

NEW AMERICA HIGH INCOME FUND INC  
Form N-CSRS  
September 04, 2008

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

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number 811-5399

The New America High Income Fund, Inc  
(Exact name of registrant as specified in charter)

33 Broad Street Boston, MA  
(Address of principal executive offices)

02109  
(Zip code)

Ellen E. Terry, 33 Broad St., Boston, MA 02109  
(Name and address of agent for service)

Registrant's telephone number, including area code: 617-263-6400

Date of fiscal year 12/31  
end:

Date of reporting period: 1/1/08 - 6/30/08

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. Section 3507.

**Persons who are to respond to the collection of information  
contained in this form are not required to respond unless the  
form displays a currently valid OMB control number.**

SEC 2569 (5-08)

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Item 1 - Report to Shareholders

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August 7, 2008

**Dear Fellow Shareholder,**

Throughout the first half of 2008, the U.S. economy and financial markets continued to grapple with the fall-out of the crises in the sub-prime mortgage and collateralized debt obligation markets that began a year ago. The effects of the credit crisis, reduced liquidity, and concerns about a recession have resulted in greater volatility and uncertainty in the high yield bond market. While the Fund's investment adviser, T. Rowe Price Associates, Inc. ("TRP" or the "Adviser"), has invested the portfolio in a relatively defensive posture within the high yield bond universe, the net asset value (the "NAV") of the portfolio has declined with the market. The decline in the market price of the Fund's shares has been greater than the decline in the NAV due to high yield investors demanding a greater risk premium. The Adviser continues to monitor closely the Fund's portfolio and believes that the portfolio is appropriately positioned in the current environment. During the first half of the year there was only one new issuer default out of the hundreds of issuers in the portfolio.

In our past shareholder reports, we have discussed the Fund's leverage which is in the form of an Auction Term Preferred Stock (the "ATP"). The ATP provides a relatively low-cost way for the Fund to leverage, which enables the Fund to pay a higher common stock dividend than would otherwise be possible. The dividend rate the Fund must pay on the ATP resets monthly through an auction procedure and has generally floated around one month LIBOR (London Interbank Offered Rate), a widely used money market reference rate. Unfortunately, as we reported in our last shareholder letter, the disruptions in the financial markets resulted in a significant reduction in the number of investors willing to buy the auction rate securities of most issuers, including closed-end funds like ours. In an unprecedented development, since February the auctions for most auction rate securities, including the Fund's ATP have failed. As a result of the auction failures, the holders of the Fund's ATP have not been able to sell the ATP. In a failed auction, the ATP dividend is set according to the terms of the ATP prospectus at 150% of the AA-rated 30 day commercial paper rate. As a result of the failed auction on June 30, 2008, the ATP dividend was set at 3.623%. The ATP continue to be rated Aaa/AAA by Moody's Investor Services and Fitch. The Fund's leverage and a related interest rate swap contributed approximately 15% of the common stock dividend as of June 30, 2008. Of course, the Fund's use of leverage is not without risk. The Fund's leverage increases the volatility of the Fund's NAV, and if the high yield bond market declines significantly, the Fund may have to reduce the leverage and reduce the common stock dividend.

Although the Fund has been and is in compliance with the terms of the ATP, The Fund's Board continues to examine potential solutions to the liquidity crises affecting the Fund's ATP investors, bearing in mind that before taking any action in this area they must determine that it is in the best interest of the Fund as a whole.

*Performance Update*

The Fund paid monthly dividends totaling \$.07 per share during the first half of 2008.

Of course, in the future, the dividend may fluctuate, as it has in the past, depending upon portfolio results, the cost of leverage, market conditions, and other factors.

The Fund's net asset value per share (the "NAV") ended the period at \$1.81. The market price for the Fund's shares on the New York Stock Exchange closed at \$1.60 on June 30, 2008, representing a market price discount of 11.6% from the NAV. During times of market turmoil, it is common for the market price discount to the NAV to widen as investors demand a greater risk premium.

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### Total Returns for the Periods Ending June 30, 2008

|   | 1 Year   | 3 Years Cumulative |
|---|----------|--------------------|
| New America High Income Fund (Stock Price and Dividends)* | (18.79%) | 2.17%              |
| New America High Income Fund (NAV and Dividends)          | (6.68%)  | 14.85%             |
| Lipper Closed-End Fund Leveraged High Yield Average       | (15.66%) | 4.16%              |
| Credit Suisse High Yield Index                            | (2.12%)  | 15.25%             |
| Citigroup 10 Year Treasury Index                          | 12.57%   | 11.37%             |

Sources: Credit Suisse, Citigroup, Lipper, The New America High Income Fund, Inc.

Past performance is no guarantee of future results. Total return assumes the reinvestment of dividends.

\* Because the Fund's shares may trade at either a discount or premium to the Fund's net asset value per share, returns based upon the stock price and dividends will tend to differ from those derived from the underlying change in net asset value and dividends.

#### *High Yield Market Update*

The environment for high yield bonds turned ugly over the past six months. The challenges, both at the macro level relating to the economy and capital markets and issues specific to the asset class, created the worst environment for high-yield investing in recent memory. Although defaults remained at historically low levels, yields on high-yield bonds surged to a wide premium over risk-free Treasuries, and the asset class has witnessed a dramatic increase in volatility. Despite a significant rally in high yield bonds in March and April on the back of JP Morgan's purchase of Bear Stearns and additional emergency measures by the Fed and other government agencies to stabilize the financial system, investors continue absorb large aftershocks from the credit crisis impacting the marketplace. In what was widely feared to be a replay of the Bear Stearns episode, Lehman Brothers came under heavy suspicion during the second quarter with respect to the accuracy of the marks on its balance sheet. Investors have come to expect that banks and brokers, both large and small, face additional write-downs and will need fresh capital. Demonstrating troubles in the broader economy, confidence among US consumers fell in May to the lowest level in almost 28 years and consumers and businesses alike are struggling under the dual burden of rising commodity costs and a slowing economy.

As measured by the Credit Suisse High Yield Index, the market for high yield bonds is down 1.14% for the six month period ended June. This modest loss masks the wide swings witnessed over the time period. For the first quarter the market was down nearly 3.00%, including a 1.65% decline in January, before racing back, with April's nearly 4.00% gain absorbing all the losses for the year. May delivered an additional positive contribution of roughly .40%, before the June decline of 2.41%. The adverse move in spreads for high yield bonds (a measure of their yield advantage versus Treasuries, expressed in basis points) was equally dramatic. On July first of 2007, the high yield market stood at a spread of 326 basis points over Treasuries as measured by the JP Morgan High Yield Index, one broadly watched market barometer. This Index ended June 2008 at a spread of 713 basis points, a 387 basis point change that included a sprint to 842 basis points over Treasuries in the days leading up to the Bear Stearns rescue and 214 basis points of tightening after the broker was pushed into the arms of JP Morgan. By this measure, the market stands 123 basis points wider at the end of June than where it began the year. Each 20 basis point change in spread equates to roughly 1 bond point, or \$10 per \$1,000 of par. When coupled with six months worth of annual coupon income of approximately 10%, the 123 basis points of spread widening roughly

a 6% loss in principal nets to first half performance of a negative 1% for the broader market. This compares with a 12.82% decline in stocks over the same period, as measured by the S&P 500 Index, and a 2.08% gain for the 10 year Treasury, according to Citigroup.

*Strategy Update*

The difficult climate of the past six months has presented both challenges and opportunities. Among the challenges, many of the bonds associated with the mega cap leveraged buyouts (LBOs) of recent years declined significantly in price. Concurrently, many bonds for companies we have concluded to be sound from a credit perspective are available at attractive yields and some recent deals have included valuable collateral or attractive terms not seen in many years.

One name in the portfolio we elected to reduce exposure was the restaurant company Outback Steakhouse. While we like the company's portfolio of brands and think they are positioned to endure through all but the most severe of recessions, the bonds carried a high level of volatility that we felt was only going to grow in intensity with the consumer outlook remaining so challenging. During the quarter we also made a meaningful reduction in the portfolio's exposure to General Motors. The auto sector faces a very challenging climate and GM and Ford are among the most difficult investments our team has ever had to analyze.

Despite the crisis playing out across the fixed income markets, we continue to look for ways to capitalize and invest the fund's assets. For example, we own two shorter-dated maturities in investment grade-rated SLM, commonly known as Sallie Mae, one due in 2009 and one due in 2011. At the time of purchase, the 2011 issue offered a 9.00% yield, and while the market for student lending faces enormous challenges, in our view the company is amply solvent through the life of these bonds. Recently, home builder K. Hovnanian and discount online broker E-Trade approached the high yield market in need of capital to address challenges on their balance sheets. While these deals came with greater stigma than most high yield offerings, they also offered attractive collateral, ranked high in the capital structure and provided attractive yields. The Hovnanian issue is rated Ba3/B+ by Moody's and S&P. E-Trade's latest debt offering is not currently rated by the major agencies, but it carries a springing lien that ranks it ahead of the company's older Ba3/B rated issues. Situations like these do not require us to reach to the very bottom of the credit quality spectrum to earn high rates of income and they are secured by attractive collateral. As of the June month-end, both bonds traded at a premium, reflecting the companies' moderately improved prospects. The Hovnanian issue has a coupon of 11.50% and yields 10.42% while E-Trade's issue carries a 12.50% coupon and yields 11.00%. We expect to have the opportunity to pursue more bonds like these in the months ahead.

Overall, the portfolio remains defensively postured and we have achieved this through a variety of tactics. We have continued to emphasize defensive industries, overweighting utilities, energy, service and healthcare companies while de-emphasizing consumer related industries including homebuilders, retailers and consumer products companies. We have sought to play shorter-dated maturities as they tend to behave defensively in a volatile market. We have also looked to reduce the portfolio's sensitivity to an adverse move in rates by continuing to emphasize bank debt and floating rate instruments, combined they now represent nearly 10% of the fund's holdings. While these floating rate securities hurt performance in January in the face of aggressive rate cuts from the Fed, they have been among our best performing holdings in the second quarter as the market began anticipating the threat of higher interest rates. We think they help insure the portfolio against the damaging effects of a sharp move in Treasuries off historically low levels.

*Outlook*

In what we hope is the beginning of a significant trend, June brought the return of merger and acquisition activity in high yield, and this time the buyers were not private equity firms intent on leveraging up their prey but corporate buyers pursuing credit enhancing strategic transactions. We began the month with news that one the portfolio's largest holdings, CCC-rated Alltel, would be acquired by AA-rated Verizon Wireless. Perhaps most stunning about this transaction is that Alltel had been through a leveraged buyout within the last year. The pleasant surprises continued during the month with word that PNA was to be acquired by Reliance and Allied Waste was merging with Republic Services. The Fund's holdings in PNA and Allied gained sharply on these announcements. We're encouraged that the transactions confirmed our credit work and we hope that it is the beginning of a significant trend. In each of these deals the buyers were of higher credit quality than their targets. Perhaps now that corporate managements are no longer competing with inflated bids from the private equity firms they will be willing to pursue credit and value enhancing strategic transactions.

Aside from this recent positive development, the high yield market has much to be concerned about, including the specter of inflation and rising cost pressures as well as lingering concerns about the health of the financial system and broader economy. We expect corporate defaults will rise in this climate and indeed through May they have surpassed the rate achieved for all of last year. Market forecasters anticipate defaults will rise steadily throughout the year, perhaps to 2 to 3%, before peaking in 2009 at around 8%. In our view, high yield spreads have further to go to price in this prospect, but we remain mindful that spreads have historically tended to come in dramatically before the default rate peaks. In the meantime, we will look to short-dated, high yielding situations for opportunities, with the focus as always on the Fund's investment objective of providing high current income, while seeking to preserve principal.

Sincerely,

Robert F. Birch  
President  
The New America High Income Fund, Inc.

Mark Vaselkiv  
Vice President  
T. Rowe Price Associates, Inc.

Ellen E. Terry  
Vice President  
The New America High Income Fund, Inc.

Paul Karpers  
Vice President  
T. Rowe Price Associates, Inc.

*The views expressed in this update are as of the date of this letter. These views and any portfolio holdings discussed in the update are subject to change at any time based on market or other conditions. The Fund and the Adviser disclaim any duty to update these views, which may not be relied upon as investment advice. In addition, references to specific companies' securities should not be regarded as investment recommendations.*

## The New America High Income Fund, Inc.

| <b>Industry Summary<br/>June 30, 2008 (Unaudited)</b>                    | <b>As a Percent of<br/>Total Investments</b> |
|--|--|
| Oil and Gas  | 11.47%                                       |
| Telecommunications   | 9.04%  |
| Utilities  | 7.94%  |
| Broadcasting and Entertainment   | 7.70%  |
| Healthcare, Education and Childcare                                      | 7.50%  |
| Mining, Steel, Iron and Non-Precious Metals                              | 6.62%  |
| Electronics  | 6.44%  |
| Finance  | 5.71%  |
| Hotels, Motels, Inns and Gaming  | 5.17%  |
| Containers, Packaging and Glass  | 4.30%  |
| Retail Stores  | 2.61%  |
| Automobile   | 2.58%  |
| Building and Real Estate   | 2.50%  |
| Personal, Food and Miscellaneous Services                                | 2.49%  |
| Printing and Publishing  | 2.28%  |
| Diversified/Conglomerate Service   | 2.14%  |
| Ecological   | 1.92%  |
| Aerospace and Defense  | 1.68%  |
| Chemicals, Plastics and Rubber   | 1.12%  |
| Insurance  | 0.99%  |
| Diversified/Conglomerate Manufacturing                                   | 0.94%  |
| Personal Non-Durable Consumer Products                                   | 0.92%  |
| Cargo Transport  | 0.76%  |
| Banking  | 0.71%  |
| Machinery  | 0.56%  |
| Beverage, Food and Tobacco   | 0.51%  |
| Textiles and Leather   | 0.32%  |
| Personal Transportation  | 0.29%  |
| Leisure, Amusement and Entertainment<br>Furnishings, Housewares, Durable | 0.26%  |
| Consumer Products  | 0.04%  |
| Short-Term Investments   | 2.49%  |
|  | 100.00%                                      |
| <b>Moody's Investors Service Ratings<br/>June 30, 2008 (Unaudited)</b>   | <b>As a Percent of<br/>Total Investments</b> |
| Short Term Prime-1   | 2.49%  |
| Baa2   | 0.76%  |
| Baa3   | 2.78%  |
| Total Baa  | 3.54%  |
| Ba1  | 2.27%  |
| Ba2  | 9.49%  |
| Ba3  | 14.90%                                       |
| Total Ba   | 26.66%                                       |
| B1   | 17.11%                                       |
| B2   | 11.87%                                       |
| B3   | 22.12%                                       |



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|                   |         |
|-------------------|---------|
| Total B           | 51.10%  |
| Caa1              | 11.28%  |
| Caa2              | 1.58%   |
| Caa3              | 0.11%   |
| Total Caa         | 12.97%  |
| Unrated           | 1.86%   |
| Equity            | 1.38%   |
| Total Investments | 100.00% |

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The New America High Income Fund, Inc.

