

SECURITIES AND EXCHANGE COMMISSION

FORM N-Q

Quarterly schedule of portfolio holdings of registered management investment company filed on Form N-Q

Filing Date: **2013-01-28** | Period of Report: **2012-11-30**  
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FILER

**PRUDENTIAL INVESTMENT PORTFOLIOS 3**

CIK: [1104631](#) | IRS No.: **000000000** | State of Incorporation: **DE** | Fiscal Year End: **0228**  
Type: **N-Q** | Act: **40** | File No.: [811-09805](#) | Film No.: **13551050**

Mailing Address

*100 MULBERRY ST.  
GATEWAY CENTER THREE  
4TH FL  
NEWARK NJ 07102-4077*

Business Address

*100 MULBERRY ST.  
GATEWAY CENTER THREE  
4TH FL  
NEWARK NJ 07102-4077  
9738026469*

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

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**FORM N-Q**

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

Investment Company Act file number:	811-09805
Exact name of registrant as specified in charter:	Prudential Investment Portfolios 3
Address of principal executive offices:	Gateway Center 3, 100 Mulberry Street, Newark, New Jersey 07102
Name and address of agent for service:	Deborah A. Docs Gateway Center 3, 100 Mulberry Street, Newark, New Jersey 07102
Registrant's telephone number, including area code:	800-225-1852
Date of fiscal year end:	2/28/2013
Date of reporting period:	11/30/2012

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**Item 1. Schedule of Investments**

**Prudential Jennison Market Neutral Fund****Schedule of Investments**

as of November 30, 2012 (Unaudited)

Shares	Description	Value
<b>LONG-TERM INVESTMENTS – 95.7%</b>		
<b>LONG POSITIONS</b>		
<b>COMMON STOCKS – 95.7%</b>		
<b>Aerospace &amp; Defense – 4.1%</b>		
7,718	Precision Castparts Corp.(a)	\$ 1,415,404
1,756	Teledyne Technologies, Inc.*	110,628
8,029	TransDigm Group, Inc.	1,092,105
		<u>2,618,137</u>
<b>Biotechnology – 4.7%</b>		
10,119	Alexion Pharmaceuticals, Inc.*(a)	971,626
6,367	Amarin Corporation PLC (Ireland), ADR*	79,015
6,293	Biogen Idec, Inc.*	938,223
2,725	Cepheid, Inc.*	88,345
12,183	Gilead Sciences, Inc.*	913,725
		<u>2,990,934</u>
<b>Capital Markets – 0.6%</b>		
4,902	Eaton Vance Corp.	156,276
2,433	Evercore Partners, Inc. (Class A Stock)	66,834
3,920	Waddell & Reed Financial, Inc. (Class A Stock)	127,361
		<u>350,471</u>
<b>Chemicals – 3.8%</b>		
2,510	Albemarle Corp.	150,073
3,202	Intrepid Potash, Inc.*	68,139
10,635	Monsanto Co.	974,060
22,990	Mosaic Co. (The)(a)	1,242,839
		<u>2,435,111</u>
<b>Commercial Banks – 1.4%</b>		
2,238	Bank of the Ozarks, Inc.	71,124
2,816	BOK Financial Corp.	154,993
3,849	Capital Bank Financial Corp. (Class A Stock)*	66,434
4,008	First Republic Bank	135,550
3,814	FirstMerit Corp.	53,701
3,932	Prosperity Bancshares, Inc.	161,723
1,624	Signature Bank*	113,940
3,791	Wintrust Financial Corp.	139,471
		<u>896,936</u>
<b>Commercial Services &amp; Supplies – 0.5%</b>		
741	Clean Harbors, Inc.*	42,445
6,619	Mobile Mini, Inc.*	132,115
3,373	Waste Connections, Inc.	111,039
		<u>285,599</u>

<b>Communications Equipment – 1.7%</b>		
5,337	ADTRAN, Inc.	104,819
5,352	Finisar Corp.*	72,627
65,104	JDS Uniphase Corp.*	789,711
3,863	NETGEAR, Inc.*	134,664
		<u>1,101,821</u>
<b>Computers &amp; Peripherals – 2.7%</b>		
2,898	Apple, Inc.(a)	1,696,141
<b>Construction &amp; Engineering – 0.3%</b>		
17,998	Great Lakes Dredge & Dock Corp.	158,922
<b>Diversified Telecommunication Services – 0.7%</b>		
4,672	Cogent Communications Group, Inc.	98,766
22,140	Frontier Communications Corp.	106,494
4,194	Lumos Networks Corp.	41,059
7,946	tw telecom, inc.*	204,133
		<u>450,452</u>
<b>Electric Utilities – 0.2%</b>		
1,897	ITC Holdings Corp.	149,009
<b>Electrical Equipment – 1.4%</b>		
21,110	AMETEK, Inc.	788,036
3,163	Polypore International, Inc.*	129,841
		<u>917,877</u>
<b>Electronic Equipment &amp; Instruments – 1.9%</b>		
193,288	Flextronics International Ltd.*(a)	1,119,138
4,813	FLIR Systems, Inc.	98,185
		<u>1,217,323</u>
<b>Energy Equipment &amp; Services – 0.5%</b>		
682	Core Laboratories NV	70,369
1,976	Dresser-Rand Group, Inc.*	104,353
1,509	Dril-Quip, Inc.*	106,188
1,742	Forum Energy Technologies, Inc.*	43,968
		<u>324,878</u>
<b>Food &amp; Staples Retailing – 0.5%</b>		
4,451	Harris Teeter Supermarkets, Inc.	169,094
2,633	United Natural Foods, Inc.*	136,310
		<u>305,404</u>

<b>Food Products – 6.9%</b>		
7,272	Adecoagro SA*	64,721
19,613	Bunge Ltd.(a)	1,434,887
4,355	Darling International, Inc.*	73,469
4,185	Dean Foods Co.*	71,731
1,189	Hain Celestial Group, Inc. (The)*	71,661
45,351	Mondelez International, Inc. (Class A Stock)	1,174,137
11,754	SunOpta, Inc.*	73,345
74,538	Tyson Foods, Inc. (Class A Stock)(a)	1,428,893
		<u>4,392,844</u>
<b>Healthcare Equipment &amp; Supplies – 0.3%</b>		
6,529	Insulet Corp.*	143,312
2,778	Volcano Corp.*	75,728
		<u>219,040</u>
<b>Healthcare Providers &amp; Services – 3.6%</b>		
2,647	Air Methods Corp.*	288,973
6,427	Bio-Reference Labs, Inc.*	169,223
4,301	Centene Corp.*	188,857
1,475	MWI Veterinary Supply, Inc.*	164,669
3,415	Team Health Holdings, Inc.*	95,586
22,744	UnitedHealth Group, Inc.(a)	1,237,046
3,983	Universal Health Services, Inc. (Class B Stock)	179,514
		<u>2,323,868</u>
<b>Hotels, Restaurants &amp; Leisure – 4.3%</b>		
2,807	Bloomin' Brands, Inc.*	44,435
23,873	Carnival Corp.	922,930
6,008	Cheesecake Factory, Inc. (The)	205,414
1,499	Ignite Restaurant Group, Inc.*	19,037
97,314	International Game Technology(a)	1,349,745
1,721	Texas Roadhouse, Inc.	28,586
3,287	Vail Resorts, Inc.	185,124
		<u>2,755,271</u>
<b>Insurance – 2.7%</b>		
35,540	MetLife, Inc.(a)	1,179,572
5,708	Protective Life Corp.	154,972
2,181	StanCorp Financial Group, Inc.	74,176
7,687	Symetra Financial Corp.	94,012
472	White Mountains Insurance Group Ltd.	243,203
		<u>1,745,935</u>
<b>Internet &amp; Catalog Retail – 2.3%</b>		
5,588	Amazon.com, Inc.*(a)	1,408,455
9,572	Vitacost.com, Inc.*	69,397
		<u>1,477,852</u>
<b>Internet Software &amp; Services – 4.0%</b>		
551	ExactTarget, Inc.*	11,356
1,863	Google, Inc. (Class A Stock)*	1,301,063
11,136	LinkedIn Corp. (Class A Stock)*(a)	1,204,247

