

Prudential Short Duration High Yield Fund, Inc.  
Form N-Q  
October 30, 2015

**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:             | 655 Broad Street,<br>17 <sup>th</sup> Floor,<br>Newark, New Jersey 07102                    |
| Name and address of agent for service:              | Deborah A. Docs<br>655 Broad Street,<br>17 <sup>th</sup> Floor,<br>Newark, New Jersey 07102 |
| Registrant's telephone number, including area code: | 973-367-7521  |
| Date of fiscal year end:                            | 5/31/2016   |
| Date of reporting period:                           | 8/31/2015   |



**Item 1. Schedule of Investments**

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

as of August 31, 2015 (Unaudited)

|  | Interest Rate | Maturity Date | Principal Amount (000)# | Value        |
|--|---------------|---------------|-------------------------|--------------|
| <b>LONG-TERM INVESTMENTS</b> 133.7%  |               |               |                         |              |
| <b>BANK LOANS(a)</b> 3.8%  |               |               |                         |              |
| <b>Capital Goods</b> 0.4%  |               |               |                         |              |
| RAC Ltd.   | 5.323%        | 12/17/21      | GBP 1,567               | \$ 2,411,911 |
| <b>Chemicals</b> 0.2%  |               |               |                         |              |
| Axalta Coating Systems US Holdings   | 3.750%        | 02/01/20      | 944                     | 940,257      |
| <b>Gaming</b> 0.4%   |               |               |                         |              |
| MGM Resorts International  | 3.500%        | 12/20/19      | 1,950                   | 1,932,124    |
| <b>Healthcare &amp; Pharmaceutical</b> 0.4%  |               |               |                         |              |
| Par Pharmaceutical Cos., Inc.  | 4.250%        | 09/30/19      | 1,990                   | 1,986,892    |
| <b>Metals</b> 1.0%   |               |               |                         |              |
| FMG Resources (August 2006) Pty. Ltd. (Australia)  | 3.750%        | 06/30/19      | 3,480                   | 2,805,551    |
| Murray Energy Corp.  | 7.500%        | 04/16/20      | 4,000                   | 2,993,332    |
|  |               |               |                         | 5,798,883    |
| <b>Technology</b> 1.0%   |               |               |                         |              |
| BMC Software Finance, Inc.   | 5.000%        | 09/10/20      | 2,244                   | 2,056,714    |
| Kronos, Inc.   | 9.750%        | 04/30/20      | 3,740                   | 3,827,273    |
|  |               |               |                         | 5,883,987    |
| <b>Telecommunications</b> 0.4%   |               |               |                         |              |
| Communications Sales & Leasing, Inc.   | 5.000%        | 10/24/22      | 2,575                   | 2,467,707    |
| <b>TOTAL BANK LOANS</b>  |               |               |                         |              |
| (cost \$22,728,491)  |               |               |                         | 21,421,761   |
| <b>CORPORATE BONDS</b> 129.9%  |               |               |                         |              |
| <b>Aerospace &amp; Defense</b> 0.5%  |               |               |                         |              |
| Bombardier, Inc. (Canada), Sr. Unsec d. Notes, 144A(b)   | 7.500%        | 03/15/18      | 2,875                   | 2,688,125    |
| <b>Airlines</b> 1.9%   |               |               |                         |              |
| Continental Airlines, Inc., Pass-Through Trust,<br>Pass-Through Certificates, Series 2012-3,<br>Class C(b) | 6.125%        | 04/29/18      | 10,700                  | 11,101,250   |
| <b>Automotive</b> 3.1%   |               |               |                         |              |
| American Axle & Manufacturing, Inc., Gtd.<br>Notes(b)  | 5.125%        | 02/15/19      | 2,825                   | 2,860,313    |
| American Axle & Manufacturing, Inc., Gtd. Notes  | 7.750%        | 11/15/19      | 1,720                   | 1,917,800    |
| Fiat Chrysler Automobiles NV (United Kingdom), Sr.<br>Unsec d. Notes                                       | 4.500%        | 04/15/20      | 1,050                   | 1,050,525    |

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|  |        |          |       |            |
|--|--------|----------|-------|------------|
| Jaguar Land Rover Automotive PLC (United Kingdom),<br>Gtd. Notes, 144A     | 4.250% | 11/15/19 | 1,600 | 1,592,000  |
| Schaeffler Holding Finance BV (Germany),<br>Sr. Sec d. Notes, PIK, 144A    | 6.250% | 11/15/19 | 1,200 | 1,263,000  |
| Schaeffler Holding Finance BV (Germany),<br>Sr. Sec d. Notes, PIK, 144A(b) | 6.875% | 08/15/18 | 6,850 | 7,069,200  |
| ZF North America Capital, Inc. (Germany), Gtd. Notes,<br>144A              | 4.000% | 04/29/20 | 2,000 | 1,999,700  |
|  |        |          |       | 17,752,538 |
| <b>Building Materials &amp; Construction 11.4%</b>                         |        |          |       |            |
| Beazer Homes USA, Inc., Gtd. Notes   | 5.750% | 06/15/19 | 3,450 | 3,320,625  |
| Beazer Homes USA, Inc., Sr. Sec d. Notes(b)                                | 6.625% | 04/15/18 | 7,275 | 7,493,250  |
| Brookfield Residential Properties, Inc. (Canada), Gtd.<br>Notes, 144A      | 6.500% | 12/15/20 | 2,765 | 2,758,087  |