Schedule of Investments June 30, 2008 (Unaudited) Dollar Amounts in Thousands)

| Principal Amount/Units                       |       |   | Moody's Rating (Unaudited) | Value (Note 1) |
|--|-------|---|----------------------------|----------------|
| <b>CORPORATE DEBT SECURITIES 141.69% (d)</b> |       |   |                            |                |
| <b>Aerospace and Defense 2.58%</b>           |       |   |                            |                |
| \$   | 650   | BE Aerospace Inc., Senior Notes, 8.50%, 07/01/18                                      | Baa3                       | \$ 654         |
|  | 1,625 | GenCorp Inc., Senior Subordinated Notes, 9.50%, 08/15/13                              | B1                         | 1,617          |
|  | 925   | Hawker Beechcraft Acquisition Company LLC, Senior Notes, 8.50%, 04/01/15              | B3                         | 930            |
|  | 425   | Hawker Beechcraft Acquisition Company LLC, Senior Notes, 8.875%, 04/01/15             | B3                         | 430            |
|  | 300   | Hawker Beechcraft Acquisition Company LLC, Senior Subordinated Notes, 9.75%, 04/01/17 | Caa1                       | 301            |
|  | 625   | Moog, Inc., Senior Notes, 7.25%, 06/15/18 (g)   | Ba3                        | 616            |
|  | 825   | TransDigm Inc., Senior Subordinated Notes, 7.75%, 07/15/14                            | B3                         | 815            |
|  |       |   |                            | 5,363          |
| <b>Automobile 3.86%</b>                      |       |   |                            |                |
|  | 450   | Accuride Corporation, Senior Subordinated Notes, 8.50%, 02/01/15                      | B3                         | 330            |
|  | 1,425 | Allison Transmission, Inc., Senior Notes, 11.25%, 11/01/15 (g)                        | Caa1                       | 1,226          |
|  | 850   | Cooper Standard Automotive Inc., Senior Subordinated Notes, 8.375%, 12/15/14          | Caa1                       | 629            |
|  | 1,325 | General Motors Corporation, Senior Notes, 7.20%, 01/15/11                             | Caa1                       | 1,020          |
|  | 935   | Goodyear Tire & Rubber Company, Senior Notes,   | Ba3                        | 937            |

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| Principal Amount/Units                |  | Moody's Rating (Unaudited) | Value (Note 1) |
|---------------------------------------|--|----------------------------|----------------|
|                                       | 8.625%, 12/01/11<br>KAR Holdings, Inc.,<br>Senior Notes,<br>6.873%, 05/01/14                 | B3                         | 438            |
|                                       | 525  |                            |                |
|                                       | KAR Holdings, Inc.,<br>Senior<br>Subordinated Notes,<br>10%, 05/01/15                        | Caa1                       | \$ 590         |
| \$                                    | 700  |                            |                |
|                                       | SPX Corporation,<br>Senior Notes,<br>7.625%, 12/15/14 (g)                                    | Ba2                        | 974            |
|                                       | 950  |                            |                |
|                                       | Tenneco Inc., Senior<br>Subordinated Notes,<br>8.625%, 11/15/14                              | B3                         | 487            |
|                                       | 550  |                            |                |
|                                       | TRW Automotive Inc.,<br>Senior Notes,<br>7%, 03/15/14 (g)                                    | Ba3                        | 323            |
|                                       | 375  |                            |                |
|                                       | TRW Automotive Inc.,<br>Senior Notes,<br>7.25%, 03/15/17 (g)                                 | Ba3                        | 835            |
|                                       | 1,000  |                            |                |
|                                       | United Components,<br>Inc., Senior<br>Subordinated Notes,<br>9.375%, 06/15/13                | Caa1                       | 259            |
|                                       | 275  |                            |                |
|                                       |  |                            | 8,048          |
| <b>Beverage, Food and Tobacco</b>     | <b>.51%</b>  |                            |                |
|                                       | Del Monte Corporation,<br>Senior<br>Subordinated Notes,<br>8.625%, 12/15/12                  | B2                         | 1,066          |
|                                       | 1,050  |                            |                |
| <b>Broadcasting and Entertainment</b> | <b>11.67%</b>  |                            |                |
|                                       | Allbritton<br>Communications<br>Company,<br>Senior Subordinated<br>Notes,<br>7.75%, 12/15/12 | B1                         | 1,609          |
|                                       | 1,650  |                            |                |
|                                       | Barrington Broadcasting<br>Group<br>LLC, Senior<br>Subordinated Notes,<br>10.50%, 08/15/14   | Caa1                       | 303            |
|                                       | 350  |                            |                |
|                                       | Bonten Media Group,<br>Inc.,<br>Senior Subordinated<br>Notes,<br>9%, 06/01/15 (g)            | Caa1                       | 333            |
|                                       | 450  |                            |                |
|                                       | Canadian Satellite<br>Radio,<br>Senior Notes,<br>12.75%, 02/15/14                            | (e)                        | 366            |
|                                       | 425  |                            |                |
|                                       | Clear Channel<br>Communications,<br>Senior Notes,<br>4.25%, 05/15/09                         | Baa3                       | 384            |
|                                       | 400  |                            |                |
|                                       | Clear Channel<br>Communications,<br>Senior Notes,  | Baa3                       | 276            |
|                                       | 300  |                            |                |

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|       |                     |      |       |
|-------|---------------------|------|-------|
|       | 4.50%, 01/15/10     |      |       |
|       | Clear Channel       |      |       |
|       | Communications,     |      |       |
|       | Senior Notes,       |      |       |
| 2,075 | 6.25%, 03/15/11     | Baa3 | 1,759 |
|       | CSC Holdings, Inc., |      |       |
|       | Senior Notes,       |      |       |
| 100   | 7.625%, 07/15/18    | B1   | 92    |

The accompanying notes are an integral part of these financial statements.

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The New America High Income Fund, Inc.

Schedule of Investments June 30, 2008 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units                     |       | Moody's Rating (Unaudited)   | Value (Note 1) |
|--|-------|--|----------------|
| <b>CORPORATE DEBT SECURITIES continued</b> |       |  |                |
| \$   | 1,075 | CSC Holdings, Inc., Senior Notes, 8.125%, 07/15/09                             | \$ 1,083       |
|  | 625   | CSC Holdings, Inc., Senior Notes, 7.625%, 04/01/11                             | 612            |
|  | 325   | DIRECTV Holdings LLC, Senior Notes, 7.625%, 05/15/16 (g)                       | 319            |
|  | 1,303 | DIRECTV Holdings LLC, Senior Notes, 8.375%, 03/15/13                           | 1,339          |
|  | 150   | EchoStar DBS Corporation, Senior Notes, 6.375%, 10/01/11                       | 146            |
|  | 1,128 | EchoStar DBS Corporation, Senior Notes, 6.625%, 10/01/14                       | 1,032          |
|  | 775   | EchoStar DBS Corporation, Senior Notes, 7%, 10/01/13                           | 745            |
|  | 525   | EchoStar DBS Corporation, Senior Notes, 7.75%, 05/31/15 (g)                    | 512            |
|  | 1,050 | Gaylord Entertainment, Senior Notes, 6.75%, 11/15/14                           | 955            |
|  | 425   | Gaylord Entertainment, Senior Notes, 8%, 11/15/13                              | 408            |
|  | 475   | Kabel Deutschland GmbH, Senior Notes, 10.625%, 07/01/14                        | 487            |
|  | 2,450 | Lamar Media Corporation, Senior Subordinated Notes, 6.625%, 08/15/15           | 2,229          |
|  | 125   | Lamar Media Corporation, Senior Subordinated Notes, Series B, 6.625%, 08/15/15 | 114            |
|  | 50    | Lamar Media Corporation, Senior Subordinated Notes, Series C, 6.625%, 08/15/15 | 45             |
|  | 1,300 | Liberty Media Corporation, Senior Notes, 7.875%, 07/15/09                      | 1,318          |
|  | 350   | Local TV Finance, LLC, Senior Notes, 9.25%, 06/15/15 (g)                       | 273            |

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| Principal Amount/Units          |              | Moody's Rating (Unaudited)   | Value (Note 1) |
|---------------------------------|--------------|--|----------------|
| \$                              | 1,025        | Mediacom Broadband LLC,<br>Senior Notes,<br>8.50%, 10/15/15                      | B3 \$ 912      |
|                                 | 975          | Nexstar Broadcasting, Inc.,<br>Senior Subordinated Notes<br>7%, 01/15/14         | Caa1 858       |
|                                 | 250          | Rainbow National Services LLC,<br>Senior Notes,<br>8.75%, 09/01/12 (g)           | B1 253         |
|                                 | 300          | Rogers Cable Inc.,<br>Senior Secured Notes,<br>6.75%, 03/15/15                   | Baa3 305       |
|                                 | 300          | Shaw Communications Inc.,<br>Senior Notes,<br>8.25%, 04/11/10                    | Ba1 308        |
|                                 | 1,795        | Sinclair Broadcast Group, Inc.,<br>Senior Subordinated Notes, 8%, 03/15/12       | Ba3 1,813      |
|                                 | 1,125        | Umbrella Acquisition, Inc.,<br>Senior Notes,<br>9.75%, 03/15/15 (g)              | B3 821         |
|                                 | 650          | Univision Communications, Inc.,<br>Senior Notes,<br>7.85%, 07/15/11              | Ba3 613        |
|                                 | 250          | Videotron Ltee., Senior Notes,<br>6.375%, 12/15/15                               | Ba2 232        |
|                                 | 1,475        | Videotron Ltee., Senior Notes,<br>6.875%, 01/15/14                               | Ba2 1,434      |
|                                 | 25           | Videotron Ltee., Senior Notes,<br>9.125%, 04/15/18 (g)                           | Ba2 27         |
|                                 |              |  | 24,315         |
| <b>Building and Real Estate</b> | <b>3.84%</b> |  |                |
|                                 | 1,125        | American Real Estate Partnership, Senior Note,<br>7.125%, 02/15/13               | Ba3 1,018      |
|                                 | 500          | AMH Holdings, Inc.,<br>Senior Discount Notes,<br>11.25%, 03/01/14 (b)            | Caa2 330       |
|                                 | 625          | B.F. Saul Real Estate Investment Trust, Senior Secured Notes,<br>7.50%, 03/01/14 | Ba3 552        |
|                                 | 675          | Builders FirstSource, Inc.,<br>Senior Secured Notes,<br>6.926%, 02/15/12         | B3 462         |

The accompanying notes are an integral part of these financial statements.

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The New America High Income Fund, Inc.

Schedule of Investments June 30, 2008 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units                      |  | Moody's Rating (Unaudited)   | Value (Note 1) |
|---|--|--|----------------|
| <b>CORPORATE DEBT SECURITIES continued</b>  |  |  |                |
|   |  | FelCor Lodging Limited Partnership, Senior Notes, 8.50%, 06/01/11                | \$ 489         |
| \$ 500                                      |  | Ba3  |                |
|   |  | Host Marriott, L.P., Senior Notes, 6.75%, 06/01/16                               | 1,537          |
| 1,725                                       |  | Ba1  |                |
|   |  | K. Hovnanian Enterprises, Senior Notes, 11.50%, 05/01/13 (g)                     | 721            |
| 700   |  | Ba3  |                |
|   |  | Texas Industries, Inc., Senior Notes, 7.25%, 07/15/13                            | 945            |
| 950   |  | Ba3  |                |
|   |  | United Rentals (North America), Inc., Senior Subordinated Notes, 6.50%, 02/15/12 | 834            |
| 925   |  | B1   |                |
|   |  | U.S. Concrete, Inc., Senior Subordinated Notes, 8.375%, 04/01/14                 | 335            |
| 375   |  | B3   |                |
|   |  | Ventas Realty, Limited Partnership, Senior Notes, 6.50%, 06/01/16                | 770            |
| 800   |  | Ba1  |                |
|   |  |  | 7,993          |
| <b>Cargo Transport 1.17%</b>                |  |  |                |
|   |  | American Railcar Industries, Inc., Senior Notes, 7.50%, 03/01/14                 | 1,043          |
| 1,125                                       |  | B1   |                |
|   |  | Greenbrier Companies, Inc., Senior Notes, 8.375%, 05/15/15                       | 767            |
| 825   |  | B2   |                |
|   |  | Swift Transportation Co., Inc., Senior Secured Notes, 12.50%, 05/15/17 (g)       | 204            |
| 600   |  | Caa2   |                |
|   |  | TFM, S.A. de C.V., Senior Notes, 9.375%, 05/01/12                                | 420            |
| 400   |  | B2   |                |
|   |  |  | 2,434          |
| <b>Chemicals, Plastics and Rubber 1.72%</b> |  |  |                |
|   |  | INVISTA S.A.R.L., Senior Notes 9.25%, 05/01/12 (g)                               | 1,256          |
| 1,225                                       |  | Ba3  |                |
|   |  | KI Holdings, Inc., Senior Notes, 9.875%, 11/15/14 (b)                            | 1,163          |
| 1,300                                       |  | B2   |                |



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|     |  |  |     |       |
|-----|--|--|-----|-------|
|     |  | Koppers Inc., Senior Secured Notes, 9.875%, 10/15/13 | Ba3 | 528   |
| 500 |  |  |     |       |
|     |  | Nalco Company, Senior Notes, 7.75%, 11/15/11         | B1  | 647   |
| 650 |  |  |     |       |
|     |  |  |     | 3,594 |

| Principal Amount/Units                       |       |  | Moody's Rating (Unaudited) | Value (Note 1) |
|--|-------|--|----------------------------|----------------|
| <b>Containers, Packaging and Glass 6.60%</b> |       |  |                            |                |
|  |       | AEP Industries, Inc., Senior Notes, 7.875%, 03/15/13                       | B1                         | \$ 751         |
| \$   | 825   |  |                            |                |
|  |       | Berry Plastics Holding Corporation, Senior Secured Notes, 6.651%, 09/15/14 | Caa1                       | 282            |
|  | 350   |  |                            |                |
|  |       | Berry Plastics Holding Corporation, Senior Secured Notes, 8.875%, 09/15/14 | Caa1                       | 108            |
|  | 125   |  |                            |                |
|  |       | Boise Cascade, LLC, Senior Subordinated Notes, Notes, 7.125%, 10/15/14     | B2                         | 458            |
|  | 567   |  |                            |                |
|  |       | BWAY Corporation, Senior Subordinated Notes, 10%, 10/15/10                 | B3                         | 950            |
|  | 950   |  |                            |                |
|  |       | Clondalkin Acquisition BV, Senior Notes, 4.776%, 12/15/13 (g)              | Ba3                        | 484            |
|  | 550   |  |                            |                |
|  |       | Domtar Inc., Senior Notes, 5.375%, 12/01/13                                | B1                         | 246            |
|  | 275   |  |                            |                |
|  |       | Domtar Inc., Senior Notes, 7.125%, 08/15/15                                | B1                         | 1,064          |
|  | 1,100 |  |                            |                |
|  |       | Domtar Inc., Senior Notes, 9.50%, 08/01/16                                 | B1                         | 102            |
|  | 100   |  |                            |                |
|  |       | Georgia-Pacific Corporation, Senior Notes, 7%, 01/15/15 (g)                | Ba3                        | 732            |
|  | 775   |  |                            |                |
|  |       | Georgia-Pacific Corporation, Senior Notes, 7.70%, 06/15/15                 | B2                         | 142            |
|  | 150   |  |                            |                |
|  |       | Georgia-Pacific Corporation, Senior Notes, 8.125%, 05/15/11                | B2                         | 1,188          |
|  | 1,200 |  |                            |                |
|  |       | International Paper Company, Senior Notes, 7.40%, 06/15/14                 | Baa3                       | 1,152          |
|  | 1,150 |  |                            |                |
|  |       | JSG Funding, PLC, Senior Subordinated Notes, 7.75%, 04/01/15               | B2                         | 686            |
|  | 750   |  |                            |                |
|  |       | NewPage Corporation, Senior Secured Notes, 10%, 05/01/12                   | B2                         | 685            |
|  | 675   |  |                            |                |

The accompanying notes are an integral part of these financial statements.