3,525	Millennial Media, Inc.*	48,469
		<hr/> 2,565,135

<b>IT Services – 5.1%</b>		
2,278	Gartner, Inc.*	109,071
2,740	Global Payments, Inc.	120,313
6,061	International Business Machines Corp.	1,152,014
4,113	InterXion Holding NV*	89,293
3,187	MasterCard, Inc. (Class A Stock)(a)	1,557,423
7,063	ServiceSource International, Inc.*	36,233
1,461	Vantiv, Inc. (Class A Stock)*	31,660
2,411	Wex, Inc.*	173,496
		<u>3,269,503</u>
<b>Life Sciences Tools &amp; Services – 0.2%</b>		
5,807	Bruker Corp.*	84,782
4,632	Fluidigm Corp.*	65,960
		<u>150,742</u>
<b>Machinery – 1.3%</b>		
2,709	AGCO Corp.*	125,020
2,539	CIRCOR International, Inc.	91,760
1,787	Crane Co.	75,840
255	Gardner Denver, Inc.	17,812
492	Graco, Inc.	24,310
4,032	IDEX Corp.	181,238
3,018	RBC Bearings, Inc.*	140,609
3,359	Rexnord Corp.*	71,815
2,770	Woodward, Inc.	101,299
		<u>829,703</u>
<b>Marine – 0.1%</b>		
1,401	Kirby Corp.*	81,090
<b>Media – 4.1%</b>		
5,202	Cinemark Holdings, Inc.	141,494
32,078	Comcast Corp. (Class A Stock)(a)	1,192,660
24,358	Liberty Global, Inc. (Series C Stock)*(a)	1,284,641
		<u>2,618,795</u>
<b>Metals &amp; Mining – 4.6%</b>		
984	Compass Minerals International, Inc.	75,178
36,617	Freeport-McMoRan Copper & Gold, Inc.(a)	1,428,429
10,597	Hecla Mining Co.	61,463
116,475	Kinross Gold Corp.(a)	1,174,068
16,227	McEwen Mining, Inc.*	60,040
2,868	Reliance Steel & Aluminum Co.	161,755
		<u>2,960,933</u>



<b>Oil, Gas &amp; Consumable Fuels – 7.0%</b>		
17,576	Anadarko Petroleum Corp.(a)	1,286,387
3,010	Bonanza Creek Energy, Inc.*	71,337
3,413	Carrizo Oil & Gas, Inc.*	70,820
50,730	Cobalt International Energy, Inc.*	1,183,023
7,941	Kodiak Oil & Gas Corp.*	68,134
5,435	Rosetta Resources, Inc.*	244,249
43,282	Suncor Energy, Inc.(a)	1,411,426
1,618	Targa Resources Corp.	81,046
1,666	Whiting Petroleum Corp.*	69,872
		<u>4,486,294</u>
<b>Pharmaceuticals – 5.7%</b>		
11,471	Allergan, Inc.(a)	1,063,935
3,044	MAP Pharmaceuticals, Inc.*	48,521
48,227	Mylan, Inc.*	1,310,810
7,385	Novo Nordisk A/S (Denmark), ADR(a)	1,171,778
3,250	Pacira Pharmaceuticals, Inc.*	55,413
		<u>3,650,457</u>
<b>Professional Services – 0.5%</b>		
2,638	Corporate Executive Board Co. (The)	112,906
3,870	FTI Consulting, Inc.*	119,622
4,134	Korn/Ferry International*	59,612
		<u>292,140</u>
<b>Real Estate Investment Trusts – 1.6%</b>		
5,685	Capstead Mortgage Corp.	69,016
33,436	Chimera Investment Corp.	91,615
3,666	Colony Financial, Inc.	73,393
6,288	CreXus Investment Corp.	78,537
12,429	DCT Industrial Trust, Inc.	77,681
21,257	Hersha Hospitality Trust	99,695
20,631	MFA Financial, Inc.	173,507
3,564	Pebblebrook Hotel Trust	74,310
1,063	PS Business Parks, Inc.	68,553
5,387	Starwood Property Trust, Inc.	123,147
13,249	Summit Hotel Properties, Inc.	116,326
		<u>1,045,780</u>
<b>Road &amp; Rail – 0.2%</b>		
7,603	Heartland Express, Inc.	104,389
<b>Semiconductors &amp; Semiconductor Equipment – 1.0%</b>		
5,760	ATMI, Inc.*	114,739
5,672	Cavium, Inc.*	199,825
2,268	Hittite Microwave Corp.*	137,622
4,971	Power Integrations, Inc.	154,648
		<u>606,834</u>

<b>Software – 4.7%</b>		
2,738	CommVault Systems, Inc.*	181,694
49,319	Microsoft Corp.	1,312,872
5,335	QLIK Technologies, Inc.*	103,392
8,501	Salesforce.com, Inc.*(a)	1,340,352
932	SolarWinds, Inc.*	52,220
200	Workday, Inc. (Class A Stock)*	10,020
		<u>3,000,550</u>
<b>Specialty Retail – 5.1%</b>		
7,249	American Eagle Outfitters, Inc.	153,679
2,664	Asbury Automotive Group, Inc.*	80,426
4,738	Ascena Retail Group, Inc.*	95,234
2,064	Chico's FAS, Inc.	38,494
1,079	DSW, Inc. (Class A Stock)	73,404
8,656	Express, Inc.*	129,234
44,695	Inditex SA (Spain), ADR	1,227,325
4,648	Mattress Firm Holding Corp.*	132,979
8,116	Pier 1 Imports, Inc.	155,746
26,347	TJX Cos., Inc.	1,168,226
		<u>3,254,747</u>
<b>Textiles, Apparel &amp; Luxury Goods – 3.9%</b>		
13,326	Lululemon Athletica, Inc.*(a)	956,541
1,258	PVH Corp.	144,154
7,603	Ralph Lauren Corp.(a)	1,194,355
2,265	Vera Bradley, Inc.*	62,763
1,347	Warnaco Group, Inc. (The)*	96,836
		<u>2,454,649</u>
<b>Thrifts &amp; Mortgage Finance – 0.1%</b>		
1,235	WSFS Financial Corp.	53,599
<b>Water Utilities – 0.1%</b>		
3,058	Aqua America, Inc.	78,101
<b>Wireless Telecommunication Services – 1.3%</b>		
95,065	NII Holdings, Inc.*(a)	481,979
4,900	NTELOS Holdings Corp.	63,210
3,784	SBA Communications Corp. (Class A Stock)*	260,415
		<u>805,604</u>
<b>TOTAL COMMON STOCKS</b>		
(cost \$51,077,294)		<u>61,122,870</u>

Units		
<b>RIGHT</b>		
<b>Metals &amp; Mining</b>		
16,227	McEwen Mining, Inc. *(b) (cost \$0)	2,515
<b>TOTAL LONG-TERM INVESTMENTS</b> (cost \$51,077,294)		61,125,385
<b>SHORT-TERM INVESTMENT – 6.0%</b>		
Shares		
<b>Affiliated Money Market Mutual Fund</b>		
3,818,192	Prudential Investment Portfolios 2 – Prudential Core Taxable Money Market Fund(c) (cost \$3,818,192)	3,818,192
<b>TOTAL INVESTMENTS, BEFORE SECURITIES SOLD SHORT – 101.7%</b> (cost \$54,895,486)(d)		64,943,577
<b>SECURITIES SOLD SHORT – (91.8)%</b>		
<b>COMMON STOCKS – (62.6)%</b>		
<b>Aerospace &amp; Defense – (1.2)%</b>		
12,394	Honeywell International, Inc.	(760,124)
<b>Air Freight &amp; Logistics – (1.9)%</b>		
7,354	C.H. Robinson Worldwide, Inc.	(454,036)
10,746	United Parcel Service, Inc. (Class B Stock)	(785,640)
		(1,239,676)
<b>Auto Components – (0.4)%</b>		
8,796	Johnson Controls, Inc.	(242,242)
770	Visteon Corp.*	(38,577)
		(280,819)
<b>Automobiles – (0.9)%</b>		
36,143	Ford Motor Co.	(413,837)
3,778	Harley-Davidson, Inc.	(177,415)
		(591,252)
<b>Beverages – (4.0)%</b>		
7,074	Beam, Inc.	(396,922)
30,502	Coca-Cola Co. (The)	(1,156,636)
14,423	PepsiCo, Inc.	(1,012,639)
		(2,566,197)
<b>Biotechnology – (0.8)%</b>		
1,408	Affymax, Inc.*	(34,411)
5,001	Celgene Corp.*	(393,029)
496	Regeneron Pharmaceuticals, Inc.*	(87,569)
		(515,009)

