

Edgar Filing: Voya Natural Resources Equity Income Fund - Form N-Q

Voya Natural Resources Equity Income Fund
Form N-Q
January 26, 2018

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: 811-21938

Voya Natural Resources Equity Income 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

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Date of fiscal year end: February 28

Date of reporting period: November 30, 2017

Item 1. Schedule of Investments

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

Voya Natural Resources Equity Income Fund

The schedules are not audited.

PORTFOLIO OF INVESTMENTS

Voya Natural Resources Equity Income Fund as of November 30, 2017 (Unaudited)

Shares		Value	Percentage of Net Assets
COMMON STOCK: 99.2%			
	Canada: 17.7%		
34,029	Agnico-Eagle Mines Ltd.	\$1,487,408	1.0
137,763	Barrick Gold Corp.	1,898,374	1.3
123,047	Canadian Natural Resources Ltd.	4,173,754	2.9
35,495	Cenovus Energy, Inc.	337,558	0.2
119,939	Crescent Point Energy Corp.	874,355	0.6
110,214	Enbridge, Inc.	4,156,170	2.9
5,308	Franco-Nevada Corp.	430,744	0.3
28,606	GoldCorp, Inc.	361,580	0.3
263,371	(1) Kinross Gold Corp.	1,095,623	0.8
30,711	Pembina Pipeline Corp.	1,070,586	0.7
107,046	Suncor Energy, Inc.	3,720,919	2.6
72,841	Teck Cominco Ltd. - Class B	1,673,886	1.2
86,047	TransCanada Corp.	4,132,837	2.9
		25,413,794	17.7
	Netherlands: 0.8%		
17,279	Royal Dutch Shell PLC - Class A ADR	1,107,929	0.8
	United Kingdom: 1.2%		
63,101	TechnipFMC PLC	1,807,213	1.2
	United States: 79.5%		
10,133	(1) Alcoa Corp.	420,621	0.3
36,095	Anadarko Petroleum Corp.	1,735,809	1.2
19,218	Andeavor	2,026,922	1.4
10,818	Apache Corp.	452,517	0.3
15,202	Avery Dennison Corp.	1,734,852	1.2
31,369	Baker Hughes a GE Co.	932,600	0.6
10,063	Ball Corp.	401,614	0.3
28,979	(1) Berry Plastics Group, Inc.	1,732,075	1.2
25,047	Boise Cascade Co.	964,309	0.7
52,798	(1) Carrizo Oil & Gas, Inc.	1,020,585	0.7
92,476	Chevron Corp.	11,003,719	7.7
15,478	Compass Minerals International, Inc.	1,079,591	0.8
20,363	(1) Concho Resources, Inc./Midland TX	2,847,969	2.0
95,991	ConocoPhillips	4,884,022	3.4
27,822	(1) Crown Holdings, Inc.	1,661,808	1.2
26,623	CVR Energy, Inc.	869,241	0.6

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16,403	Devon Energy Corp.	632,008	0.4
14,623	(1) Diamondback Energy, Inc.	1,598,440	1.1
22,767	(1) Dril-Quip, Inc.	1,091,678	0.8
6,624	Eagle Materials, Inc.	741,424	0.5
51,540	EOG Resources, Inc.	5,273,573	3.7
35,957	EQT Corp.	2,143,037	1.5
140,179	Exxon Mobil Corp.	11,675,509	8.1
39,859	(1) Freeport-McMoRan, Inc.	554,837	0.4
18,330	Greif, Inc. - Class A	1,000,268	0.7
63,167	(1) Gulfport Energy Corp.	808,538	0.6
71,586	Halliburton Co.	2,990,863	2.1
12,141	HollyFrontier Corp.	540,032	0.4
15,268	International Paper Co.	864,321	0.6

Shares		Value	Percentage of Net Assets
COMMON STOCK: (continued)			
	United States: (continued)		
48,746	KapStone Paper and Packaging Corp.	\$1,083,624	0.8
161,625	Kinder Morgan, Inc.	2,784,799	1.9
73,466	(1) Laredo Petroleum, Inc.	785,352	0.5
101,366	Marathon Oil Corp.	1,504,271	1.0
54,426	Marathon Petroleum Corp.	3,408,700	2.4
4,071	Martin Marietta Materials, Inc.	848,356	0.6
11,732	National Oilwell Varco, Inc.	393,609	0.3
18,667	(1) Newfield Exploration Co.	577,370	0.4
62,023	Newmont Mining Corp.	2,294,231	1.6
58,938	Noble Energy, Inc.	1,550,069	1.1
47,660	Occidental Petroleum Corp.	3,360,030	2.3
13,133	Oneok, Inc.	681,603	0.5
16,636	Packaging Corp. of America	1,973,030	1.4
25,553	PBF Energy, Inc.	827,151	0.6
19,938	(1) PDC Energy, Inc.	916,151	0.6
25,552	Phillips 66	2,492,853	1.7
14,548	Pioneer Natural Resources Co.	2,270,070	1.6
126,380	(1) QEP Resources, Inc.	1,220,831	0.8
32,686	Range Resources Corp.	589,002	0.4
130,411	Schlumberger Ltd.	8,196,331	5.7
31,685	SM Energy Co.	653,978	0.5
86,138	(1) Southwestern Energy Co.	547,838	0.4
31,119	(1) Summit Materials, Inc.	957,220	0.7
127,400	Tahoe Resources, Inc.	561,834	0.4
11,262	Targa Resources Corp.	488,771	0.3
29,101	(1) Unit Corp.	622,470	0.4
29,934	US Silica Holdings, Inc.	992,911	0.7
45,667	Valero Energy Corp.	3,910,009	2.7
3,229	Vulcan Materials Co.	405,724	0.3
7,267	WestRock Co.	453,533	0.3