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The New America High Income Fund, Inc.

Schedule of Investments June 30, 2008 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units                              |       | Moody's Rating (Unaudited)   | Value (Note 1) |
|---|-------|--|----------------|
| <b>CORPORATE DEBT SECURITIES continued</b>          |       |  |                |
| \$  | 675   | NewPage Corporation, Senior Subordinated Notes, 12%, 05/01/13<br>B3                | \$ 682         |
|   | 975   | Owens-Brockway Glass Container, Inc., Senior Notes, 6.75%, 12/01/14<br>Ba3         | 968            |
|   | 575   | Plastipak Holdings, Inc., Senior Notes, 8.50%, 12/15/15 (g)<br>B3                  | 532            |
|   | 475   | Rock-Tenn Company, Senior Notes, 8.20%, 08/15/11<br>Ba3                            | 488            |
|   | 450   | Rock-Tenn Company, Senior Notes, 9.25%, 03/15/16 (g)<br>Ba3                        | 477            |
|   | 900   | Stone Container Corporation, Senior Notes, 8.375%, 07/01/12<br>B3                  | 792            |
|   | 375   | Stone Container Finance Company of Canada II, Senior Notes, 7.375%, 07/15/14<br>B3 | 299            |
|   | 525   | Verso Paper Holdings LLC, Senior Secured Notes, 6.623%, 08/01/14<br>B2             | 488            |
|   |       |  | 13,756         |
| <b>Diversified/Conglomerate Manufacturing 1.44%</b> |       |  |                |
|   | 725   | Bombardier Inc., Senior Notes, 6.30%, 05/01/14 (g)<br>Ba2                          | 691            |
|   | 500   | Hawk Corporation, Senior Notes, 8.75%, 11/01/14<br>B3                              | 507            |
|   | 1,350 | RBS Global, Inc., Senior Notes, 9.50%, 08/01/14<br>B3                              | 1,309          |
|   | 275   | RBS Global, Inc., Senior Subordinated Notes, 11.75%, 08/01/16<br>Caa1              | 263            |
|   | 250   | Trinity Systems, Inc., Senior Notes, 6.50%, 03/15/14<br>Baa3                       | 241            |
|   |       |  | 3,011          |
| <b>Diversified/Conglomerate Service 2.53%</b>       |       |  |                |
|   | 1,850 | First Data Corporation, Senior Notes, 9.875%, 09/24/15 (g)<br>B3                   | 1,619          |

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| Principal Amount/Units   |       | Moody's Rating (Unaudited)   | Value (Note 1) |
|--------------------------|-------|--|----------------|
| \$                       | 1,250 | Hertz Corporation, Senior Notes, 8.875%, 01/01/14<br>B1                        | \$ 1,147       |
|                          | 525   | Hertz Corporation, Senior Notes, 10.50%, 01/01/16<br>B2                        | 483            |
|                          | 1,100 | Mobile Services Group, Inc. Senior Notes, 9.75%, 08/01/14<br>B2                | 1,056          |
|                          | 275   | Rental Services Corporation, Senior Notes 9.50%, 12/01/14<br>Caa1              | 230            |
|                          | 925   | Sunstate Equipment Co, LLC, Senior Secured Notes, 10.50%, 04/01/13 (g)<br>Caa1 | 726            |
|                          |       |  | 5,261          |
| <b>Ecological 2.95%</b>  |       |  |                |
|                          | 250   | Allied Waste North America, Inc., Senior Secured 6.875%, 06/01/17<br>B1        | 246            |
|                          | 2,525 | Allied Waste North America, Inc., Senior Secured Notes, 7.25%, 03/15/15<br>B1  | 2,519          |
|                          | 950   | Allied Waste North America, Inc., Senior Secured Notes, 7.875%, 04/15/13<br>B1 | 967            |
|                          | 1,625 | Casella Waste Systems, Inc., Senior Subordinated Notes, 9.75%, 02/01/13<br>B3  | 1,617          |
|                          | 800   | WCA Waste Corporation, Senior Notes, 9.25%, 06/15/14<br>B3                     | 798            |
|                          |       |  | 6,147          |
| <b>Electronics 8.20%</b> |       |  |                |
|                          | 800   | Avego Technologies Finance Pte. Ltd., Senior Notes, 10.125%, 12/01/13<br>B1    | 857            |
|                          | 875   | Celestica Inc., Senior Subordinated Notes, 7.875%, 07/01/11<br>B3              | 873            |
|                          | 675   | Dycom Investments, Inc., Senior Subordinated Notes, 8.125%, 10/15/15<br>Ba3    | 646            |
|                          | 575   | Freescale Semiconductor, Inc., Senior Notes,<br>B2                             | 454            |

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|       |                      |    |       |
|-------|----------------------|----|-------|
|       | 6.651%, 12/15/14     |    |       |
|       | Freescale            |    |       |
|       | Semiconductor, Inc., |    |       |
|       | Senior Notes,        |    |       |
| 1,350 | 8.875%, 12/15/14     | B2 | 1,097 |

The accompanying notes are an integral part of these financial statements.

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The New America High Income Fund, Inc.

Schedule of Investments June 30, 2008 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units                     |  | Moody's Rating (Unaudited) | Value (Note 1) |
|--|--|----------------------------|----------------|
| <b>CORPORATE DEBT SECURITIES continued</b> |  |                            |                |
|  | Freescale Semiconductor, Inc.,<br>Senior Notes,<br>9.125%, 12/15/14        | B2                         | \$ 289         |
| \$ 375                                     | General Cable Corporation,<br>Senior Notes,<br>5.166%, 04/01/15            | B1                         | 332            |
| 800  | General Cable Corporation,<br>Senior Notes,<br>7.125%, 04/01/17            | B1                         | 760            |
| 825  | iPayment Inc., Senior Subordinated Notes,<br>9.75%, 05/15/14               | Caa1                       | 720            |
| 783  | iPayment Inc., Senior Subordinated Notes,<br>12.75%, 07/15/14 (g)(i)       | (e)                        | 815            |
| 725  | Lucent Technologies, Inc.,<br>Senior Notes<br>6.45%, 03/15/29              | Ba3                        | 551            |
| 1,275                                      | Lucent Technologies, Inc.,<br>Senior Notes<br>6.50%, 01/15/28              | Ba3                        | 969            |
| 1,850                                      | Nortel Networks Limited,<br>Senior Notes,<br>6.963%, 07/15/11              | B3                         | 1,748          |
| 975  | NXP B.V., Senior Secured Notes,<br>5.463%, 10/15/13                        | Ba3                        | 853            |
| 950  | NXP B.V., Senior Secured Notes,<br>9.50%, 10/15/15                         | B3                         | 822            |
| 389  | Sanmina-SCI Corporation,<br>Senior Notes,<br>5.526%, 06/15/10 (g)          | B1                         | 384            |
| 350  | Serena Software, Inc.,<br>Senior Subordinated Notes,<br>10.375%, 03/15/16  | Caa1                       | 328            |
| 450  | Spanion Technology, Inc.,<br>Senior Notes,<br>11.25%, 01/15/16 (g)         | Caa2                       | 286            |
| 300  | SS&C Technologies, Inc.,<br>Senior Subordinated Notes,<br>11.75%, 12/01/13 | Caa1                       | 316            |
| 350  | STATS ChipPAC Ltd.,<br>Senior Notes,<br>6.75%, 11/15/11                    | Ba1                        | 368            |
| 325  | STATS ChipPAC Ltd.,<br>Senior Notes,<br>7.50%, 07/19/10                    | Ba1                        | 353            |

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| Principal Amount/Units |       | Moody's Rating (Unaudited)  | Value (Note 1) |
|------------------------|-------|---|----------------|
| \$                     | 1,950 | Sungard Data Systems Inc.,<br>Senior Notes,<br>9.125%, 08/15/13<br>Caa1     | \$ 1,969       |
|                        | 825   | Superior Essex Communications LLC, Senior Notes,<br>9%, 04/15/12<br>B1      | 844            |
|                        | 450   | Unisys Corporation, Senior Notes,<br>12.50%, 01/15/16<br>B2                 | 453            |
|                        |       |   | 17,087         |
| <b>Finance 8.77%</b>   |       |   |                |
|                        | 200   | E*Trade Financial Corporation, Senior Notes,<br>8%, 06/15/11<br>Ba3         | 184            |
|                        | 1,900 | E*Trade Financial Corporation, Senior Notes,<br>12.50%, 11/30/17 (g)<br>(e) | 2,042          |
|                        | 75    | Ford Motor Credit Company, Senior Notes,<br>5.70%, 01/15/10<br>B1           | 64             |
|                        | 5,250 | Ford Motor Credit Company, Senior Notes,<br>7.163%, 04/15/12<br>B1          | 5,015          |
|                        | 225   | Ford Motor Credit Company, Senior Notes,<br>7.375%, 10/28/09<br>B1          | 207            |
|                        | 1,800 | GMAC LLC, Senior Notes,<br>5.625%, 05/15/09<br>B3                           | 1,665          |
|                        | 3,750 | GMAC LLC, Senior Notes,<br>6.875%, 08/28/12<br>B3                           | 2,528          |
|                        | 125   | GMAC LLC, Senior Notes,<br>7.75%, 01/19/10<br>B3                            | 109            |
|                        | 975   | Mobile Mini, Inc. Senior Notes,<br>6.875%, 05/01/15<br>B2                   | 829            |
|                        | 425   | Nuveen Investments, Inc., Senior Notes,<br>5%, 09/15/10<br>B3               | 378            |
|                        | 1,400 | Nuveen Investments, Inc., Senior Notes,<br>5.50%, 09/15/15<br>B3            | 994            |
|                        | 900   | Nuveen Investments, Inc., Senior Notes,<br>10.50%, 11/15/15 (g)<br>B3       | 830            |
|                        | 1,500 | SLM Corporation, Senior Medium Term Notes,<br>3.06%, 07/27/09<br>Baa2       | 1,407          |

The accompanying notes are an integral part of these financial statements.



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The New America High Income Fund, Inc.

Schedule of Investments June 30, 2008 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units   |       | Moody's Rating (Unaudited)  | Value (Note 1) |
|--|-------|---|----------------|
| <b>CORPORATE DEBT SECURITIES continued</b>                     |       |   |                |
|  |       | SLM Corporation,<br>Senior Medium Term<br>Notes,<br>5.45%, 04/25/11                                 |                |
| \$   | 1,125 | Baa2  | \$ 1,033       |
|  |       | Sears Roebuck<br>Acceptance<br>Corporation, Senior<br>Notes,<br>6.75%, 08/15/11                     |                |
|  | 1,025 | Ba2   | 986            |
|  |       |   | 18,271         |
| <b>Furnishings, Housewares, Durable Consumer Products .06%</b> |       |   |                |
|  |       | Simmons Company,<br>Senior Subordinated<br>Notes,<br>7.875%, 01/15/14                               |                |
|  | 150   | B2  | 128            |
| <b>Healthcare, Education and Childcare 10.07%</b>              |       |   |                |
|  |       | Cengage Learning<br>Acquisitions,<br>Inc., Senior<br>Subordinated Notes,<br>13.25%, 07/15/15 (b)(g) |                |
|  | 1,050 | Caa2  | 777            |
|  |       | CHS/Community Health<br>Systems,<br>Inc., Senior Notes,<br>8.875%, 07/15/15                         |                |
|  | 4,000 | B3  | 4,030          |
|  |       | CRC Health<br>Corporation,<br>Senior Subordinated<br>Notes,<br>10.75%, 02/01/16                     |                |
|  | 375   | Caa1  | 308            |
|  |       | DaVita, Inc., Senior<br>Notes,<br>6.625%, 03/15/13  |                |
|  | 300   | B1  | 290            |
|  |       | DaVita, Inc.,<br>Senior Subordinated<br>Notes,<br>7.25%, 03/15/15                                   |                |
|  | 1,925 | B2  | 1,877          |
|  |       | Education Management<br>LLC,<br>Senior Notes,<br>8.75%, 06/01/14                                    |                |
|  | 925   | B2  | 865            |
|  |       | HCA, Inc., Senior<br>Secured Notes,<br>9.25%, 11/15/16  |                |
|  | 3,000 | B2  | 3,097          |
|  |       | HCA, Inc., Senior<br>Secured Notes,<br>9.625%, 11/15/16   |                |
|  | 300   | B2  | 311            |
|  |       | Health Management<br>Associates,<br>Inc., Senior Notes,<br>6.125%, 04/15/16                         |                |
|  | 2,475 | (e)   | 2,166          |
|  | 775   | Caa1  | 834            |

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| Principal Amount/Units                       |   | Moody's Rating (Unaudited) | Value (Note 1) |
|--|---|----------------------------|----------------|
|  | Healthsouth Corporation, Senior Notes, 10.75%, 06/15/16                                   |                            |                |
|  | IASIS Healthcare LLC, Senior Subordinated Notes, 8.75%, 06/15/14                          | B3                         | 505            |
|  |   |                            |                |
| \$   | Omnicare, Inc., Senior Subordinated Notes, 6.75%, 12/15/13                                | B1                         | \$ 326         |
|  | Omnicare, Inc., Senior Subordinated Notes, 6.875%, 12/15/15                               | B1                         | 1,387          |
|  | Symbion, Inc., Senior Notes, 11%, 08/23/15 (g)  | Caa1                       | 378            |
|  | United Surgical Partners International, Inc., Senior Subordinated Notes, 8.875%, 05/01/17 | Caa1                       | 814            |
|  | Universal Hospital Services, Inc., Senior Secured Notes, 6.303%, 06/01/15                 | B3                         | 422            |
|  | Universal Hospital Services, Inc., Senior Secured 8.50%, 06/01/15                         | B3                         | 200            |
|  | US Oncology Holdings, Inc., Senior Notes, 7.949%, 03/15/12 (i)                            | Caa1                       | 581            |
|  | US Oncology, Inc., Senior Notes, 9%, 08/15/12   | B2                         | 248            |
|  | US Oncology, Inc., Senior Subordinated Notes, 10.75%, 08/15/14                            | B3                         | 372            |
|  | Vanguard Health Holding Company II, LLC, Senior Subordinated Notes, 9%, 10/01/14          | Caa1                       | 1,181          |
|  |   |                            | 20,969         |
| <b>Hotels, Motels, Inns and Gaming 7.94%</b> |   |                            |                |
|  | Caesar's Entertainment, Inc., Senior Subordinated Notes, 8.125%, 05/15/11                 | Caa1                       | 828            |
|  | Chukchansi Economic Development Authority, Senior Notes, 6.328%, 11/15/12 (g)             | B2                         | 165            |

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|       |  |      |     |
|-------|--|------|-----|
|       | Fontainebleau Las Vegas, LLC, 2nd Mortgage Notes, 10.25%, 06/15/15 (g) | Caa1 | 366 |
| 550   |  |      |     |
|       | Harrah's Operating Company, Senior Notes, 5.375%, 12/15/13             | Caa1 | 808 |
| 1,325 |  |      |     |

The accompanying notes are an integral part of these financial statements.