<b>Building Products – (0.7)%</b>		
7,311	Owens Corning*	(252,814)
5,786	Simpson Manufacturing Co., Inc.	(189,260)
		<u>(442,074)</u>
<b>Capital Markets – (0.8)%</b>		
4,974	BGC Partners, Inc. (Class A Stock)	(17,907)
4,491	Lazard Ltd. (Class A Stock)	(132,260)
7,504	Northern Trust Corp.	(360,342)
1,849	WisdomTree Investments, Inc.*	(11,297)
		<u>(521,806)</u>
<b>Chemicals – (1.9)%</b>		
616	Ashland, Inc.	(43,687)
15,200	Dow Chemical Co. (The)	(458,888)
6,586	Praxair, Inc.	(706,085)
		<u>(1,208,660)</u>
<b>Commercial Services &amp; Supplies – (0.4)%</b>		
711	Covanta Holding Corp.	(13,424)
6,861	Interface, Inc.	(100,788)
6,815	Rollins, Inc.	(155,177)
		<u>(269,389)</u>
<b>Communications Equipment – (0.6)%</b>		
3,005	Aruba Networks, Inc.*	(58,537)
4,376	Emulex Corp.*	(32,164)
1,546	Polycom, Inc.*	(16,171)
8,096	Riverbed Technology, Inc.*	(144,918)
3,681	ViaSat, Inc.*	(140,725)
		<u>(392,515)</u>
<b>Computers &amp; Peripherals – (1.1)%</b>		
33,702	Hewlett-Packard Co.	(437,789)
5,957	SanDisk Corp.*	(232,919)
		<u>(670,708)</u>
<b>Construction &amp; Engineering – (0.1)%</b>		
2,169	MasTec, Inc.*	(49,540)
<b>Containers &amp; Packaging – (0.4)%</b>		
16,666	Sealed Air Corp.	(280,322)
<b>Diversified Consumer Services</b>		
360	Sotheby's	(10,390)

<b>Diversified Financial Services – (0.7)%</b>		
29,854	Bank of America Corp.	(294,360)
5,525	Leucadia National Corp.	(122,379)
		<u>(416,739)</u>
<b>Diversified Telecommunication Services – (2.6)%</b>		
33,072	AT&T, Inc.	(1,128,747)
12,435	Verizon Communications, Inc.	(548,632)
		<u>(1,677,379)</u>
<b>Electric Utilities – (2.1)%</b>		
11,723	Duke Energy Corp.	(748,162)
13,842	Southern Co. (The)	(602,819)
		<u>(1,350,981)</u>
<b>Electronic Equipment &amp; Instruments – (0.9)%</b>		
5,716	National Instruments Corp.	(139,013)
7,545	Trimble Navigation Ltd.*	(419,804)
		<u>(558,817)</u>
<b>Energy Equipment &amp; Services – (0.3)%</b>		
3,220	Bristow Group, Inc.	(167,762)
237	SEACOR Holdings, Inc.*	(21,472)
		<u>(189,234)</u>
<b>Food &amp; Staples Retailing – (0.7)%</b>		
8,863	Kroger Co. (The)	(232,565)
2,566	PriceSmart, Inc.	(198,916)
		<u>(431,481)</u>
<b>Food Products – (0.2)%</b>		
1,607	Archer-Daniels-Midland Co.	(42,907)
249	Ralcorp Holdings, Inc.*	(22,196)
853	Sanderson Farms, Inc.	(40,918)
		<u>(106,021)</u>
<b>Gas Utilities – (0.3)%</b>		
3,824	ONEOK, Inc.	(171,583)
<b>Healthcare Equipment &amp; Supplies – (1.3)%</b>		
1,245	Intuitive Surgical, Inc.*	(658,605)
2,231	Sirona Dental Systems, Inc.*	(139,683)
		<u>(798,288)</u>
<b>Healthcare Providers &amp; Services</b>		
455	Cardinal Health, Inc.	(18,405)

<b>Healthcare Technology – (0.3)%</b>		
8,119	Allscripts Healthcare Solutions, Inc.*	(90,283)
1,212	Cerner Corp.*	(93,591)
		<u>(183,874)</u>
<b>Hotels, Restaurants &amp; Leisure – (1.6)%</b>		
5,889	Las Vegas Sands Corp.	(274,722)
3,407	McDonald' s Corp.	(296,545)
11,047	Ruby Tuesday, Inc.*	(86,277)
3,135	Wynn Resorts Ltd.	(352,374)
		<u>(1,009,918)</u>
<b>Household Products – (2.1)%</b>		
18,874	Procter & Gamble Co. (The)	(1,317,971)
<b>Industrial Conglomerates – (0.2)%</b>		
5,436	General Electric Co.	(114,863)
<b>Insurance – (3.7)%</b>		
2,209	Aon PLC	(125,471)
13,464	Berkshire Hathaway, Inc. (Class B Stock)*	(1,185,909)
28,688	Hartford Financial Services Group, Inc.	(607,612)
588	Loews Corp.	(24,037)
6,000	Marsh & McLennan Cos., Inc.	(211,320)
11,497	Unum Group	(234,424)
		<u>(2,388,773)</u>
<b>Internet &amp; Catalog Retail – (0.3)%</b>		
6,994	Shutterfly, Inc.*	(188,488)
<b>Internet Software &amp; Services – (0.3)%</b>		
1,882	Digital River, Inc.*	(27,496)
5,798	EarthLink, Inc.	(38,267)
7,470	NIC, Inc.	(112,124)
		<u>(177,887)</u>
<b>IT Services – (1.3)%</b>		
11,821	Automatic Data Processing, Inc.	(670,960)
2,522	Cognizant Technology Solutions Corp. (Class A Stock)*	(169,554)
		<u>(840,514)</u>
<b>Life Sciences Tools &amp; Services – (0.9)%</b>		
5,483	Covance, Inc.*	(312,586)
3,618	Thermo Fisher Scientific, Inc.	(229,924)
		<u>(542,510)</u>
<b>Machinery – (0.3)%</b>		
564	Harsco Corp.	(11,365)
4,043	Pentair Ltd.	(196,045)
		<u>(207,410)</u>

<b>Media – (1.0)%</b>		
9,328	Live Nation Entertainment, Inc.*	(81,900)
7,003	Morningstar, Inc.	(447,002)
3,299	News Corp. (Class A Stock)	(81,287)
		<u>(610,189)</u>
<b>Metals &amp; Mining – (1.6)%</b>		
71,725	Alcoa, Inc.	(603,207)
7,640	Allied Nevada Gold Corp.*	(248,682)
2,114	Coeur D' Alene Mines Corp.*	(49,172)
2,310	Nucor Corp.	(95,126)
		<u>(996,187)</u>
<b>Multi-Utilities – (1.2)%</b>		
3,057	Ameren Corp.	(91,618)
13,540	Dominion Resources, Inc.	(692,030)
		<u>(783,648)</u>
<b>Oil, Gas &amp; Consumable Fuels – (4.2)%</b>		
313	Apache Corp.	(24,129)
8,616	Cabot Oil & Gas Corp.	(405,814)
2,249	CONSOL Energy, Inc.	(70,506)
9,233	EQT Corp.	(554,534)
1,566	Hess Corp.	(77,689)
18,971	Kinder Morgan, Inc.	(641,409)
1,005	Pioneer Natural Resources Co.	(107,535)
3,100	Plains Exploration & Production Co.*	(110,670)
4,848	QEP Resources, Inc.	(136,326)
8,686	Range Resources Corp.	(556,078)
		<u>(2,684,690)</u>
<b>Personal Products</b>		
1,627	Avon Products, Inc.	(22,697)
<b>Pharmaceuticals – (3.0)%</b>		
5,720	Endo Health Solutions, Inc.*	(163,935)
899	Hospira, Inc.*	(26,790)
18,629	Johnson & Johnson	(1,299,000)
5,072	Merck & Co., Inc.	(224,690)
2,378	Watson Pharmaceuticals, Inc.*	(209,288)
		<u>(1,923,703)</u>
<b>Professional Services – (1.2)%</b>		
533	Mistras Group, Inc.*	(11,561)
20,486	Nielsen Holdings NV*	(580,163)
3,963	Verisk Analytics, Inc. (Class A Stock)*	(197,516)
		<u>(789,240)</u>

