

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

Voya Emerging Markets High Dividend Equity Fund
Form N-Q
July 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: 811-22438

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, 2018

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.

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Voya Emerging Markets High Dividend Equity Fund PORTFOLIO OF INVESTMENTS
as of May 31, 2018 (Unaudited)

| Shares | | Value | Percentage of Net Assets |
|----------------------------|--|-------------------|--------------------------------|
| COMMON STOCK: 92.3% | | | |
| Brazil: 4.9% | | | |
| 415,807 | BB Seguridade Participacoes SA | \$2,909,717 | 1.6 |
| 256,215 | Cia Hering | 1,168,225 | 0.7 |
| 282,944 | Engie Brasil Energia SA | 2,810,408 | 1.6 |
| 240,621 | Totvs S.A. | 1,812,387 | 1.0 |
| | | 8,700,737 | 4.9 |
| Chile: 1.2% | | | |
| 10,967,979 | Enel Americas SA | 2,112,292 | 1.2 |
| China: 32.8% | | | |
| 2,828,000 | Bank of China Ltd. - H Shares | 1,476,761 | 0.8 |
| 598,500 | Beijing Enterprises Holdings Ltd. | 3,291,201 | 1.9 |
| 5,712,000 | China Construction Bank - H Shares | 5,749,248 | 3.2 |
| 1,622,000 | China Life Insurance Co., Ltd. - H Shares | 4,519,949 | 2.5 |
| 474,000 | China Mobile Ltd. | 4,243,435 | 2.4 |
| 890,000 | China Overseas Land & Investment Ltd. | 2,957,275 | 1.7 |
| 611,832 | China Resources Gas Group Ltd. | 2,314,447 | 1.3 |
| 784,000 | China Resources Land Ltd. | 2,865,677 | 1.6 |
| 1,812,000 | China State Construction International Holdings Ltd. | 2,232,386 | 1.3 |
| 3,556,000 | CNOOC Ltd. | 5,999,841 | 3.4 |
| 2,695,171 | COSCO Shipping Ports, Ltd. | 2,590,475 | 1.5 |
| 340,500 | Hengan International Group Co., Ltd. | 3,235,780 | 1.8 |
| 5,246,592 | Industrial & Commercial Bank of China - H Shares | 4,333,570 | 2.4 |
| 3,168,000 | Lenovo Group Ltd. | 1,672,833 | 0.9 |
| 6,212,000 | PetroChina Co., Ltd. - H Shares | 5,121,221 | 2.9 |
| 866,000 | Shanghai Industrial Holdings Ltd. | 2,295,242 | 1.3 |
| 1,119,219 | Shanghai Pharmaceuticals Holding Co. Ltd. - H Shares | 3,443,926 | 1.9 |
| | | 58,343,267 | 32.8 |
| Hong Kong: 3.1% | | | |
| 367,059 | AIA Group Ltd. | 3,350,332 | 1.9 |
| 211,000 | CLP Holdings Ltd. | 2,215,419 | 1.2 |
| | | 5,565,751 | 3.1 |
| India: 8.4% | | | |
| 678,359 | Coal India Ltd. | 2,975,608 | 1.7 |
| 58,294 | Hero Motocorp Ltd. | 3,059,936 | 1.7 |
| 90,612 | Infosys Ltd. ADR | 1,648,232 | 0.9 |

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| | | | |
|-----------|-----------|-----------|-----|
| 695,782 | ITC Ltd. | 2,797,987 | 1.6 |
| 1,189,606 | NTPC Ltd. | 2,952,964 | 1.7 |

| Shares | | Value | Percentage of Net Assets |
|---------------------------|--|-------------------|--------------------------|
| COMMON STOCK: (continued) | | | |
| India: (continued) | | | |
| 137,447 | Tech Mahindra Ltd. | \$1,450,216 | 0.8 |
| | | 14,884,943 | 8.4 |
| Indonesia: 0.8% | | | |
| 2,489,700 | Semen Indonesia Persero Tbk PT | 1,500,608 | 0.8 |
| Macau: 2.5% | | | |
| 3,081,000 | SJM Holdings Ltd. | 4,400,605 | 2.5 |
| Malaysia: 2.4% | | | |
| 1,647,100 | CIMB Group Holdings Bhd | 2,439,998 | 1.3 |
| 4,516,300 | IJM Corp. Bhd | 1,921,653 | 1.1 |
| | | 4,361,651 | 2.4 |
| Mexico: 4.5% | | | |
| 2,298,498 | Banco Santander Mexico SA Institucion de Banca Multiple Grupo Financiero Santand | 3,005,559 | 1.7 |
| 1,174,556 | Kimberly-Clark de Mexico SA de CV | 1,965,186 | 1.1 |
| 330,455 | Promotora y Operadora de Infraestructura SAB de CV | 2,966,774 | 1.7 |
| | | 7,937,519 | 4.5 |
| Russia: 2.5% | | | |
| 28,655 | (1) Magnit OJSC | 2,346,160 | 1.3 |
| 277,145 | (1) MegaFon PJSC | 2,100,093 | 1.2 |
| | | 4,446,253 | 2.5 |
| Singapore: 1.1% | | | |
| 1,578,000 | First Resources Ltd. | 1,918,843 | 1.1 |
| South Africa: 4.0% | | | |
| 1,326,402 | Growthpoint Properties Ltd. | 2,834,103 | 1.6 |
| 125,696 | Nedbank Group Ltd. | 2,697,262 | 1.5 |
| 2,562,683 | (1) PPC Ltd. | 1,623,771 | 0.9 |
| | | 7,155,136 | 4.0 |
| South Korea: 12.7% | | | |
| 68,471 | Hana Financial Group, Inc. | 2,638,940 | 1.5 |
| 84,967 | Kangwon Land, Inc. | 2,115,142 | 1.2 |
| 75,578 | KT Corp. | 1,892,174 | 1.1 |
| 78,742 | LG Display Co., Ltd. | 1,620,458 | 0.9 |
| 6,599 | POSCO | 2,088,775 | 1.2 |
| 108,295 | Samsung Electronics Co., Ltd. | 5,085,274 | 2.8 |