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The New America High Income Fund, Inc.

Schedule of Investments June 30, 2008 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units                     |       |  | Moody's Rating (Unaudited) | Value (Note 1) |
|--|-------|--|----------------------------|----------------|
| <b>CORPORATE DEBT SECURITIES continued</b> |       |  |                            |                |
|  |       | Harrah's Operating Company,                                    |                            |                |
| \$   | 2,217 | Senior Notes, 5.50%, 07/01/10                                  | Caa1                       | \$ 1,992       |
|  |       | Isle of Capri Casinos, Inc.,                                   |                            |                |
|  | 1,075 | Senior Notes 7%, 03/01/14                                      | B3                         | 763            |
|  |       | Las Vegas Sands Corporation,                                   |                            |                |
|  | 1,225 | Senior Notes, 6.375%, 02/15/15                                 | Ba3                        | 1,035          |
|  |       | Little Traverse Bay Bands of                                   |                            |                |
|  | 525   | Odawa Indians, Senior Notes, 10.25%, 02/15/14 (g)              | B2                         | 483            |
|  |       | MGM MIRAGE,  |                            |                |
|  | 2,525 | Senior Secured Notes, 8.50%, 09/15/10                          | Ba2                        | 2,500          |
|  |       | Mohegan Tribal Gaming Authority,                               |                            |                |
|  | 1,100 | Senior Subordinated Notes, 8%, 04/01/12                        | Ba3                        | 1,006          |
|  |       | Pinnacle Entertainment, Inc.,                                  |                            |                |
|  | 975   | Senior Subordinated 7.50%, 06/15/15                            | B3                         | 748            |
|  |       | Pinnacle Entertainment, Inc.,                                  |                            |                |
|  | 875   | Senior Subordinated Notes, 8.25%, 03/15/12                     | B3                         | 855            |
|  |       | Pokagon Gaming Authority,                                      |                            |                |
|  | 1,300 | Senior Notes, 10.375%, 06/15/14 (g)                            | B3                         | 1,391          |
|  |       | Shingle Springs Tribal Gaming Authority, Senior Secured Notes, |                            |                |
|  | 1,100 | 9.375%, 06/15/15 (g)   | B3                         | 924            |
|  |       | Station Casinos, Inc.,   |                            |                |
|  | 100   | Senior Notes, 6%, 04/01/12                                     | B2                         | 80             |
|  |       | Station Casinos, Inc.,   |                            |                |
|  | 600   | Senior Notes, 7.75%, 08/15/16                                  | B2                         | 459            |
|  | 2,325 | Wynn Las Vegas LLC, Senior Notes,                              | Ba2                        | 2,127          |

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6.625%, 12/01/14

16,530

**Insurance 1.53%**

|  |     |  |     |     |
|--|-----|--|-----|-----|
|  |     | Centene Corporation,<br>Senior Notes,<br>7.25%, 04/01/14 | Ba3 | 543 |
|  | 575 |  |     |     |

| Principal<br>Amount/Units |       |  | Moody's<br>Rating<br>(Unaudited) | Value<br>(Note 1) |
|---------------------------|-------|--|----------------------------------|-------------------|
|                           |       | Hub International<br>Limited,<br>Senior Notes,<br>9%, 12/15/14 (g)                     | B3                               | \$ 887            |
| \$                        | 975   |  |                                  |                   |
|                           |       | Hub International<br>Limited,<br>Senior Subordinated<br>Notes,<br>10.25%, 06/15/15 (g) | Caa1                             | 1,382             |
|                           | 1,675 |  |                                  |                   |
|                           |       | USI Holdings<br>Corporation,<br>Senior Subordinated<br>Notes,<br>9.75%, 05/15/15 (g)   | Caa1                             | 367               |
|                           | 425   |  |                                  |                   |
|                           |       |  |                                  | 3,179             |

**Machinery .86%**

|  |       |  |    |       |
|--|-------|--|----|-------|
|  |       | Columbus McKinnon<br>Corporation,<br>Senior Subordinated<br>Notes,<br>8.875%, 11/01/13 | B1 | 1,178 |
|  | 1,125 |  |    |       |
|  |       | Commercial Vehicle<br>Group, Inc.,<br>Senior Notes,<br>8%, 07/01/13                    | B2 | 611   |
|  | 725   |  |    |       |
|  |       |  |    | 1,789 |

**Mining, Steel, Iron and Non-Precious Metals 10.16%**

|  |       |  |     |       |
|--|-------|--|-----|-------|
|  |       | Arch Western Finance<br>LLC,<br>Senior Notes,<br>6.75%, 07/01/13             | B1  | 661   |
|  | 675   |  |     |       |
|  |       | ESCO Corporation,<br>Senior Notes,<br>6.651%, 12/15/13 (g)                   | B2  | 321   |
|  | 350   |  |     |       |
|  |       | ESCO Corporation,<br>Senior Notes,<br>8.625%, 12/15/13 (g)                   | B2  | 1,231 |
|  | 1,225 |  |     |       |
|  |       | Foundation PA Coal<br>Company,<br>Senior Notes,<br>7.25%, 08/01/14           | Ba3 | 1,122 |
|  | 1,125 |  |     |       |
|  |       | Freeport-McMoRan<br>Copper &<br>Gold Inc., Senior Notes,<br>8.25%, 04/01/15  | Ba2 | 1,420 |
|  | 1,375 |  |     |       |
|  |       | Freeport-McMoRan<br>Copper &<br>Gold Inc., Senior Notes,<br>8.375%, 04/01/17 | Ba2 | 7,059 |
|  | 6,675 |  |     |       |
|  | 750   | Gerdau Ameristeel<br>Corporation,  | Ba1 | 776   |

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|       |  |      |       |
|-------|--|------|-------|
|       | Senior Notes,<br>10.375%, 07/15/11<br>Gibraltar Industries,<br>Inc., |      |       |
| 1,750 | Senior Subordinated<br>Notes,<br>8%, 12/01/15                        | B2   | 1,461 |
|       | International Coal<br>Group, Inc.,                                   |      |       |
| 675   | Senior Notes,<br>10.25%, 07/15/14                                    | Caa2 | 687   |

The accompanying notes are an integral part of these financial statements.

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The New America High Income Fund, Inc.

Schedule of Investments June 30, 2008 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units                     |       | Moody's Rating (Unaudited)  | Value (Note 1) |
|--|-------|---|----------------|
| <b>CORPORATE DEBT SECURITIES continued</b> |       |   |                |
| \$   | 250   | Metals USA, Inc.,<br>Senior Notes,<br>8.791%, 07/01/12<br>Caa1  | \$ 231         |
|  | 550   | Metals USA, Inc.,<br>Senior Secured Notes,<br>11.125%, 12/01/15<br>B3   | 567            |
|  | 850   | Novelis, Inc., Senior<br>Notes,<br>7.25%, 02/15/15<br>B3  | 799            |
|  | 350   | Peabody Energy<br>Corporation,<br>Convertible Junior<br>Subordinated<br>Debentures,<br>4.75%, 12/15/66<br>Ba3 | 583            |
|  | 450   | Peabody Energy<br>Corporation,<br>Senior Notes,<br>7.375%, 11/01/16<br>Ba1                                    | 450            |
|  | 350   | PNA Group,<br>Incorporated,<br>Senior Notes,<br>10.75%, 09/01/16<br>B3  | 412            |
|  | 925   | Ryerson, Inc., Senior<br>Notes,<br>12%, 11/01/15 (g)<br>B2  | 918            |
|  | 575   | Steel Dynamics, Inc.,<br>Senior Notes,<br>6.75%, 04/01/15<br>Ba2  | 556            |
|  | 1,150 | Steel Dynamics, Inc.,<br>Senior Notes,<br>7.375%, 11/01/12 (g)<br>Ba2   | 1,150          |
|  | 825   | Tube City IMS<br>Corporation.,<br>Senior Subordinated<br>Notes,<br>9.75%, 02/01/15<br>B3                      | 759            |
|  |       |   | 21,163         |
| <b>Oil and Gas 17.38%</b>                  |       |   |                |
|  | 75    | AmeriGas Partners,<br>L.P.,<br>Senior Notes,<br>7.125%, 05/20/16<br>B1  | 70             |
|  | 1,650 | AmeriGas Partners,<br>L.P.,<br>Senior Notes,<br>7.25%, 05/20/15<br>B1   | 1,545          |
|  | 875   | Bristow Group, Inc.<br>Senior Notes,<br>7.50%, 09/15/17<br>Ba2  | 879            |
|  | 950   | CHC Helicopter<br>Corporation,<br>Senior Notes,<br>7.50%, 09/15/17<br>B1                                      | 988            |

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Senior Subordinated  
Notes,  
7.375%, 05/01/14

| Principal<br>Amount/Units |       | Moody's<br>Rating<br>(Unaudited)   | Value<br>(Note 1) |
|---------------------------|-------|--|-------------------|
| \$                        | 50    | Chesapeake Energy Corporation,<br>Senior Notes,<br>6.375%, 06/15/15          | \$ 47             |
|                           | 2,825 | Chesapeake Energy Corporation,<br>Senior Notes,<br>6.50%, 08/15/17           | 2,634             |
|                           | 50    | Chesapeake Energy Corporation,<br>Senior Notes,<br>6.875%, 01/15/16          | 48                |
|                           | 1,000 | Cimarex Energy Company,<br>Senior Notes,<br>7.125%, 05/01/17                 | 975               |
|                           | 200   | Compagnie Generale De Geophysique-Veritas, Senior Notes, 7.50%, 05/15/15     | 201               |
|                           | 1,275 | Compagnie Generale De Geophysique-Veritas, Senior Notes, 7.75%, 05/15/17     | 1,275             |
|                           | 1,250 | Complete Production Services, Inc.,<br>Senior Notes,<br>8%, 12/15/16         | 1,250             |
|                           | 1,075 | Compton Petroleum Finance Corporation, Senior Notes,<br>7.625%, 12/01/13     | 1,054             |
|                           | 1,075 | Connacher Oil and Gas Limited,<br>Senior Notes,<br>10.25%, 12/15/15 (g)      | 1,145             |
|                           | 1,175 | Copano Energy, LLC, Senior Notes, 8.125%, 03/01/16                           | 1,184             |
|                           | 550   | Denbury Resources, Inc.,<br>Senior Subordinated Notes,<br>7.50%, 04/01/13    | 547               |
|                           | 250   | Denbury Resources, Inc.,<br>Senior Subordinated Notes,<br>7.50%, 12/15/15    | 249               |
|                           | 575   | Encore Acquisition Company,<br>Senior Subordinated Notes,<br>6.25%, 04/15/14 | 546               |
|                           | 1,075 | Encore Acquisition Company,<br>Senior Subordinated Notes,<br>7.25%, 12/01/17 | 1,051             |
|                           | 500   | Energy Partners Ltd.,<br>Senior Notes,<br>9.75%, 04/15/14                    | 468               |
|                           | 525   | Ferrellgas, L.P., Senior Notes,<br>6.75%, 05/01/14                           | 482               |



The accompanying notes are an integral part of these financial statements.

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The New America High Income Fund, Inc.

Schedule of Investments June 30, 2008 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units                     |       | Moody's Rating (Unaudited)  | Value (Note 1) |
|--|-------|---|----------------|
| <b>CORPORATE DEBT SECURITIES continued</b> |       |   |                |
|  |       |   |                |
| \$   | 1,575 | Ferrellgas Partners L.P.,<br>Senior Notes,<br>8.75%, 06/15/12                     | \$ 1,547       |
|  | 1,950 | Forest Oil Corp., Senior<br>Notes,<br>7.25%, 06/15/19                             | 1,877          |
|  | 1,450 | Hilcorp Energy I, L.P.,<br>Senior Notes,<br>7.75%, 11/01/15 (g)                   | 1,392          |
|  | 450   | Key Energy Services, Inc.,<br>Senior Notes,<br>8.375%, 12/01/14 (g)               | 465            |
|  | 875   | Offshore Logistics, Inc.,<br>Senior Notes,<br>6.125%, 06/15/13                    | 840            |
|  | 950   | OPTI Canada Inc., Senior<br>Secured Notes,<br>7.875%, 12/15/14                    | 943            |
|  | 875   | OPTI Canada Inc., Senior<br>Secured Notes,<br>8.25%, 12/15/14                     | 875            |
|  | 200   | PetroHawk Energy<br>Corporation,<br>Senior Notes,<br>7.875%, 06/01/15 (g)         | 195            |
|  | 1,275 | PetroHawk Energy<br>Corporation,<br>Senior Notes,<br>9.125%, 07/15/13             | 1,304          |
|  | 1,050 | Plains Exploration &<br>Production<br>Co., Senior Notes,<br>7%, 03/15/17          | 1,008          |
|  | 350   | Plains Exploration &<br>Production<br>Co., Senior Notes,<br>7.625%, 06/01/18      | 349            |
|  | 250   | Plains Exploration &<br>Production<br>Co., Senior Notes,<br>7.75%, 06/15/15       | 251            |
|  | 975   | Quicksilver Resources, Inc.,<br>Senior Notes,<br>7.75%, 08/01/15                  | 968            |
|  | 525   | Range Resources<br>Corporation,<br>Senior Subordinated Notes,<br>6.375%, 03/15/15 | 503            |
|  | 175   | Range Resources<br>Corporation,<br>Senior Subordinated Notes,                     | 173            |

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7.25%, 05/01/18

| Principal Amount/Units                                 |  | Moody's Rating (Unaudited) | Value (Note 1) |
|--|--|----------------------------|----------------|
| \$ 75  | Range Resources Corporation, Senior Subordinated Notes, 7.375%, 07/15/13 | Ba3                        | \$ 76          |
| 575  | Range Resources Corporation, Senior Subordinated Notes, 7.50%, 05/15/16  | Ba3                        | 572            |
| 825  | Range Resources Corporation, Senior Subordinated Notes, 7.50%, 10/01/17  | Ba3                        | 819            |
| 750  | SandRidge Energy, Inc., Senior Notes, 6.416%, 04/01/14 (g)               | B3                         | 729            |
| 175  | SandRidge Energy, Inc., Senior Notes, 8%, 06/01/18 (g)                   | B3                         | 175            |
| 1,525  | SandRidge Energy, Inc., Senior Notes, 8.625%, 04/01/15 (g)(i)            | B3                         | 1,563          |
| 750  | Southwestern Energy Company, 7.50%, 02/01/18 (g)                         | Ba2                        | 769            |
| 750  | Stewart & Stevenson, LLC, Senior Notes, 10%, 07/15/14                    | B3                         | 752            |
| 1,050  | Tesoro Corporation, Senior Notes, 6.25%, 11/01/12                        | Ba1                        | 992            |
| 425  | Venoco, Inc., Senior Notes, 8.75%, 12/15/11                              | Caa1                       | 413            |
|  |  |                            | 36,188         |
| <b>Personal, Food and Miscellaneous Services 3.72%</b> |  |                            |                |
| 400  | ARAMARK Corporation, Senior Notes, 5%, 06/01/12                          | B3                         | 348            |
| 1,450  | ARAMARK Corporation, Senior Notes, 6.373%, 02/01/15                      | B3                         | 1,363          |
| 750  | FTD, Inc., Senior Subordinated Notes, 7.75%, 02/15/14                    | B3                         | 750            |
| 800  | FTI Consulting, Inc., Senior Notes, 7.625%, 06/15/13                     | Ba2                        | 812            |
| 750  | FTI Consulting, Inc., Senior Notes, 7.75%, 10/01/16                      | Ba2                        | 771            |
| 1,100  |  | B3                         | 1,050          |

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Mac-Gray Corporation,  
Senior Notes,  
7.625%, 08/15/15

The accompanying notes are an integral part of these financial statements.

