toll free), Monday through Friday from 8:00 a.m. to 5:30 p.m. Eastern Time, for the Fund's current NAV, market price, and other information.

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Portfolio of Investments

as of May 31, 2013

Description	Moody's Ratings (Unaudited)	Interest Rate	Maturity Date	Principal Amount (000)#	Value (Note 1)
LONG-TERM INVESTMENTS					128.9%
BANK LOANS(a)					8.1%
Cable					0.6%
Newsday LLC	NR	3.777%	10/12/16	4,000	\$ 4,007,500
Electric					0.6%
Calpine Corp.	BB-(f)	4.000	10/09/19	3,782	3,821,260
Gaming					0.3%
MGM Resorts International	Ba2	4.250	12/20/19	1,995	2,018,379
Healthcare & Pharmaceutical					0.6%
Alliance Healthcare Services, Inc.	Ba3	7.250	06/01/16	2,151	2,153,551
Catalent Pharma Solutions, Inc.	B(f)	6.500	12/29/17	1,500	1,514,062
					3,667,613
Media & Entertainment					1.9%
Getty Images, Inc.	B1	4.750	10/18/19	6,983	7,017,413
Gray Television, Inc.	B2	4.750	10/14/19	4,820	4,866,514
					11,883,927
Metals					0.8%
FMG Resources (August 2006) Pty Ltd. (Australia)	Ba1	5.250	10/18/17	4,975	4,996,422
Pipelines & Other					0.3%
Energy Transfer Equity LP	Ba2	3.750	03/24/17	2,250	2,271,094
Retailers					0.7%
Toys R Us Delaware, Inc.(d)	B1	6.000	09/01/16	4,315	4,319,684
Technology					2.3%
Alcatel-Lucent (USA), Inc.	BB-(f)	7.250	01/30/19	2,993	3,023,673
Ancestry.com, Inc. (original cost \$3,148,610; purchased 12/18/12)(d)(e)	B1	7.000	12/31/18	3,280	3,295,374
First Data Corp.	B1	4.278	09/24/18	1,675	1,668,370

See Notes to Financial Statements.

Portfolio of Investments

as of May 31, 2013 continued

Description	Moody's Ratings (Unaudited)	Interest Rate	Maturity Date	Principal Amount (000)#	Value (Note 1)
BANK LOANS(a) (Continued)					
Technology (cont'd.)					
Flextronics International Ltd. (Singapore),					
Tranche A3	Ba1	2.444%	10/01/14	248	\$ 247,693
Tranche DD-A1A	Ba1	2.444	10/01/14	71	71,176
Tranche DD-A1B	BBB-(g)	2.444	10/01/14	51	51,008
Tranche DD-A2	Ba1	2.444	10/01/14	61	61,209
Tranche DD-A3	Ba1	2.444	10/01/14	71	71,411
Kronos, Inc.	Ba3	9.750	04/30/20	3,750	3,928,125
RP Crown Parent LLC	B1	6.750	12/21/18	2,244	2,278,977
					14,697,016
TOTAL BANK LOANS (cost \$50,871,560)					51,682,895
CORPORATE BONDS 120.8%					
Aerospace & Defense 2.1%					
Bombardier, Inc. (Canada),					
Sr. Notes, 144A	Ba2	4.250	01/15/16	5,000	5,175,000
Sr. Unsec'd. Notes, 144A(b)	Ba2	6.300	05/01/14	1,725	1,785,375
Sr. Unsec'd. Notes, 144A	Ba2	7.500	03/15/18	2,875	3,291,875
TransDigm, Inc.,					
Gtd. Notes(b)	B3	7.750	12/15/18	3,000	3,273,750
					13,526,000
Automotive 7.2%					
American Axle & Manufacturing Holdings, Inc.,					
Sr. Sec'd. Notes, 144A(b)	Ba1	9.250	01/15/17	9,688	10,487,260
Chrysler Group LLC/CG Co-Issuer, Inc.,					
Sec'd. Notes(b)	B1	8.000	06/15/19	7,500	8,306,250
Continental Rubber of America Corp.,					
Sr. Sec'd. Notes, 144A	Ba2	4.500	09/15/19	5,350	5,550,625
Dana Holding Corp.,					
Sr. Unsec'd. Notes	BB(f)	6.500	02/15/19	225	239,625
Delphi Corp.,					
Gtd. Notes(b)	BBB-(g)	5.875	05/15/19	2,765	2,951,637

See Notes to Financial Statements.

