

Edgar Filing: Voya Emerging Markets High Dividend Equity Fund - Form N-Q

Voya Emerging Markets High Dividend Equity Fund
Form N-Q
July 27, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number: 811-22438

Voya Emerging Markets High Dividend Equity Fund

(Exact name of registrant as specified in charter)

7337 East Doubletree Ranch Rd., Suite 100, Scottsdale, AZ 85258

(Address of principal executive offices) (Zip code)

Huey P. Falgout, Jr., 7337 East Doubletree Ranch Road, Suite 100, Scottsdale, AZ 85258

(Name and address of agent for service)

Registrant's telephone number, including area code: 1-800-992-0180

Date of fiscal year end: February 28

Date of reporting period: May 31, 2017

Item 1. Schedule of Investments

The schedules of investments as of the close of the reporting period are set forth below for:

Voya Emerging Markets High Dividend Equity Fund

The schedules are not audited.

PORTFOLIO OF INVESTMENTS

Voya Emerging Markets High Dividend Equity Fund as of May 31, 2017 (Unaudited)

Shares		Value	Percentage of Net Assets
COMMON STOCK: 91.9%			
	Brazil: 4.9%		
243,209	Cia Hering	\$1,600,124	0.9
351,261	Duratex SA	859,713	0.5
753,430	EcoRodovias Infraestrutura e Logistica SA	2,144,375	1.2
206,526	Engie Brasil Energia SA	2,102,947	1.1
240,621	Totvs S.A.	2,253,068	1.2
		8,960,227	4.9
	Chile: 3.1%		
94,200	Banco Santander Chile ADR	2,326,740	1.3
8,070,594	Enersis Americas SA	1,525,843	0.8
15,541,709	Enersis Chile SA	1,718,168	1.0
		5,570,751	3.1
	China: 32.9%		
44,742	@ Alibaba Group Holding Ltd. ADR	5,479,105	3.0
442,500	Beijing Enterprises Holdings Ltd.	2,096,599	1.1
4,176,000	China BlueChemical Ltd.	1,058,847	0.6
7,133,000	China Construction Bank	5,887,786	3.2
479,000	China Mobile Ltd.	5,308,712	2.9
782,000	China Overseas Land & Investment Ltd.	2,346,970	1.3
4,417,200	China Petroleum & Chemical Corp.	3,618,376	2.0
926,000	China Resources Land Ltd.	2,718,735	1.5
1,204,000	China Resources Power Holdings Co.	2,482,183	1.4
481,000	China Shineway Pharmaceutical Group Ltd.	552,292	0.3
1,454,000	China State Construction International Holdings Ltd.	2,521,345	1.4
1,718,000	@ China Unicom Hong Kong Ltd.	2,466,868	1.4
2,041,171	COSCO Shipping Ports, Ltd.	2,382,904	1.3
3,958,000	Datang International Power Generation Co., Ltd.	1,446,629	0.8
1,582,000	Harbin Electric Co. Ltd.	892,537	0.5
275,000	Hengan International Group Co., Ltd.	1,928,290	1.1
7,111,592	Industrial & Commercial Bank of China	4,748,381	2.6
3,168,000	Lenovo Group Ltd.	2,071,408	1.1
4,704,500	Parkson Retail Group Ltd.	687,657	0.4
3,106,000	PetroChina Co., Ltd.	2,065,466	1.1
733,000	Shanghai Industrial Holdings Ltd.	2,288,524	1.3