<b>Real Estate Investment Trusts – (5.9)%</b>		
4,497	AvalonBay Communities, Inc.	(592,660)
11,320	Equity Residential	(628,373)
15,346	HCP, Inc.	(691,337)
3,274	Health Care REIT, Inc.	(192,806)
844	Macerich Co. (The)	(47,686)
4,772	Public Storage	(671,134)
8,212	Ventas, Inc.	(522,694)
5,532	Vornado Realty Trust	(422,811)
		<u>(3,769,501)</u>
<b>Road &amp; Rail</b>		
689	Avis Budget Group, Inc.*	(13,050)
<b>Semiconductors &amp; Semiconductor Equipment – (2.8)%</b>		
14,903	Lam Research Corp.*	(523,393)
8,692	LTX-Credence Corp.*	(49,371)
2,414	Nanometrics, Inc.*	(34,906)
3,183	OmniVision Technologies, Inc.*	(48,063)
17,830	ON Semiconductor Corp.*	(118,213)
4,142	PMC - Sierra, Inc.*	(21,331)
3,316	Semtech Corp.*	(90,693)
4,718	Silicon Laboratories, Inc.*	(197,307)
24,593	Texas Instruments, Inc.	(724,756)
		<u>(1,808,033)</u>
<b>Software – (4.2)%</b>		
1,762	Blackbaud, Inc.	(39,363)
6,954	Citrix Systems, Inc.*	(425,307)
5,047	Fortinet, Inc.*	(100,839)
4,089	Informatica Corp.*	(109,871)
10,982	Nuance Communications, Inc.*	(244,240)
20,148	Oracle Corp.	(646,751)
10,792	Solera Holdings, Inc.	(558,594)
2,981	Take-Two Interactive Software, Inc.*	(36,875)
12,749	TIBCO Software, Inc.*	(319,362)
6,775	Verint Systems, Inc.*	(188,142)
		<u>(2,669,344)</u>
<b>Specialty Retail – (0.7)%</b>		
1,145	Abercrombie & Fitch Co. (Class A Stock)	(52,544)
2,735	CarMax, Inc.*	(99,171)
4,843	Tiffany & Co.	(285,640)
5,098	Wet Seal, Inc. (The) (Class A Stock)*	(14,988)
		<u>(452,343)</u>



<b>Textiles, Apparel &amp; Luxury Goods – (0.3)%</b>		
2,498	Fossil, Inc.*	(215,927)
<b>Thriffs &amp; Mortgage Finance – (0.3)%</b>		
1,986	Hudson City Bancorp, Inc.	(16,007)
17,520	TFS Financial Corp.*	(144,015)
		(160,022)
<b>Trading Companies &amp; Distributors – (0.9)%</b>		
14,262	Fastenal Co.	(596,294)
<b>TOTAL COMMON STOCKS SOLD SHORT</b>		
	(proceeds \$(40,137,666))	(39,984,485)
<b>EXCHANGE TRADED FUNDS – (29.2)%</b>		
63,570	Consumer Discretionary Select Sector SPDR Fund	(3,021,482)
7,240	Consumer Staples Select Sector SPDR Fund	(260,930)
41,000	Energy Select Sector SPDR Fund	(2,914,280)
161,127	Financial Select Sector SPDR Fund	(2,539,361)
73,397	Health Care Select Sector SPDR Fund	(2,953,495)
29,083	Industrial Select Sector SPDR Fund	(1,079,852)
20,729	SPDR S&P 500 ETF Trust	(2,944,762)
100,966	Technology Select Sector SPDR Fund	(2,941,139)
<b>TOTAL EXCHANGE TRADED FUNDS SOLD SHORT</b>		
	(proceeds \$(18,054,787))	(18,655,301)
<b>TOTAL SECURITIES SOLD SHORT</b>		
	(proceeds \$(58,192,453))	(58,639,786)
<b>TOTAL INVESTMENTS, NET OF SECURITIES SOLD – 9.9%</b>		
	(proceeds \$(3,296,967))	6,303,791
<b>OTHER ASSETS IN EXCESS OF LIABILITIES – 90.1%</b>		
		57,548,431
<b>NET ASSETS – 100.0%</b>		
		<u>\$ 63,852,222</u>

The following abbreviations are used in the portfolio descriptions:

ADR–American Depositary Receipt

ETF–Exchange Traded Fund

REIT–Real Estate Investment Trust

SPDR–Standard & Poor' s Depository Receipts

\* Non-income producing security.

- All or a portion of the security is segregated as collateral in connection with the short positions carried by the Fund.
- The amount represents fair value of derivative instruments subject to equity contracts risk exposure as of November 30, 2012.
- Prudential Investments LLC, the manager of the Fund, also serves as manager of the Prudential Investment Portfolios 2 – Prudential Core Taxable Money Market Fund.
- The United States federal income tax basis of the Fund' s investments and the net unrealized appreciation as of November 30, 2012 were as follows:

<u>Tax Basis of</u>			<u>Net Unrealized</u>
<u>Investments</u>	<u>Appreciation</u>	<u>Depreciation</u>	<u>Appreciation</u>
\$60,126,722	\$6,390,294	\$(1,573,439)	\$4,816,855

The difference between the book basis and tax basis is primarily attributable to deferred losses on wash sales as of the most recent fiscal year end.

Various inputs are used in determining the value of the Fund' s investments. These inputs are summarized in the three broad levels listed below.

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

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

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

The following is a summary of the inputs used as of November 30, 2012 in valuing such portfolio securities:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>Investments in Securities</b>			
Common Stocks	\$61,122,870	\$ -	\$ -
Right	2,515	-	-
Affiliated Money Market Mutual Fund	3,818,192	-	-
Common Stocks Sold Short	(39,984,485)	-	-
Exchange Traded Funds Sold Short	(18,655,301)	-	-
<b>Total</b>	<u>\$6,303,791</u>	<u>\$ -</u>	<u>\$ -</u>

**Prudential Jennison Select Growth Fund****Schedule of Investments**

as of November 30, 2012 (Unaudited)

Shares	Description	Value
<b>LONG-TERM INVESTMENTS – 95.9%</b>		
<b>COMMON STOCKS</b>		
<b>Aerospace &amp; Defense – 5.4%</b>		
48,403	Precision Castparts Corp.	\$ 8,876,626
46,942	TransDigm Group, Inc.	6,385,051
		<u>15,261,677</u>
<b>Automobiles – 0.8%</b>		
63,764	Tesla Motors, Inc.*(a)	2,156,498
<b>Biotechnology – 6.4%</b>		
60,314	Alexion Pharmaceuticals, Inc.*	5,791,350
41,533	Biogen Idec, Inc.*	6,192,155
83,898	Gilead Sciences, Inc.*	6,292,350
		<u>18,275,855</u>
<b>Capital Markets – 2.3%</b>		
54,601	Goldman Sachs Group, Inc. (The)	6,431,452
<b>Chemicals – 2.7%</b>		
82,615	Monsanto Co.	7,566,708
<b>Communications Equipment – 1.6%</b>		
69,593	QUALCOMM, Inc.	4,427,507
<b>Computers &amp; Peripherals – 9.3%</b>		
34,595	Apple, Inc.	20,247,762
249,361	EMC Corp.*	6,189,140
		<u>26,436,902</u>
<b>Energy Equipment &amp; Services – 1.9%</b>		
77,694	National Oilwell Varco, Inc.	5,306,500
<b>Food &amp; Staples Retailing – 1.9%</b>		
59,187	Whole Foods Market, Inc.	5,525,698
<b>Hotels, Restaurants &amp; Leisure – 3.5%</b>		
127,129	Dunkin' Brands Group, Inc.	4,045,245
86,299	Yum! Brands, Inc.	5,788,937
		<u>9,834,182</u>
<b>Internet &amp; Catalog Retail – 5.6%</b>		
39,981	Amazon.com, Inc.*	10,077,211
8,628	priceline.com, Inc.*	5,721,745
		<u>15,798,956</u>
<b>Internet Software &amp; Services – 9.7%</b>		
286,792	Facebook, Inc. (Class A Stock)*(a)	8,030,176
15,558	Google, Inc. (Class A Stock)*	10,865,241
53,385	LinkedIn Corp. (Class A Stock)*	5,773,054
42,293	Rackspace Hosting, Inc.*	2,923,292
		<u>27,591,763</u>
<b>IT Services – 7.6%</b>		

39,405	International Business Machines Corp.	7,489,708
29,060	MasterCard, Inc. (Class A Stock)	14,201,041
		<u>21,690,749</u>
<b>Media – 2.1%</b>		
118,749	Walt Disney Co. (The)(a)	5,897,075
<b>Personal Products – 2.4%</b>		
117,188	Estee Lauder Cos., Inc. (The) (Class A Stock)	6,826,201