Description	Moody's Ratings (Unaudited)	Interest Rate	Maturity Date	Principal Amount (000)#	Value (Note 1)
CORPORATE BONDS (Continued)					
Automotive (cont d.)					
Lear Corp., Gtd. Notes	Ba2	7.875%	03/15/18	5,646	\$ 6,041,220
Gtd. Notes	Ba2	8.125	03/15/20	1,670	1,853,700
Titan International, Inc., Sr. Sec d. Notes, 144A(b)	B1	7.875	10/01/17	2,500	2,675,000
TRW Automotive, Inc., Gtd. Notes, 144A	BBB-(g)	7.250	03/15/17	6,557	7,532,354
					45,637,671
Building Materials & Construction 3.3%					
Beazer Homes USA, Inc., Sr. Sec d. Notes(b)	BB-(g)	6.625	04/15/18	2,075	2,248,781
Cemex Finance LLC, Sr. Sec d. Notes, 144A(b)	B+(g)	9.500	12/14/16	5,000	5,300,000
D.R. Horton, Inc., Gtd. Notes(b)	Ba2	4.750	05/15/17	3,000	3,210,000
Lennar Corp., Gtd. Notes(b)	BB+(g)	4.750	12/15/17	5,075	5,392,188
Standard Pacific Corp., Gtd. Notes(b)	B+(f)	10.750	09/15/16	4,000	4,940,000
					21,090,969
Cable 6.2%					
Cablevision Systems Corp., Sr. Unsec d. Notes(b)	B1	7.750	04/15/18	750	847,500
Sr. Unsec d. Notes	B1	8.625	09/15/17	5,300	6,174,500
Cequel Communications Holdings I LLC and Cequel Capital Corp., Sr. Unsec d. Notes, 144A	B3	8.625	11/15/17	1,612	1,720,004
Columbus International, Inc. (Barbados), Sr. Sec d. Notes, RegS (original cost \$4,983,956; purchased 09/18/12)(d)(e)	B2	11.500	11/20/14	4,485	4,989,563
CSC Holdings LLC, Sr. Unsec d. Notes(b)	BB+(f)	8.500	06/15/15	1,200	1,231,200
Sr. Unsec d. Notes(b)	BB+(f)	8.625	02/15/19	2,500	2,981,250

See Notes to Financial Statements.

Portfolio of Investments

as of May 31, 2013 continued

Description	Moody's Ratings (Unaudited)	Interest Rate	Maturity Date	Principal Amount (000)#	Value (Note 1)
CORPORATE BONDS (Continued)					
Cable (cont d.)					
DISH DBS Corp., Sr. Notes, 144A	Ba3	4.250%	04/01/18	10,100	\$ 9,847,500
Sr. Unsec d. Notes, 144A	Ba3	5.000	05/15/17	3,500	3,500,000
UPC Holding BV (Netherlands), Sec d. Notes, 144A(b)	B2	9.875	04/15/18	7,250	8,029,375
Videotron Ltee (Canada), Gtd. Notes	Ba2	9.125	04/15/18	414	434,700
					39,755,592
Capital Goods 6.7%					
CNH America LLC, Gtd. Notes(b)	BB+(f)	7.250	01/15/16	7,235	8,012,762
CNH Capital LLC, Gtd. Notes(b)	Ba2	3.875	11/01/15	2,075	2,121,687
Columbus McKinnon Corp., Gtd. Notes(b)	B1	7.875	02/01/19	2,900	3,117,500
Griffon Corp., Gtd. Notes(b)	BB-(f)	7.125	04/01/18	3,000	3,225,000
Hertz Corp. (The), Gtd. Notes, 144A	B2	4.250	04/01/18	3,875	3,981,563
Gtd. Notes	B2	7.500	10/15/18	1,000	1,087,500
Interline Brands, Inc., Gtd. Notes(b)	B+(f)	7.500	11/15/18	1,450	1,551,500
Laureate Education, Inc., Gtd. Notes, 144A	Caa1	9.250	09/01/19	3,325	3,724,000
Safway Group Holding LLC/Safway Finance Corp., Sec d. Notes, 144A	B(f)	7.000	05/15/18	1,200	1,206,000
SPX Corp., Gtd. Notes(b)	BB+(f)	7.625	12/15/14	5,412	5,858,490
United Rentals Merger Sub Corp., Gtd. Notes(b)	B+(f)	9.250	12/15/19	5,000	5,631,250
WireCo WorldGroup, Inc., Gtd. Notes(b)	B(f)	9.500	05/15/17	3,000	3,112,500
					42,629,752

See Notes to Financial Statements.

