

NEW AMERICA HIGH INCOME FUND INC  
Form N-CSRS  
August 28, 2009

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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: 1/1/09 - 6/30/09

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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# Edgar Filing: NEW AMERICA HIGH INCOME FUND INC - Form N-CSRS

August 14, 2009

## Dear Fellow Shareholder,

Despite the continuing world-wide economic recession, the high yield market roared back in the first half of 2009, as investors regained an appetite for risk. Measured by the Credit Suisse High Yield Index, the first six months witnessed a stunning 27.22% return for the asset class, with a 20.23% gain coming in the second quarter. The strategy of the Fund's investment adviser, T. Rowe Price Associates, Inc., proved to be a good match for the exceptional high yield market conditions during the period. The Fund's total return, based on net asset value ("NAV"), for the first half of 2009 was 43.09%.

The Fund paid monthly dividends totaling \$0.325 per share during the first half of 2009. Of course, in the future, the Fund's performance and the common 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 leverage, which is in the form of Auction Term Preferred Stock (the "ATP"), and a related interest rate swap contributed approximately 25% of the common stock dividend for the six months ended June 30, 2009. Of course, the Fund's use of leverage is not without risk. The Fund's leverage increases the volatility of the Fund's NAV. In the positive market environment of the first half of the year, the leverage increased the NAV. However, if the high yield bond market declines, the leverage will exacerbate the decline in the NAV. If there is a significant decline in the portfolio's value, the Fund may have to reduce the leverage and the common stock dividend. The Fund was approximately 32% leveraged on June 30, 2009, compared with 39% leveraged as of December 31, 2008.

While high yield bonds have rallied sharply and there are signs that the economy may be stabilizing, the financial markets and the economy remain distressed. No one can be certain at this point that the markets will not suffer another setback. According to JP Morgan, in the first half of 2009 the high yield bond default rate reached 8.63%, with 76 high yield issuers defaulting on more than \$130 billion of debt. Some market analysts forecast a 2009 default rate in double digits. In the first six months of 2009, four of the Fund's portfolio securities defaulted.

The Fund has not identified a solution to the liquidity crisis affecting the holders of the ATP following the failure of the auction process for most auction rate securities beginning in February 2008, but has been and is in compliance with the terms of the ATP. The Board remains mindful that in considering any proposed action to address ATP liquidity issues, it must determine that action to be in the best interest of the Fund as a whole.

## Performance Update

The Fund's NAV ended the period at \$7.84. The market price for the Fund's shares on the New York Stock Exchange closed at \$7.35 on June 30, 2009, representing a market price discount of approximately 6% from the NAV. Twenty six of the thirty four funds in the Lipper Closed-End Fund Leveraged High Yield category were trading at market price discounts to their NAVs at the end of the period.

|   | Total Returns for the Periods Ending June 30, 2009 |                    |
|---|--|--------------------|
|   | 1 Year   | 3 Years Cumulative |
| New America High Income Fund (Stock Price and Dividends)* | 4.90%  | (4.41%)            |
| New America High Income Fund (NAV and Dividends)          | (2.83%)  | 3.77%              |
| Lipper Closed-End Fund Leveraged High Yield Average       | (24.09%)   | (27.10%)           |
| Credit Suisse High Yield Index                            | (5.00%)  | 4.25%              |
| Citigroup 10 Year Treasury Index                          | 7.31%  | 26.82%             |

Sources: Credit Suisse, Citigroup, Lipper Inc., 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*

Strong demand from investors allowed many high yield companies to successfully undertake initiatives to restore and repair balance sheets by issuing new debt. During the first quarter, these recapitalizations were mainly confined to the higher quality issuers in the high yield universe. In April, May and June, however, the refinancing wave spread to medium and lower quality credits. Even a number of the most aggressively structured leveraged buyouts enjoyed success in the new issue market and extended near and intermediate term maturities.

During the June quarter, the best performance came in leveraged loans and CCC-rated issues, traditionally the highest and lowest rated sectors of the high yield bond market, respectively, with each significantly outpacing the gains in BB and B-rated credits. The results for levered loans were particularly rewarding, especially in higher risk loans. Another striking development was the recovery of bonds in some of the market's most stressed industries, including autos, broadcasting, gaming and financials. Even with General Motors bankruptcy filing, auto industry related bonds returned over 30%, as measured by the JP Morgan Global High Yield Index.

*Strategy Review*

We continued to deploy the Fund's assets in the first quarter of 2009, and many of the purchases generated significant capital appreciation in the June quarter. Sirius/XM Satellite Radio and Univision Communications were the biggest winners among the Fund's broadcasting holdings, as both companies tapped the new issue market to refinance senior secured liabilities. At the beginning of 2009, both companies appeared headed for Chapter 11, but recent initiatives have, in our analysis, dramatically reduced each company's near term risk of bankruptcy. Even if the U.S. economy remains weak into 2010, each organization has taken important steps to extend their financial flexibility, giving these businesses more time to improve profitability.

The biggest winner in the portfolio during the quarter was E\*Trade Financial, one of the country's major online brokerage firms. The Fund's position in E\*Trade bonds rose dramatically in the quarter as the company successfully completed a creative recapitalization of its balance sheet. The Fund also enjoyed significant appreciation in other financials, notably Nuveen, Hub Insurance Group and Bank of America convertible preferred.