<b>Pharmaceuticals – 6.8%</b>		
77,625	Allergan, Inc.	7,199,719
44,177	Novo Nordisk A/S (Denmark), ADR	7,009,564
58,420	Shire PLC (Ireland), ADR	5,060,925
		<u>19,270,208</u>
<b>Semiconductors &amp; Semiconductor Equipment – 1.5%</b>		
122,376	Avago Technologies Ltd.	4,295,398
<b>Software – 6.1%</b>		
80,099	Red Hat, Inc.*	3,956,891
42,226	Salesforce.com, Inc.*(a)	6,657,773
73,756	VMware, Inc. (Class A Stock)*	6,708,108
		<u>17,322,772</u>
<b>Specialty Retail – 5.2%</b>		
264,269	Inditex SA (Spain), ADR	7,256,827
170,828	TJX Cos., Inc.	7,574,513
		<u>14,831,340</u>
<b>Textiles, Apparel &amp; Luxury Goods – 13.1%</b>		
116,452	Coach, Inc.	6,735,584
68,206	Lululemon Athletica, Inc.*(a)	4,895,827
131,235	Michael Kors Holdings Ltd.*	6,975,140
72,523	NIKE, Inc. (Class B Stock)	7,069,542
690,069	Prada SpA (Italy)	5,698,487
35,901	Ralph Lauren Corp.	5,639,688
		<u>37,014,268</u>
<b>TOTAL LONG-TERM INVESTMENTS</b>		
(cost \$199,939,741)		<u>271,761,709</u>
<b>SHORT-TERM INVESTMENT – 11.2%</b>		
<b>Affiliated Money Market Mutual Fund</b>		
31,655,713	Prudential Investment Portfolios 2 – Prudential Core Taxable Money Market Fund (cost \$31,655,713; includes \$18,162,432 of cash collateral received for securities on loan)(b)(c)	<u>31,655,713</u>
<b>TOTAL INVESTMENTS – 107.1%</b>		
(cost \$231,595,454)(d)		<u>303,417,422</u>
<b>LIABILITIES IN EXCESS OF OTHER ASSETS – (7.1%)</b>		<u>(20,005,370)</u>
<b>NET ASSETS – 100.0%</b>		<u>\$ 283,412,052</u>

The following abbreviation is used in the portfolio descriptions:

ADR–American Depositary Receipt

\* Non-income producing security.

(a) All or a portion of security is on loan. The aggregate market value of such securities, including those sold and pending settlement, is \$17,897,266; cash collateral of \$18,162,432 (included in liabilities) was received with which the Fund purchased highly liquid short-term investments. Cash collateral is less than 102% of the market value of securities loaned due to significant market increases on the last business day of the reporting period. Collateral was subsequently received on the following business day and the Fund remained in compliance.

(b) Prudential Investments LLC, the manager of the Fund, also serves as manager of the Prudential Investment Portfolios 2–Prudential Core Taxable Money Market Fund.

(c) Represents security, or a portion thereof, purchased with cash collateral received for securities on loan.

(d) The United States federal income tax basis of the Fund' s investments and the net unrealized appreciation as of November 30, 2012 were as follows:

<u>Tax Basis of</u> <u>Investments</u>	<u>Appreciation</u>	<u>Depreciation</u>	<u>Net Unrealized</u> <u>Appreciation</u>
\$235,798,903	\$67,822,188	\$(203,669 )	\$67,618,519

The difference between book basis and tax basis was attributable to deferred losses on wash sales as of the most recent fiscal year end.

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Various inputs are used in determining the value of the Fund' s investments. These inputs are summarized in the three broad levels listed below.

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

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

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

The following is a summary of the inputs used as of November 30, 2012 in valuing such portfolio securities:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>Investments in Securities</b>			
Common Stocks	\$271,761,709	\$ -	\$ -
Affiliated Money Market Mutual Fund	31,655,713	-	-
Total	<u>\$303,417,422</u>	<u>\$ -</u>	<u>\$ -</u>

**Prudential Real Assets Fund**

**Consolidated Schedule of Investments  
as of November 30, 2012 (Unaudited)**

	Shares	Value
<b>LONG-TERM INVESTMENTS – 77.5%</b>		
<b>AFFILIATED MUTUAL FUNDS – 39.1%</b>		
Prudential International Real Estate Fund (Class Z)	663,287	\$ 6,971,150
Prudential Jennison Natural Resources Fund, Inc. (Class Q)*	63,339	2,892,048
Prudential Jennison Utility Fund (Class Z)	936,386	11,105,540
Prudential US Real Estate Fund (Class Z)	593,433	7,085,591
<b>TOTAL AFFILIATED MUTUAL FUNDS</b>		
(cost \$25,243,042)(w)		28,054,329
<b>COMMON STOCKS – 0.8%</b>		
<b>Metals &amp; Mining</b>		
Agnico-Eagle Mines Ltd. (Canada)	900	50,220
AngloGold Ashanti Ltd., ADR (South Africa)	1,100	34,067
Barrick Gold Corp. (Canada)	2,000	69,060
Cia de Minas Buenaventura SA, ADR (Peru)	1,500	49,155
Gold Fields Ltd., ADR (South Africa)	2,950	36,226
Goldcorp, Inc. (Canada)	1,150	44,505
Harmony Gold Mining Co. Ltd., ADR (South Africa)	6,900	53,889
Hecla Mining Co.	11,100	64,380
Kinross Gold Corp. (Canada)	3,750	37,800
Newmont Mining Corp.	800	37,672
Randgold Resources Ltd., ADR (United Kingdom)	650	69,784
<b>TOTAL COMMON STOCKS</b>		
(cost \$520,926)		546,758

Interest Rate	Maturity Date	Principal Amount (000)#	
<b>U.S. TREASURY OBLIGATIONS – 37.6%</b>			
U.S. Treasury Inflationary Indexed Bonds, TIPS			
0.125%	04/15/16 - 07/15/22	\$ 4,540	5,025,392
0.50%	04/15/15	665	740,162
0.625%	07/15/21	1,130	1,329,316
0.75%	02/15/42	680	779,351
1.125%	01/15/21	1,015	1,270,066
1.25%	04/15/14 - 07/15/20	1,350	1,646,611
1.375%	07/15/18 - 01/15/20	885	1,122,034
1.625%	01/15/15 - 01/15/18	1,070	1,376,019
1.75%	01/15/28	410	592,866
1.875%	07/15/15 - 07/15/19	965	1,264,207
2.00%	01/15/14 - 01/15/26	2,405	3,247,504
2.125%	01/15/19 - 02/15/41	1,245	1,836,250
2.375%	01/15/17 - 01/15/27	1,755	2,708,071
2.50%	07/15/16 - 01/15/29	920	1,316,904
2.625%	07/15/17	360	483,115



3.375%	04/15/32	140	305,388
3.625%	04/15/28	390	894,518
3.875%	04/15/29	420	991,327
<b>TOTAL U.S. TREASURY OBLIGATIONS</b>			
(cost \$24,492,189)			26,929,101
<b>TOTAL LONG-TERM INVESTMENTS</b>			
(cost \$50,256,157)			55,530,188
<b>SHORT-TERM INVESTMENTS – 13.0%</b>			
<b>U.S. TREASURY OBLIGATIONS(k)(n) – 10.9%</b>			
U.S. Treasury Bills			
0.054%	12/20/12(p)	600	599,970
0.096%	01/17/13(p)	7,000	6,999,605
0.10%	12/20/12	200	199,990
<b>TOTAL U.S. TREASURY OBLIGATIONS</b>			
(cost \$7,799,131)			7,799,565
			<b>Shares</b>
<b>AFFILIATED MONEY MARKET MUTUAL FUND – 2.1%</b>			
Prudential Investment Portfolios 2 – Prudential Core Taxable Money Market Fund			
(cost \$1,515,627)(w)			1,515,627
<b>TOTAL SHORT-TERM INVESTMENTS</b>			
(cost \$9,314,758)			9,315,192
<b>TOTAL INVESTMENTS – 90.5%</b>			
(cost \$59,570,915)(x)			64,845,380
<b>OTHER ASSETS IN EXCESS OF LIABILITIES(y) – 9.5%</b>			6,811,531
<b>NET ASSETS – 100.0%</b>			<u>\$ 71,656,911</u>

The following abbreviations are used in the Portfolio descriptions:

ADR–American Depositary Receipt

TIPS–Treasury Inflation-Protected Securities

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

\* Non-income producing security.

(k) Represents security, or a portion thereof, segregated as collateral for futures contracts.

(n) Rates shown are the effective yields at purchase date.

(p) Represents security held in the Cayman Subsidiary.

(w) Prudential Investments LLC, the manager of the Fund, also serves as manager of the underlying funds in which the Fund invests.