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|   |         |          |       |           |
|---|---------|----------|-------|-----------|
| Building Materials Corp. of America, Sr. Unsec d. Notes, 144A (original cost \$1,063,750; purchased 03/27/15)(c)(d) | 6.750%  | 05/01/21 | 1,000 | 1,046,250 |
| Cemex Finance LLC (Mexico), Sr. Sec d. Notes, 144A(b)   | 9.875%  | 04/30/19 | 5,000 | 5,442,500 |
| D.R. Horton, Inc., Gtd. Notes(b)  | 4.750%  | 05/15/17 | 3,000 | 3,097,500 |
| HD Supply, Inc., Gtd. Notes   | 11.500% | 07/15/20 | 2,500 | 2,862,500 |
| KB Home, Gtd. Notes(b)  | 4.750%  | 05/15/19 | 3,500 | 3,438,750 |
| KB Home, Gtd. Notes   | 7.250%  | 06/15/18 | 2,000 | 2,130,000 |
| Lennar Corp., Gtd. Notes(b)   | 4.500%  | 06/15/19 | 2,600 | 2,657,200 |
| Lennar Corp., Gtd. Notes  | 4.500%  | 11/15/19 | 1,000 | 1,024,500 |
| Lennar Corp., Gtd. Notes(b)   | 4.750%  | 12/15/17 | 5,075 | 5,252,625 |
| Standard Pacific Corp., Gtd. Notes(b)   | 8.375%  | 05/15/18 | 4,200 | 4,746,000 |
| Standard Pacific Corp., Gtd. Notes(b)   | 10.750% | 09/15/16 | 3,225 | 3,515,250 |
| Toll Brothers Finance Corp., Gtd. Notes   | 4.000%  | 12/31/18 | 400   | 408,000   |
| Toll Brothers Finance Corp., Gtd. Notes(b)  | 8.910%  | 10/15/17 | 1,600 | 1,804,000 |
| US Concrete, Inc., Sr. Sec d. Notes(b)  | 8.500%  | 12/01/18 | 7,675 | 8,020,375 |
| USG Corp., Gtd. Notes, 144A   | 5.875%  | 11/01/21 | 1,118 | 1,161,155 |
| USG Corp., Sr. Unsec d. Notes   | 9.750%  | 01/15/18 | 3,600 | 4,050,000 |
| William Lyon Homes, Inc., Gtd. Notes  | 8.500%  | 11/15/20 | 850   | 918,000   |

65,146,567

**Cable & Satellite 11.2%**

|   |        |          |       |           |
|---|--------|----------|-------|-----------|
| Cablevision Systems Corp., Sr. Unsec d. Notes(b)  | 7.750% | 04/15/18 | 2,750 | 2,962,850 |
| Cablevision Systems Corp., Sr. Unsec d. Notes(b)  | 8.625% | 09/15/17 | 6,700 | 7,319,750 |
| CCO Holdings LLC/CCO Holdings Capital Corp., Gtd. Notes   | 6.500% | 04/30/21 | 4,500 | 4,703,400 |
| CCO Holdings LLC/CCO Holdings Capital Corp., Gtd. Notes   | 7.000% | 01/15/19 | 4,648 | 4,799,060 |
| CCO Holdings LLC/CCO Holdings Capital Corp., Gtd. Notes   | 7.375% | 06/01/20 | 4,000 | 4,170,000 |
| Cequel Communications Holdings I LLC/Cequel Capital Corp., Sr. Unsec d. Notes, 144A   | 6.375% | 09/15/20 | 1,920 | 1,884,960 |
| CSC Holdings LLC, Sr. Unsec d. Notes(b)   | 8.625% | 02/15/19 | 2,500 | 2,812,500 |
| DISH DBS Corp., Gtd. Notes(b)   | 4.250% | 04/01/18 | 4,590 | 4,576,184 |
| DISH DBS Corp., Gtd. Notes  | 4.625% | 07/15/17 | 2,000 | 2,042,500 |
| DISH DBS Corp., Gtd. Notes(b)   | 7.875% | 09/01/19 | 1,000 | 1,083,900 |
| Harron Communications LP/Harron Finance Corp., Sr. Unsec d. Notes, 144A (original cost \$8,110,275; purchased 04/14/15-06/24/15)(b)(c)(d) | 9.125% | 04/01/20 | 7,406 | 7,961,450 |
| Intelsat Jackson Holdings SA (Luxembourg), Gtd. Notes   | 7.250% | 04/01/19 | 6,135 | 5,996,962 |
| Intelsat Jackson Holdings SA (Luxembourg), Gtd. Notes   | 7.250% | 10/15/20 | 500   | 480,625   |
| Numericable Group SA (France), Sr. Sec d. Notes, 144A(b)  | 4.875% | 05/15/19 | 4,655 | 4,684,094 |
| Telesat Canada/Telesat LLC (Canada), Gtd. Notes, 144A(b)  | 6.000% | 05/15/17 | 7,000 | 7,087,500 |
| UPCB Finance V Ltd. (Netherlands), Sr. Sec d. Notes, 144A   | 7.250% | 11/15/21 | 1,350 | 1,449,563 |

64,015,298

**Capital Goods 10.1%**

|   |           |          |       |           |
|---|-----------|----------|-------|-----------|
| Anixter, Inc., Gtd. Notes(b)  | 5.625%    | 05/01/19 | 1,500 | 1,571,250 |
| Avis Budget Car Rental LLC/Avis Budget Finance, Inc., Gtd. Notes(b)   | 3.030%(a) | 12/01/17 | 5,340 | 5,313,300 |
| BlueLine Rental Finance Corp., Sec d. Notes, 144A (original cost \$934,813; purchased 01/16/14-02/12/14)(b)(c)(d) | 7.000%    | 02/01/19 | 925   | 874,125   |
| Clean Harbors, Inc., Gtd. Notes   | 5.250%    | 08/01/20 | 850   | 867,000   |
| Cleaver-Brooks, Inc., Sr. Sec d. Notes, 144A (original cost \$1,304,250; purchased 03/21/14-10/06/14)(b)(c)(d)    | 8.750%    | 12/15/19 | 1,200 | 1,153,500 |
| CNH Industrial America LLC (United Kingdom), Gtd. Notes   | 7.250%    | 01/15/16 | 1,810 | 1,832,625 |

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|  |         |          |       |            |
|--|---------|----------|-------|------------|
| CNH Industrial Capital LLC, Gtd. Notes(b)  | 3.875%  | 11/01/15 | 2,075 | 2,075,000  |
| Dycom Investments, Inc., Gtd. Notes  | 7.125%  | 01/15/21 | 3,445 | 3,591,412  |
| Hertz Corp. (The), Gtd. Notes(b)   | 4.250%  | 04/01/18 | 3,875 | 3,913,750  |
| Hertz Corp. (The), Gtd. Notes  | 6.750%  | 04/15/19 | 925   | 945,813    |
| Hertz Corp. (The), Gtd. Notes(b)   | 7.500%  | 10/15/18 | 2,400 | 2,451,000  |
| Laureate Education, Inc., Gtd. Notes, 144A   | 10.000% | 09/01/19 | 3,875 | 3,250,156  |
| Michael Baker International LLC/CDL Acquisition Company, Inc., Sr. Sec d. Notes, 144A(b)                           | 8.250%  | 10/15/18 | 4,025 | 3,924,375  |
| NCSG Crane & Heavy Haul Services, Inc. (Canada), Sec d. Notes, 144A(b)   | 9.500%  | 08/15/19 | 1,750 | 953,750    |
| Safway Group Holding LLC/Safway Finance Corp., Sec d. Notes, 144A(b)   | 7.000%  | 05/15/18 | 7,474 | 7,622,658  |
| SPX Corp., Gtd. Notes(b)   | 6.875%  | 09/01/17 | 3,600 | 3,834,000  |
| Terex Corp., Gtd. Notes  | 6.500%  | 04/01/20 | 1,500 | 1,556,250  |
| Unifrax I LLC/Unifrax Holding Co., Gtd. Notes, 144A (original cost \$9,944,030; purchased 05/14/14-07/28/14)(c)(d) | 7.500%  | 02/15/19 | 9,538 | 9,514,155  |
| WireCo WorldGroup, Inc., Gtd. Notes  | 9.500%  | 05/15/17 | 2,850 | 2,422,500  |
|  |         |          |       | 57,666,619 |

