

PGIM Short Duration High Yield Fund, Inc.
Form N-CSRS
January 24, 2019

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:	PGIM Short Duration High Yield Fund, Inc.
Address of principal executive offices:	655 Broad Street, 17 th Floor Newark, New Jersey 07102
Name and address of agent for service:	Andrew R. French 655 Broad Street, 17 th Floor Newark, New Jersey 07102
Registrant's telephone number, including area code:	800-225-1852
Date of fiscal year end:	5/31/2019
Date of reporting period:	11/30/2018

Item 1 Reports to Stockholders

PGIM SHORT DURATION HIGH YIELD FUND, INC.

(Formerly known as Prudential Short Duration High Yield Fund, Inc.)

SEMIANNUAL REPORT

NOVEMBER 30, 2018

COMING SOON: PAPERLESS SHAREHOLDER REPORTS

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Fund's annual and semiannual shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Fund's website (pgiminvestments.com), and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Fund electronically anytime by contacting your financial intermediary (such as a broker-dealer or bank).

You may elect to receive all future reports in paper free of charge. You should contact your financial intermediary or follow instructions included with this notice to elect to continue to receive paper copies of your shareholder reports. Your election to receive reports in paper will apply to all funds held in your account.

Objective: High level of current income

Highlights (unaudited)

Security selection in the retail & restaurant and electric utility sectors added value. The Fund's underweight to upstream energy, coupled with an overweight to cable & satellite, also added to performance.

In individual security selection, the Fund's positioning in PetSmart (retail), NRG Energy (electric utilities), and Charter Communications (cable & satellite) positively contributed to performance.

Overall security selection detracted from Fund performance, principally from positioning within the midstream energy, building materials & home construction, and aerospace & defense industries.

Despite benefiting from strong security selection within the sector, an overweight to retailers & restaurants hindered performance.

A few of the largest single-name detractors from returns included positioning in Bombardier (aerospace & defense), Ferrellgas Partners (midstream energy), and High Mesa Holdings (upstream energy).

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.

PGIM Fixed Income is a unit of PGIM, Inc. (PGIM), a registered investment adviser. PGIM is a Prudential Financial Company. © 2019 Prudential Financial, Inc. and its related entities. PGIM and the PGIM logo are service marks of Prudential Financial, Inc. and its related entities, registered in many jurisdictions worldwide.

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Table of Contents

<u>Letter from the President</u>	5
<u>Your Fund's Performance</u>	6
<u>Strategy and Performance Overview</u>	8
<u>Holdings and Financial Statements</u>	11

PGIM Short Duration High Yield Fund, Inc. 3

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Letter from the President

Dear Shareholder:

We hope you find the semiannual report for PGIM Short Duration High Yield Fund, Inc. informative and useful. The report covers performance for the six-month period ended November 30, 2018.

We have important information to share with you. Effective June 11, 2018, Prudential Mutual Funds were renamed PGIM Funds. This renaming is part of our ongoing effort to further build our reputation and establish our global brand, which began when our firm adopted PGIM Investments as its name in April 2017. Please note that only the Fund's name has changed. Your Fund's management and operation, along with its symbols, remained the same.*

Regarding your investments with PGIM, we believe it is important 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. However, diversification and asset allocation strategies do not assure a profit or protect against loss in declining markets.

At PGIM Investments, we consider it a great privilege and responsibility to help investors participate in opportunities across global markets while meeting their toughest investment challenges. PGIM is a top-10 global investment manager with more than \$1 trillion in assets under management. This investment expertise allows us to deliver actively managed funds and strategies to meet the needs of investors around the globe.

Thank you for choosing our family of funds.

Sincerely,

Stuart S. Parker, President

PGIM Short Duration High Yield Fund, Inc.

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January 14, 2019

*The Prudential Day One Funds did not change their names.

PGIM Short Duration High Yield Fund, Inc. 5

Your Fund's Performance (unaudited)

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 pgiminvestments.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 instruments.* 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.

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

Performance Snapshot as of 11/30/18

	Total Return for Six Months Ended 11/30/18
Price per Share	
\$15.96 (NAV)	1.10%
\$13.45 (Market Price)	.85%

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 additional shares in accordance with the Fund's Dividend Reinvestment Plan.