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The New America High Income Fund, Inc.

Schedule of Investments June 30, 2008 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units                              |  | Moody's Rating (Unaudited) | Value (Note 1) |
|---|--|----------------------------|----------------|
| <b>CORPORATE DEBT SECURITIES continued</b>          |  |                            |                |
|   | O'Charleys, Inc.,<br>Senior Subordinated<br>Notes,<br>9%, 11/01/13                       | B1                         | \$ 778         |
| \$ 850  |  |                            |                |
|   | OSI Restaurant Partners,<br>Inc.,<br>Senior Notes,<br>10%, 06/15/15 (g)                  | Caa1                       | 610            |
| 925   |  |                            |                |
|   | Real Mex Restaurants,<br>Inc.,<br>Senior Secured Notes,<br>10%, 04/01/10                 | B1                         | 447            |
| 475   |  |                            |                |
|   | West Corporation,<br>Senior<br>Subordinated Notes,<br>9.50%, 10/15/14                    | Caa1                       | 812            |
| 900   |  |                            |                |
|   |  |                            | 7,741          |
| <b>Personal Non-Durable Consumer Products 1.37%</b> |  |                            |                |
|   | ACCO Brands<br>Corporation,<br>Senior Subordinated<br>Notes,<br>7.625%, 08/15/15         | B2                         | 732            |
| 800   |  |                            |                |
|   | Bausch & Lomb,<br>Incorporated,<br>Senior Notes,<br>9.875%, 11/01/15 (g)                 | Caa1                       | 1,421          |
| 1,400   |  |                            |                |
|   | Jostens Holding<br>Corporation,<br>Senior Notes,<br>10.25%, 12/01/13 (b)                 | B3                         | 48             |
| 50  |  |                            |                |
|   | Jostens Intermediate<br>Holding Corp., Senior<br>Subordinated Notes,<br>7.625%, 10/01/12 | B1                         | 661            |
| 675   |  |                            |                |
|   |  |                            | 2,862          |
| <b>Personal Transportation .45%</b>                 |  |                            |                |
|   | AirTran Holdings, Inc.,<br>Senior Convertible<br>Notes,<br>7%, 07/01/23                  | Caa2                       | 377            |
| 593   |  |                            |                |
|   | AMR Corporation,<br>Senior Convertible<br>Notes,<br>4.50%, 02/15/24                      | (e)                        | 565            |
| 759   |  |                            |                |
|   |  |                            | 942            |
| <b>Printing and Publishing 3.30%</b>                |  |                            |                |
|   | Affinity Group Holding,<br>Inc.,<br>Senior Notes,  | Caa2                       | 419            |
| 451   |  |                            |                |

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| Principal Amount/Units     |  | Moody's Rating (Unaudited) | Value (Note 1) |
|----------------------------|--|----------------------------|----------------|
|                            | 10.875%, 02/15/12 (i)<br>Affinity Group Inc.,<br>Senior Subordinated<br>Notes,<br>9%, 02/15/12 | Caa1                       | 774            |
| 850                        |  |                            |                |
|                            | CanWest Media Works,<br>Inc.,<br>Senior Subordinated<br>Notes,<br>8%, 09/15/12                 | B3                         | \$ 759         |
| \$                         |  |                            |                |
| 853                        |  |                            |                |
|                            | Deluxe Corporation,<br>Senior Notes,<br>7.375%, 06/01/15                                       | Ba2                        | 746            |
| 850                        |  |                            |                |
|                            | Harland Clarke<br>Holdings Corp.,<br>Senior Notes<br>7.426%, 05/15/15                          | Caa1                       | 351            |
| 475                        |  |                            |                |
|                            | Idearc, Inc., Senior<br>Notes,<br>8%, 11/15/16   | B3                         | 661            |
| 1,050                      |  |                            |                |
|                            | Nielsen Finance LLC,<br>Senior Notes,<br>10%, 08/01/14 (g)                                     | Caa1                       | 438            |
| 425                        |  |                            |                |
|                            | R.H. Donnelley Finance<br>Corporation III, Senior<br>Notes,<br>6.875%, 01/15/13                | B3                         | 652            |
| 1,100                      |  |                            |                |
|                            | R.H. Donnelley Inc.,<br>Senior Notes,<br>8.875%, 10/15/17 (g)                                  | B3                         | 295            |
| 500                        |  |                            |                |
|                            | Valassis<br>Communications, Inc.,<br>Senior Notes,<br>8.25%, 03/01/15                          | B3                         | 1,134          |
| 1,250                      |  |                            |                |
|                            | Windstream Regatta<br>Holdings,<br>Inc., Senior<br>Subordinated Notes,<br>11%, 12/01/17(g)     | Caa1                       | 638            |
| 925                        |  |                            |                |
|                            |  |                            | 6,867          |
| <b>Retail Stores 4.01%</b> |  |                            |                |
|                            | Ace Hardware<br>Corporation,<br>Senior Notes,<br>9.125%, 06/01/16 (g)                          | Ba2                        | 1,591          |
| 1,675                      |  |                            |                |
|                            | Alimentation<br>Couche-Tard, Inc.,<br>Senior Subordinated<br>Notes,<br>7.50%, 12/15/13         | Ba2                        | 1,269          |
| 1,275                      |  |                            |                |
|                            | Leslie's Poolmart, Inc.,<br>Senior Notes,<br>7.75%, 02/01/13                                   | B2                         | 1,075          |
| 1,150                      |  |                            |                |
|                            | Nebraska Book<br>Company, Inc.,<br>Senior Subordinated<br>Notes,                               | B3                         | 1,162          |
| 1,400                      |  |                            |                |

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|     |  |    |     |
|-----|--|----|-----|
|     | 8.625%, 03/15/12                                   |    |     |
|     | Neiman Marcus Group,<br>Inc.,                      |    |     |
| 800 | Senior Notes,<br>9%, 10/15/15                      | B2 | 786 |
|     | Neiman Marcus Group,<br>Inc.,                      |    |     |
|     | Senior Subordinated<br>Notes,<br>10.375%, 10/15/15 | B3 | 798 |

The accompanying notes are an integral part of these financial statements.

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The New America High Income Fund, Inc.

Schedule of Investments June 30, 2008 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units                     |       |  | Moody's Rating (Unaudited) | Value (Note 1) |
|--|-------|--|----------------------------|----------------|
| <b>CORPORATE DEBT SECURITIES continued</b> |       |  |                            |                |
|  |       | Pantry, Inc., Senior Subordinated Notes, 7.75%, 02/15/14                   | B3                         | \$ 755         |
| \$   | 1,000 |  |                            |                |
|  |       | Sally Holdings, LLC, Senior Notes, 9.25%, 11/15/14                         | B3                         | 764            |
|  | 800   |  |                            |                |
|  |       | Sally Holdings, LLC, Senior Notes, 10.50%, 11/15/16                        | Caa1                       | 143            |
|  | 150   |  |                            |                |
|  |       |  |                            | 8,343          |
| <b>Telecommunications 13.10%</b>           |       |  |                            |                |
|  |       | Alamosa, Inc., Senior Notes, 8.50%, 01/31/12                               | Baa3                       | 621            |
|  | 625   |  |                            |                |
|  |       | ALLTEL Corporation, Senior Notes, 6.50%, 11/01/13                          | Caa1                       | 425            |
|  | 425   |  |                            |                |
|  |       | ALLTEL Corporation, Senior Notes, 7%, 07/01/12                             | Caa1                       | 2,168          |
|  | 2,125 |  |                            |                |
|  |       | American Tower Corporation, Senior Notes, 7%, 10/15/17 (g)                 | Ba1                        | 1,045          |
|  | 1,050 |  |                            |                |
|  |       | Broadview Networks Holdings, Inc., Senior Secured Notes, 11.375%, 09/01/12 | B3                         | 788            |
|  | 875   |  |                            |                |
|  |       | Centennial Communications Corp., Senior Notes, 8.541%, 01/01/13            | Caa1                       | 504            |
|  | 525   |  |                            |                |
|  |       | Centennial Communications Corp., Senior Notes, 10%, 01/01/13               | Caa1                       | 1,212          |
|  | 1,200 |  |                            |                |
|  |       | Citizens Communications Company, Senior Notes, 7.125%, 03/15/19            | Ba2                        | 653            |
|  | 725   |  |                            |                |
|  |       | Cricket Communications, Inc., Senior Notes, 9.375%, 11/01/14               | B3                         | 72             |
|  | 75    |  |                            |                |
|  |       | Cricket Communications, Inc., Senior Notes, 9.375%, 11/01/14               | B3                         | 1,673          |
|  | 1,750 |  |                            |                |
|  |       | Digicel Group Limited, Senior Notes, 8.875%, 01/15/15 (g)                  | Caa2                       | 1,140          |
|  | 1,200 |  |                            |                |



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1,475 Digicel Limited, Senior Notes, 9.25%, 09/01/12 (g) B3 1,527

| Principal Amount/Units |  | Moody's Rating (Unaudited) | Value (Note 1) |
|------------------------|--|----------------------------|----------------|
|                        | Fairpoint Communications, Inc., Senior Notes                               |                            |                |
| \$ 500                 | 13.125%, 04/01/18 (g)  | B3                         | \$ 493         |
| 900                    | GCI, Inc., Senior Notes, 7.25%, 02/15/14                                   | B3                         | 774            |
| 875                    | iPCS, Inc., Senior Secured Notes, 4.998%, 05/01/13                         | B1                         | 796            |
| 825                    | iPCS, Inc., Senior Secured Notes, 6.123%, 05/01/14                         | Caa1                       | 693            |
| 192                    | Level 3 Communications, Inc., Subordinated Notes, 6%, 09/15/09             | Caa3                       | 184            |
| 183                    | Level 3 Communications, Inc., Subordinated Notes, 6%, 03/15/10             | Caa3                       | 170            |
| 625                    | Level 3 Communications, Inc., Subordinated Notes, 12.25%, 03/15/13         | Caa1                       | 631            |
| 1,825                  | MetroPCS Wireless, Inc., Senior Notes, 9.25%, 11/01/14                     | Caa1                       | 1,752          |
| 1,750                  | Nordic Telephone Company Holdings ApS., Senior Notes, 8.875%, 05/01/16 (g) | B2                         | 1,732          |
| 1,000                  | PAETEC Holding Corporation, Senior Notes, 9.50%, 07/15/15                  | Caa1                       | 924            |
| 500                    | Qwest Corporation, Senior Notes, 7.875%, 09/01/11                          | Ba1                        | 500            |
| 150                    | Qwest Corporation, Senior Notes, 8.875%, 03/15/12                          | Ba1                        | 153            |
| 875                    | Sprint Capital Corporation, Senior Notes, 7.625%, 01/30/11                 | Baa3                       | 860            |
| 625                    | Sprint Capital Corporation, Senior Notes, 8.375%, 03/15/12                 | Baa3                       | 626            |
| 2,275                  | Sprint Nextel Corporation, Senior Notes, 6%, 12/01/16                      | Baa3                       | 1,954          |
| 500                    | Valor Telecommunications Enterprise, LLC, Senior Notes, 7.75%, 02/15/15    | Baa3                       | 513            |
| 1,525                  | Wind Acquisition Finance S.A., Senior Notes, 10.75%, 12/01/15 (g)          | B2                         | 1,611          |

The accompanying notes are an integral part of these financial statements.

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The New America High Income Fund, Inc.

Schedule of Investments June 30, 2008 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units                     |       | Moody's Rating (Unaudited)   | Value (Note 1) |
|--|-------|--|----------------|
| <b>CORPORATE DEBT SECURITIES continued</b> |       |  |                |
| \$   | 1,000 | Windstream Corporation, Senior Notes, 8.125%, 08/01/13                 | \$ 988         |
|  | 100   | Windstream Corporation, Senior Notes, 8.625%, 08/01/16                 | 100            |
|  |       |  | 27,282         |
| <b>Textiles and Leather .49%</b>           |       |  |                |
|  | 500   | AGY Holding Corp., Senior Secured Notes, 11%, 11/15/14 (g)             | 468            |
|  | 100   | Interface, Inc., Senior Subordinated Notes, 9.50%, 02/01/14            | 104            |
|  | 759   | Rafaella Apparel Group, Inc., Senior Secured Notes, 11.25%, 06/15/11   | 440            |
|  |       |  | 1,012          |
| <b>Utilities 11.41%</b>                    |       |  |                |
|  | 50    | AES Corporation, Senior Notes, 7.75%, 03/01/14                         | 50             |
|  | 1,075 | AES Corporation, Senior Notes, 9.375%, 09/15/10                        | 1,135          |
|  | 1,350 | Dynegy Holdings Inc., Senior Notes 7.50%, 06/01/15                     | 1,249          |
|  | 1,450 | Dynegy Holdings Inc., Senior Notes 7.75%, 06/01/19                     | 1,327          |
|  | 2,750 | Energy Future Holding Corporation, Senior Notes, 10.875%, 11/01/17 (g) | 2,777          |
|  | 4,050 | Energy Future Holding Corporation, Senior Notes, 11.25%, 11/01/17 (g)  | 4,070          |
|  | 925   | Mirant Americas Generation, LLC, Senior Notes, 8.30%, 05/01/11         | 957            |
|  | 1,175 | Mirant North America, LLC, Senior Notes, 7.375%, 12/31/13              | 1,169          |
|  | 1,275 | NRG Energy, Inc., Senior Notes,  | 1,218          |

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7.25%, 02/01/14

| Principal Amount/Units                       |       |   | Moody's Rating (Unaudited) | Value (Note 1) |
|--|-------|---|----------------------------|----------------|
| \$   | 3,000 | NRG Energy, Inc., Senior Notes, 7.375%, 02/01/16                        | B1                         | \$ 2,835       |
|  | 1,650 | Orion Power Holdings, Inc., Senior Notes, 12%, 05/01/10                 | Ba3                        | 1,778          |
|  | 675   | PNM Resources, Inc., Senior Notes, 9.25%, 05/15/15                      | Ba2                        | 697            |
|  | 650   | Reliant Energy, Inc., Senior Notes, 6.75%, 12/15/14                     | Ba3                        | 658            |
|  | 900   | Reliant Energy, Inc., Senior Notes, 7.625%, 06/15/14                    | B1                         | 878            |
|  | 800   | Reliant Energy, Inc., Senior Notes, 7.875%, 06/15/17                    | B1                         | 784            |
|  | 225   | Sierra Pacific Resources, Senior Notes, 7.803%, 06/15/12                | Ba3                        | 231            |
|  | 1,050 | Sierra Pacific Resources, Senior Notes, 8.625%, 03/15/14                | Ba3                        | 1,101          |
|  | 675   | Texas Competitive Electric Holdings, Senior Notes, 10.50%, 11/01/16 (g) | B3                         | 662            |
|  | 175   | Williams Companies, Inc., Senior Notes, 7.625%, 07/15/19                | Baa3                       | 185            |
|  |       |   |                            | 23,761         |
|  |       | <b>Total Corporate Debt Securities</b><br>(Total cost of \$308,581)     |                            | 295,102        |
| <b>BANK DEBT SECURITIES 5.92% (d)</b>        |       |   |                            |                |
| <b>Automobile .10%</b>                       |       |   |                            |                |
|  | 249   | Ford Motor Company, 5.48%, 12/15/13 (h)                                 | Ba3                        | 201            |
| <b>Diversified/Conglomerate Service .77%</b> |       |   |                            |                |
|  | 1,741 | First Data Corporation, 5.261%, 09/24/14 (h)                            | Ba3                        | 1,602          |
| <b>Electronics 1.11%</b>                     |       |   |                            |                |
|  | 739   | Infor Global Solutions Holdings, Ltd., 6.55%, 07/28/12 (h)              | B3                         | 635            |
|  | 500   | Infor Global Solutions, Holdings, Ltd., 9.05%, 03/15/14 (h)             | Caa2                       | 349            |

The accompanying notes are an integral part of these financial statements.