Our traders and analysts worked closely with the major underwriters of new issues that have provided the catalyst for improved credit quality at many of these companies. Pricing and structural terms proved critical to the performance of the bonds bought on behalf of the Fund. We expect that the calendar for new deals will remain robust throughout 2009 and we will continue to evaluate opportunities with an eye toward the right balance between yield and risk.

*Outlook*

The fear phase of this high yield cycle seemed to draw to a decisive close during the first half of 2009. High yield investors appear to have regained their courage as flows into the asset class were put in pursuit of both new issues and secondary opportunities. This is a huge paradigm shift from late 2008 and suggests to us that the asset class is moving into a new phase. Fundamentals will now receive more scrutiny as portfolio managers and analysts look for signs of improving earnings and cash flow from high yield credits. Disappointments will likely result in the coming months and the market could give back some of its gains. Notwithstanding short term setbacks,

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however, we remain constructive longer term on high yield bonds, and urge patience as the U.S. economy continues its road to recovery.

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 A. 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 T. Rowe Price Associates, Inc. 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 or indicative of the Fund's portfolio as a whole.*

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The New America High Income Fund, Inc.

| <b>Industry Summary<br/>June 30, 2009 (Unaudited)</b>                  | <b>As a Percent of<br/>Total Investments</b> |
|--|--|
| Telecommunications   | 13.00%                                       |
| Oil and Gas  | 11.53%                                       |
| Finance  | 6.87%  |
| Broadcasting and Entertainment   | 6.55%  |
| Utilities  | 6.10%  |
| Healthcare, Education and Childcare                                    | 5.89%  |
| Mining, Steel, Iron and Non-Precious Metals                            | 5.59%  |
| Electronics  | 5.12%  |
| Retail Stores  | 4.90%  |
| Containers, Packaging and Glass  | 4.57%  |
| Hotels, Motels, Inns and Gaming  | 4.22%  |
| Building and Real Estate   | 2.91%  |
| Automobile   | 2.76%  |
| Personal, Food and Miscellaneous Services                              | 2.55%  |
| Chemicals, Plastics and Rubber   | 2.03%  |
| Printing and Publishing  | 1.95%  |
| Diversified/Conglomerate Service                                       | 1.86%  |
| Beverage, Food and Tobacco   | 1.79%  |
| Aerospace and Defense  | 1.52%  |
| Insurance  | 1.11%  |
| Personal Transportation  | 1.04%  |
| Machinery  | 0.89%  |
| Ecological   | 0.80%  |
| Diversified/Conglomerate Manufacturing                                 | 0.74%  |
| Personal Non-Durable Consumer Products                                 | 0.66%  |
| Leisure, Amusement and Entertainment                                   | 0.60%  |
| Cargo Transport  | 0.44%  |
| Banking  | 0.36%  |
| Groceries  | 0.33%  |
| Textiles and Leather   | 0.15%  |
| Short-Term Investments   | 1.17%  |
| Total Investments  | 100.00%                                      |
| <b>Moody's Investors Service Ratings<br/>June 30, 2009 (Unaudited)</b> | <b>As a Percent of<br/>Total Investments</b> |
| Short Term Prime-1   | 1.17%  |
| A3   | 0.10%  |
| Baa2   | 0.12%  |
| Baa3   | 1.81%  |
| Total Baa  | 1.93%  |
| Ba1  | 4.76%  |
| Ba2  | 9.33%  |
| Ba3  | 14.32%                                       |
| Total Ba   | 28.41%                                       |
| B1   | 12.30%                                       |
| B2   | 12.33%                                       |
| B3   | 14.31%                                       |

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|                   |         |
|-------------------|---------|
| Total B           | 38.94%  |
| Caa1              | 16.00%  |
| Caa2              | 3.86%   |
| Caa3              | 2.13%   |
| Total Caa         | 21.99%  |
| Ca                | 1.95%   |
| Unrated           | 3.91%   |
| Equity            | 1.60%   |
| Total Investments | 100.00% |

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The New America High Income Fund, Inc.

Schedule of Investments June 30, 2009 (Unaudited) Dollar Amounts in Thousands)