Source: PGIM Investments LLC

Key Fund Statistics as of 11/30/18

Duration	3.0 years	Average Maturity	3.6 years
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Duration shown includes the impact of leverage. Duration measures investment risk that takes into account both a bond's interest payments and its value to maturity. Average Maturity is the average number of years to maturity of the Fund's bonds.

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Credit Quality expressed as a percentage of total investments as of 11/30/18 (%)	
BBB	5.4
BB	50.1
B	35.6
CCC	6.3
CC	0.3
Not Rated	1.2
Cash/Cash Equivalents	1.2
Total Investments	100.0

Source: PGIM Fixed Income

Credit ratings reflect the highest rating assigned by an NRSRO such as Moody's Investors Service, Inc. (Moody's), S&P Global Ratings (S&P), or Fitch, Inc. (Fitch). Credit ratings reflect the common nomenclature used by both S&P and Fitch. These rating agencies are independent and are widely used. The Not Rated category consists of securities that have not been rated by an NRSRO. Credit ratings are subject to change. Values may not sum to 100.0% due to rounding.

Yield and Dividends as of 11/30/18		
Total Monthly Dividends Paid per Share for Period	Current Monthly Dividend Paid per Share	Yield at Market Price as of 11/30/18
\$0.51	\$0.085	7.58%

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 November 30, 2018.

Strategy and Performance Overview (unaudited)

How did the Fund perform?

The **PGIM Short Duration High Yield Fund, Inc.**'s net asset value return was 1.10% for the six-month reporting period that ended November 30, 2018, underperforming the 1.21% return of the Bloomberg Barclays US High Yield Ba/B 1-5 Year 1% Issuer Constrained Index (the Index) and outperforming the 0.66% return of the Lipper High Yield Funds (Leveraged) Average.

What were market conditions?

For the reporting period, the short duration, higher-quality portion of the high yield market as measured by the Index, returned 1.21%, outperforming the broader high yield market as represented by the Bloomberg Barclays High Yield Index by 90 basis points (bps). One basis point equals 0.01%. The Index's yield-to-worst, which represents the lowest potential yield that can be received on a portfolio of bonds without the issuers actually defaulting, ended November 2018 at 6.13%, 70 bps higher for the six-month period.

Considering the volatility seen across the fixed income landscape, high yield assets generally held up well over the reporting period, even though the asset class saw negative total returns over the final two months. Despite several ongoing macroeconomic concerns, strong earnings growth, minimal default activity, and a subdued new-issue calendar combined with an improving US economic backdrop provided support to high yield spreads early in the reporting period.

During the third quarter of 2018, many of the same themes continued and US high yield gained momentum, remaining somewhat insulated from the weakness that gripped other areas of the fixed income market. Following record-high equity prices, the US high yield market turned in a solid quarter. Despite some weeks in which the higher-quality segments of the market outperformed, CCC-rated credits once again outperformed as the renewed risk-on sentiment that emerged late in the third quarter boosted lower-rated credits. All US high yield sectors posted positive returns in the third quarter, with cable, healthcare, telecom, and consumer products leading the way. Cable was lifted by **Dish Network Corp.** bonds, which bounced by several points after reporting better-than-expected earnings and subscriber metrics. Performance within the healthcare sector was bolstered by the continued rally in several lower-quality names, particularly **Community Health Systems, Inc.** and **Endo Pharmaceutical, Inc.** Meanwhile, retail was the weakest-performing sector, dragged down by **Sears Holdings Corp.** and **J.C. Penney Co.** Sears bonds lost half their value on news of a potential restructuring to avoid bankruptcy, and J.C. Penney bonds fell after announcing that its chief financial officer was resigning.

Market strength in the third quarter of 2018 carried into the beginning of the fourth quarter, with spreads hitting their post-financial crisis tights in early October. But an escalating US-China trade war, several profit warnings, and concerns over further rate hikes pushed spreads sharply wider. After strong performance for the bulk of the year,

CCC-rated credits pulled back in the risk-off environment, while BB- and B-rated credits fared much better, particularly the less rate-sensitive bonds in those segments.