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The New America High Income Fund, Inc.

Schedule of Investments June 30, 2008 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units                                |       |  | Moody's Rating (Unaudited) | Value (Note 1) |
|---|-------|--|----------------------------|----------------|
| <b>BANK DEBT SECURITIES continued</b>                 |       |  |                            |                |
| \$  | 1,990 | Palm Inc.<br>5.99%, 04/24/14 (h)   | B2                         | \$ 1,333       |
|   |       |  |                            | 2,317          |
| <b>Healthcare, Education and Childcare 1.45%</b>      |       |  |                            |                |
|   | 1,493 | Laureate Education,<br>Inc.,<br>5.733%, 08/17/14 (h)                                   | B1                         | 1,400          |
|   | 1,734 | HCA, Inc.,<br>4.801%, 11/18/12 (h)   | Ba3                        | 1,622          |
|   |       |  |                            | 3,022          |
| <b>Leisure, Amusement and Entertainment .40%</b>      |       |  |                            |                |
|   | 992   | Town Sports<br>International LLC,<br>4.313%, 08/27/13 (h)                              | Ba2                        | 844            |
| <b>Oil and Gas .23%</b>                               |       |  |                            |                |
|   | 500   | Dresser, Inc.,<br>8.469%, 05/04/15 (h)   | B3                         | 480            |
| <b>Personal, Food and Miscellaneous Services .10%</b> |       |  |                            |                |
|   | 241   | OSI Restaurant Partners,<br>Inc.,<br>4.927%, 05/09/14 (h)                              | B1                         | 206            |
| <b>Printing and Publishing .20%</b>                   |       |  |                            |                |
|   | 495   | Penton Media, Inc.,<br>5.141%, 02/01/13 (h)  | B1                         | 412            |
| <b>Telecommunications .78%</b>                        |       |  |                            |                |
|   | 998   | Telesat Canada,<br>5.841%, 11/05/14 (h)  | B1                         | 961            |
|   | 750   | Trilogy International<br>Partners LLC,<br>6.301%, 06/27/12 (h)                         | B2                         | 656            |
|   |       |  |                            | 1,617          |
| <b>Utilities .78%</b>                                 |       |  |                            |                |
|   | 1,750 | Texas Competitive<br>Electric<br>Holdings Co., LLC,<br>6.168%, 10/10/14 (h)            | Ba3                        | 1,618          |
|   |       | <b>Total Bank Debt<br/>Securities</b><br>(Total cost of \$13,440)                      |                            | 12,319         |
| <b>Shares</b>   |       |  |                            |                |
| <b>PREFERRED STOCK 1.80% (d)</b>                      |       |  |                            |                |
| <b>Banking 1.09%</b>                                  |       |  |                            |                |
|   | 1,000 | Bank of America<br>Corporation,<br>Series L, Convertible,<br>Preferred Stock,<br>7.25% | A1                         | \$ 888         |

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|                                       |                 |  |      |              |
|---------------------------------------|-----------------|--|------|--------------|
|                                       |                 | Citigroup Inc., Series T,<br>Convertible, Preferred<br>Stock,              |      |              |
|                                       | 31,700          | 6.50%  | A2   | 1,379        |
|                                       |                 | WestFed Holdings, Inc.,<br>Cumulative, Series A,<br>Preferred Stock,       |      |              |
|                                       | 57,935          | 15.50% (a)(c)  | (e)  | 2,267        |
| <b>Broadcasting and Entertainment</b> | <b>.15%</b>     |  |      |              |
|                                       |                 | Spanish Broadcasting<br>System, Inc.,<br>Series B, Preferred<br>Stock,     |      |              |
|                                       | 483             | 10.75%   | Caa2 | 314          |
| <b>Electronics</b>                    | <b>.56%</b>     |  |      |              |
|                                       |                 | Lucent Technologies<br>Capital Trust I,<br>Convertible Preferred<br>Stock, |      |              |
|                                       | 1,500           | 7.75%  | B2   | 1,178        |
|                                       |                 | <b>Total Preferred Stock</b><br>(Total cost of \$9,067)                    |      | <b>3,759</b> |
| <b>COMMON STOCK and WARRANTS</b>      | <b>.31% (d)</b> |  |      |              |
|                                       |                 | B&G Foods, Inc.,<br>Enhanced Income<br>Securities                          |      |              |
|                                       | 32,675          |  |      | 556          |
|                                       | 27,474          | WestFed Holdings, Inc.,<br>Common Stock (a)(c)                             |      |              |
|                                       | 10,052          | WKI Holding Company,<br>Inc.,<br>Common Stock (c)(f)(h)                    |      | 90           |
|                                       |                 | <b>Total Common Stock<br/>and<br/>Warrants</b> (Total cost of<br>\$2,980)  |      | <b>646</b>   |

The accompanying notes are an integral part of these financial statements.

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The New America High Income Fund, Inc.

Schedule of Investments June 30, 2008 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units                  |       |   | Moody's Rating (Unaudited) | Value (Note 1) |
|---|-------|---|----------------------------|----------------|
| <b>SHORT-TERM INVESTMENTS 3.82% (d)</b> |       |   |                            |                |
|   |       | Australia and New Zealand Banking Grp. Ltd, Commercial Paper, Due 08/04/08, Discount of 2.51% | P-1                        | \$ 1,995       |
| \$                                      | 2,000 |   |                            |                |
|   |       | Bryant Park Funding LLC, Commercial Paper, Due 07/01/08, Discount of 2.80% (g)                | P-1                        | 978            |
|   | 978   |   |                            |                |
|   |       | Coca-Cola Company, Commercial Paper, Due 08/07/08, Discount of 2.06%                          | P-1                        | 1,996          |
|   | 2,000 |   |                            |                |
|   |       | Grampian Funding Limited, Commercial Paper, Due 08/19/08, Discount of 2.795% (g)              | P-1                        | 1,993          |
|   | 2,000 |   |                            |                |
|   |       | Variable Funding Capital Corporation, Commercial Paper, Due 09/02/08, Discount of 2.60%       | P-1                        | 995            |
|   | 1,000 |   |                            |                |
|   |       | <b>Total Short-Term Investments</b><br>(Total cost of \$7,957)                                |                            | 7,957          |
|   |       | <b>TOTAL INVESTMENTS</b><br>(Total cost of \$342,025)   |                            | \$ 319,783     |

(a) Denotes issuer is in bankruptcy proceedings. Income is not being accrued.

(b) Securities are step interest bonds. Interest on these bonds accrues based on the effective interest method which results in a constant rate of interest being recognized.

(c) Security is valued at fair value using methods determined by the Board of Directors. The total value of these securities at June 30, 2008 was \$90.

(d) Percentages indicated are based on total net assets to common shareholders of \$208,271.

(e) Not rated.

(f) Non-income producing.

(g) Securities are exempt from registration under Rule 144A of the Securities Act of 1933. Such securities may be resold, normally to qualified institutional buyers in transactions exempt from registration. Unless otherwise noted, 144A Securities are deemed to be liquid. See Note 1 of the Note to Schedule of Investments for valuation policy. Total market value of Rule 144A securities amounted to \$58,973 as of June 30, 2008.

(h) Restricted as to public resale. At the date of acquisition, these securities were valued at cost. The total value of restricted securities owned at June 30, 2008 was \$12,409 or 5.96% of total net assets to common shareholders.

(i) Pay-In-Kind Security



The accompanying notes are an integral part of these financial statements.



## The New America High Income Fund, Inc.

**Statement of Assets and Liabilities****June 30, 2008 (Unaudited)**

(Dollars in thousands, except per share amounts)

**Assets:**

INVESTMENTS IN SECURITIES, at value (Identified

cost of \$342,025 see Schedule of Investments

and Notes 1 and 2)

\$ 319,783

CASH

160

**RECEIVABLES:**

Investment securities sold

2,821

Interest and dividends

5,905

**PREPAID EXPENSES**

112

Total assets

\$ 328,781

**Liabilities:****PAYABLES:**

Investment securities purchased

\$ 3,811

Dividend on common stock

210

Swap settlement

110

Dividend on preferred stock

103

INTEREST RATE SWAP, at fair value (Note 6)

1,100

ACCRUED EXPENSES (Note 3)

176

Total liabilities

\$ 5,510

**Auction Term Preferred Stock:**

\$1.00 par value, 1,000,000 shares authorized,

4,600 shares issued and outstanding,

liquidation preference of \$25,000 per share

(Notes 4 and 5)

\$ 115,000

**Net Assets**

\$ 208,271

**Represented By:****COMMON STOCK:**

\$0.01 par value, 200,000,000 shares authorized,

115,092,801 shares issued and outstanding

\$ 1,151

CAPITAL IN EXCESS OF PAR VALUE

386,942

UNDISTRIBUTED NET INVESTMENT INCOME

(Note 2)

497

ACCUMULATED NET REALIZED LOSS FROM

SECURITIES TRANSACTIONS (Note 2)

(156,977)

NET UNREALIZED DEPRECIATION ON

INVESTMENTS AND INTEREST RATE SWAPS

(23,342)

**Net Assets Applicable To Common Stock**

(Equivalent to \$1.81 per share, based on

115,092,801 shares outstanding)

\$ 208,271

**Statement of Operations****For the Six Month Period Ended****June 30, 2008 (Unaudited)** (Dollars in thousands)

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|   |             |
|---|-------------|
| <b>Investment Income:</b> (Note 1)  |             |
| Interest income   | \$ 13,916   |
| Dividend income   | 147         |
| Total investment income   | \$ 14,063   |
| <b>Expenses:</b>  |             |
| Cost of leverage:   |             |
| Preferred and auction fees (Note 5)   | \$ 151      |
| Total cost of leverage  | \$ 151      |
| Professional services:  |             |
| Management (Note 3)   | \$ 563      |
| Custodian and transfer agent  | 116         |
| Legal (Note 8)  | 98          |
| Audit   | 28          |
| Total professional services   | \$ 805      |
| Administrative:   |             |
| General administrative (Note 8)   | \$ 251      |
| Directors   | 108         |
| NYSE  | 54          |
| Shareholder communications  | 23          |
| Shareholder meeting   | 20          |
| Miscellaneous   | 18          |
| Total administrative  | \$ 474      |
| Total expenses  | \$ 1,430    |
| Net investment income   | \$ 12,633   |
| <b>Realized and Unrealized Gain (Loss) on Investment Activities:</b>              |             |
| Realized loss on investments, net   | \$ (11,571) |
| Net swap settlement disbursements (Note 6)  | \$ (332)    |
| Change in net unrealized depreciation on investments                              | \$ (4,380)  |
| Change in unrealized depreciation on interest rate swap agreement                 | (811)       |
| Total change in net unrealized depreciation on investments and interest rate swap | \$ (5,191)  |
| Net loss on investments and interest rate swap                                    | \$ (17,094) |
| <b>Cost of Preferred Leverage</b>   |             |
| Distributions to preferred stockholders   | \$ (2,516)  |
| Net decrease in net assets resulting from operations                              | \$ (6,977)  |

The accompanying notes are an integral part of these financial statements.

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The New America High Income Fund, Inc.

**Statements of Changes in Net Assets** (Dollars in thousands, except per share amounts)

|   | <b>Six Months<br/>Ended<br/>June 30, 2008<br/>(Unaudited)</b> | <b>For the<br/>Year Ended<br/>December 31,<br/>2007</b> |
|---|---|---|
| <b>From Operations:</b>   |   |   |
| Net investment income   | \$ 12,633   | \$ 25,221   |
| Realized gain (loss) on investments, net  | (11,571)  | 1,913   |
| Net swap settlement receipts (disbursements)  | (332)   | 1,988   |
| Change in net unrealized depreciation on investments and other financial instruments  | (5,191)   | (21,831)  |
| Distributions from net investment income related to preferred stock   |   |   |
| Dividends to preferred stockholders   | (2,516)   | (7,366)   |
| Net decrease in net assets resulting from operations  | \$ (6,977)  | \$ (75)   |
| <b>From Fund Share Transactions:</b>  |   |   |
| Proceeds from rights offering (18,593,349 shares), net of \$385 of offering costs (Note 10)   | \$  | \$ 33,641   |
| Net asset value of 1,001,260 shares issued to common stockholders for reinvestment of dividends in 2007.  |   | 2,204   |
| Increase in net assets resulting from fund share transactions in 2007   | \$  | \$ 35,845   |
| <b>Distributions to Common Stockholders:</b>  |   |   |
| From net investment income (\$.07 and \$.21 per share in 2008 and 2007, respectively)   | \$ (8,574)  | \$ (20,947)   |
| Total net increase (decrease) in net assets   | \$ (15,551)   | \$ 14,823   |
| <b>Net Assets Applicable to Common Stock:</b>   |   |   |
| Beginning of period   | \$ 223,822  | \$ 208,999  |
| End of period (Including \$497 of undistributed net investment income and \$(917) of accumulated deficit of net investment income at June 30, 2008 and December 31, 2007, respectively) | \$ 208,271  | \$ 223,822  |

The accompanying notes are an integral part of these financial statements.