**Chemicals 5.3%**

|   |        |          |        |            |
|---|--------|----------|--------|------------|
| Axalta Coating Systems US Holdings, Inc./Axalta Coating Systems Dutch Holdings BV, Gtd. Notes, 144A(b)                    | 7.375% | 05/01/21 | 11,626 | 12,438,657 |
| Chemtura Corp., Gtd. Notes  | 5.750% | 07/15/21 | 1,000  | 1,002,500  |
| Hexion, Inc., Sr. Sec d. Notes  | 8.875% | 02/01/18 | 2,065  | 1,796,550  |
| Kissner Milling Co., Ltd. (Canada), Sr. Sec d. Notes, 144A (original cost \$3,650,210; purchased 05/15/14-06/18/15)(c)(d) | 7.250% | 06/01/19 | 3,601  | 3,781,050  |
| Koppers, Inc., Gtd. Notes(b)  | 7.875% | 12/01/19 | 5,494  | 5,590,145  |
| PolyOne Corp., Sr. Unsec d. Notes(b)  | 7.375% | 09/15/20 | 4,050  | 4,207,950  |
| Rentech Nitrogen Partners LP/Rentech Nitrogen Finance Corp., Sec d. Notes, 144A   | 6.500% | 04/15/21 | 1,655  | 1,674,066  |
|   |        |          |        | 30,490,918 |

**Consumer 2.1%**

|  |        |          |       |            |
|--|--------|----------|-------|------------|
| Jarden Corp., Gtd. Notes(b)                        | 7.500% | 05/01/17 | 3,750 | 4,031,250  |
| Scotts Miracle-Gro Co. (The), Gtd. Notes(b)        | 6.625% | 12/15/20 | 2,000 | 2,080,000  |
| Service Corp. International, Sr. Unsec d. Notes    | 7.000% | 06/15/17 | 1,000 | 1,075,000  |
| Service Corp. International, Sr. Unsec d. Notes(b) | 7.625% | 10/01/18 | 4,253 | 4,763,360  |
|  |        |          |       | 11,949,610 |

**Electric 3.4%**

|  |        |          |       |            |
|--|--------|----------|-------|------------|
| AES Corp., Sr. Unsec d. Notes                                | 7.375% | 07/01/21 | 1,250 | 1,346,875  |
| DPL, Inc., Sr. Unsec d. Notes                                | 6.500% | 10/15/16 | 271   | 277,775    |
| DPL, Inc., Sr. Unsec d. Notes                                | 7.250% | 10/15/21 | 2,500 | 2,578,125  |
| Dynegy, Inc., Gtd. Notes(b)                                  | 6.750% | 11/01/19 | 4,800 | 4,977,000  |
| GenOn Energy, Inc., Sr. Unsec d. Notes                       | 9.500% | 10/15/18 | 1,125 | 1,081,406  |
| Mirant Mid Atlantic LLC, Pass-Through Certificates, Series B | 9.125% | 06/30/17 | 461   | 479,190    |
| NRG Energy, Inc., Gtd. Notes(b)                              | 7.625% | 01/15/18 | 6,850 | 7,226,750  |
| NRG REMA LLC, Pass-Through Certificates, Series B(c)         | 9.237% | 07/02/17 | 496   | 523,963    |
| NRG REMA LLC, Pass-Through Certificates, Series C(b)         | 9.681% | 07/02/26 | 900   | 918,000    |
|  |        |          |       | 19,409,084 |

**Energy - Integrated 0.1%**

|  |        |          |       |         |
|--|--------|----------|-------|---------|
| Pacific Rubiales Energy Corp. (Colombia), Gtd. Notes, 144A | 7.250% | 12/12/21 | 1,500 | 810,000 |
|--|--------|----------|-------|---------|

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**Energy - Other 2.0%**

|  |        |          |       |            |
|--|--------|----------|-------|------------|
| EP Energy LLC/Everest Acquisition Finance, Inc., Gtd. Notes(b) | 9.375% | 05/01/20 | 1,200 | 1,162,200  |
| PHI, Inc., Gtd. Notes  | 5.250% | 03/15/19 | 1,225 | 1,050,438  |
| SESI LLC, Gtd. Notes   | 6.375% | 05/01/19 | 1,165 | 1,159,175  |
| Tesoro Corp., Gtd. Notes(b)                                    | 4.250% | 10/01/17 | 3,675 | 3,757,687  |
| Whiting Canadian Holding Co. ULC, Gtd. Notes(b)                | 8.125% | 12/01/19 | 3,050 | 2,928,000  |
| WPX Energy, Inc., Sr. Unsec d. Notes                           | 7.500% | 08/01/20 | 1,525 | 1,464,580  |
|  |        |          |       | 11,522,080 |