- (x) The United States federal income tax basis of the Fund's investments was \$60,733,162; accordingly, net unrealized appreciation on investments for federal income tax purposes was \$4,112,218 (gross unrealized appreciation \$5,329,171; gross unrealized depreciation \$1,216,953). The difference between book basis and tax basis was attributable to deferred losses on wash sales and the tax treatment of the investment in the Subsidiary as of the most recent fiscal year end.
- (y) Includes net unrealized appreciation (depreciation) on the following derivative contracts held at reporting period end:

**Financial futures contracts open at November 30, 2012:**

Number of Contracts	Type	Expiration Date	Value at Trade Date	Value at November 30, 2012	Unrealized Depreciation(1)(2)
<b>Long Position:</b>					
5	CBOE Volatility Index	Dec. 2012	\$94,000	\$ 77,750	\$ (16,250)

- (1) The amount represents fair value of derivative instruments subject to equity contracts risk exposure as of November 30, 2012.
- (2) U.S. Treasury Obligation with a market value of \$199,990 has been segregated to cover requirements for open futures contracts as of November 30, 2012.

**Commodity futures contracts open at November 30, 2012(3):**

Number of Contracts	Type	Expiration Date	Value at Trade Date	Value at November 30, 2012	Unrealized Appreciation (Depreciation)(4)(5)
<b>Long Positions:</b>					
4	Brent Crude	Mar. 2013	\$422,060	\$ 438,160	\$ 16,100
2	Coffee 'C'	Mar. 2013	117,131	112,950	(4,181)
3	Copper	Mar. 2013	260,262	273,750	13,488
2	Copper	Sep. 2013	173,444	183,700	10,256
9	Corn	Mar. 2013	331,483	338,739	7,256
9	Corn	May 2013	342,725	338,400	(4,325)
2	Cotton No. 2	Mar. 2013	70,765	73,910	3,145
2	Gasoline RBOB	Jan. 2013	221,957	229,345	7,388
1	Gasoline RBOB	Mar. 2013	117,214	115,416	(1,798)
39	Gold 100 OZ	Feb. 2013	6,808,440	6,679,530	(128,910)
2	Heating Oil	Jan. 2013	260,551	257,098	(3,453)
3	Lean Hogs	Feb. 2013	103,520	104,310	790
2	Lean Hogs	Jul. 2013	77,490	81,000	3,510
5	Live Cattle	Feb. 2013	258,530	260,800	2,270
2	Live Cattle	Jun. 2013	104,840	104,620	(220)
1	LME Nickel	Jan. 2013	107,622	105,786	(1,836)
1	LME Nickel	Apr. 2013	100,314	106,116	5,802
1	LME Nickel	May 2013	103,032	106,218	3,186
1	LME Nickel	Jun. 2013	97,200	106,326	9,126
5	LME PRI Aluminum	Dec. 2012	286,269	262,656	(23,613)
11	LME PRI Aluminum	Jan. 2013	549,188	572,894	23,706
3	LME PRI Aluminum	Mar. 2013	151,206	157,706	6,500
3	LME PRI Aluminum	May 2013	158,200	158,738	538
6	LME PRI Aluminum	Jun. 2013	316,300	318,713	2,413
6	LME Zinc	Dec. 2012	300,200	305,363	5,163
3	LME Zinc	Jan. 2013	151,663	152,757	1,094

2	LME Zinc	Jun. 2013	96,025	103,875	7,850
15	Natural Gas	Jan. 2013	588,720	534,150	(54,570 )
11	Natural Gas	Jun. 2013	415,270	401,500	(13,770 )
2	Silver	Mar. 2013	323,555	332,790	9,235
6	Soybean	Jan. 2013	463,088	431,625	(31,463 )
4	Soybean	Mar. 2013	299,075	286,500	(12,575 )
6	Soybean Oil	Jan. 2013	184,938	179,064	(5,874 )
2	Soybean Oil	Jul. 2013	61,686	61,212	(474 )
6	Sugar #11 (World)	Mar. 2013	138,791	129,965	(8,826 )
1	Sugar #11 (World)	Jul. 2013	21,291	21,739	448
10	Wheat	Mar. 2013	446,125	431,750	(14,375 )
3	Wheat	Sep. 2013	136,538	131,813	(4,725 )
4	WTI Crude	Jan. 2013	368,570	355,640	(12,930 )

4	WTI Crude	Aug. 2013	370,080	366,920	(3,160 )
					(191,814)
<b>Short Positions:</b>					
1	LME Nickel	Apr. 2013	97,050	106,116	(9,066 )
1	LME Nickel	May 2013	100,386	106,218	(5,832 )
5	LME PRI Aluminum	Dec. 2012	277,163	262,656	14,507
6	LME PRI Aluminum	Jan. 2013	313,444	312,488	956
3	LME PRI Aluminum	Mar. 2013	147,851	157,707	(9,856 )
3	LME PRI Aluminum	May 2013	155,963	158,738	(2,775 )
1	LME PRI Aluminum	Jun. 2013	149,988	159,357	(9,369 )
6	LME Zinc	Dec. 2012	287,169	305,363	(18,194 )
1	LME Zinc	Jun. 2013	49,575	51,938	(2,363 )
					(41,992 )
					<u><u>\$(233,806)</u></u>

- (3) Represents positions held in the Cayman Subsidiary.
- (4) U.S. Treasury Obligations with a market value of \$1,599,914 have been segregated to cover requirements for open futures contracts as of November 30, 2012. In addition, cash and cash equivalents have been earmarked to cover the notional amount of commodity futures contracts as of November 30, 2012.
- (5) The amount represents fair value of derivative instruments subject to commodity contracts risk exposure as of November 30, 2012.

Various inputs are used in determining the value of the Fund' s investments. These inputs are summarized in the three broad levels listed below.

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

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

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

The following is a summary of the inputs used as of November 30, 2012 in valuing such portfolio securities:

	Level 1	Level 2	Level 3
<b>Investments in Securities</b>			
Affiliated Mutual Funds	\$29,569,956	\$-	\$ -
Common Stocks	546,758	-	-
U.S. Treasury Obligations	-	34,728,666	-
<b>Other Financial Instruments*</b>			
Futures	(250,056 )	-	-
<b>Total</b>	<u><u>\$29,866,658</u></u>	<u><u>\$34,728,666</u></u>	<u><u>\$ -</u></u>

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

**Prudential Strategic Value Fund****Schedule of Investments**

as of November 30, 2012 (Unaudited)

Shares	Description	Value
<b>LONG-TERM INVESTMENTS – 98.8%</b>		
<b>COMMON STOCKS – 97.0%</b>		
<b>Aerospace &amp; Defense – 3.7%</b>		
2,200	Alliant Techsystems, Inc.	\$ 132,000
3,700	General Dynamics Corp.	246,050
9,900	Huntington Ingalls Industries, Inc.	404,415
4,600	L-3 Communications Holdings, Inc.	353,510
1,500	Lockheed Martin Corp.	139,950
6,300	Northrop Grumman Corp.	420,210
4,200	Raytheon Co.	239,946
600	Textron, Inc.	14,094
		<u>1,950,175</u>
<b>Air Freight &amp; Logistics – 0.3%</b>		
1,700	FedEx Corp.	152,201
<b>Airlines – 0.5%</b>		
17,200	Delta Air Lines, Inc.*	172,000
4,500	United Continental Holdings, Inc.*	90,990
		<u>262,990</u>
<b>Auto Components – 1.3%</b>		
4,900	Delphi Automotive PLC*	166,551
1,500	Lear Corp.	65,505
9,300	TRW Automotive Holdings Corp.*	470,952
		<u>703,008</u>
<b>Automobiles – 0.9%</b>		
19,400	Ford Motor Co.	222,130
8,900	General Motors Co.*	230,332
		<u>452,462</u>
<b>Beverages – 0.3%</b>		
600	Constellation Brands, Inc. (Class A Stock)*	21,528
3,000	Molson Coors Brewing Co. (Class B Stock)	124,380
		<u>145,908</u>
<b>Biotechnology – 0.1%</b>		
800	Amgen, Inc.	71,040
<b>Capital Markets – 2.2%</b>		
1,600	Ameriprise Financial, Inc.	97,072
12,400	Bank of New York Mellon Corp. (The)	296,856
5,300	Goldman Sachs Group, Inc. (The)	624,287
3,400	State Street Corp.	151,096
		<u>1,169,311</u>