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| | | | |
|---------|--|-------------------|-------------|
| 12,242 | Samsung Fire & Marine Insurance Co. Ltd. | 2,842,840 | 1.6 |
| 106,066 | Shinhan Financial Group Co., Ltd. | 4,329,330 | 2.4 |
| | | 22,612,933 | 12.7 |
| | Taiwan: 8.9% | | |
| 203,000 | Catcher Technology Co., Ltd. | 2,353,253 | 1.3 |

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Voya Emerging Markets High Dividend Equity Fund PORTFOLIO OF INVESTMENTS
as of May 31, 2018 (Unaudited) (Continued)

| Shares | | Value | Percentage of Net Assets |
|------------------------------|---|----------------------|--------------------------------|
| COMMON STOCK: (continued) | | | |
| Taiwan: (continued) | | | |
| 1,686,000 | Cathay Financial Holding Co., Ltd. | \$3,005,448 | 1.7 |
| 547,000 | HON HAI Precision Industry Co., Ltd. | 1,560,618 | 0.9 |
| 1,694,000 | Quanta Computer, Inc. | 2,989,651 | 1.7 |
| 782,464 | Taiwan Semiconductor Manufacturing Co., Ltd. | 5,842,265 | 3.3 |
| | | 15,751,235 | 8.9 |
| Turkey: 0.9% | | | |
| 3,416,041 | Emlak Konut Gayrimenkul Yatirim Ortakligi AS | 1,561,924 | 0.9 |
| United Arab Emirates: 1.6% | | | |
| 1,519,111 | Abu Dhabi Commercial Bank PJSC | 2,907,409 | 1.6 |
| | Total Common Stock (Cost \$166,265,230) | 164,161,106 | 92.3 |
| PREFERRED STOCK: 4.3% | | | |
| Brazil: 1.7% | | | |
| 246,195 | Telefonica Brasil SA | 3,007,981 | 1.7 |
| South Korea: 2.6% | | | |
| 122,417 | Samsung Electronics Co., Ltd. | 4,578,702 | 2.6 |
| | Total Preferred Stock (Cost \$6,318,697) | 7,586,683 | 4.3 |
| | Total Long-Term Investments (Cost \$172,583,927) | 171,747,789 | 96.6 |
| SHORT-TERM INVESTMENTS: 2.9% | | | |
| Mutual Funds: 2.9% | | | |
| 5,207,146 | (2) BlackRock Liquidity Funds, FedFund, Institutional Class, 1.640% (Cost \$5,207,146) | 5,207,146 | 2.9 |
| | Total Short-Term Investments (Cost \$5,207,146) | 5,207,146 | 2.9 |
| | Total Investments in Securities (Cost \$177,791,073) | \$176,954,935 | 99.5 |

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| | | |
|--|----------------------|--------------|
| Assets in Excess of Other Liabilities | 866,671 | 0.5 |
| Net Assets | \$177,821,606 | 100.0 |

ADR American Depositary Receipt

- (1) Non-income producing security.
- (2) Rate shown is the 7-day yield as of May 31, 2018.

| Sector Diversification | Percentage of Net Assets | |
|---------------------------------------|-----------------------------|----------|
| Financials | 25.7 | % |
| Information Technology | 17.1 | |
| Utilities | 8.9 | % |
| Energy | 8.0 | |
| Industrials | 6.9 | |
| Consumer Staples | 6.9 | |
| Telecommunication Services | 6.4 | |
| Consumer Discretionary | 6.1 | |
| Real Estate | 5.8 | |
| Materials | 2.9 | |
| Health Care | 1.9 | |
| Short-Term Investments | 2.9 | |
| Assets in Excess of Other Liabilities | 0.5 | |
| Net Assets | 100.0 | % |

Voya Emerging Markets High Dividend Equity Fund **PORTFOLIO OF INVESTMENTS**
as of May 31, 2018 (Unaudited) (Continued)