**Foods 6.3%**

|   |         |          |       |            |
|---|---------|----------|-------|------------|
| ARAMARK Services, Inc., Gtd. Notes  | 5.750%  | 03/15/20 | 950   | 985,031    |
| Bertin SA/Bertin Finance Ltd. (Brazil), Gtd. Notes, 144A  | 10.250% | 10/05/16 | 1,300 | 1,372,150  |
| Constellation Brands, Inc., Gtd. Notes  | 3.875%  | 11/15/19 | 2,275 | 2,334,719  |
| Constellation Brands, Inc., Gtd. Notes(b)   | 7.250%  | 09/01/16 | 3,052 | 3,196,970  |
| Cott Beverages, Inc. (Canada), Gtd. Notes   | 6.750%  | 01/01/20 | 3,025 | 3,138,438  |
| Diamond Foods, Inc., Gtd. Notes, 144A   | 7.000%  | 03/15/19 | 4,000 | 4,120,000  |
| JBS Investments GmbH (Brazil), Gtd. Notes, 144A   | 7.750%  | 10/28/20 | 2,000 | 2,133,000  |
| JBS USA LLC/JBS USA Finance, Inc. (Brazil), Gtd. Notes, 144A (original cost \$3,784,375; purchased 06/17/14)(b)(c)(d) | 7.250%  | 06/01/21 | 3,500 | 3,653,125  |
| Landry's, Inc., Gtd. Notes, 144A (original cost \$9,175,031; purchased 05/27/14-05/07/15)(b)(c)(d)                    | 9.375%  | 05/01/20 | 8,475 | 9,057,656  |
| Shearers Foods LLC/Chip Finance Corp., Sr. Sec d. Notes, 144A   | 9.000%  | 11/01/19 | 2,900 | 3,088,500  |
| Smithfield Foods, Inc., Sr. Unsec d. Notes, 144A(b)   | 5.250%  | 08/01/18 | 3,185 | 3,240,737  |
|   |         |          |       | 36,320,326 |

**Gaming 7.6%**

|   |         |          |       |            |
|---|---------|----------|-------|------------|
| Boyd Gaming Corp., Gtd. Notes   | 9.000%  | 07/01/20 | 1,864 | 1,999,140  |
| CCM Merger, Inc., Gtd. Notes, 144A (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 | 3,888,250  |
| Isle of Capri Casinos, Inc., Gtd. Notes   | 8.875%  | 06/15/20 | 3,750 | 4,021,875  |
| MGM Resorts International, Gtd. Notes(b)  | 8.625%  | 02/01/19 | 6,280 | 7,016,016  |
| MGM Resorts International, Gtd. Notes(b)  | 10.000% | 11/01/16 | 7,000 | 7,542,500  |
| Peninsula Gaming LLC/Peninsula Gaming Corp., Gtd. Notes, 144A                                     | 8.375%  | 02/15/18 | 4,000 | 4,160,000  |
| Penn National Gaming, Inc., Sr. Unsec d. Notes  | 5.875%  | 11/01/21 | 425   | 431,375    |
| Pinnacle Entertainment, Inc., Gtd. Notes  | 7.500%  | 04/15/21 | 1,050 | 1,110,375  |
| Pinnacle Entertainment, Inc., Gtd. Notes(b)   | 8.750%  | 05/15/20 | 4,481 | 4,693,848  |
| Scientific Games Corp., Gtd. Notes  | 8.125%  | 09/15/18 | 1,725 | 1,604,250  |
| Station Casinos LLC, Gtd. Notes   | 7.500%  | 03/01/21 | 2,866 | 3,031,941  |
|   |         |          |       | 43,352,740 |

**Healthcare & Pharmaceutical 14.4%**

|   |         |          |       |            |
|---|---------|----------|-------|------------|
| Acadia Healthcare Co., Inc., Gtd. Notes                                       | 12.875% | 11/01/18 | 1,000 | 1,075,000  |
| Allergan, Inc., Gtd. Notes(b)   | 1.350%  | 03/15/18 | 2,240 | 2,201,640  |
| Capella Healthcare, Inc., Gtd. Notes  | 9.250%  | 07/01/17 | 1,828 | 1,878,270  |
| Capsugel SA, Sr. Unsec d. Notes, PIK, 144A                                    | 7.000%  | 05/15/19 | 3,700 | 3,727,750  |
| CHS/Community Health Systems, Inc., Gtd. Notes(b)                             | 8.000%  | 11/15/19 | 9,950 | 10,397,750 |
| ConvaTec Finance International SA (Luxembourg), Sr. Unsec d. Notes, PIK, 144A | 8.250%  | 01/15/19 | 1,235 | 1,216,475  |
| ConvaTec Healthcare E SA (Luxembourg), Gtd. Notes, 144A                       | 10.500% | 12/15/18 | 4,115 | 4,279,600  |
| Emdeon, Inc., Gtd. Notes(b)   | 11.000% | 12/31/19 | 8,000 | 8,590,000  |
| Endo Finance LLC/Endo Finco, Inc., Gtd. Notes, 144A                           | 7.000%  | 12/15/20 | 1,800 | 1,876,500  |
| HCA, Inc., Gtd. Notes(b)  | 8.000%  | 10/01/18 | 1,855 | 2,128,613  |
| HCA, Inc., Sr. Sec d. Notes(b)  | 3.750%  | 03/15/19 | 3,075 | 3,090,375  |
| HCA, Inc., Sr. Sec d. Notes   | 4.250%  | 10/15/19 | 2,350 | 2,397,000  |
| Kindred Healthcare, Inc., Gtd. Notes, 144A(b)                                 | 8.000%  | 01/15/20 | 3,650 | 3,999,031  |