Default activity continued to slow globally. According to Moody's, the trailing 12-month US speculative-grade issuer default rate ended November 2018 at 2.3%, the lowest level since May 2015. In the US, the rate closed at 2.9%. From the beginning of January through the end of November 2018, the speculative-grade corporate default rate saw 66 defaults, compared to 91 defaults over the same period in 2017. Looking ahead, Moody's expects defaults to trend lower over the next few months before gradually rising again. In terms of corporate growth, third-quarter revenue and earnings for companies in the S&P 500 Index rose 8.0% and 25.6%, respectively. This marks the ninth consecutive quarter of growth. Companies in the energy sector continued to post the best results, with a 20% increase in sales and a 124% jump in earnings. In fact, only two of the 30 companies in the sector saw sales declines over the quarter.

What worked?

Security selection in the retail & restaurant and electric utility sectors added value.

The Fund's underweight to upstream energy, coupled with an overweight to cable & satellite, added to performance.

In individual security selection, the Fund's positioning in **PetSmart, Inc.** (retail), **NRG Energy, Inc.** (electric utilities), and **Charter Communications, Inc.** (cable & satellite) positively contributed to performance.

What didn't work?

Overall security selection detracted from performance over the period, principally from positioning within the midstream energy, building materials & home construction, and aerospace & defense industries.

Despite benefiting from strong security selection within the sector, an overweight to retailers & restaurants hindered the Fund's performance.

A few of the largest single-name detractors from returns included positioning in **Bombardier, Inc.** (aerospace & defense), **Ferrellgas Partners LP** (midstream energy), and **High Mesa Holdings LP** (upstream energy).

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

The Fund's use of leverage modestly detracted from NAV performance, as the cost of borrowing was in excess of the returns of the securities purchased. However, the Fund's use of leverage contributed positively to shareholder distributions as the income earned on the securities purchased exceeded the cost of borrowing. As of November 30, 2018,

Strategy and Performance Overview (continued)

the Fund had borrowed \$190 million and was 26.4% leveraged. During the reporting period, the average amount of leverage utilized by the Fund was approximately 25.4%.

Did the Fund use derivatives, and how did they affect performance?

No. The Fund did not use derivatives during the reporting period.

Current outlook

PGIM Fixed Income is modestly positive on US high yield in the short term but neutral longer term. Solid fundamentals (strong earnings and low defaults), favorable supply technicals, and PGIM Fixed Income's view that near-term risks (e.g., the US-China trade dispute, the Federal Reserve, Brexit, and Italy) are priced in could set the market up for a relief rally in early 2019. Longer term, slowing economic growth concerns are offset by meaningful spread widening of late, making the risk/reward profile seem more symmetrical than it was three months ago. PGIM Fixed Income favors single-B-type credit risk and remains cautious on commodities, while maintaining an overweight to independent power producers and US consumer-related names.

Benchmark Definitions

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

Source: Bloomberg Barclays

Lipper High Yield Funds (Leveraged) Average The Lipper High Yield Funds (Leveraged) Average (Lipper Average) represent funds that aim at high (relative) current yield from fixed income securities, have no quality or maturity restrictions, and tend to invest in lower-grade debt issues. These funds can be leveraged via the use of debt, preferred equity, and/or reverse repurchase agreements.

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 financial websites 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 as on pgiminvestments.com.

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In a continuing effort to provide information concerning the Fund, shareholders may go to pgiminvestments.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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Schedule of Investments (unaudited)