| Principal Amount/Units                       |       | Moody's Rating (Unaudited)   | Value (Note 1) |
|--|-------|--|----------------|
| <b>CORPORATE DEBT SECURITIES 136.46% (d)</b> |       |  |                |
| <b>Aerospace and Defense 2.23%</b>           |       |  |                |
| \$   | 650   | BE Aerospace Inc., Senior Notes, 8.50%, 07/01/18                                 | \$ 608         |
|  | 1,625 | GenCorp Inc., Senior Subordinated Notes, 9.50%, 08/15/13                         | 1,190          |
|  | 500   | L 3 Communications Corporation, Senior Subordinated Notes, 7.625%, 06/15/12      | 503            |
|  | 625   | Moog, Inc., Senior Notes, 7.25%, 06/15/18  | 581            |
|  | 825   | TransDigm Inc., Senior Subordinated Notes, 7.75%, 07/15/14                       | 784            |
|  | 575   | Vought Aircraft Industries, Senior Notes, 8%, 07/15/11                           | 354            |
|  |       |  | 4,020          |
| <b>Automobile 4.04%</b>                      |       |  |                |
|  | 1,825 | Allison Transmission, Inc., Senior Notes, 11.25%, 11/01/15 (g)                   | 1,314          |
|  | 850   | Cooper Standard Automotive Inc., Senior Subordinated Notes, 8.375%, 12/15/14 (a) | 83             |
|  | 1,035 | Goodyear Tire & Rubber Company, Senior Notes, 8.625%, 12/01/11                   | 1,025          |
|  | 1,725 | Goodyear Tire & Rubber Company, Senior Notes, 10.50%, 05/15/16                   | 1,742          |
|  | 525   | KAR Holdings, Inc., Senior Notes, 5.028%, 05/01/14                               | 394            |
|  | 1,700 | KAR Holdings, Inc., Senior Subordinated Notes, 10%, 05/01/15                     | 1,394          |
|  | 400   | Tenneco Automotive, Inc., Senior Subordinated Notes, 8.125%, 11/15/15            | 320            |
|  | 1,025 | Tenneco Automotive, Inc.,  | 738            |

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Senior Subordinated  
Notes,  
8.625%, 11/15/14

| Principal<br>Amount/Units                   |     | Moody's<br>Rating<br>(Unaudited)   | Value<br>(Note 1) |
|---|-----|--|-------------------|
| \$  | 150 | TRW Automotive, inc.,<br>Senior Notes,<br>7%, 03/15/14 (g)<br>Caa2                                 | \$ 108            |
|   | 275 | United Components, Inc.,<br>Senior Subordinated<br>Notes,<br>9.375%, 06/15/13<br>Caa2              | 175               |
|   |     |  | 7,293             |
| <b>Beverage, Food and Tobacco 2.14%</b>     |     |  |                   |
|   | 375 | Alliance One<br>International , Inc.,<br>Senior Notes,<br>10%, 07/15/16 (g)<br>B2                  | 355               |
|   | 325 | Alliance One<br>International , Inc.,<br>Senior Subordinated<br>Notes,<br>12.75%, 11/15/12<br>Caa1 | 347               |
|   | 250 | Del Monte Corporation,<br>Senior Subordinated<br>Notes,<br>8.625%, 12/15/12<br>B1                  | 254               |
|   | 475 | Dole Food Company,<br>Inc.,<br>Senior Notes,<br>13.875%, 03/15/14 (g)<br>B2                        | 520               |
|   | 100 | JBS S.A., Senior Notes,<br>9.375%, 02/07/11<br>B1  | 98                |
|   | 400 | JBS USA, LLC Senior<br>Notes,<br>11.625%, 05/01/14 (g)<br>B1                                       | 376               |
|   | 200 | Pinnacle Foods Finance<br>LLC,<br>Senior Notes,<br>9.25%, 04/01/15<br>Caa2                         | 182               |
|   | 100 | Pinnacle Foods Finance<br>LLC,<br>Senior Subordinated<br>Notes,<br>10.625%, 04/01/17<br>Caa2       | 85                |
|   | 650 | Tyson Foods, Inc., Senior<br>Notes,<br>8.25%, 10/01/11<br>B2                                       | 668               |
|   | 900 | Tyson Foods, Inc., Senior<br>Notes,<br>10.50%, 03/01/14 (g)<br>Ba3                                 | 984               |
|   |     |  | 3,869             |
| <b>Broadcasting and Entertainment 9.40%</b> |     |  |                   |
|   | 650 | AMC Entertainment, Inc.,<br>Senior Notes,<br>8.75%, 06/01/19 (g)<br>B1                             | 614               |
|   | 450 | Cinemark, USA, Inc.,<br>Senior Notes,<br>8.625%, 06/15/19 (g)<br>B3                                | 443               |
|   | 550 |  | 508               |

|     |   |     |     |
|-----|---|-----|-----|
|     | CSC Holdings, Inc.,<br>Senior Notes,<br>7.625%, 07/15/18    |     |     |
| 250 | CSC Holdings, Inc.,<br>Senior Notes,<br>8.50%, 04/15/14 (g) | Ba3 | 247 |