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|   |         |          |       |            |
|---|---------|----------|-------|------------|
| Mallinckrodt International Finance SA/Mallinckrodt CB LLC, Gtd. Notes, 144A   | 4.875%  | 04/15/20 | 3,775 | 3,812,750  |
| MedAssets, Inc., Gtd. Notes(b)  | 8.000%  | 11/15/18 | 6,351 | 6,526,224  |
| Tenet Healthcare Corp., Sr. Sec d. Notes(b)   | 6.250%  | 11/01/18 | 5,400 | 5,852,250  |
| Tenet Healthcare Corp., Sr. Unsec d. Notes  | 5.000%  | 03/01/19 | 5,700 | 5,689,968  |
| Tenet Healthcare Corp., Sr. Unsec d. Notes  | 8.000%  | 08/01/20 | 1,000 | 1,043,750  |
| Valeant Pharmaceuticals International, Inc., Gtd. Notes, 144A(b)  | 5.375%  | 03/15/20 | 5,625 | 5,723,437  |
| Valeant Pharmaceuticals International, Inc., Gtd. Notes, 144A   | 6.375%  | 10/15/20 | 2,200 | 2,293,500  |
| Valeant Pharmaceuticals International, Inc., Gtd. Notes, 144A   | 6.750%  | 08/15/18 | 1,991 | 2,083,084  |
| Valeant Pharmaceuticals International, Inc., Gtd. Notes, 144A   | 7.500%  | 07/15/21 | 2,250 | 2,415,938  |
|   |         |          |       | 82,298,905 |
| <b>Media &amp; Entertainment 5.6%</b>   |         |          |       |            |
| AMC Networks, Inc., Gtd. Notes(b)   | 7.750%  | 07/15/21 | 7,445 | 7,947,537  |
| Carlson Travel Holdings, Inc., Sr. Unsec d. Notes, PIK, 144A (original cost \$3,812,250; purchased 06/26/14-08/04/14)(c)(d)                                   | 7.500%  | 08/15/19 | 3,800 | 3,847,500  |
| Cedar Fair LP/Canada's Wonderland Co./Magnum Management Corp., Gtd. Notes   | 5.250%  | 03/15/21 | 4,350 | 4,426,125  |
| Cinemark USA, Inc., Gtd. Notes  | 7.375%  | 06/15/21 | 1,322 | 1,398,015  |
| Clear Channel Worldwide Holdings, Inc., Gtd. Notes  | 7.625%  | 03/15/20 | 215   | 220,375    |
| Entercom Radio LLC, Gtd. Notes  | 10.500% | 12/01/19 | 4,000 | 4,235,000  |
| Gannett Co., Inc., Gtd. Notes   | 5.125%  | 10/15/19 | 650   | 671,125    |
| NAI Entertainment Holdings/NAI Entertainment Holdings Finance Corp., Sr. Sec d. Notes, 144A (original cost \$4,651,513; purchased 07/30/13-08/25/15)(b)(c)(d) | 5.000%  | 08/01/18 | 4,550 | 4,641,000  |
| National CineMedia LLC, Sr. Sec d. Notes  | 6.000%  | 04/15/22 | 585   | 598,163    |
| National CineMedia LLC, Sr. Unsec d. Notes  | 7.875%  | 07/15/21 | 1,500 | 1,563,750  |
| NCL Corp. Ltd., Sr. Unsec d. Notes, 144A  | 5.250%  | 11/15/19 | 1,200 | 1,241,628  |
| Univision Communications, Inc., Gtd. Notes, 144A (original cost \$991,069; purchased 08/26/15)(c)(d)  | 8.500%  | 05/15/21 | 945   | 986,457    |
|   |         |          |       | 31,776,675 |
| <b>Metals 7.7%</b>  |         |          |       |            |
| AK Steel Corp., Sr. Sec d. Notes(b)   | 8.750%  | 12/01/18 | 5,791 | 5,791,000  |
| Alcoa, Inc., Sr. Unsec d. Notes(b)  | 6.750%  | 07/15/18 | 3,000 | 3,247,500  |
| ArcelorMittal (Luxembourg), Sr. Unsec d. Notes  | 6.250%  | 03/01/21 | 950   | 936,938    |
| ArcelorMittal (Luxembourg), Sr. Unsec d. Notes  | 10.600% | 06/01/19 | 5,000 | 5,825,000  |
| ArcelorMittal SA (Luxembourg), Sr. Unsec d. Notes   | 5.250%  | 02/25/17 | 3,550 | 3,612,125  |
| ArcelorMittal SA (Luxembourg), Sr. Unsec d. Notes   | 6.000%  | 08/05/20 | 2,000 | 1,990,000  |
| AuRico Gold, Inc. (Canada), Sec d. Notes, 144A(b)   | 7.750%  | 04/01/20 | 1,500 | 1,350,000  |
| Berau Capital Resources Pte. Ltd. (Indonesia), Sr. Sec d. Notes, 144A (original cost \$4,249,438; purchased 06/27/12)(c)(d)                                   | 12.500% | 07/08/49 | 3,850 | 2,040,500  |
| Cliffs Natural Resources, Inc., Sr. Unsec d. Notes  | 5.950%  | 01/15/18 | 1,300 | 682,500    |
| FMG Resources (August 2006) Pty. Ltd. (Australia), Gtd. Notes, 144A   | 8.250%  | 11/01/19 | 2,150 | 1,655,500  |
| JMC Steel Group, Inc., Sr. Unsec d. Notes, 144A   | 8.250%  | 03/15/18 | 1,225 | 970,812    |
| Kaiser Aluminum Corp., Gtd. Notes   | 8.250%  | 06/01/20 | 1,200 | 1,278,000  |
| Lundin Mining Corp. (Canada), Sr. Sec d. Notes, 144A(b)   | 7.500%  | 11/01/20 | 6,825 | 6,739,687  |
| New Gold, Inc. (Canada), Gtd. Notes, 144A   | 7.000%  | 04/15/20 | 1,325 | 1,272,000  |
| Peabody Energy Corp., Gtd. Notes(b)   | 6.000%  | 11/15/18 | 2,799 | 930,668    |
| Steel Dynamics, Inc., Gtd. Notes(b)   | 6.125%  | 08/15/19 | 4,625 | 4,792,656  |
| United States Steel Corp., Sr. Unsec d. Notes   | 7.000%  | 02/01/18 | 1,000 | 1,005,000  |
|   |         |          |       | 44,119,886 |

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**Non-Captive Finance 3.5%**

|  |        |          |       |           |
|--|--------|----------|-------|-----------|
| CIT Group, Inc., Sr. Unsec d. Notes(b)                         | 4.250% | 08/15/17 | 4,175 | 4,237,625 |
| International Lease Finance Corp., Sr. Unsec d. Notes(b)       | 3.875% | 04/15/18 | 1,350 | 1,356,750 |
| International Lease Finance Corp., Sr. Unsec d. Notes          | 6.250% | 05/15/19 | 600   | 646,500   |
| International Lease Finance Corp., Sr. Unsec d. Notes(b)       | 8.875% | 09/01/17 | 4,000 | 4,405,000 |
| International Wire Group Holdings, Inc., Sec d. Notes, 144A(b) | 8.500% | 10/15/17 | 1,000 | 1,030,000 |
| KCG Holdings, Inc., Sr. Sec d. Notes, 144A                     | 6.875% | 03/15/20 | 1,050 | 976,500   |
| Navient Corp., Sr. Unsec d. Notes, MTN                         | 8.000% | 03/25/20 | 425   | 430,312   |
| Navient Corp., Sr. Unsec d. Notes, MTN(b)                      | 8.450% | 06/15/18 | 3,650 | 3,869,000 |
| OneMain Financial Holdings, Inc., Gtd. Notes, 144A(b)          | 6.750% | 12/15/19 | 2,900 | 3,030,500 |