as of November 30, 2018

Description	Interest Rate	Maturity Date	Principal	
			Amount (000)#	Value
LONG-TERM INVESTMENTS 132.1%				
BANK LOANS 12.1%				
Chemicals 0.5%				
Solenis International LP, First Lien Initial Dollar Term Loan, 1 - 3 Month LIBOR + 4.000%	6.525%(c)	12/26/23	2,993	\$ 2,956,964
Commercial Services 1.6%				
Financial & Risk US Holdings, Inc., Initial Dollar Term Loan, 1 Month LIBOR + 3.750%	6.090(c)	10/01/25	4,000	3,891,668
Laureate Education, Inc., Series 2024 Term Loan, 3 Month LIBOR + 3.500%	6.030(c)	04/26/24	4,551	4,539,974
				8,431,642
Computers 1.2%				
McAfee LLC, Second Lien Initial Loan, 1 Month LIBOR + 8.500%	10.850(c)	09/29/25	1,696	1,708,552
Term B USD Loan, 1 Month LIBOR + 3.750%	6.100(c)	09/30/24	5,002	4,988,278
				6,696,830
Engineering & Construction 0.2%				
StandardAero Aviation Holdings, Inc., Initial Term Loan, 1 Month LIBOR + 3.750%	6.090(c)	07/07/22	891	889,035
Foods 0.7%				
JBS USA Lux SA, Initial Term Loan, 3 Month LIBOR + 2.500%	4.844(c)	10/30/22	2,500	2,468,750
Shearer's Foods LLC, First Lien Term Loan, 1 Month LIBOR + 4.250%	6.590(c)	06/30/21	1,434	1,408,451
				3,877,201
Insurance 0.2%				
Asurion LLC, Second Lien Replacement B-2 Term Loan, 1 Month LIBOR + 6.500%	8.840(c)	08/04/25	1,075	1,095,156
Internet 0.5%				
Symantec Corp., Term A-5 Loan, 1 Month LIBOR + 1.750%	4.060(c)	08/01/21	2,564	2,544,872

See Notes to Financial Statements.

Schedule of Investments (unaudited) (continued)

as of November 30, 2018

Description	Interest Rate	Maturity Date	Principal	
			Amount (000)#	Value
BANK LOANS (Continued)				
Media 0.4%				
Quebecor Media, Inc. (Canada), Facility B-1 Tranche, 3 Month LIBOR + 2.250%	4.866%(c)	08/17/20	500	\$ 497,813
Radiate HoldCo LLC, Closing Date Term Loan, 1 Month LIBOR + 3.000%	5.340(c)	02/01/24	1,596	1,562,479
				2,060,292
Mining 0.2%				
Aleris International, Inc., Initial Term Loan, 1 - 2 Month LIBOR + 4.750%	7.170(c)	02/27/23	873	877,176
Retail 1.1%				
CEC Entertainment, Inc., First Lien Term B Loan, 1 Month LIBOR + 3.250%	5.600(c)	02/15/21	3,188	3,041,499
Sally Holdings LLC, Term B-2 Loan^	4.500	07/05/24	2,825	2,669,625
				5,711,124
Software 2.7%				
Almonde, Inc., First Lien Dollar Term Loan, 3 Month LIBOR + 3.500%	5.886(c)	06/13/24	1,887	1,826,687
Boxer Parent Co., Inc., Initial Dollar Term Loan, 3 Month LIBOR + 4.250%	6.650(c)	10/02/25	3,325	3,282,683
Exela Intermediate LLC, 2018 Repriced Term Loan, 3 Month LIBOR + 6.500%	8.830(c)	07/12/23	1,950	1,950,000
Infor (US), Inc., Tranche B-6 Term Loan, 3 Month LIBOR + 2.750%	5.140(c)	02/01/22	2,900	2,859,400
Informatica LLC, Dollar Term B-1 Loan, 1 Month LIBOR + 3.250%	5.590(c)	08/05/22	1,474	1,467,761
RP Crown Parent LLC, Initial Term Loan, 1 Month LIBOR + 2.750%	5.095(c)	10/12/23	2,868	2,817,904
				14,204,435
Telecommunications 2.8%				
Digicel International Finance Ltd. (Saint Lucia), First Lien Initial Term B Loan, 3 Month LIBOR + 3.250%	5.960(c)	05/27/24	2,376	2,227,504
Intelsat Jackson Holdings SA (Luxembourg), Tranche B-3 Term Loan, 1 Month LIBOR + 3.750%	6.070(c)	11/27/23	1,000	992,500

See Notes to Financial Statements.

Description	Interest Rate	Maturity Date	Principal	
			Amount (000)#	Value
BANK LOANS (Continued)				
Telecommunications (cont d.)				
Intelsat Jackson Holdings SA (Luxembourg), (cont d.)				
Tranche B-5 Term Loan	6.630%	01/02/24	3,795	\$ 3,802,116
West Corp., Initial Term B Loan, 1 - 3 Month LIBOR + 4.000%	6.435(c)	10/10/24	3,269	3,222,254
Xplornet Communications, Inc. (Canada), New Term B Loan, 3 Month LIBOR + 4.000%^	6.390(c)	09/09/21	4,803	