## The New America High Income Fund, Inc.

**Financial Highlights**  
**Selected Per Share Data and Ratios**  
**For Each Share of Common Stock Outstanding Throughout the Period**

|  | For the<br>Six Months<br>Ended<br>June 30, 2008<br>(Unaudited) | 2007     | 2006    | For the Years Ended December 31, |         |  | 2003 (b) |
|--|--|----------|---------|----------------------------------|---------|--|----------|
|  |  |          |         | 2005                             | 2004    |  |          |
| <b>NET ASSET VALUE:</b>  |  |          |         |                                  |         |  |          |
| Beginning of period  | \$ 1.94  | \$ 2.19  | \$ 2.13 | \$ 2.26                          | \$ 2.19 |  | \$ 1.89  |
| NET INVESTMENT<br>INCOME   | .11  | .25#     | .25     | .25                              | .26     |  | .26#     |
| NET REALIZED AND<br>UNREALIZED GAIN<br>(LOSS)<br>ON INVESTMENTS<br>AND OTHER<br>FINANCIAL<br>INSTRUMENTS                   | (.15)  | (.20)#   | .07     | (.11)                            | .09     |  | .34      |
| DISTRIBUTIONS FROM<br>NET INVESTMENT<br>INCOME RELATED<br>TO PREFERRED<br>STOCK:   | (.02)  | (.05)    | (.05)   | (.05)                            | (.05)   |  | (.06)    |
| TOTAL FROM<br>INVESTMENT<br>OPERATIONS   | (.06)  |          | .27     | .09                              | .30     |  | .54      |
| <b>DISTRIBUTIONS TO COMMON SHAREHOLDERS:</b>   |  |          |         |                                  |         |  |          |
| From net investment<br>income  | (.07)  | (.21)    | (.21)   | (.22)                            | (.23)   |  | (.22)    |
| TOTAL<br>DISTRIBUTIONS   | (.07)  | (.21)    | (.21)   | (.22)                            | (.23)   |  | (.22)    |
| Effect of rights offering<br>and related expenses; and<br>Auction Term<br>Preferred Stock offering<br>costs and sales load |  | (.04)    |         |                                  |         |  | (.02)    |
| <b>NET ASSET VALUE:</b>  |  |          |         |                                  |         |  |          |
| End of period  | \$ 1.81  | \$ 1.94  | \$ 2.19 | \$ 2.13                          | \$ 2.26 |  | \$ 2.19  |
| <b>PER SHARE MARKET VALUE:</b>   |  |          |         |                                  |         |  |          |
| End of period  | \$ 1.60  | \$ 1.71  | \$ 2.26 | \$ 2.03                          | \$ 2.19 |  | \$ 2.16  |
| TOTAL INVESTMENT<br>RETURN   | (2.19)%  | (16.34)% | 22.82%  | 2.47%                            | 12.80%  |  | 19.23%   |

The accompanying notes are an integral part of these financial statements.

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The New America High Income Fund, Inc.

**Financial Highlights**

**Selected Per Share Data and Ratios**

**For Each Share of Common Stock Outstanding Throughout the Period** Continued

|   | For the<br>Six Months<br>Ended<br>June 30, 2008<br>(Unaudited) | 2007       | 2006       | For the Years Ended December 31, |            |            |
|---|--|------------|------------|----------------------------------|------------|------------|
|   |  |            |            | 2005                             | 2004       | 2003 (b)   |
| NET ASSETS, END OF PERIOD, APPLICABLE TO COMMON STOCK (a)                                     | \$ 208,271   | \$ 223,822 | \$ 208,999 | \$ 200,549                       | \$ 212,165 | \$ 204,705 |
| NET ASSETS, END OF PERIOD, APPLICABLE TO PREFERRED STOCK (a)                                  | \$ 115,000   | \$ 130,000 | \$ 130,000 | \$ 130,000                       | \$ 130,000 | \$ 130,000 |
| TOTAL NET ASSETS APPLICABLE TO COMMON AND PREFERRED STOCK, END OF PERIOD (a)                  | \$ 323,271   | \$ 353,822 | \$ 338,999 | \$ 330,549                       | \$ 342,165 | \$ 334,705 |
| EXPENSE RATIOS:   |  |            |            |                                  |            |            |
| Ratio of preferred and other leverage expenses to average net assets*                         | .14%**   | .15%       | .16%       | .16%                             | .15%       | .16%       |
| Ratio of operating expenses to average net assets*  | 1.22%**  | 1.19%      | 1.21%      | 1.23%                            | 1.27%      | 1.56%      |
| RATIO OF TOTAL EXPENSES TO AVERAGE NET ASSETS*  | 1.36%**  | 1.34%      | 1.37%      | 1.39%                            | 1.42%      | 1.72%      |
| RATIO OF NET INVESTMENT INCOME TO AVERAGE NET ASSETS*   | 12.06%**   | 11.66%     | 11.54%     | 11.48%                           | 12.02%     | 12.81%     |
| RATIO OF TOTAL EXPENSES TO AVERAGE NET ASSETS APPLICABLE TO COMMON AND PREFERRED STOCK        | .88%**   | .84%       | .84%       | .85%                             | .87%       | 1.05%      |
| RATIO OF NET INVESTMENT INCOME TO AVERAGE NET ASSETS APPLICABLE TO COMMON AND PREFERRED STOCK | 7.77%**  | 7.28%      | 7.05%      | 7.03%                            | 7.38%      | 7.79%      |
| PORTFOLIO TURNOVER RATE   | 33.66%   | 67.25%     | 64.08%     | 61.54%                           | 70.90%     | 120.47%    |

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(a) Dollars in thousands.

(b) The Fund issued Series C ATP on October 17, 2003. The per share data and ratios for the year ended December 31, 2003 reflect this transaction.

\* Ratios calculated on the basis of expenses and net investment income applicable to the common shares relative to the average net assets of the common stockholders only.

\*\* Annualized

# Calculation is based on average shares outstanding during the indicated period due to the per share effect of the Fund's August, 2003 and September, 2007 rights offering.

Total investment return is calculated assuming a purchase of common stock at the current market value on the first day and a sale at the current market value on the last day of each year reported. Dividends and distributions are assumed for purposes of this calculation to be reinvested at prices obtained under the dividend reinvestment plan. This calculation does not reflect brokerage commissions.

The accompanying notes are an integral part of these financial statements.

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The New America High Income Fund, Inc.

**Information Regarding  
Senior Securities**

|  | <b>June 30,<br/>2008</b> | <b>As of December 31,</b> |                |                |                |                |
|--|--------------------------|---------------------------|----------------|----------------|----------------|----------------|
|  | <b>(Unaudited)</b>       | <b>2007</b>               | <b>2006</b>    | <b>2005</b>    | <b>2004</b>    | <b>2003</b>    |
| <b>TOTAL AMOUNT OUTSTANDING:</b>           |                          |                           |                |                |                |                |
| Preferred Stock                            | \$ 115,000,000           | \$ 130,000,000            | \$ 130,000,000 | \$ 130,000,000 | \$ 130,000,000 | \$ 130,000,000 |
| <b>ASSET COVERAGE:</b>                     |                          |                           |                |                |                |                |
| Per Preferred Stock Share                  |                          |                           |                |                |                |                |
| (1)  | \$ 70,276                | \$ 68,043                 | \$ 65,192      | \$ 63,567      | \$ 65,801      | \$ 64,366      |
| <b>INVOLUNTARY LIQUIDATION PREFERENCE:</b> |                          |                           |                |                |                |                |
| Per Preferred Stock Share                  |                          |                           |                |                |                |                |
| (2)  | \$ 25,000                | \$ 25,000                 | \$ 25,000      | \$ 25,000      | \$ 25,000      | \$ 25,000      |
| <b>APPROXIMATE MARKET VALUE:</b>           |                          |                           |                |                |                |                |
| Per Preferred Stock Share                  |                          |                           |                |                |                |                |
| (2)  | \$ 25,000                | \$ 25,000                 | \$ 25,000      | \$ 25,000      | \$ 25,000      | \$ 25,000      |

(1) Calculated by subtracting the Fund's total liabilities from the Fund's total assets and dividing such amount by the number of Preferred Shares outstanding.

(2) Plus accumulated and unpaid dividends.

The accompanying notes are an integral part of these financial statements.



The New America High Income Fund, Inc.

**Notes to Financial Statements**

**June 30, 2008** (Unaudited)

**(1) Significant Accounting and Other Policies**

The New America High Income Fund, Inc. (the Fund) was organized as a corporation in the state of Maryland on November 19, 1987 and is registered with the Securities and Exchange Commission as a diversified, closed-end investment company under the Investment Company Act of 1940. The Fund commenced operations on February 26, 1988. The investment objective of the Fund is to provide high current income while seeking to preserve stockholders' capital through investment in a professionally managed, diversified portfolio of "high yield" fixed-income securities.

The Fund invests primarily in fixed maturity corporate debt securities that are rated less than investment grade. Risk of loss upon default by the issuer is significantly greater with respect to such securities compared to investment grade securities because these securities are generally unsecured and are often subordinated to other creditors of the issuer and because these issuers usually have high levels of indebtedness and are more sensitive to adverse economic conditions, such as a recession, than are investment grade issuers. In some cases, the collection of principal and timely receipt of interest is dependent upon the issuer attaining improved operating results, selling assets or obtaining additional financing.

The Fund may focus its investments in certain industries, subjecting it to greater risk than a Fund that is more diversified. See the schedule of investments for information on individual securities as well as industry diversification and credit quality ratings.

The Fund's financial statements have been prepared in conformity with accounting principles generally accepted in the United States for investment companies that require the management of the Fund to, among other things, make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

The following is a summary of significant accounting policies consistently followed by the Fund, which are in conformity with those generally accepted in the investment company industry.

(a) *Valuation of Investments* Investments for which market quotations are readily available are stated at market value, which is determined by using the most recently quoted bid price provided by an independent pricing service or principal market maker. Independent pricing services provide market quotations based primarily on quotations from dealers and brokers, market transactions, accessing data from quotations services, offering sheets obtained from dealers and various relationships between securities. Short-term investments with original maturities of 60 days or less are stated at amortized cost, which approximates market value. Following procedures approved by the Board of Directors, investments for which market quotations are not readily available (primarily fixed-income corporate bonds and notes) are stated at fair value on the basis of subjective valuations furnished by securities dealers and brokers. Other investments, for which market quotations are not readily available with a cost of approximately \$7,214,000 and a value of \$90,000, are valued in good faith at fair market value using methods determined by the Board of Directors.

(b) *Securities Transactions and Net Investment Income* Securities transactions are recorded on trade date. Realized gains or losses on sales of securities are calculated on the identified cost basis. Interest income is accrued on a daily basis. Discount on short-term investments is amortized to investment income. Premiums or discounts on corporate debt securities are amortized based on the interest method for financial reporting purposes. All income on original issue

The New America High Income Fund, Inc.

**Notes to Financial Statements Continued**

**June 30, 2008** (Unaudited)

discount and step interest bonds is accrued based on the effective interest method. The Fund does not amortize market premiums or discounts for tax purposes. Dividend payments received in the form of additional securities are recorded on the ex-dividend date in an amount equal to the value of the security on such date.

(c) **Federal Income Taxes** It is the Fund's policy to comply with the requirements of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders each year. Accordingly, no federal income tax provision is required.

Management has reviewed the Fund's tax positions for all open tax years (tax years ended December 31, 2004-2007) and has concluded that no provision for income tax is required in the Fund's financial statements.

(d) **Fair Value Measurement** In September 2006, the Financial Accounting Standards Board issued Statement on Financial Accounting Standards No. 157, Fair Value Measurements ("FAS 157"). This standard establishes the definition of fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurements. FAS 157 was effective for the Fund's fiscal year beginning January 1, 2008.

The three levels of the fair value hierarchy under FAS 157 are described below:

Level 1 quoted prices in active markets for identical securities

Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Level 3 significant unobservable inputs (including the Fund's own assumptions in determining fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used as of June 30, 2008 in valuing the Fund's investments:

| <b>Valuation Inputs</b>                     | <b>Investments in Securities</b> | <b>Other Financial Instruments</b> |
|---|----------------------------------|------------------------------------|
| Level 1 Quoted Prices                       | \$ 555,000                       | \$                                 |
| Level 2 Other Significant Observable Inputs | 319,138,000                      | (1,100,000)                        |
| Level 3 Significant Unobservable Inputs     | 90,000                           |                                    |
| <b>Total</b>                                | <b>\$ 319,783,000</b>            | <b>\$ (1,100,000)</b>              |

The following is a reconciliation of Fund investments using Level 3 inputs for the period:

|  |           |
|--|-----------|
| Balance, December 31, 2007                       | \$ 90,000 |
| Net purchases (sales)                            |           |
| Change in unrealized appreciation (depreciation) |           |
| Realized gain (loss)                             |           |
| Transfers in and/or out of Level 3               |           |
| Balance, June 30, 2008                           | \$ 90,000 |

**(2) Tax Matters and Distributions**

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At June 30, 2008, the total cost of securities (including temporary cash investments) for federal income tax purposes was approximately \$342,632,000. Aggregate gross unrealized gain on securities in which there was an excess of value over tax cost was approximately \$2,678,000. Aggregate unrealized loss on securities in which there was an excess of tax cost over value was approximately \$25,527,000. Net unrealized loss on investments for tax purposes at June 30, 2008 was approximately \$22,849,000.

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The New America High Income Fund, Inc.

## Notes to Financial Statements    Continued

**June 30, 2008** (Unaudited)

At December 31, 2007, the Fund had approximate capital loss carryovers available to offset future capital gains, if any, to the extent provided by regulations:

| Carryover Available  | Expiration Date   |
|----------------------|-------------------|
| \$        21,821,000 | December 31, 2008 |
| 67,043,000           | December 31, 2009 |
| 45,239,000           | December 31, 2010 |
| 7,387,000            | December 31, 2011 |
| 125,000              | December 31, 2012 |
| 954,000              | December 31, 2013 |
| 1,481,000            | December 31, 2014 |
| \$       144,050,000 |                   |

It is the policy of the Fund to reduce future distributions of realized gains to shareholders to the extent of the unexpired capital loss carry forward.

The tax character of distributions paid to common and preferred shareholders of approximately \$28,257,000 and \$26,777,000 in 2007 and 2006, respectively, was from ordinary income.

As of December 31, 2007, the components of distributable earnings on a tax basis were approximately:

|                                     |                   |
|-------------------------------------|-------------------|
| Undistributed Net Investment Income | \$        208,000 |
| Undistributed Long-Term Gain        |                   |
| Unrealized Loss                     | \$   (19,020,000) |
| Post-October Losses                 | \$   (1,137,000)  |
| Preferred Dividend Payable          | \$   (272,000)    |
| Capital Losses Carry Forward        | \$ (144,050,000)  |

The difference between components of distributable earnings on a tax basis and the amounts reflected in the Statement of Assets and Liabilities are primarily due to market discount adjustments, and deductibility of preferred stock dividends. The Fund has recorded several reclassifications in the capital accounts to present undistributed net investment income and accumulated net realized losses on a tax basis. These reclassifications have no impact on the net asset value of the Fund. For the year ended December 31, 2007, permanent differences between book and tax accounting have been reclassified as follows:

Increase (decrease) in:

|  |                     |
|--|---------------------|
| Undistributed net investment income                        | \$        1,726,000 |
| Accumulated net realized loss from securities transactions | \$   32,515,000     |
| Capital in excess of par value                             | \$ (34,241,000)     |

Distributions on common stock are declared based upon annual projections of the Fund's investment company taxable income. The Fund records all dividends and distributions payable to shareholders on the ex-dividend date and declares and distributes income dividends monthly.