19,982,187

**Packaging 4.6%**

|  |        |          |       |           |
|--|--------|----------|-------|-----------|
| AEP Industries, Inc., Sr. Unsec d. Notes(b)  | 8.250% | 04/15/19 | 4,500 | 4,545,000 |
| Ardagh Packaging Finance PLC (Ireland), Gtd. Notes, 144A   | 9.125% | 10/15/20 | 3,000 | 3,150,000 |
| Ardagh Packaging Finance PLC/Ardagh Holdings USA, Inc. (Ireland), Gtd. Notes, 144A                             | 6.250% | 01/31/19 | 200   | 204,000   |
| Beverage Packaging Holdings Luxembourg II SA/Beverage Packaging Holdings II IS (New Zealand), Gtd. Notes, 144A | 6.000% | 06/15/17 | 1,150 | 1,144,250 |
| Greif, Inc., Sr. Unsec d. Notes(b)   | 6.750% | 02/01/17 | 1,200 | 1,248,000 |
| Greif, Inc., Sr. Unsec d. Notes(b)   | 7.750% | 08/01/19 | 5,700 | 6,277,125 |
| Owens-Brockway Glass Container, Inc., Gtd. Notes(b)  | 7.375% | 05/15/16 | 2,983 | 3,091,134 |
| PaperWorks Industries, Inc., Sr. Sec d. Notes, 144A(b)   | 9.500% | 08/15/19 | 2,525 | 2,471,975 |
| Reynolds Group Issuer, Inc./Reynolds Group Issuer LLC/Reynolds Group LU (New Zealand), Gtd. Notes              | 9.875% | 08/15/19 | 3,000 | 3,153,750 |
| Sealed Air Corp., Gtd. Notes, 144A   | 6.500% | 12/01/20 | 1,045 | 1,157,337 |

26,442,571

**Paper 0.8%**

|  |        |          |       |           |
|--|--------|----------|-------|-----------|
| Smurfit Kappa Acquisitions (Ireland), Sr. Sec d. Notes, 144A | 4.875% | 09/15/18 | 3,450 | 3,600,938 |
| Tembec Industries, Inc. (Canada), Sr. Sec d. Notes, 144A     | 9.000% | 12/15/19 | 1,575 | 1,008,000 |

4,608,938

**Pipelines & Other 0.8%**

|  |        |          |       |           |
|--|--------|----------|-------|-----------|
| AmeriGas Finance LLC/AmeriGas Finance Corp., Gtd. Notes  | 6.750% | 05/20/20 | 300   | 309,750   |
| AmeriGas Partners LP/AmeriGas Eagle Finance Corp., Sr. Unsec d. Notes  | 6.500% | 05/20/21 | 725   | 732,250   |
| Ferrellgas Partners LP/Ferrellgas Partners Finance Corp., Sr. Unsec d. Notes   | 8.625% | 06/15/20 | 675   | 681,750   |
| Rockies Express Pipeline LLC, Sr. Unsec d. Notes, 144A (original cost \$2,144,688; purchased 01/10/13-05/02/13)(b)(c)(d) | 6.000% | 01/15/19 | 2,150 | 2,150,000 |
| Sunoco LP/Sunoco Finance Corp., Gtd. Notes, 144A   | 5.500% | 08/01/20 | 850   | 845,750   |

4,719,500

**Real Estate Investment Trusts 0.4%**

|  |        |          |       |           |
|--|--------|----------|-------|-----------|
| CTR Partnership LP/Caretrust Capital Corp., Gtd. Notes     | 5.875% | 06/01/21 | 920   | 931,500   |
| MPT Operating Partnership LP/MPT Finance Corp., Gtd. Notes | 6.375% | 02/15/22 | 1,500 | 1,580,625 |

2,512,125

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**Retailers 2.5%**

|   |         |          |           |            |
|---|---------|----------|-----------|------------|
| Claire's Stores, Inc., Sr. Sec d. Notes, 144A   | 6.125%  | 03/15/20 | 400       | 312,000    |
| Claire's Stores, Inc., Sr. Sec d. Notes, 144A(b)  | 9.000%  | 03/15/19 | 4,200     | 3,559,500  |
| Family Tree Escrow LLC, Gtd. Notes, 144A  | 5.250%  | 03/01/20 | 700       | 733,250    |
| HT Intermediate Holdings Corp., Sr. Unsec d. Notes, PIK, 144A   | 12.000% | 05/15/19 | 350       | 346,500    |
| L Brands, Inc., Gtd. Notes  | 8.500%  | 06/15/19 | 975       | 1,148,062  |
| Petco Holdings, Inc., Sr. Unsec d. Notes, PIK, 144A (original cost \$348,250; purchased 10/04/12)(c)(d) | 8.500%  | 10/15/17 | 350       | 356,125    |
| Sally Holdings LLC/Sally Capital, Inc., Gtd. Notes(b)   | 6.875%  | 11/15/19 | 1,900     | 1,980,750  |
| THOM Europe SAS (France), Sr. Sec d. Notes, 144A  | 7.375%  | 07/15/19 | EUR 4,000 | 4,701,790  |
| Toys 'R Us Property Co. II LLC, Sr. Sec d. Notes(b)   | 8.500%  | 12/01/17 | 1,500     | 1,455,000  |
|   |         |          |           | 14,592,977 |