Shares	Value	Percentage of Net
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			Assets
COMMON STOCK: (continued)			
China: (continued)			
941,019	Shanghai Pharmaceuticals Holding Co. Ltd.	\$2,720,828	1.5
1,783,000	Zhejiang Expressway Co., Ltd.	2,089,911	1.1
		59,860,353	32.9
Hong Kong: 1.7%			
338,859	AIA Group Ltd.	2,397,615	1.3
17,170,000	@ Emperor Watch & Jewellery Ltd.	748,343	0.4
		3,145,958	1.7
India: 6.3%			
437,012	Coal India Ltd.	1,778,471	1.0
290,109	GAIL India Ltd.	1,861,739	1.0
265,796	ICICI Bank Ltd. ADR	2,636,696	1.5
797,358	NTPC Ltd.	1,980,073	1.1
514,040	@ Punjab National Bank	1,199,647	0.6
247,777	Tata Steel Ltd.	1,938,499	1.1
		11,395,125	6.3
Indonesia: 2.0%			
4,792,000	Bank Negara Indonesia Persero Tbk PT	2,354,169	1.3
1,823,000	Semen Indonesia Persero Tbk PT	1,291,622	0.7
		3,645,791	2.0
Malaysia: 3.3%			
1,291,077	Berjaya Sports Toto BHD	754,134	0.4
1,920,200	CIMB Group Holdings Bhd	2,871,577	1.6
2,848,500	IJM Corp. Bhd	2,315,987	1.3
		5,941,698	3.3
Mexico: 2.1%			
2,124,213	Grupo Financiero Santander Mexico SAB de CV	3,889,340	2.1
Russia: 6.1%			
613,098	Gazprom PJSC - SPON ADR	2,550,488	1.4
24,241	@ Lukoil OAO	1,176,367	0.6
30,913	Lukoil PJSC ADR	1,491,552	0.8
13,312	@ Magnit OJSC	2,159,301	1.2
216,156	MegaFon PJSC GDR	2,323,677	1.3
101,580	MMC Norilsk Nickel PJSC ADR	1,413,994	0.8
		11,115,379	6.1
Singapore: 1.2%			
1,578,000	First Resources Ltd.	2,240,903	1.2
South Africa: 4.3%			
131,468	Barclays Africa Group Ltd.	1,393,998	0.8
1,125,084	Growthpoint Properties Ltd.	2,155,003	1.2
2,005,342	@ PPC Ltd.	940,084	0.5

PORTFOLIO OF INVESTMENTS

Voya Emerging Markets High Dividend Equity Fund as of May 31, 2017 (Unaudited) (Continued)

Shares		Value	Percentage of Net Assets
COMMON STOCK: (continued)			
	South Africa: (continued)		
106,794	Shoprite Holdings Ltd.	\$1,698,899	0.9
145,299	Standard Bank Group Ltd.	1,624,486	0.9
		7,812,470	4.3
	South Korea: 12.8%		
123,717	Hite Jinro Co. Ltd.	2,673,381	1.5
9,049	Hyundai Motor Co.	1,319,121	0.7
51,637	Kangwon Land, Inc.	1,671,149	0.9
60,314	Korea Electric Power Corp.	2,307,247	1.3
75,578	KT Corp.	2,196,844	1.2
66,833	LG Display Co., Ltd.	1,942,806	1.1
6,599	POSCO	1,664,826	0.9
2,215	Samsung Electronics Co., Ltd.	4,411,623	2.4
9,830	Samsung Fire & Marine Insurance Co. Ltd.	2,566,021	1.4
59,081	Shinhan Financial Group Co., Ltd.	2,605,447	1.4
		23,358,465	12.8
	Taiwan: 9.2%		
198,000	Catcher Technology Co., Ltd.	2,092,837	1.2
2,163,000	Cathay Financial Holding Co., Ltd.	3,387,529	1.9
3,894,420	CTBC Financial Holding Co. Ltd.	2,477,803	1.4
58,583	MediaTek, Inc.	447,711	0.2
139,000	Phison Electronics Corp.	1,503,883	0.8
1,046,000	Quanta Computer, Inc.	2,392,122	1.3
647,186	Taiwan Semiconductor Manufacturing Co., Ltd.	4,387,385	2.4
		16,689,270	9.2
	Turkey: 1.0%		
1,998,762	@ Emlak Konut Gayrimenkul Yatirim Ortakligi AS	1,729,188	1.0
	United Arab Emirates: 1.0%		
907,106	Abu Dhabi Commercial Bank PJSC	1,803,442	1.0
	Total Common Stock (Cost \$166,988,587)	167,158,360	91.9