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The Fund was required to amortize market discounts and premiums for financial reporting purposes beginning January 1, 2001. This new accounting policy results in additional interest income in some years and decreased interest income in others for financial reporting purposes only. The Fund does not amortize market discounts or premiums for tax purposes. Therefore, the additional or decreased interest income for financial reporting purposes does not result in additional or decreased common stock dividend income.

### **(3) Investment Advisory Agreement**

T. Rowe Price Associates, Inc. (T. Rowe Price), the Fund's Investment Advisor, earned approximately \$563,000 in management fees during the six months ended June 30, 2008. Management fees paid by the Fund to T. Rowe Price were calculated at 0.50% on the first \$50,000,000 of the Fund's average weekly net assets, 0.40% on the next \$50 million and 0.30% on average weekly net assets in excess of \$100 million. T. Rowe Price's fee is calculated based on assets attributable to the Fund's common and auction term preferred stock. At June 30, 2008, the fee payable to T. Rowe Price was approximately \$93,000, which was included in accrued expenses on the accompanying statement of assets and liabilities.

The New America High Income Fund, Inc.

**Notes to Financial Statements - Continued**  
**June 30, 2008** (Unaudited)

**(4) Auction Term Preferred Stock (ATP)**

The Fund had 4,600 shares of ATP issued and outstanding at June 30, 2008. The ATP's dividends are cumulative at a rate determined at an auction, and dividend periods will typically be 28 days unless notice is given for periods to be longer or shorter than 28 days. Dividend rates ranged from 2.03% - 6.35% for the six months ended June 30, 2008. The average dividend rate as of June 30, 2008 was 3.41%.

The ATP is redeemable, at the option of the Fund, or subject to mandatory redemption (if the Fund is in default of certain coverage requirements) at a redemption price equal to \$25,000 per share plus accumulated and unpaid dividends. The ATP has a liquidation preference of \$25,000 per share plus accumulated and unpaid dividends. The Fund is required to maintain certain asset coverages with respect to the ATP under the Fund's Charter and the 1940 Act in order to maintain the Fund's Aaa/AAA ratings by Moody's Investors Service, Inc. and Fitch, Inc., respectively.

**(5) ATP Auction-Related Matters**

Bankers Trust Company (BTC) serves as the ATP's auction agent pursuant to an agreement entered into on January 4, 1994. The term of the agreement is unlimited and may be terminated by either party. BTC may resign upon notice to the Fund, such resignation to be effective on the earlier of the 90th day after the delivery of such notice and the date on which a successor auction agent is appointed by the Fund. The Fund may also replace BTC as auction agent at any time.

After each auction, BTC will pay to each broker-dealer, from funds provided by the Fund, a maximum service charge at the annual rate of 0.25 of 1% or such other percentage subsequently agreed to by the Fund and the broker-dealers, of the purchase price of shares placed by such broker-dealers at such auction. In the event an auction scheduled to occur on an auction date fails to occur for any reason, the broker-dealers will be entitled to service charges as if the auction had occurred and all holders of shares placed by them had submitted valid hold orders. The Fund incurred approximately \$151,000 for service charges for the six months ended June 30, 2008. This amount is included under the caption preferred and auction fees in the accompanying statement of operations.

**(6) Interest Rate Swaps**

The Fund entered into an interest payment swap arrangement with Fleet National Bank (Fleet) for the purpose of partially hedging its dividend payment obligations with respect to the ATP. Pursuant to the Swap Arrangement the Fund makes payments to Fleet on a monthly basis at a fixed annual rate. In exchange for such payment Fleet makes payments to the Fund on a monthly basis at a variable rate determined with reference to one month LIBOR. The variable rates ranged from 2.45% - 5.25% for the six months ended June 30, 2008. The effective date, notional amount, maturity and fixed rate of the swap is as follows:

| Effective Date | Notional Contract Amount | Maturity | Fixed Annual Rate |
|----------------|--------------------------|----------|-------------------|
| 11/5/04        | \$115 million            | 11/5/09  | 3.775%            |

Swap transactions, which involve future settlement, give rise to credit risk. Credit risk is the amount of loss the Fund would incur in the event counterparties failed to perform according to the terms of the contractual commitments. In the event of nonperformance by the counterparty, the Fund's dividend payment obligation with respect to the ATP would no longer be partially hedged. Therefore, the ATP dividend would no longer be partially fixed. In an unfavorable interest rate environment, the Fund would be subject to higher net ATP dividend payments, resulting in less income available for the common share dividend. The Fund does not anticipate nonperformance by any counterparty. While notional contract amounts are used to express the volume of interest rate swap agreements, the amounts potentially subject to credit risk, in the event of nonperformance by counterparties, are substantially smaller.





## The New America High Income Fund, Inc.

**Notes to Financial Statements - Continued****June 30, 2008** (Unaudited)

The Fund recognizes all freestanding derivative instruments in the balance sheet as either assets or liabilities and measures them at fair value. Any change in the unrealized gain or loss is recorded in current earnings. For the six months ended June 30, 2008, the Fund's obligation under the swap agreement was more than the amount received from Fleet by approximately \$332,000 and such amount is included in the accompanying statement of operations.

The estimated fair value of the interest rate swap agreement at June 30, 2008 amounted to approximately \$1,100,000 of unrealized loss and is presented in the accompanying balance sheet.

**(7) Purchases and Sales of Securities**

Purchases and proceeds of sales or maturities of long-term securities during the six months ended June 30, 2008 were approximately:

|                                 |                |
|---------------------------------|----------------|
| Cost of purchases               | \$ 105,900,000 |
| Proceeds of sales or maturities | \$ 118,818,000 |

**(8) Related Party Transactions**

A partner of Goodwin Procter LLP, counsel to the Fund, serves as a Director of the Fund. Fees earned by Goodwin Procter LLP amounted to approximately \$80,000 for the six months ended June 30, 2008.

The Fund paid approximately \$147,000 during the six months ended June 30, 2008 to two officers of the Fund for the provision of certain administrative services.

**(9) Investments in Restricted Securities**

(Dollars in thousands)

The Fund is permitted to invest in restricted securities. The total restricted securities (excluding 144A issues) at June 30, 2008 amounts to \$12,409 and represents 5.96% of net assets to common shareholders.

| Description   | Acquisition Date  | Principal Amount/ Shares | Acquisition Cost | Value  |
|---|-------------------|--------------------------|------------------|--------|
| Dresser, Inc.,<br>8.469%, 05/04/15                        | 5/4/07            | \$ 500                   | \$ 500           | \$ 480 |
| First Data Corporation,                                   |                   |                          |                  |        |
| 5.261%, 09/24/14  | 11/1/2007-11/6/07 | 1,741                    | 1,678            | 1,602  |
| Ford Motor Company,<br>5.48%, 12/15/13                    | 4/1/08            | 249                      | 206              | 201    |
| HCA, Inc.,<br>4.801%, 11/18/12                            | 3/18/08-4/2/08    | 1,734                    | 1,578            | 1,622  |
| Infor Global Solutions Holdings, Ltd.,<br>6.55%, 07/28/12 | 7/25/06           | 739                      | 739              | 635    |
| Infor Global Solutions Holdings, Ltd.,<br>9.05%, 03/15/14 | 3/1/07            | 500                      | 505              | 349    |
| Laureate Education, Inc.,<br>5.733%, 08/17/14             | 9/20/07           | 1,493                    | 1,437            | 1,400  |

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|                       |                  |       |       |           |
|-----------------------|------------------|-------|-------|-----------|
| OSI Restaurant        |                  |       |       |           |
| Partners, Inc.,       |                  |       |       |           |
| 4.927%, 05/09/14      | 5/4/07           | 241   | 241   | 206       |
| Palm Inc.             |                  |       |       |           |
| 5.99%, 04/24/14       | 11/1/07          | 1,990 | 1,791 | 1,333     |
| Penton Media, Inc.,   |                  |       |       |           |
| 5.141%, 02/01/13      | 2/6/07           | 495   | 495   | 412       |
| Telesat Canada,       |                  |       |       |           |
| 5.841%, 11/05/14      | 10/15/07-1/24/08 | 998   | 975   | 961       |
| Texas Competitive     |                  |       |       |           |
| Electric Holdings     |                  |       |       |           |
| Co., LLC              |                  |       |       |           |
| 6.168%, 10/10/14      | 4/1/08           | 1,750 | 1,597 | 1,618     |
| Town Sports           |                  |       |       |           |
| International LLC,    |                  |       |       |           |
| 4.313%, 08/27/13      | 9/21/07          | 992   | 948   | 844       |
| Trilogy International |                  |       |       |           |
| Partners LLC,         |                  |       |       |           |
| 6.301%, 06/27/12      | 6/22/07-6/27/07  | 750   | 750   | 656       |
| WKI Holding           |                  |       |       |           |
| Company, Inc.,        |                  |       |       |           |
| Common Stock          | 3/13/03          | 10    | 2,295 | 90        |
| Total                 |                  |       |       | \$ 12,409 |

The New America High Income Fund, Inc.

**Notes to Financial Statements    Continued**

**June 30, 2008** (Unaudited)

**(10) Rights Offering**

The Fund issued to stockholders of record as of the close of business on July 24, 2007, rights to subscribe for an aggregate of 32,143,181 shares of common stock, \$.01 par value per share, of the Fund. One right was issued for each three full shares of common stock beneficially held on the record date. Due to market conditions the Fund extended the expiration date of its transferable rights offering from August 20, 2007 to September 17, 2007. The rights entitled a stockholder to acquire at the subscription price of \$1.83 per share one share for each right held. The subscription price was 94% of the average of the last reported sales price of a share on the New York Stock Exchange on the expiration date (September 17, 2007) and on the previous 9 business days. On September 21, 2007 the Fund completed its rights offering. Proceeds of approximately \$34,026,000 and shares of 18,593,349 were recorded. Deferred offering expense of approximately \$385,000 was netted against the rights offering proceeds.

The New America High Income Fund, Inc.

**Notes to Financial Statements - Continued**  
**Supplemental Information** (Unaudited)

**Availability of Portfolio Holdings**

The Fund provides a complete schedule of its portfolio holdings quarterly. The lists of holdings as of the end of the second and fourth quarters appear in the Fund's semi-annual and annual reports to shareholders, respectively. The schedules of portfolio holdings as of the end of the first and third quarters are filed with the Securities and Exchange Commission (the "SEC") on Form N-Q (the "Forms") within 60 days of the end of the first and third quarters. Shareholders can look up the Forms on the SEC's web site at [www.sec.gov](http://www.sec.gov). The Forms may also be reviewed and copied at the SEC's public reference room in Washington, D.C. You may call the SEC at 1-800-SEC-0330 for information about the SEC's web site and their public reference room. In addition, the Forms may be reviewed on the Fund's web site at [www.newamerica-hyb.com](http://www.newamerica-hyb.com)

**Compliance Certifications**

On May 5, 2008, your Fund submitted a CEO annual certification to the New York Stock Exchange (NYSE) on which the Fund's principal executive officer certified that he was not aware, as of that date, of any violation by the Fund of the NYSE's Corporate Governance listing standards. In addition, as required by Section 302 of the Sarbanes-Oxley Act of 2002 and related SEC rules, the Fund's principal executive and principal financial officers have made quarterly certifications, included in filings with the SEC on Forms N-CSR and N-Q, relating to, among other things, the Fund's disclosure controls and procedures and internal control over financial reporting.

**Common and Auction Term Preferred Stock Transactions**

From time to time in the future, the Fund may effect redemptions and/or repurchases of its ATP as provided in the applicable constituent instruments or as agreed upon by the Fund and sellers. The Fund intends to effect such redemptions and/or repurchases to the extent necessary to maintain applicable asset coverage requirements.

The Fund may purchase shares of its Common Stock in the open market when the Common Stock trades at a discount to net asset value or at other times if the Fund determines such purchases are in the best interest of its stockholders. There can be no assurance that the Fund will take such action in the event of a market discount to net asset value or that Fund purchases will reduce a discount.

The New America High Income Fund, Inc.

**Directors**

Robert F. Birch  
Joseph L. Bower  
Richard E. Floor  
Bernard J. Korman  
Ernest E. Monrad  
Marguerite A. Piret

**Officers**

Robert F. Birch President  
Ellen E. Terry Vice President, Treasurer  
Richard E. Floor Secretary

**Investment Advisor**

T. Rowe Price Associates, Inc.  
100 E. Pratt Street  
Baltimore, Maryland 21202

**Administrator**

The New America High Income Fund, Inc.  
33 Broad Street  
Boston, MA 02109  
(617) 263-6400

**Custodian**

State Street Bank and Trust Company  
225 Franklin Street  
Boston, MA 02110

**Transfer Agent**

American Stock Transfer & Trust Company  
59 Maiden Lane  
New York, NY 10038  
(866) 624-4105  
Web site: [www.amstock.com](http://www.amstock.com)

Listed: NYSE  
Symbol: HYB  
Web site: [www.newamerica-hyb.com](http://www.newamerica-hyb.com)

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American Stock Transfer & Trust Company  
59 Maiden Lane  
New York, NY 10038

**The New  
America  
High Income  
Fund, Inc.**

**Semi-Annual**

**Report**

**June 30, 2008**

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Item 2 - Code of Ethics - Not required in semi-annual filing.

Item 3 - Audit Committee Financial Experts - Not required in a semi-annual filing.

Item 4 - Principal Accountant Fees and Services - Not required in semi-annual filing.

Item 5 - Audit Committee of Listed Registrant - Not required in semi-annual filing.

Item 6 - Schedule of Investments - Included as part of the report to shareholders filed under Item 1 of this Form.

Item 7 - Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies - Not required in semi-annual filing.

Item 8 - Portfolio Managers of Closed-End Management Investment Companies - Not required in semi-annual filing.

Item 9 - Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers - Not applicable.

Item 10 - Submission of Matters to a Vote of Security Holders - Not applicable.

ITEM 11. CONTROLS AND PROCEDURES.

(a) The Fund's principal executive officer and principal financial officer concluded that the Fund disclosure controls and procedures (as defined in Rule 30a-3(c) under the 1940 Act) provide reasonable assurances that information required to be disclosed by the Fund on Form N-CSR is recorded, processed, summarized and reported within the required time periods and that information required to be disclosed by the Fund in the reports that it files or submits on Form N-CSR is accumulated and communicated to the Fund's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure, based on their evaluation of the disclosure controls and procedures as of a date within 90 days of the filing date of this report.

(b) There was no change in the Fund's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the Fund's second fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Fund's internal control over financial reporting.

ITEM 12. EXHIBITS.

(a)(1) Not Applicable.

(a)(2) The certifications required by Rule 30a-2(a) under the 1940 Act.

(a)(3) Not Applicable.

(b) The certifications required by Rule 30a-2(b) under the 1940 Act.

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.

The New America High Income Fund, Inc.

By: /s/ Robert F. Birch  
Name: Robert F. Birch  
Title: President and Director  
Date: September 4, 2008

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/ Robert F. Birch  
Name: Robert F. Birch  
Title: President  
Date: September 4, 2008

By: /s/ Ellen E. Terry  
Name: Ellen E. Terry  
Title: Treasurer  
Date: September 4, 2008