<b>Chemicals – 1.7%</b>		
2,000	CF Industries Holdings, Inc.	428,060
2,700	Dow Chemical Co. (The)	81,513
2,500	Eastman Chemical Co.	152,125
4,400	LyondellBasell Industries NV (Class A Stock)	218,812
		<u>880,510</u>
<b>Commercial Banks – 7.5%</b>		
1,500	BankUnited, Inc.	35,250
6,200	BB&T Corp.	174,654
2,400	BOK Financial Corp.	132,096
1,100	Comerica, Inc.	32,549
2,415	Commerce Bancshares, Inc.	86,409
12,700	East West Bancorp, Inc.	268,605
19,500	Fifth Third Bancorp	285,480
100	First Citizens BancShares, Inc. (Class A Stock)	16,500
5,600	First Republic Bank	189,392
25,200	Huntington Bancshares, Inc.	154,980
7,500	KeyCorp	60,600
6,500	PNC Financial Services Group, Inc.	364,910
23,500	U.S. Bancorp	758,110
42,956	Wells Fargo & Co.	1,417,977
		<u>3,977,512</u>
<b>Commercial Services &amp; Supplies – 0.3%</b>		
7,200	R.R. Donnelley & Sons Co.	67,680
3,800	Republic Services, Inc.	108,186
		<u>175,866</u>
<b>Communications Equipment – 2.2%</b>		
11,200	Brocade Communications Systems, Inc.*	63,616
49,000	Cisco Systems, Inc.	926,590
3,200	Harris Corp.	150,816
		<u>1,141,022</u>
<b>Computers &amp; Peripherals – 1.6%</b>		
8,500	Dell, Inc.	81,940
24,000	Hewlett-Packard Co.	311,760
7,500	Lexmark International, Inc. (Class A Stock)	182,475
8,400	Western Digital Corp.	280,896
		<u>857,071</u>
<b>Construction &amp; Engineering – 0.2%</b>		
2,200	URS Corp.	82,896

<b>Consumer Finance – 2.8%</b>		
4,700	American Express Co.	262,730
8,100	Capital One Financial Corp.	466,560
10,600	Discover Financial Services	441,066
20,100	SLM Corp.	332,655
		<u>1,503,011</u>
<b>Containers &amp; Packaging – 0.8%</b>		
4,100	Greif, Inc. (Class A Stock)	168,223
12,000	Owens-Illinois, Inc.*	240,360
		<u>408,583</u>
<b>Diversified Consumer Services – 0.3%</b>		
3,800	Apollo Group, Inc. (Class A Stock)*	72,922
2,500	DeVry, Inc.	65,175
		<u>138,097</u>
<b>Diversified Financial Services – 5.3%</b>		
29,419	Bank of America Corp.	290,071
27,700	Citigroup, Inc.	957,589
32,300	JPMorgan Chase & Co.	1,326,884
5,400	NASDAQ OMX Group, Inc. (The)	130,842
4,700	NYSE Euronext	109,745
		<u>2,815,131</u>
<b>Diversified Telecommunication Services – 2.7%</b>		
35,920	AT&T, Inc.	1,225,950
4,500	Verizon Communications, Inc.	198,540
		<u>1,424,490</u>
<b>Electric Utilities – 2.7%</b>		
5,100	American Electric Power Co., Inc.	217,515
3,541	Duke Energy Corp.	225,987
4,600	Edison International	209,208
6,100	Exelon Corp.	184,342
1,200	NextEra Energy, Inc.	82,452
6,600	NV Energy, Inc.	120,978
6,200	Pinnacle West Capital Corp.	319,052
2,700	Xcel Energy, Inc.	73,035
		<u>1,432,569</u>
<b>Electronic Equipment, Instruments &amp; Components – 1.4%</b>		
8,300	Avnet, Inc.*	243,107
18,200	Corning, Inc.	222,586
5,100	Tech Data Corp.*	225,267
4,600	Vishay Intertechnology, Inc.*	44,620
		<u>735,580</u>

<b>Energy Equipment &amp; Services – 1.7%</b>		
1,800	Diamond Offshore Drilling, Inc.	124,200
2,400	Halliburton Co.	80,040
4,400	Helmerich & Payne, Inc.	229,680
15,400	Nabors Industries Ltd.*	226,380
2,000	Superior Energy Services, Inc.*	40,620
4,500	Unit Corp.*	202,140
		<u>903,060</u>
<b>Food &amp; Staples Retailing – 1.7%</b>		
9,500	CVS Caremark Corp.	441,845
11,900	Kroger Co. (The)	312,256
6,800	Safeway, Inc.	116,348
		<u>870,449</u>
<b>Food Products – 0.9%</b>		
5,900	Dean Foods Co.*	101,126
2,900	Ingredion, Inc.	188,355
634	Kraft Foods Group, Inc.*	28,669
1,902	Mondelez International, Inc. (Class A Stock)	49,243
6,800	Tyson Foods, Inc. (Class A Stock)	130,356
		<u>497,749</u>
<b>Healthcare Equipment &amp; Supplies – 0.2%</b>		
1,500	Covidien PLC	87,165
<b>Healthcare Providers &amp; Services – 4.6%</b>		
10,400	Aetna, Inc.	449,176
4,000	CIGNA Corp.	209,080
1,100	Community Health Systems, Inc.*	32,406
9,600	HCA Holdings, Inc.	304,800
6,600	LifePoint Hospitals, Inc.*	237,468
700	McKesson Corp.	66,129
800	Omnicare, Inc.	28,992
12,700	UnitedHealth Group, Inc.	690,753
800	Universal Health Services, Inc. (Class B Stock)	36,056
6,500	WellPoint, Inc.	363,350
		<u>2,418,210</u>
<b>Household Durables – 0.8%</b>		
15,800	Newell Rubbermaid, Inc.	344,598
1,900	Tempur-Pedic International, Inc.*	50,635
		<u>395,233</u>
<b>Household Products – 1.6%</b>		
12,000	Procter & Gamble Co. (The)	837,960



<b>Industrial Conglomerates – 2.6%</b>		
63,800	General Electric Co.	1,348,094
<b>Insurance – 6.9%</b>		
2,000	ACE Ltd.	158,460
3,800	Aflac, Inc.	201,362
2,200	Allied World Assurance Co. Holdings AG	178,574
6,200	Allstate Corp. (The)	250,976
3,800	American Financial Group, Inc.	150,670
2,000	American International Group, Inc.*	66,260
300	Aon PLC	17,040
700	Arch Capital Group Ltd.*	31,570
800	Assurant, Inc.	27,368
2,500	Axis Capital Holdings Ltd.	89,925
7,800	Berkshire Hathaway, Inc. (Class B Stock)*	687,024
2,200	Chubb Corp. (The)	169,378
3,300	CNA Financial Corp.	93,159
1,200	HCC Insurance Holdings, Inc.	44,256
6,987	Lincoln National Corp.	172,579
1,600	Loews Corp.	65,408
11,800	MetLife, Inc.	391,642
700	PartnerRe Ltd.	58,016
5,800	Principal Financial Group, Inc.	157,470
2,800	ProAssurance Corp.	253,904
3,100	Reinsurance Group of America, Inc.	158,720
1,300	Travelers Cos., Inc. (The)	92,066
4,000	Validus Holdings Ltd.	141,840
		<u>3,657,667</u>
<b>IT Services – 0.9%</b>		
3,800	Computer Sciences Corp.	144,628
4,400	Global Payments, Inc.	193,204
5,400	Lender Processing Services, Inc.	134,190
		<u>472,022</u>
<b>Machinery – 0.9%</b>		
3,100	AGCO Corp.*	143,065
900	Cummins, Inc.	88,344
1,200	Oshkosh Corp.*	35,220
6,900	Trinity Industries, Inc.	219,213
		<u>485,842</u>
<b>Media – 0.9%</b>		
6,050	Comcast Corp. (Class A Stock)	224,939
1,600	DIRECTV*	79,520
9,300	Gannett Co., Inc.	166,470
		<u>470,929</u>
<b>Metals &amp; Mining – 0.3%</b>		
2,500	Freeport-McMoRan Copper & Gold, Inc.	97,525
1,700	Schnitzer Steel Industries, Inc. (Class A Stock)	47,923
2,600	Steel Dynamics, Inc.	33,592
		<u>179,040</u>