Fair Value Measurements

The following is a summary of the fair valuations according to the inputs used as of May 31, 2018 in valuing the assets and liabilities:⁽¹⁾

| | 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, 2018 |
|----------------------------------|---|--|--|----------------------------------|
| Asset Table | | | | |
| Investments, at fair value | | | | |
| Common Stock | | | | |
| Brazil | \$ 8,700,737 | \$— | \$ — | \$ 8,700,737 |
| Chile | 2,112,292 | — | — | 2,112,292 |
| China | — | 58,343,267 | — | 58,343,267 |
| Hong Kong | — | 5,565,751 | — | 5,565,751 |
| India | 1,648,232 | 13,236,711 | — | 14,884,943 |
| Indonesia | — | 1,500,608 | — | 1,500,608 |
| Macau | — | 4,400,605 | — | 4,400,605 |
| Malaysia | — | 4,361,651 | — | 4,361,651 |
| Mexico | 7,937,519 | — | — | 7,937,519 |
| Russia | — | 4,446,253 | — | 4,446,253 |
| Singapore | — | 1,918,843 | — | 1,918,843 |
| South Africa | 2,834,103 | 4,321,033 | — | 7,155,136 |
| South Korea | — | 22,612,933 | — | 22,612,933 |
| Taiwan | — | 15,751,235 | — | 15,751,235 |
| Turkey | — | 1,561,924 | — | 1,561,924 |
| United Arab Emirates | 2,907,409 | — | — | 2,907,409 |
| Total Common Stock | 26,140,292 | 138,020,814 | — | 164,161,106 |
| Preferred Stock | 3,007,981 | 4,578,702 | — | 7,586,683 |
| Short-Term Investments | 5,207,146 | — | — | 5,207,146 |
| Total Investments, at fair value | \$ 34,355,419 | \$ 142,599,516 | \$ — | \$ 176,954,935 |
| Liabilities Table | | | | |
| Other Financial Instruments+ | | | | |
| Written Options | \$ — | \$(162,880) | \$ — | \$(162,880) |
| Total Liabilities | \$ — | \$(162,880) | \$ — | \$(162,880) |

(1)

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For the period ended May 31, 2018, as a result of the fair value pricing procedures for international equities utilized by the Fund certain securities have transferred in and out of Level 1 and Level 2 measurements during the year. The Fund's policy is to recognize transfers between levels at the beginning of the reporting period. At May 31, 2018, securities valued at \$6,185,319 were transferred from Level 1 to Level 2 within the fair value hierarchy. Other Financial Instruments 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.

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, 2018, the following OTC written equity options were outstanding for Voya Emerging Markets High Dividend Equity Fund:

| Description | Counterparty | Put/Call | Expiration Date | Exercise Price | | Number of Contracts | Notional Amount | Premiums Received | Fair Value |
|-----------------------------------|------------------------------------|----------|-----------------|----------------|-----|---------------------|-----------------|-------------------|-------------|
| iShares MSCI Emerging Markets ETF | Societe Generale | Call | 06/01/18 | 46.569 | USD | 390,200 | 17,828,238 | \$ 322,481 | \$(340) |
| iShares MSCI Emerging Markets ETF | Morgan Stanley & International PLC | Call | 06/15/18 | 46.162 | USD | 385,500 | 17,613,495 | 335,655 | (162,540) |
| | | | | | | | | \$ 658,136 | \$(162,880) |

Currency Abbreviations
 USD-United States Dollar

Voya Emerging Markets High Dividend Equity Fund **PORTFOLIO OF INVESTMENTS**
as of May 31, 2018 (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, 2018 was as follows:

Derivatives not accounted for as hedging instruments

| Liability Derivatives | Instrument Type | Fair Value |
|-----------------------------|-----------------|------------|
| Equity contracts | Written options | \$ 162,880 |
| Total Liability Derivatives | | \$ 162,880 |

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, 2018:

| | Morgan Stanley & Co. International PLC | Societe Generale | Totals |
|---|---|---------------------|-------------|
| Liabilities: | | | |
| Written options | \$ 162,540 | \$ 340 | \$ 162,880 |
| Total Liabilities | \$ 162,540 | \$ 340 | \$ 162,880 |
| Net OTC derivative instruments by counterparty, at fair value | \$ (162,540 |) \$ (340 |) (162,880) |
| Total collateral pledged by the Fund/(Received from counterparty) | \$ 162,540 | \$ 340 | \$ 162,880 |
| Net Exposure⁽¹⁾⁽²⁾ | \$ - | \$ - | \$ - |

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

At May 31, 2018, the Fund had pledged \$400,000 and \$40,000 in cash collateral to Morgan Stanley & Co.

(2) International PLC and Societe Generale, respectively. Excess cash collateral is not shown for financial reporting purposes.

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At May 31, 2018, 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 \$178,286,792.

Net unrealized depreciation consisted of:

| | |
|-------------------------------|----------------|
| Gross Unrealized Appreciation | \$17,278,653 |
| Gross Unrealized Depreciation | (18,429,032) |
| Net Unrealized Depreciation | \$(1,150,379) |

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/ Michael Bell
Michael Bell
Chief Executive Officer

Date: July 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/ Michael Bell
Michael Bell
Chief Executive Officer

Date: July 26, 2018

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

Date: July 26, 2018