

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<br>of Net<br>Assets |
|----------------------------|---------------------------------------|-------------------|--------------------------------|
| <b>COMMON STOCK: 99.2%</b> |                                       |                   |                                |
| 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                            |
|                            |                                       | <b>25,413,794</b> | <b>17.7</b>                    |
| Netherlands: 0.8%          |                                       |                   |                                |
| 17,279                     | Royal Dutch Shell PLC - Class A ADR   | <b>1,107,929</b>  | <b>0.8</b>                     |
| United Kingdom: 1.2%       |                                       |                   |                                |
| 63,101                     | TechnipFMC PLC                        | <b>1,807,213</b>  | <b>1.2</b>                     |
| 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          |
|                                     |   | <b>114,086,518</b>   | <b>79.5</b>  |
|                                     | <b>Total Common Stock</b>   |                      |              |
|                                     | (Cost \$156,067,585)  | <b>142,415,454</b>   | <b>99.2</b>  |
| <b>SHORT-TERM INVESTMENTS: 0.8%</b> |   |                      |              |
|                                     | Mutual Funds: 0.8%  |                      |              |
| 1,118,000                           | (2) BlackRock Liquidity Funds, FedFund, Institutional Class, 0.960% |                      |              |
|                                     | (Cost \$1,118,000)  | <b>1,118,000</b>     | <b>0.8</b>   |
|                                     | <b>Total Short-Term Investments</b>                                 |                      |              |
|                                     | (Cost \$1,118,000)  | <b>1,118,000</b>     | <b>0.8</b>   |
|                                     | <b>Total Investments in Securities</b>                              |                      |              |
|                                     | (Cost \$157,185,585)  | <b>\$143,533,454</b> | <b>100.0</b> |
|                                     | <b>Liabilities in Excess of Other Assets</b>                        | <b>(23,788 )</b>     | <b>-</b>     |
|                                     | <b>Net Assets</b>   | <b>\$143,509,666</b> | <b>100.0</b> |

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<br>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                            | <b>100.0</b>                | <b>%</b> |

**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<br>in Active Markets<br>for Identical<br>Investments | Significant<br>Other<br>Observable<br>Inputs | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Fair Value<br>at<br>November 30,<br>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.





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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<br>Inc. | Goldman Sachs &<br>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 <sup>(1)</sup>                                       | \$ (78,979            | ) \$ (183,349          | ) \$ (4,037 | ) \$(266,365) |

<sup>(1)</sup> 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