<b>Multiline Retail – 2.3%</b>		
3,300	Dillard's, Inc. (Class A Stock)	293,403
9,500	Macy's, Inc.	367,650
8,800	Target Corp.	555,544
		<u>1,216,597</u>
<b>Multi-Utilities – 2.1%</b>		
10,100	Ameren Corp.	302,697
1,500	Consolidated Edison, Inc.	83,685
6,500	DTE Energy Co.	393,770
6,200	Public Service Enterprise Group, Inc.	186,558
4,900	Vectren Corp.	143,325
		<u>1,110,035</u>
<b>Office Electronics – 0.3%</b>		
19,400	Xerox Corp.	132,114
<b>Oil, Gas &amp; Consumable Fuels – 17.4%</b>		
4,400	Apache Corp.	339,196
16,700	Chevron Corp.	1,765,023
13,496	ConocoPhillips	768,462
3,800	Devon Energy Corp.	196,346
400	Energen Corp.	17,812
33,400	Exxon Mobil Corp.	2,943,876
8,800	Hess Corp.	436,568
2,500	HollyFrontier Corp.	113,325
13,200	Marathon Oil Corp.	407,220
8,500	Marathon Petroleum Corp.	506,090
5,900	Murphy Oil Corp.	334,766
300	Newfield Exploration Co.*	7,302
6,800	Occidental Petroleum Corp.	511,428
1,000	Peabody Energy Corp.	25,110
6,200	Phillips 66	324,694
3,900	QEP Resources, Inc.	109,668
2,900	Tesoro Corp.	122,612
8,000	Valero Energy Corp.	258,080
		<u>9,187,578</u>
<b>Paper &amp; Forest Products – 0.6%</b>		
2,200	Domtar Corp.	176,242
4,000	International Paper Co.	148,560
		<u>324,802</u>
<b>Pharmaceuticals – 6.6%</b>		
200	Abbott Laboratories	13,000
9,800	Eli Lilly & Co.	480,592

5,300	Endo Health Solutions, Inc.*	151,898
11,500	Johnson & Johnson	801,895
19,100	Merck & Co., Inc.	846,130
48,556	Pfizer, Inc.	1,214,871
		<u>3,508,386</u>
<b>Real Estate Investment Trusts – 1.0%</b>		
12,000	American Capital Agency Corp.	378,600
3,400	Annaly Capital Management, Inc.	50,048
400	CommonWealth REIT	6,052
1,900	Hatteras Financial Corp.	50,654
5,700	MFA Financial, Inc.	47,937
		<u>533,291</u>
<b>Road &amp; Rail – 1.4%</b>		
14,600	CSX Corp.	288,496
7,100	Norfolk Southern Corp.	428,698
600	Ryder System, Inc.	28,242
		<u>745,436</u>
<b>Semiconductors &amp; Semiconductor Equipment – 0.8%</b>		
22,600	Intel Corp.	442,282
<b>Software – 1.0%</b>		
4,100	CA, Inc.	90,856
5,400	Microsoft Corp.	143,748
14,400	Symantec Corp.*	270,144
		<u>504,748</u>
<b>Specialty Retail – 0.3%</b>		
5,700	GameStop Corp. (Class A Stock)	149,625
<b>Thrifts &amp; Mortgage Finance</b>		
700	New York Community Bancorp, Inc.	9,107
<b>Trading Companies &amp; Distributors – 0.1%</b>		
800	GATX Corp.	33,704
<b>Wireless Telecommunication Services – 0.3%</b>		
7,300	Telephone & Data Systems, Inc.	167,973
	<b>TOTAL COMMON STOCKS</b>	
	(cost \$48,654,876)	<u>51,168,531</u>

<b>Exchange Traded Fund – 1.8%</b>		
13,000	iShares Russell 1000 Value Index Fund (cost \$904,067)	932,750
<b>TOTAL LONG-TERM INVESTMENTS</b> (cost \$49,558,943)		<u>52,101,281</u>
<b>SHORT-TERM INVESTMENT – 0.9%</b>		
<b>Affiliated Money Market Mutual Fund</b>		
488,464	Prudential Investment Portfolios 2 – Prudential Core Taxable Money Market Fund(a) (cost \$488,464)	488,464
<b>TOTAL INVESTMENTS – 99.7%</b> (cost \$50,047,407)(b)		52,589,745
<b>OTHER ASSETS IN EXCESS OF LIABILITIES – 0.3%</b>		178,231
<b>NET ASSETS – 100.0%</b>		<u>\$ 52,767,976</u>

The following abbreviations are used in the portfolio descriptions:

REIT–Real Estate Investment Trust

\* Non-income producing security.

- (a) Prudential Investments LLC, the manager of the Fund, also serves as manager of the Prudential Investment Portfolios 2–Prudential Core Taxable Money Market Fund.
- (b) The United States federal income tax basis of the Fund’ s investments and the net unrealized appreciation as of November 30, 2012 were as follows:

<u>Tax Basis of</u> <u>Investments</u>	<u>Appreciation</u>	<u>Depreciation</u>	<u>Net Unrealized</u> <u>Appreciation</u>
\$50,062,151	\$6,733,203	\$(4,205,609)	\$2,527,594

The difference between book basis and tax basis was primarily attributable to deferred losses on wash sales as of the most recent fiscal year end.

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Various inputs are used in determining the value of the Fund' s investments. These inputs are summarized in the three broad levels listed below.

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

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

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

The following is a summary of the inputs used as of November 30, 2012 in valuing such portfolio securities:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>Investments in Securities</b>			
Common Stocks	\$51,168,531	\$ -	\$ -
Exchange Traded Fund	932,750	-	
Affiliated Money Market Mutual Fund	488,464	-	-
<b>Total</b>	<u>\$52,589,745</u>	<u>\$ -</u>	<u>\$ -</u>

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## Notes to Schedules of Investments (Unaudited)

*Securities Valuation:* The Funds hold portfolio securities and other assets that are fair valued at the close of each day the New York Stock Exchange (“NYSE”) is open for trading. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Board of Trustees (the “Board”) has delegated fair valuation responsibilities to Prudential Investments LLC (“PI” or “Manager”) through the adoption of Valuation Procedures for valuation of the Funds’ securities. Under the current Valuation Procedures, a Valuation Committee is established and responsible for supervising the valuation of portfolio securities and other assets. The Valuation Procedures allow the Funds to utilize independent pricing vendor services, quotations from market makers and other valuation methods in events when market quotations are not readily available or not representative of the fair value of the securities. A record of the Valuation Committee’s actions is subject to review, approval and ratification by the Board at its next regularly scheduled quarterly meeting.

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

Common stocks, exchange-traded funds and financial derivative instruments (including futures contracts and certain options and swap contracts on securities), that are traded on a national securities exchange are valued at the last sale price as of the close of trading on the applicable exchange. Securities traded via NASDAQ are valued at the NASDAQ official closing price. To the extent these securities are valued at the last sale price or NASDAQ official closing price, they are classified as Level 1 of the fair value hierarchy.

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

For common stocks traded on foreign securities exchanges, certain valuation adjustments will be applied when events occur after the close of the security’s foreign market and before the Funds’ normal pricing time. These securities 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, depositary receipts, and futures, as applicable. Securities valued using such model prices are classified as Level 2 of the fair value hierarchy as the adjustment factors are considered as significant other observable inputs to the valuation.

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 as they have the ability to be purchased or sold at their net asset values on the date of valuation.

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

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

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

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

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

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

The Funds 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, ("1940 Act") and managed by PI.

The Prudential Real Assets Fund wholly owns and controls the Prudential Real Assets Subsidiary, Ltd. (the "Subsidiary"), a company organized under the laws of the Cayman Islands. The Subsidiary is not registered as an investment company under the 1940 Act. In valuing its investments, the Subsidiary follows the same valuation policies as the Prudential Real Assets Fund as described above.

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

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**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.



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## 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 Investment Portfolios 3

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

Date January 22, 2013

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 January 22, 2013

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

Date January 22, 2013

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

## CERTIFICATIONS

I, Stuart S. Parker, certify that:

1. I have reviewed this report on Form N-Q of Prudential Investment Portfolios 3;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the schedules of investments included in this report fairly present in all material respects the investments of the registrant as of the end of the fiscal quarter for which the report is filed;
4. The registrant' s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report, based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant' s internal control over financial reporting that occurred during the registrant' s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant' s internal control over financial reporting; and

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5. The registrant's other certifying officer(s) and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 22, 2013

/s/ Stuart S. Parker

Stuart S. Parker

President and Principal Executive Officer

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## CERTIFICATIONS

I, Grace C. Torres, certify that:

1. I have reviewed this report on Form N-Q of Prudential Investment Portfolios 3;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the schedules of investments included in this report fairly present in all material respects the investments of the registrant as of the end of the fiscal quarter for which the report is filed;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report, based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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5. The registrant's other certifying officer(s) and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 22, 2013

/s/ Grace C. Torres

Grace C. Torres

Treasurer and Principal Financial Officer