Description	Moody's Ratings (Unaudited)	Interest Rate	Maturity Date	Principal Amount (000)#	Value (Note 1)
CORPORATE BONDS (Continued)					
Chemicals 5.0%					
Ashland, Inc., Sr. Unsec d. Notes, 144A	Ba1	3.000%	03/15/16	4,675	\$ 4,715,906
Chemtura Corp., Gtd. Notes(b)	BB-(f)	7.875	09/01/18	3,000	3,285,000
INEOS Group Holdings SA (Luxembourg), Gtd. Notes, 144A (original cost \$1,050,000; purchased 05/02/13)(d)(e)	B-(f)	6.125	08/15/18	1,050	1,034,250
Koppers, Inc., Gtd. Notes(b)	B1	7.875	12/01/19	4,074	4,471,215
MacDermid, Inc., Gtd. Notes, 144A (original cost \$8,268,656; purchased 11/13/12 - 04/22/13)(d)(e)	Caa1	9.500	04/15/17	7,950	8,228,250
NOVA Chemicals Corp. (Canada), Sr. Unsec d. Notes(b)	BB+(f)	8.375	11/01/16	5,765	6,132,519
Orion Engineered Carbons Finance & Co. S.C.A. (Luxembourg), Gtd. Notes, PIK, 144A	Caa1	9.250	08/01/19	2,850	2,907,000
PetroLogistics LP/PetroLogistics Finance Corp., Gtd. Notes, 144A	B2	6.250	04/01/20	1,000	1,007,500
					31,781,640
Consumer 2.0%					
Jarden Corp., Gtd. Notes	B2	7.500	05/01/17	3,750	4,265,625
Service Corporation International, Sr. Unsec d. Notes(b)	Ba3	7.000	05/15/19	2,735	2,953,800
Sr. Unsec d. Notes(b)	Ba3	7.625	10/01/18	2,753	3,248,540
Spectrum Brands, Inc., Sr. Sec d. Notes(b)	Ba3	9.500	06/15/18	2,000	2,212,500
					12,680,465

See Notes to Financial Statements.

Portfolio of Investments

as of May 31, 2013 continued

Description	Moody's Ratings (Unaudited)	Interest Rate	Maturity Date	Principal Amount (000)#	Value (Note 1)
CORPORATE BONDS (Continued)					
Electric 6.0%					
AES Corp. (The), Sr. Unsec d. Notes	BB(g)	8.000%	10/15/17	4,000	\$ 4,690,000
Sr. Unsec d. Notes	BB(g)	9.750	04/15/16	6,120	7,252,200
Calpine Construction Finance Co. LP/CCFC Finance Corp., Sr. Sec d. Notes, 144A	BB+(g)	8.000	06/01/16	6,260	6,510,400
GenOn REMA LLC, Pass-thru Certs., Ser. B(d)	BB-(g)	9.237	07/02/17	2,477	2,724,430
Pass-thru Certs., Ser. C(b)	BB-(g)	9.681	07/02/26	900	981,000
Mirant Mid-Atlantic Pass-Through Trust B, Pass-thru Certs., Ser. B	Ba2	9.125	06/30/17	1,030	1,156,971
NRG Energy, Inc., Gtd. Notes	BB(g)	7.625	01/15/18	7,000	7,892,500
Public Service Co. of New Mexico, Sr. Unsec d. Notes	BBB(f)	7.950	05/15/18	5,500	6,760,446
					37,967,947
Energy Integrated 0.3%					
Pacific Rubiales Energy Corp. (Canada), Gtd. Notes, 144A	BB+(f)	7.250	12/12/21	1,500	1,680,000
Energy Other 5.5%					
Cie Generale de Geophysique Veritas (France), Gtd. Notes(b)	Ba3	9.500	05/15/16	8,025	8,446,312
EP Energy LLC/EP Energy Finance, Inc., Sr. Unsec d. Notes	B2	9.375	05/01/20	1,250	1,417,188
Harvest Operations Corp. (Canada), Gtd. Notes(b)	Ba3	6.875	10/01/17	2,725	3,058,813
Hilcorp Energy I LP/Hilcorp Finance Co., Sr. Notes, 144A	Ba3	8.000	02/15/20	7,000	7,735,000

See Notes to Financial Statements.