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, 2009 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units                     |  | Moody's Rating (Unaudited) | Value (Note 1) |
|--|--|----------------------------|----------------|
| <b>CORPORATE DEBT SECURITIES continued</b> |  |                            |                |
| \$ 625                                     | CSC Holdings, Inc., Senior Notes, 8.625%, 02/15/19 (g)                         | Ba3                        | \$ 611         |
| 775  | DIRECTV Holdings LLC, Senior Notes, 6.375%, 06/15/15                           | Ba3                        | 713            |
| 325  | DIRECTV Holdings LLC, Senior Notes, 7.625%, 05/15/16                           | Ba3                        | 315            |
| 750  | DIRECTV Holdings LLC, Senior Notes, 8.375%, 03/15/13                           | Ba3                        | 750            |
| 1,178                                      | EchoStar DBS Corporation, Senior Notes, 6.625%, 10/01/14                       | Ba3                        | 1,090          |
| 375  | EchoStar DBS Corporation, Senior Notes, 7.75%, 05/31/15                        | Ba3                        | 356            |
| 1,100                                      | Gaylord Entertainment Company, Senior Notes, 6.75%, 11/15/14                   | Caa2                       | 830            |
| 575  | Gaylord Entertainment Company, Senior Notes, 8%, 11/15/13                      | Caa2                       | 492            |
| 700  | HSN, Inc., Senior Notes, 11.25%, 08/01/16 (g)                                  | Ba3                        | 645            |
| 475  | Kabel Deutschland GmbH, Senior Notes, 10.625%, 07/01/14                        | B2                         | 482            |
| 825  | Lamar Media Corporation, Senior Subordinated Notes, 6.625%, 08/15/15           | B2                         | 722            |
| 125  | Lamar Media Corporation, Senior Subordinated Notes, Series B, 6.625%, 08/15/15 | B2                         | 107            |
| 100  | Lamar Media Corporation, Senior Subordinated Notes, Series C, 6.625%, 08/15/15 | B2                         | 84             |
| 400  | Lamar Media Corporation, Senior Subordinated Notes, 9.75%, 04/01/14 (g)        | Ba3                        | 416            |
| 750  | Mediacom Broadband LLC, Senior Notes, 8.50%, 10/15/15                          | B3                         | 675            |
| 250  | Rainbow National Services LLC, Senior Notes,                                   | Ba3                        | 252            |

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8.75%, 09/01/12 (g)

| Principal Amount/Units                |  | Moody's Rating (Unaudited) | Value (Note 1) |
|---------------------------------------|--|----------------------------|----------------|
| \$ 300                                | Rogers Cable Inc., Senior Secured Notes, 6.75%, 03/15/15             | Baa2                       | \$ 320         |
| 850                                   | Sirius Satellite Radio, Inc., Senior Notes, 9.625%, 08/01/13         | Ca                         | 627            |
| 1,050                                 | Univision Communications, Inc., Senior Notes, 7.85%, 07/15/11        | B2                         | 1,039          |
| 1,650                                 | Univision Communications, Inc., Senior Notes, 9.75%, 03/15/15 (g)(i) | Caa2                       | 941            |
| 700                                   | Univision Communications, Inc., Senior Notes, 12%, 07/01/14 (g)      | B2                         | 688            |
| 250                                   | Videotron Ltee., Senior Notes, 6.375%, 12/15/15                      | Ba2                        | 224            |
| 1,475                                 | Videotron Ltee., Senior Notes, 6.875%, 01/15/14                      | Ba2                        | 1,379          |
| 25                                    | Videotron Ltee., Senior Notes, 9.125%, 04/15/18                      | Ba2                        | 25             |
| 275                                   | XM Satellite Radio, Inc., Senior Notes, 11.25%, 06/15/13 (g)         | Caa1                       | 273            |
| 1,350                                 | XM Satellite Radio, Inc., Senior Notes, 13%, 08/01/13 (g)            | Ca                         | 1,094          |
|                                       |  |                            | 16,962         |
| <b>Building and Real Estate 3.33%</b> |  |                            |                |
| 500                                   | AMH Holdings, Inc., Senior Discount Notes, 11.25%, 03/01/14          | Caa2                       | 215            |
| 500                                   | FelCor Lodging Limited Partnership, Senior Notes, 9.00%, 06/01/11    | B2                         | 445            |
| 825                                   | Host Marriott, L.P., Senior Notes, 6.75%, 06/01/16                   | Ba1                        | 710            |
| 1,125                                 | Icahn Partners, Senior Notes, 7.125%, 02/15/13                       | Ba3                        | 1,015          |
| 700                                   | K. Hovnanian Enterprises, Senior Notes, 11.50%, 05/01/13             | B2                         | 602            |
| 950                                   | Texas Industries, Inc., Senior Notes, 7.25%, 07/15/13                | B2                         | 865            |
| 200                                   | Texas Industries, Inc., Senior Notes, 7.25%, 07/15/13 (g)            | B2                         | 182            |

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6

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The New America High Income Fund, Inc.

Schedule of Investments June 30, 2009 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units                      |       | Moody's Rating (Unaudited)  | Value (Note 1) |
|---|-------|---|----------------|
| <b>CORPORATE DEBT SECURITIES continued</b>  |       |   |                |
|   |       | United Rentals (North America), Inc.,                             |                |
| \$  | 800   | Convertible Senior 10.875%, 06/15/16 (g)                          | \$ 768         |
|   |       | U.S. Concrete, Inc., Senior                                       |                |
|   | 375   | Subordinated Notes, 8.375%, 04/01/14                              | 240            |
|   |       | Ventas Realty, Limited Partnership, Senior Notes, 6.50%, 06/01/16 | 718            |
|   | 800   | Ventas Realty, Limited Partnership, Senior Notes, 6.50%, 06/01/16 | 247            |
|   | 275   |   | 6,007          |
| <b>Cargo Transport .64%</b>                 |       |   |                |
|   |       | American Railcar Industries, Inc., Senior Notes, 7.50%, 03/01/14  | 566            |
|   | 650   | Kansas City Southern Railway Company, Senior Notes, 13%, 12/15/13 | 215            |
|   | 200   | TFM, S.A. de C.V., Senior Notes, 9.375%, 05/01/12                 | 380            |
|   | 400   |   | 1,161          |
| <b>Chemicals, Plastics and Rubber 2.76%</b> |       |   |                |
|   |       | Ashland, Inc., Senior Notes, 9.125%, 06/01/17 (g)                 | 442            |
|   | 425   | Huntsman LLC, Senior Notes, 11.625%, 10/15/10                     | 51             |
|   | 50    | Huntsman International LLC, Senior Notes, 7.875%, 11/15/14        | 258            |
|   | 325   | INVISTA S.A.R.L., Senior Notes 9.25%, 05/01/12 (g)                | 1,208          |
|   | 1,275 | Koppers Holdings Inc., Senior Notes, 9.875%, 11/15/14 (b)         | 1,147          |
|   | 1,300 | Koppers Inc., Senior Secured Notes, 9.875%, 10/15/13              | 490            |
|   | 500   | Nalco Company, Senior Notes, 8.25%, 05/15/17 (g)                  | 879            |
|   | 875   |   | 507            |
|   | 600   |   |                |