PREFERRED STOCK: 6.7%

Brazil: 1.8%

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719,141	@ Randon SA Implementos e Participacoes	1,064,505	0.6
158,866	Telefonica Brasil SA	2,279,929	1.2
		3,344,434	1.8
	Russia: 1.8%		
1,439,226	@ Sberbank of Russia	3,166,602	1.8
	South Korea: 3.1%		
25,932	Hyundai Motor Co.- Series 2	2,631,602	1.5
Shares		Value	Percentage of Net Assets
PREFERRED STOCK: (continued)			
	South Korea: (continued)		
1,911	Samsung Electronics Co., Ltd. - Pref	\$2,977,225	1.6
		5,608,827	3.1
	Total Preferred Stock (Cost \$9,025,924)	12,119,863	6.7
	Total Long-Term Investments (Cost \$176,014,511)	179,278,223	98.6
SHORT-TERM INVESTMENTS: 1.2%			
	Mutual Funds: 1.2%		
2,129,270	BlackRock Liquidity Funds, FedFund, Institutional Class, 0.680%†† (Cost \$2,129,270)	2,129,270	1.2
	Total Short-Term Investments (Cost \$2,129,270)	2,129,270	1.2
	Total Investments in Securities (Cost \$178,143,781)	\$181,407,493	99.8
	Assets in Excess of Other Liabilities	351,992	0.2
	Net Assets	\$181,759,485	100.0

†† Rate shown is the 7-day yield as of May 31, 2017.

@ Non-income producing security.

ADR American Depositary Receipt

GDR Global Depositary Receipt

Cost for federal income tax purposes is \$179,402,997.

Net unrealized appreciation consists of:

Gross Unrealized Appreciation \$20,384,356
Gross Unrealized Depreciation (18,379,860)

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Net Unrealized Appreciation \$2,004,496

Sector Diversification	Percentage of Net Assets	
Financials	26.1	%
Information Technology	16.3	
Industrials	9.8	
Utilities	8.5	
Telecommunication Services	8.0	
Energy	6.9	
Consumer Staples	5.9	
Consumer Discretionary	5.2	
Materials	5.1	
Real Estate	5.0	
Health Care	1.8	
Short-Term Investments	1.2	
Assets in Excess of Other Liabilities	0.2	
Net Assets	100.0	%

PORTFOLIO OF INVESTMENTS

Voya Emerging Markets High Dividend Equity Fund as of May 31, 2017 (Unaudited) (Continued)

Fair Value Measurements

The following is a summary of the fair valuations according to the inputs used as of May 31, 2017 in valuing the assets and liabilities:

	Quoted Prices in Active Markets for Identical Investments (Level 1)	Significant Other Observable Inputs# (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value at May 31, 2017
Asset Table				
Investments, at fair value				
Common Stock				
Brazil	\$ 8,960,227	\$—	\$ —	\$8,960,227
Chile	5,570,751	—	—	5,570,751
China	5,479,105	54,381,248	—	59,860,353
Hong Kong	—	3,145,958	—	3,145,958
India	2,636,696	8,758,429	—	11,395,125
Indonesia	—	3,645,791	—	3,645,791
Malaysia	754,134	5,187,564	—	5,941,698
Mexico	3,889,340	—	—	3,889,340
Russia	7,779,711	3,335,668	—	11,115,379
Singapore	—	2,240,903	—	2,240,903
South Africa	—	7,812,470	—	7,812,470
South Korea	—	23,358,465	—	23,358,465
Taiwan	—	16,689,270	—	16,689,270
Turkey	—	1,729,188	—	1,729,188
United Arab Emirates	—	1,803,442	—	1,803,442
Total Common Stock	35,069,964	132,088,396	—	167,158,360
Preferred Stock	3,344,434	8,775,429	—	12,119,863
Short-Term Investments	2,129,270	—	—	2,129,270
Total Investments, at fair value	\$ 40,543,668	\$ 140,863,825	\$ —	\$ 181,407,493
Liabilities Table				
Other Financial Instruments+				
Written Options	\$ —	\$(650,969)	\$ —	\$(650,969)
Total Liabilities	\$ —	\$(650,969)	\$ —	\$(650,969)

Other Financial Instruments are derivatives not reflected in the Portfolio of Investments and may include open forward foreign currency contracts, futures, centrally cleared swaps, OTC swaps and written options. Forward + foreign currency contracts, futures and centrally cleared swaps are valued at the unrealized gain (loss) on the instrument. OTC swaps and written options are valued at the fair value of the instrument.