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Description	Moody's Ratings (Unaudited)	Interest Rate	Maturity Date	Principal Amount (000)#	Value (Note 1)
CORPORATE BONDS (Continued)					
Energy Other (cont d.)					
Parker Drilling Co., Gtd. Notes(b)	B1	9.125%	04/01/18	5,000	\$ 5,425,000
Plains Exploration & Production Co., Gtd. Notes(b)	B1	8.625	10/15/19	2,000	2,255,000
Seitel, Inc., Gtd. Notes, 144A	B(f)	9.500	04/15/19	1,125	1,141,875
Tesoro Corp., Gtd. Notes	Ba1	4.250	10/01/17	3,675	3,822,000
WPX Energy, Inc., Sr. Unsec d. Notes	Ba1	5.250	01/15/17	2,000	2,125,000
					35,426,188
Foods 7.8%					
ARAMARK Corp., Gtd. Notes, 144A(b)	B(g)	5.750	03/15/20	950	983,250
Constellation Brands, Inc., Gtd. Notes(b)	Ba1	7.250	09/01/16	3,052	3,517,430
Cott Beverages, Inc., Gtd. Notes(b)	B+(f)	8.125	09/01/18	6,750	7,315,312
Gtd. Notes(b)	B+(f)	8.375	11/15/17	3,499	3,722,061
Darling International, Inc., Gtd. Notes(b)	BB+(f)	8.500	12/15/18	5,175	5,796,000
Fiesta Restaurant Group, Inc., Sec d. Notes(b)	B2	8.875	08/15/16	2,700	2,899,125
Ingles Markets, Inc., Sr. Unsec d. Notes	BB-(f)	8.875	05/15/17	4,185	4,394,250
JBS USA LLC/JBS USA Finance, Inc., Gtd. Notes (original cost \$2,315,000; purchased 05/02/12)(b)(d)(e)	BB(f)	11.625	05/01/14	2,000	2,150,000
Michael Foods Group, Inc., Gtd. Notes	B3	9.750	07/15/18	5,505	6,138,075
Pilgrim s Pride Corp., Gtd. Notes	B(f)	7.875	12/15/18	750	815,625
Stater Bros. Holdings, Inc., Gtd. Notes(b)	B+(f)	7.375	11/15/18	1,990	2,116,863

See Notes to Financial Statements.

Portfolio of Investments

as of May 31, 2013 continued

Description	Moody's Ratings (Unaudited)	Interest Rate	Maturity Date	Principal Amount (000)#	Value (Note 1)
CORPORATE BONDS (Continued)					
Foods (cont'd.)					
Tops Holding Corp./Tops Markets LLC, Sr. Sec'd. Notes, 144A(b)	B(f)	8.875%	12/15/17	1,500	\$ 1,650,000
TreeHouse Foods, Inc., Gtd. Notes(b)	Ba2	7.750	03/01/18	7,600	8,189,000
					49,686,991
Gaming 7.1%					
Boyd Gaming Corp., Gtd. Notes(b)	B3	9.125	12/01/18	5,120	5,555,200
Caesars Entertainment Operating Co., Inc., Sr. Sec'd. Notes(b)	B3	11.250	06/01/17	10,000	10,450,000
Isle of Capri Casinos, Inc., Gtd. Notes	B2	7.750	03/15/19	3,000	3,240,000
MGM Resorts International, Gtd. Notes(b)	B+(f)	7.500	06/01/16	2,000	2,247,500
Gtd. Notes(b)	B+(f)	10.000	11/01/16	3,000	3,626,250
Pinnacle Entertainment, Inc., Gtd. Notes(b)	BB-(f)	8.625	08/01/17	3,125	3,269,531
Gtd. Notes(b)	B(f)	8.750	05/15/20	2,224	2,426,940
Sugarhouse HSP Gaming Prop Mezz LP/Sugarhouse HSP Gaming Finance Corp., Sec'd. Notes, 144A(b)	B2	8.625	04/15/16	6,149	6,548,685
Yonkers Racing Corp., Sec'd. Notes, 144A (original cost \$8,393,939; purchased 05/03/12 - 05/09/12)(b)(d)(e)	B1	11.375	07/15/16	7,681	8,161,063
					45,525,169
Healthcare & Pharmaceutical 8.2%					
Accellent, Inc., Sr. Sec'd. Notes(b)	B1	8.375	02/01/17	2,552	2,685,980
Capella Healthcare, Inc., Gtd. Notes(b)	B(f)	9.250	07/01/17	7,320	7,841,550

See Notes to Financial Statements.