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PolyOne Corporation,  
Senior Notes,  
8.875%, 05/01/12

4,982

| Principal Amount/Units                 |              |   | Moody's Rating (Unaudited) | Value (Note 1) |
|--|--------------|---|----------------------------|----------------|
| <b>Containers, Packaging and Glass</b> | <b>6.68%</b> |   |                            |                |
|  |              | Boise Cascade, LLC, Senior Subordinated Notes, Notes, 7.125%, 10/15/14      | Caa1                       | \$ 412         |
| \$                                     | 792          |   |                            |                |
|  |              | BWAY Corporation, Senior Subordinated Notes, 10%, 4/15/14 (g)               | B3                         | 895            |
|  | 900          |   |                            |                |
|  |              | Cellu Tissue Holdings, Inc., Senior Secured Notes, 11.50%, 06/01/14 (g)     | B2                         | 442            |
|  | 450          |   |                            |                |
|  |              | Clearwater Paper Corporation, Senior Notes, 10.625%, 06/15/16 (g)           | Ba3                        | 305            |
|  | 300          |   |                            |                |
|  |              | Clondalkin Acquisition BV, Senior Notes, 2.629%, 12/15/13 (g)               | B1                         | 561            |
|  | 800          |   |                            |                |
|  |              | Crown Americas, L.L.C., Senior Notes, 7.75%, 11/15/15                       | B1                         | 489            |
|  | 500          |   |                            |                |
|  |              | Domtar Inc., Senior Notes, 5.375%, 12/01/13                                 | Ba3                        | 225            |
|  | 275          |   |                            |                |
|  |              | Domtar Inc., Senior Notes, 7.125%, 08/15/15                                 | Ba3                        | 788            |
|  | 950          |   |                            |                |
|  |              | Domtar Inc., Senior Notes, 9.50%, 08/01/16                                  | Ba3                        | 83             |
|  | 100          |   |                            |                |
|  |              | Georgia-Pacific Corporation, Senior Notes, 7%, 01/15/15 (g)                 | Ba3                        | 421            |
|  | 450          |   |                            |                |
|  |              | Georgia-Pacific Corporation, Senior Notes, 7.70%, 06/15/15                  | B2                         | 142            |
|  | 150          |   |                            |                |
|  |              | Georgia-Pacific LLC, Senior Notes, 8.25%, 05/01/16 (g)                      | Ba3                        | 267            |
|  | 275          |   |                            |                |
|  |              | Graham Packaging Company, L.P., Senior Subordinated Notes, 9.875%, 10/15/14 | Caa1                       | 1,000          |
|  | 1,075        |   |                            |                |
|  |              | Graphic Packaging International, Inc., Senior Notes, 8.50%, 08/15/11        | B3                         | 324            |
|  | 327          |   |                            |                |
|  |              | Graphic Packaging International, Inc., Senior Notes, 9.50%, 8/15/17         | B3                         | 96             |
|  | 100          |   |                            |                |
|  |              | Graphic Packaging International, Inc., Senior Notes, 9.50%, 06/15/27 (g)    | B3                         | 320            |
|  | 325          |   |                            |                |

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

7

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The New America High Income Fund, Inc.