**Technology 16.7%**

|  |         |          |       |            |
|--|---------|----------|-------|------------|
| Alcatel-Lucent USA, Inc. (France), Gtd. Notes, 144A(b)   | 4.625%  | 07/01/17 | 2,800 | 2,877,000  |
| Alcatel-Lucent USA, Inc. (France), Gtd. Notes, 144A  | 6.750%  | 11/15/20 | 4,170 | 4,451,475  |
| Alcatel-Lucent USA, Inc. (France), Gtd. Notes, 144A  | 8.875%  | 01/01/20 | 4,115 | 4,467,347  |
| Ancestry.com, Inc., Gtd. Notes   | 11.000% | 12/15/20 | 2,800 | 3,111,500  |
| Audatex North America, Inc., Gtd. Notes, 144A(b)   | 6.000%  | 06/15/21 | 5,500 | 5,370,530  |
| Brightstar Corp., Gtd. Notes, 144A (original cost \$8,400,250; purchased 04/27/12-11/14/14)(b)(c)(d)         | 9.500%  | 12/01/16 | 7,900 | 7,979,000  |
| Brightstar Corp., Sr. Unsec d. Notes, 144A (original cost \$3,193,501; purchased 07/26/13-10/23/13)(b)(c)(d) | 7.250%  | 08/01/18 | 3,100 | 3,262,750  |
| CommScope Holding Co., Inc., Sr. Unsec d. Notes, PIK, 144A(b)  | 6.625%  | 06/01/20 | 4,355 | 4,523,756  |
| CommScope, Inc., Sr. Sec d. Notes, 144A(b)   | 4.375%  | 06/15/20 | 3,975 | 4,009,781  |
| CoreLogic, Inc., Gtd. Notes(b)   | 7.250%  | 06/01/21 | 4,777 | 5,003,907  |
| First Data Corp., Gtd. Notes   | 12.625% | 01/15/21 | 8,352 | 9,594,360  |
| First Data Corp., Sr. Sec d. Notes, 144A   | 8.875%  | 08/15/20 | 135   | 141,089    |
| Freescale Semiconductor, Inc., Sr. Sec d. Notes, 144A  | 5.000%  | 05/15/21 | 1,050 | 1,057,875  |
| Freescale Semiconductor, Inc., Sr. Sec d. Notes, 144A  | 6.000%  | 01/15/22 | 7,160 | 7,482,200  |
| Igloo Holdings Corp., Sr. Unsec d. Notes, PIK, 144A  | 8.250%  | 12/15/17 | 2,450 | 2,459,188  |
| Infor U.S., Inc., Sr. Sec d. Notes, 144A (original cost \$1,938,000; purchased 08/11/15-08/26/15)(c)(d)      | 5.750%  | 08/15/20 | 1,950 | 1,954,875  |
| Interactive Data Corp., Gtd. Notes, 144A(b)  | 5.875%  | 04/15/19 | 7,400 | 7,483,250  |
| NXP BV/NXP Funding LLC (Netherlands), Gtd. Notes, 144A   | 4.125%  | 06/15/20 | 4,650 | 4,655,812  |
| Sophia LP/Sophia Finance, Inc., Gtd. Notes, 144A   | 9.750%  | 01/15/19 | 4,350 | 4,649,063  |
| SunGard Data Systems, Inc., Gtd. Notes   | 6.625%  | 11/01/19 | 1,425 | 1,478,438  |
| SunGard Data Systems, Inc., Gtd. Notes(b)  | 7.375%  | 11/15/18 | 7,538 | 7,754,717  |
| SunGard Data Systems, Inc., Gtd. Notes   | 7.625%  | 11/15/20 | 1,750 | 1,833,126  |
|  |         |          |       | 95,601,039 |

**Telecommunications 7.1%**

|   |           |          |       |           |
|---|-----------|----------|-------|-----------|
| CenturyLink, Inc., Sr. Unsec d. Notes   | 5.150%    | 06/15/17 | 565   | 579,125   |
| Clearwire Communications LLC/Clearwire Finance, Inc., Sr. Sec d. Notes, 144A(b)     | 14.750%   | 12/01/16 | 4,750 | 5,415,000 |
| Eileme 2 AB (Poland), Sr. Sec d. Notes, 144A  | 11.625%   | 01/31/20 | 750   | 820,313   |
| Embarq Corp., Sr. Unsec d. Notes (original cost \$53,015; purchased 04/11/13)(c)(d) | 7.082%    | 06/01/16 | 46    | 47,539    |
| Frontier Communications Corp., Sr. Unsec d. Notes                                   | 8.125%    | 10/01/18 | 1,775 | 1,917,000 |
| Level 3 Financing, Inc., Gtd. Notes   | 3.914%(a) | 01/15/18 | 1,145 | 1,153,587 |
| Level 3 Financing, Inc., Gtd. Notes(b)  | 7.000%    | 06/01/20 | 5,000 | 5,262,500 |
| Level 3 Financing, Inc., Gtd. Notes   | 8.625%    | 07/15/20 | 3,500 | 3,708,250 |
| Qwest Capital Funding, Inc., Gtd. Notes   | 6.500%    | 11/15/18 | 1,000 | 1,061,250 |
| Sprint Communications, Inc., Gtd. Notes, 144A                                       | 9.000%    | 11/15/18 | 2,580 | 2,873,475 |
| Sprint Communications, Inc., Sr. Unsec d. Notes                                     | 8.375%    | 08/15/17 | 550   | 581,625   |
| Sprint Communications, Inc., Sr. Unsec d. Notes(b)                                  | 9.125%    | 03/01/17 | 1,400 | 1,491,000 |

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|   |         |          |       |                |
|---|---------|----------|-------|----------------|
| T-Mobile USA, Inc., Gtd. Notes                              | 6.542%  | 04/28/20 | 1,150 | 1,198,875      |
| T-Mobile USA, Inc., Gtd. Notes                              | 6.625%  | 11/15/20 | 1,000 | 1,035,000      |
| Telecom Italia Capital SA (Italy), Gtd. Notes               | 6.999%  | 06/04/18 | 2,060 | 2,250,550      |
| Wind Acquisition Finance SA (Italy), Sr. Sec d. Notes, 144A | 6.500%  | 04/30/20 | 2,000 | 2,105,000      |
| Windstream Services LLC, Gtd. Notes(b)                      | 7.875%  | 11/01/17 | 6,250 | 6,531,250      |
| Zayo Group LLC/Zayo Capital, Inc., Gtd. Notes               | 10.125% | 07/01/20 | 2,254 | 2,479,400      |
|   |         |          |       | 40,510,739     |
| <b>Transportation 0.8%</b>                                  |         |          |       |                |
| XPO Logistics, Inc., Sr. Unsec d. Notes, 144A(b)            | 7.875%  | 09/01/19 | 4,500 | 4,770,000      |
| <b>TOTAL CORPORATE BONDS</b>                                |         |          |       |                |
| (cost \$761,469,857)  |         |          |       | 744,160,697    |
| <b>TOTAL INVESTMENTS 133.7%</b>                             |         |          |       |                |
| (cost \$784,198,348)(e)                                     |         |          |       | 765,582,458    |
| Liabilities in excess of other assets(f) (33.7)%            |         |          |       | (192,885,221)  |
| <b>NET ASSETS 100.0%</b>                                    |         |          |       |                |
|   |         |          |       | \$ 572,697,237 |

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. |
| EUR  | Euro  |
| GBP  | Great British Pound   |
| MTN  | Medium Term Note  |
| PIK  | Payment-in-Kind   |

- # 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, 2015.
- (b) Represents security, or a portion thereof, with aggregate value of \$424,368,208 segregated as collateral for amount of \$205,000,000 borrowed and outstanding as of August 31, 2015. Of such securities, securities in the amount of \$64,188,844 have been loaned for which, the amount borrowed serves as collateral. Securities on loan are subject to contractual netting arrangements.
- (c) Indicates a security or securities that have been deemed illiquid.
- (d) Indicates a restricted security; the aggregate original cost of the restricted securities is \$71,536,723. The aggregate value, \$68,160,227, is approximately 11.9% of net assets.
- (e) The United States federal income tax basis of investments and net unrealized depreciation were as follows:

|                             |                 |
|-----------------------------|-----------------|
| Tax Basis                   | \$ 796,586,603  |
| Appreciation                | 2,476,901       |
| Depreciation                | (33,481,046)    |
| Net Unrealized Depreciation | \$ (31,004,145) |