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Description	Moody's Ratings (Unaudited)	Interest Rate	Maturity Date	Principal Amount (000)#	Value (Note 1)
CORPORATE BONDS (Continued)					
Healthcare & Pharmaceutical (cont'd.)					
CHS/Community Health Systems, Inc., Gtd. Notes(b)	B(f)	8.000%	11/15/19	3,147	\$ 3,461,700
ConvaTec Healthcare E S.A. (Luxembourg), Gtd. Notes, 144A	B(f)	10.500	12/15/18	5,865	6,715,425
HCA, Inc., Sr. Sec'd. Notes(b)	BB+(g)	8.500	04/15/19	4,000	4,360,000
Sr. Unsec'd. Notes(b)	B+(g)	6.375	01/15/15	4,250	4,526,250
Sr. Unsec'd. Notes, MTN(b)	B+(g)	9.000	12/15/14	6,203	6,792,285
MedAssets, Inc., Gtd. Notes(b)	B3	8.000	11/15/18	5,450	5,967,750
Valeant Pharmaceuticals International, Gtd. Notes, 144A(b)	BB-(f)	6.500	07/15/16	10,000	10,350,000
					52,700,940
Media & Entertainment 14.8%					
Allbritton Communications Co., Sr. Unsec'd. Notes(b)	B+(f)	8.000	05/15/18	4,900	5,292,000
AMC Entertainment, Inc., Gtd. Notes	Caa1	9.750	12/01/20	6,325	7,305,375
Belo Corp., Gtd. Notes(b)	Ba1	8.000	11/15/16	7,000	7,420,000
Cedar Fair LP/Canada's Wonderland Co./Magnum Management Corp., Gtd. Notes(b)	B1	9.125	08/01/18	6,492	7,206,120
Gannett Co., Inc., Gtd. Notes(b)	Ba1	8.750	11/15/14	6,254	6,910,670
Inmarsat Finance PLC (United Kingdom), Gtd. Notes, 144A(b)	BB+(f)	7.375	12/01/17	8,300	8,715,000
Intelsat Jackson Holdings SA (Luxembourg), Gtd. Notes	B(f)	7.250	04/01/19	4,000	4,310,000
Lamar Media Corp., Gtd. Notes	BB+(f)	9.750	04/01/14	3,091	3,268,732

See Notes to Financial Statements.

Portfolio of Investments

as of May 31, 2013 continued

Description	Moody's Ratings (Unaudited)	Interest Rate	Maturity Date	Principal Amount (000)#	Value (Note 1)
CORPORATE BONDS (Continued)					
Media & Entertainment (cont d.)					
LIN Television Corp., Gtd. Notes	B(f)	8.375%	04/15/18	1,500	\$ 1,612,500
NAI Entertainment Holdings LLC, Sr. Sec d. Notes, 144A (original cost \$8,104,630; purchased 06/05/12 - 12/12/12)(b)(d)(e)	BB(f)	8.250	12/15/17	7,296	7,879,680
New York Times Co. (The), Sr. Unsec d. Notes(b)	BB-(f)	5.000	03/15/15	1,310	1,372,225
Nexstar Broadcasting, Inc./Mission Broadcasting, Inc., Sec d. Notes(b)	B(f)	8.875	04/15/17	4,500	4,893,750
Nielsen Finance LLC/Nielsen Finance Co., Gtd. Notes(b)	BB(g)	11.625	02/01/14	3,595	3,810,700
Regal Cinemas Corp., Gtd. Notes	BB(g)	8.625	07/15/19	2,000	2,220,000
Sinclair Television Group, Inc., Sec d. Notes, 144A(b)	BB+(f)	9.250	11/01/17	7,200	