Schedule of Investments June 30, 2009 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units                              |   | Moody's Rating (Unaudited) | Value (Note 1) |
|---|---|----------------------------|----------------|
| <b>CORPORATE DEBT SECURITIES continued</b>          |   |                            |                |
|   | International Paper Company,<br>Senior Notes,<br>7.40%, 06/15/14            | Baa3                       | \$ 547         |
| \$ 550  |   |                            |                |
|   | International Paper Company,<br>Senior Notes,<br>9.375%, 05/15/19           | Baa3                       | 305            |
| 300   |   |                            |                |
|   | NewPage Corporation,<br>Senior Secured Notes,<br>10%, 05/01/12              | Caa2                       | 324            |
| 675   |   |                            |                |
|   | Owens-Brockway Glass Container, Inc., Senior Notes,<br>7.375%, 05/15/16 (g) | Ba3                        | 600            |
| 625   |   |                            |                |
|   | Plastipak Holdings, Inc.,<br>Senior Notes,<br>8.50% 12/15/15 (g)            | B3                         | 762            |
| 850   |   |                            |                |
|   | Rock-Tenn Company,<br>Senior Notes,<br>8.20%, 08/15/11                      | Ba3                        | 481            |
| 475   |   |                            |                |
|   | Rock-Tenn Company,<br>Senior Notes,<br>9.25%, 03/15/16                      | Ba3                        | 458            |
| 450   |   |                            |                |
|   | Sealed Air Corp., Senior Notes,<br>7.875%, 06/15/17 (g)                     | Baa3                       | 298            |
| 300   |   |                            |                |
|   | Silgan Holdings, Inc.,<br>Senior Notes,<br>7.25%, 08/15/16 (g)              | Ba3                        | 456            |
| 475   |   |                            |                |
|   | Smurfit Kappa Funding plc,<br>Subordinated Notes,<br>7.75%, 04/01/15        | B2                         | 329            |
| 425   |   |                            |                |
|   | Solo Cup Company,<br>Senior Subordinated Notes,<br>8.50%, 02/15/14          | Caa2                       | 348            |
| 425   |   |                            |                |
|   | Solo Cup Company,<br>Senior Notes,<br>10.50%, 11/01/13 (g)                  | B2                         | 376            |
| 375   |   |                            |                |
|   |   |                            | 12,054         |
| <b>Diversified/Conglomerate Manufacturing 1.08%</b> |   |                            |                |
|   | Bombardier Inc., Senior Notes,<br>6.30%, 05/01/14 (g)                       | Ba2                        | 636            |
| 725   |   |                            |                |
|   | Bombardier Inc., Senior Notes,<br>8%, 11/15/14 (g)                          | Ba2                        | 212            |
| 225   |   |                            |                |
|   | H & E Equipment Services, Inc.,<br>Senior Notes,<br>8.375%, 07/15/16        | B3                         | 602            |
| 750   |   |                            |                |

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| Principal Amount/Units                  |              |  | Moody's Rating (Unaudited) | Value (Note 1) |
|---|--------------|--|----------------------------|----------------|
|   | 500          | Hawk Corporation, Senior Notes, 8.75%, 11/01/14                                    | B3                         | 500            |
|   |              |  |                            | 1,950          |
| <b>Diversified/Conglomerate Service</b> | <b>2.72%</b> |  |                            |                |
| \$                                      | 1,850        | First Data Corporation, Senior Notes, 9.875%, 09/24/15                             | Caa1                       | \$ 1,320       |
|   | 1,239        | First Data Corporation, Senior Notes, 10.55%, 09/24/15 (g)(i)                      | (e)                        | 725            |
|   | 550          | Hertz Corporation, Senior Notes, 8.875%, 01/01/14                                  | B1                         | 507            |
|   | 725          | Hertz Corporation, Senior Subordinated Notes, 10.50%, 01/01/16                     | B2                         | 649            |
|   | 1,100        | Mobile Services Group, Inc. Senior Notes, 9.75%, 08/01/14                          | B2                         | 1,053          |
|   | 925          | Sunstate Equipment Co, LLC, Senior Secured Notes, 10.50%, 04/01/13 (g)             | Caa3                       | 648            |
|   |              |  |                            | 4,902          |
| <b>Ecological</b>                       | <b>1.17%</b> |  |                            |                |
|   | 1,625        | Casella Waste Systems, Inc., Senior Subordinated Notes, 9.75%, 02/01/13            | Caa1                       | 1,381          |
|   | 800          | WCA Waste Corporation, Senior Notes, 9.25%, 06/15/14                               | B3                         | 726            |
|   |              |  |                            | 2,107          |
| <b>Electronics</b>                      | <b>4.47%</b> |  |                            |                |
|   | 475          | Anixter Inc., Senior Notes, 10%, 03/15/14  | Ba2                        | 480            |
|   | 800          | Avago Technologies Finance Pte. Ltd., Senior Notes, 10.125%, 12/01/13              | B1                         | 816            |
|   | 300          | Avago Technologies Finance Pte. Ltd., Senior Subordinated Notes, 11.875%, 12/01/15 | B3                         | 302            |
|   | 675          | Dycom Investments, Inc., Senior Subordinated Notes, 8.125%, 10/15/15               | Ba3                        | 567            |
|   | 825          | iPayment Inc., Senior Subordinated Notes, 9.75%, 05/15/14                          | Caa1                       | 452            |