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The earlier close of the foreign markets gives rise to the possibility that significant events, including broad market moves, may have occurred in the interim and may materially affect the value of those securities. To account for this, the Fund may frequently value many of its foreign equity securities using fair value prices based on third party vendor modeling tools to the extent available. Accordingly, a portion of the Fund's investments are categorized as Level 2 investments.

At May 31, 2017, the following over-the-counter written options were outstanding for Voya Emerging Markets High Dividend Equity Fund:

Number of Contracts	Counterparty	Description	Exercise Price	Expiration Date	Premiums Received	Fair Value
Options on Indices						
447,700	BNP Paribas S.A.	Call on iShares MSCI Emerging Markets ETF	40.250	USD 06/02/17	\$ 287,871	\$(424,865)
442,900	Morgan Stanley & Co. International PLC	Call on iShares MSCI Emerging Markets ETF	41.150	USD 06/16/17	309,853	(226,104)
		Total Written OTC Options			\$ 597,724	\$(650,969)

Currency Abbreviations
USD-United States Dollar

PORTFOLIO OF INVESTMENTS

Voya Emerging Markets High Dividend Equity Fund as of May 31, 2017 (Unaudited) (Continued)

A summary of derivative instruments by primary risk exposure is outlined in the following tables.

The fair value of derivative instruments as of May 31, 2017 was as follows:

Derivatives not accounted for as hedging instruments

Liability Derivatives	Instrument Type	<u>Fair Value</u>
Equity contracts	Written options	\$650,969
Total Liability Derivatives		\$650,969

The following is a summary by counterparty of the fair value of OTC derivative instruments subject to Master Netting Agreements and collateral pledged (received), if any, at May 31, 2017:

	BNP Paribas S.A.	Morgan Stanley & Co. International PLC	Totals
Liabilities:			
Written options	\$ 424,865	\$ 226,104	\$650,969
Total Liabilities	\$ 424,865	\$ 226,104	\$650,969
Net OTC derivative instruments by counterparty, at fair value	\$ (424,865	) \$ (226,104	) (650,969)
Total collateral pledged by the Fund/(Received from counterparty)	\$ -	\$ 226,104	\$226,104
Net Exposure⁽¹⁾⁽²⁾	\$ (424,865	) \$ -	\$(424,865)

(1) Positive net exposure represents amounts due from each respective counterparty. Negative exposure represents amounts due from the Fund.

(2) At May 31, 2017, the Fund had pledged \$300,000 in cash collateral to Morgan Stanley & Co. International PLC. Excess cash collateral is not shown for financial reporting purposes.

Item 2. Controls and Procedures.

(a) Based on our evaluation conducted within 90 days of the filing date, hereof, the design and operation of the registrant's disclosure controls and procedures are effective to ensure that material information relating to the registrant is made known to the certifying officers by others within the appropriate entities, particularly during the period in which Forms N- Q are being prepared, and the registrant's disclosure controls and procedures allow timely preparation and review of the information for the registrant's Form N-Q and the officer certifications of such Form N-Q.

(b) There were no significant changes in the registrant's internal controls over financial reporting that occurred during the registrant's last fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3. Exhibits.

A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2 under the Act (17 CFR 270.30a-2) is attached hereto as EX-99.CERT.

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): Voya Emerging Markets High Dividend Equity Fund

By /s/ Shaun P. Mathews
Shaun P. Mathews
President and Chief Executive Officer

Date: July 27, 2017

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 /s/ Shaun P. Mathews
Shaun P. Mathews
President and Chief Executive Officer

Date: July 27, 2017

By /s/ Todd Modic
Todd Modic
Senior Vice President and Chief Financial Officer

Date: July 27, 2017