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

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(f) Includes net unrealized appreciation (depreciation) on the following derivative contracts held at reporting period end:

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Forward foreign currency exchange contracts outstanding at August 31, 2015:

| Purchase Contracts    | Counterparty             | Notional Amount (000)        | Value at Settlement Date        | Current Value        | Unrealized Appreciation (Depreciation)(1)        |
|-----------------------|--------------------------|------------------------------|---------------------------------|----------------------|--|
| British Pound,        |                          |                              |                                 |                      |  |
| Expiring 09/02/15     | JPMorgan Chase           | GBP 1,551                    | \$ 2,409,673                    | \$ 2,380,578         | \$ (29,095)                                      |
| Euro,                 |                          |                              |                                 |                      |  |
| Expiring 09/02/15     | Citigroup Global Markets | EUR 147                      | 164,995                         | 165,306              | 311  |
| Expiring 09/02/15     | Goldman Sachs & Co.      | EUR 4,213                    | 4,804,320                       | 4,727,210            | (77,110)   |
|                       |                          |                              | \$ 7,378,988                    | \$ 7,273,094         | \$ (105,894)                                     |
| <b>Sale Contracts</b> | <b>Counterparty</b>      | <b>Notional Amount (000)</b> | <b>Value at Settlement Date</b> | <b>Current Value</b> | <b>Unrealized Appreciation (Depreciation)(1)</b> |
| British Pound,        |                          |                              |                                 |                      |  |
| Expiring 09/02/15     | JPMorgan Chase           | GBP 1,551                    | \$ 2,416,430                    | \$ 2,380,578         | \$ 35,852  |
| Expiring 10/02/15     | JPMorgan Chase           | GBP 1,551                    | 2,409,285                       | 2,380,186            | 29,099   |
| Euro,                 |                          |                              |                                 |                      |  |
| Expiring 09/02/15     | Barclays Capital Group   | EUR 525                      | 580,799                         | 589,672              | (8,873)  |
| Expiring 10/02/15     | Goldman Sachs & Co.      | EUR 4,213                    | 4,806,553                       | 4,729,439            | 77,114   |
| Expiring 09/02/15     | Goldman Sachs & Co.      | EUR 3,834                    | 4,234,128                       | 4,302,844            | (68,716)   |
|                       |                          |                              | \$ 14,447,195                   | \$ 14,382,719        | \$ 64,476  |
|                       |                          |                              |                                 |                      | \$ (41,418)                                      |

(1) The amount represents fair value of derivative instruments subject to foreign exchange contracts risk exposure as of August 31, 2015. 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 - quoted prices for similar securities, interest rates and yield curves, prepayment speeds, foreign currency exchange rates and other observable inputs.

Level 3 - 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, 2015 in valuing such portfolio securities:

|   | Level 1 | Level 2        | Level 3    |
|---|---------|----------------|------------|
| <b>Investments in Securities</b>            |         |                |            |
| Bank Loans                                  | \$      | \$ 21,421,761  | \$         |
| Corporate Bonds                             |         | 743,242,697    | 918,000    |
| <b>Other Financial Instruments*</b>         |         |                |            |
| Forward Foreign Currency Exchange Contracts |         | (41,418)       |            |
| <b>Total</b>                                | \$      | \$ 764,623,040 | \$ 918,000 |

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

|  | <b>Corporate Bonds</b> |
|--|------------------------|
| <b>Balance as of 5/31/15</b>                       | \$ 12,888,346          |
| Realized gain (loss)                               |                        |
| Change in unrealized appreciation (depreciation)** | (58,500)               |
| Purchases  |                        |
| Sales  |                        |
| Accrued discount/premium                           |                        |
| Transfers into Level 3                             |                        |
| Transfers out of Level 3                           | (11,911,846)           |
| <b>Balance as of 8/31/15</b>                       | <b>\$ 918,000</b>      |

\* Other financial instruments are derivative instruments not reflected in the Schedule of Investments, such as futures, forwards and exchange-traded swap contracts, which are recorded at the unrealized appreciation/depreciation on the instrument, and over-the-counter swap contracts which are recorded at fair value.

\*\* Of which, \$(58,500) was relating to securities held at the reporting period end.

Level 3 securities as presented in the table above are being fair valued using pricing methodologies approved by Board, which contain unobservable inputs as follows:

| Level 3 Securities | Fair Value as of<br>August 31,<br>2015 | Valuation<br>Methodology | Unobservable Inputs            |
|--------------------|--|--------------------------|--------------------------------|
| Corporate Bonds    | \$ 918,000                             | Market Approach          | Single Broker Indicative Quote |

It is the Fund's policy to recognize transfers in and transfers out at the fair value as of the beginning of period. At the reporting period end, securities transferred levels as follows:

### Investments in

| Securities      | Amount Transferred | Level Transfer | Logic  |
|-----------------|--------------------|----------------|--|
| Corporate Bonds | \$ (11,911,846)    | L3 to L2       | Single Broker Indicative Quote to Multiple Broker Quotes |

**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, such as futures and options, 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 where the security principally trades. 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.

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 ask prices, or at the last bid price in the absence of an ask price. These securities are classified as Level 2 in the fair value hierarchy.

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. Such securities are valued using model prices to the extent that the valuation meets the established confidence level for each security. If the confidence level is not met or the vendor does not provide a model price, securities are valued in accordance with exchange-traded common and preferred stocks discussed above.

Participatory Notes (P-Notes) are generally valued based upon the value of a related underlying security that trades actively in the market and are classified as Level 2 in the fair value hierarchy.

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 ( OTC ) 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.

OTC 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.

Centrally cleared swaps listed or traded on a multilateral or trade facility platform, such as a registered exchange, are generally valued at the daily settlement price determined by the respective exchange. These securities are classified as Level 2 in the fair value hierarchy, as the daily settlement price is not public.

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 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 invest 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 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, 2015

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, 2015

By (Signature and Title)\* /s/ M. Sadiq Peshimam

M. Sadiq Peshimam  
Treasurer and Principal Financial Officer

Date October 20, 2015

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