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

8

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| Principal Amount/Units |       |  | Moody's Rating (Unaudited) | Value (Note 1) |
|------------------------|-------|--|----------------------------|----------------|
|                        | 1,500 | Ford Motor Credit Company LLC, Senior Notes, 7.875%, 06/15/10  | Caa1                       | 1,432          |
| \$                     | 2,225 | Ford Motor Credit Company LLC, Senior Notes, 9.75%, 09/15/10   | Caa1                       | \$ 2,136       |
|                        | 650   | Fresenius US Financial II Inc., Senior Notes, 9%, 07/15/15 (g) | Ba1                        | 696            |
|                        | 650   | GMAC LLC, Senior Notes, 6.875%, 09/15/11 (g)                   | Ca                         | 559            |
|                        | 600   | GMAC LLC, Senior Notes, 6.875%, 09/15/11                       | Ca                         | 516            |
|                        | 250   | GMAC LLC, Senior Notes, 7.75%, 01/19/10 (g)                    | Ca                         | 241            |
|                        | 950   | GMAC LLC, Senior Notes, 8%, 11/01/31 (g)                       | Ca                         | 660            |
|                        | 650   | Lazard Group, LLC, Senior Notes, 7.125%, 05/15/15              | Ba1                        | 612            |
|                        | 975   | Mobile Mini, Inc. Senior Notes, 6.875%, 05/01/15               | B2                         | 807            |
|                        | 1,000 | NiSource Finance Corporation, Senior Notes, 10.75%, 03/15/16   | Baa3                       | 1,084          |
|                        | 425   | Nuveen Investments, Inc., Senior Notes, 5%, 09/15/10           | Caa3                       | 391            |
|                        | 1,725 | Nuveen Investments, Inc., Senior Notes, 5.50%, 09/15/15        | Caa3                       | 914            |
|                        | 900   | Nuveen Investments, Inc., Senior Notes, 10.50%, 11/15/15 (g)   | Caa3                       | 627            |
|                        | 1,025 | Sears Roebuck Acceptance 6.75%, 08/15/11                       | Ba3                        | 986            |
|                        | 1,375 | SLM Corporation, Senior Medium Term Notes, 5.45%, 04/25/11     | Ba1                        | 1,272          |
|                        | 125   | SLM Corporation, Senior Medium Term Notes, 5.375%, 05/15/14    | Ba1                        | 100            |
|                        |       |  |                            | 17,545         |
| <b>Groceries .49%</b>  |       |  |                            |                |
|                        | 600   | Ingles Markets, Inc., Senior Notes, 8.875%, 05/15/17 (g)       | B1                         | 591            |
|                        | 300   | SuperValue Inc., Senior Notes, 8%, 05/01/16                    | Ba3                        | 293            |

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

9

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|    |     |   |      |    |     |
|----|-----|---|------|----|-----|
| \$ | 575 | Omnicare, Inc., Senior Subordinated Notes, 6.875%, 12/15/15                               | B1   | \$ | 522 |
|    | 250 | Psychiatric Solutions, Inc., Senior Subordinated Notes, 7.75%, 07/15/15 (g)               | B3   |    | 229 |
|    | 543 | Symbion, Inc., Senior Notes, 11%, 08/23/15 (i)  | Caa1 |    | 359 |
|    | 375 | Cengage Learning Acquisitions, Inc., Senior Notes, 10.50%, 01/15/15 (g)                   | Caa2 |    | 305 |
|    | 700 | Cengage Learning Acquisitions, Inc., Senior Subordinated Notes, 13.25%, 07/15/15 (b)(g)   | Caa2 |    | 499 |
|    | 875 | United Surgical Partners International, Inc., Senior Subordinated Notes, 8.875%, 05/01/17 | Caa1 |    | 798 |
|    | 450 | Universal Hospital Services, Inc., Senior Secured Notes, 4.635%, 06/01/15                 | B3   |    | 365 |
|    | 200 | Universal Hospital Services, Inc., Senior Secured Notes, 8.50%, 06/01/15                  | B3   |    | 189 |
|    | 757 | US Oncology Holdings, Inc., Senior Notes, 6.904%, 03/15/12 (i)                            | Caa1 |    | 659 |
|    | 250 | US Oncology, Inc., Senior Notes, 9%, 08/15/12   | Ba3  |    | 256 |
|    | 275 | US Oncology, Inc., Senior Notes, 9.125%, 08/15/17 (g)                                     | Ba3  |    | 274 |
|    | 375 | US Oncology, Inc., Senior Subordinated Notes, 10.75%, 08/15/14                            | B3   |    | 376 |
|    | 375 | Valeant Pharmaceuticals, International, Senior Notes, 8.375%, 06/15/16 (g)                | Ba3  |    | 369 |
|    | 500 | Vanguard Health Holding Company I, LLC, Senior Notes, 11.25%, 10/01/15 (b)                | Caa1 |    | 487 |
|    | 650 | Vanguard Health Holding Company II, LLC, Senior Subordinated Notes, 9%, 10/01/14          | Caa1 |    | 621 |