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27,462	(1) Whiting Petroleum Corp.	685,177	0.5
61,414	Williams Cos., Inc.	1,784,077	1.2
20,761	World Fuel Services Corp.	582,761	0.4
		114,086,518	79.5
Total Common Stock (Cost \$156,067,585)		142,415,454	99.2
SHORT-TERM INVESTMENTS: 0.8%			
Mutual Funds: 0.8%			
1,118,000	(2) BlackRock Liquidity Funds, FedFund, Institutional Class, 0.960% (Cost \$1,118,000)	1,118,000	0.8
Total Short-Term Investments (Cost \$1,118,000)		1,118,000	0.8
Total Investments in Securities (Cost \$157,185,585)		\$143,533,454	100.0
Liabilities in Excess of Other Assets		(23,788)	–
Net Assets		\$143,509,666	100.0

ADR American Depositary Receipt

- (1) Non-income producing security.
(2) Rate shown is the 7-day yield as of November 30, 2017.

PORTFOLIO OF INVESTMENTS

Voya Natural Resources Equity Income Fund as of November 30, 2017 (Unaudited)(Continued)

Industry Diversification	Percentage of Net Assets	
Oil & Gas Exploration & Production	24.0	%
Integrated Oil & Gas	21.7	
Oil & Gas Equipment & Services	10.1	
Oil & Gas Storage & Transportation	9.2	
Oil & Gas Refining & Marketing	7.8	
Gold	4.6	
Paper Packaging	3.5	
Metal & Glass Containers	3.4	
Oil & Gas	2.3	
Diversified Metals & Mining	2.4	
Oil&Gas	1.9	
Mining	1.8	
Construction Materials	1.4	
Paper Products	0.8	
Pipelines	0.7	
Forest Products	0.7	
Building Materials	0.7	
Oil&Gas Services	0.6	
Utilities	0.5	
Oil & Gas Drilling	0.4	
Energy	0.4	
Aluminum	0.3	
Short-Term Investments	0.8	
Liabilities in Excess of Other Assets	—	
Net Assets	100.0	%

Fair Value Measurements

The following is a summary of the fair valuations according to the inputs used as of November 30, 2017 in valuing the assets and liabilities:

Quoted Prices in Active Markets for Identical Investments	Significant Other Observable Inputs	Significant Unobservable Inputs (Level 3)	Fair Value at November 30, 2017
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	(Level 1)	(Level 2)			
Asset Table					
Investments, at fair value					
Common Stock*	\$ 142,415,454	\$ –	\$ –	\$ –	\$ 142,415,454
Short-Term Investments	1,118,000	–	–	–	1,118,000
Total Investments, at fair value	\$ 143,533,454	\$ –	\$ –	\$ –	\$ 143,533,454
Liabilities Table					
Other Financial Instruments+					
Written Options	\$ –	\$ (266,365)	\$ –	\$ –	\$ (266,365)
Total Liabilities	\$ –	\$ (266,365)	\$ –	\$ –	\$ (266,365)

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.

* For further breakdown of Common Stock by sector, please refer to the Portfolio of Investments.

PORTFOLIO OF INVESTMENTS

Voya Natural Resources Equity Income Fund as of November 30, 2017 (Unaudited)(Continued)

At November 30, 2017, the following OTC written equity options were outstanding for Voya Natural Resources Equity Income Fund:

Description	Counterparty	Put/Call	Expiration Date	Exercise Price		Number of Contracts	Notional Amount	Premiums Received	Fair Value
Energy Select Sector SPDR® Fund	UBS AG	Call	12/01/17	70.050 USD		594,059	41,049,477	\$287,643	\$(4,037)
Materials Select Sector SPDR® Fund	HSBC Bank USA N.A.	Call	12/15/17	59.480 USD		156,063	9,295,112	30,947	(78,979)
SPDR S&P Oil & Gas Exploration & Production ETF	Goldman Sachs & Co.	Call	12/15/17	36.750 USD		428,571	15,308,556	222,728	(168,051)
VanEck Vectors Gold Miners ETF	Goldman Sachs & Co.	Call	12/15/17	23.250 USD		245,722	5,521,374	90,844	(15,298)
								\$632,162	\$(266,365)

Currency Abbreviations
USD-United States Dollar

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

The fair value of derivative instruments as of November 30, 2017 was as follows:

Derivatives not accounted for as hedging instruments **Instrument Type** Fair Value

Liability Derivatives

Equity contracts Written options \$ 266,365

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Total Liability Derivatives \$ 266,365

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 November 30, 2017:

	HSBC Bank USA Inc.	Goldman Sachs & Co.	UBS AG	Totals
Liabilities:				
Written options	\$ 78,979	\$ 183,349	\$ 4,037	\$ 266,365
Total Liabilities	\$ 78,979	\$ 183,349	\$ 4,037	\$ 266,365
Net OTC derivative instruments by counterparty, at fair value	\$ (78,979) \$ (183,349) \$ (4,037)	(266,365)
Total collateral pledged by the Fund/(Received from counterparty)	\$ -	\$ -	\$ -	\$ -
Net Exposure ⁽¹⁾	\$ (78,979) \$ (183,349) \$ (4,037)	\$(266,365)

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

At November 30, 2017, the aggregate cost of securities and other investments and the composition of unrealized appreciation and depreciation of securities and other investments at period end were:

Cost for federal income tax purposes was \$156,740,780.

Net unrealized depreciation consisted of:

Gross Unrealized Appreciation	\$ 11,123,527
Gross Unrealized Depreciation	(24,574,663)
Net Unrealized Depreciation	\$(13,451,136)

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 Natural Resources Equity Income Fund

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

Date: January 26, 2018

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: January 26, 2018

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

Date: January 26, 2018