15,558

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, 2009 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units                       |  | Moody's Rating (Unaudited) | Value (Note 1) |
|--|--|----------------------------|----------------|
| <b>CORPORATE DEBT SECURITIES continued</b>   |  |                            |                |
| <b>Hotels, Motels, Inns and Gaming 6.17%</b> |  |                            |                |
| \$ 925                                       | Ameristar Casinos, Inc.,<br>Senior Notes,<br>9.25%, 06/01/14 (g)                           | B2                         | \$ 926         |
| 450  | Harrah's Operating<br>Company,<br>Senior Notes,<br>5.50%, 07/01/10                         | Ca                         | 400            |
| 950  | Harrah's Escrow<br>Corporation,<br>Senior Notes,<br>11.25%, 06/01/17 (g)                   | Caa1                       | 898            |
| 600  | Isle of Capri Casinos,<br>Inc.,<br>Senior Notes<br>7%, 03/01/14                            | Caa1                       | 483            |
| 175  | Little Traverse Bay Bands<br>of<br>Odawa Indians, Senior<br>Notes,<br>10.25%, 02/15/14 (g) | Caa2                       | 75             |
| 525  | MGM Mirage, Senior<br>Notes,<br>10.375%, 05/15/14 (g)                                      | B1                         | 550            |
| 725  | MGM Mirage, Senior<br>Notes,<br>11.125%, 11/15/17 (g)                                      | B1                         | 767            |
| 600  | MGM Mirage, Senior<br>Notes,<br>13%, 11/15/13 (g)  | B1                         | 662            |
| 750  | Penn National Gaming,<br>Inc.,<br>Senior Notes,<br>6.75%, 03/01/15                         | B1                         | 675            |
| 975  | Pinnacle Entertainment,<br>Inc.,<br>Senior Subordinated<br>Notes,<br>7.50%, 06/15/15       | B3                         | 814            |
| 450  | Pinnacle Entertainment,<br>Inc.,<br>Senior Subordinated<br>Notes,<br>8.25%, 03/15/12       | B3                         | 448            |
| 1,300  | Pokagon Gaming<br>Authority,<br>Senior Notes,<br>10.375%, 06/15/14 (g)                     | B2                         | 1,277          |
| 1,450  | Shingle Springs Tribal<br>Gaming<br>Authority, Senior Secured<br>Notes,                    | Caa1                       | 870            |

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|  |       |   |                                   |                       |
|--|-------|---|-----------------------------------|-----------------------|
|  |       | 9.375%, 06/15/15 (g)                                      |                                   |                       |
|  |       | Starwood Hotels and Resorts                               |                                   |                       |
|  |       | Worldwide, Inc., Senior Notes,                            |                                   |                       |
|  | 750   | 7.875%, 10/15/14  | Ba1                               | 710                   |
|  |       | Wynn Las Vegas LLC, Senior Notes,                         |                                   |                       |
|  | 1,800 | 6.625%, 12/01/14  | Ba2                               | 1,575                 |
|  |       |   |                                   | 11,130                |
| <b>Principal Amount/Units</b>                            |       |   | <b>Moody's Rating (Unaudited)</b> | <b>Value (Note 1)</b> |
| <b>Insurance 1.63%</b>                                   |       |   |                                   |                       |
|  |       | Centene Corporation, Senior Notes,                        |                                   |                       |
| \$   | 575   | 7.25%, 04/01/14   | Ba3                               | \$ 528                |
|  |       | Hub International Limited, Senior Notes,                  |                                   |                       |
|  | 975   | 9%, 12/15/14 (g)  | B3                                | 804                   |
|  |       | Hub International Limited, Senior Subordinated Notes,     |                                   |                       |
|  | 1,775 | 10.25%, 06/15/15 (g)                                      | Caa1                              | 1,322                 |
|  |       | USI Holdings Corporation, Senior Subordinated Notes,      |                                   |                       |
|  | 425   | 9.75%, 05/15/15 (g)                                       | Caa1                              | 287                   |
|  |       |   |                                   | 2,941                 |
| <b>Leisure .45%</b>                                      |       |   |                                   |                       |
|  |       | Speedway Motorsports, Inc., Senior Notes,                 |                                   |                       |
|  | 450   | 8.75%, 06/01/16 (g)                                       | Ba1                               | 457                   |
|  |       | Ticketmaster, Senior Notes,                               |                                   |                       |
|  | 400   | 10.75%, 07/28/16 (g)                                      | Ba3                               | 356                   |
|  |       |   |                                   | 813                   |
| <b>Machinery 1.30%</b>                                   |       |   |                                   |                       |
|  |       | Columbus McKinnon Corporation, Senior Subordinated Notes, |                                   |                       |
|  | 1,125 | 8.875%, 11/01/13  | B1                                | 1,124                 |
|  |       | Commercial Vehicle Group, Inc., Senior Notes,             |                                   |                       |
|  | 725   | 8%, 07/01/13  | Caa3                              | 413                   |
|  |       | Manitowoc Company, Inc., Senior Notes,                    |                                   |                       |
|  | 350   | 7.125%, 11/01/13  | Caa1                              | 258                   |
|  |       | RSC Equipment Rental, Inc., Senior Notes                  |                                   |                       |
|  | 550   | 10%, 07/15/17 (g)   | B1                                | 550                   |
|  |       |   |                                   | 2,345                 |
| <b>Mining, Steel, Iron and Non-Precious Metals 7.89%</b> |       |   |                                   |                       |

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|     |   |    |     |
|-----|---|----|-----|
|     | Arch Western Finance<br>LLC,<br>Senior Notes,<br>6.75%, 07/01/13              | B1 | 616 |
| 675 | Compass Minerals<br>International,<br>Inc., Senior Notes,<br>8%, 06/01/19 (g) | B1 | 224 |
| 225 | ESCO Corporation,<br>Senior Notes,<br>4.504%, 12/15/13 (g)                    | B2 | 270 |
| 350 |   |    |     |

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, 2009 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units                     |       | Moody's Rating (Unaudited)  | Value (Note 1) |
|--|-------|---|----------------|
| <b>CORPORATE DEBT SECURITIES continued</b> |       |   |                |
| \$   | 1,225 | ESCO Corporation, Senior Notes, 8.625%, 12/15/13 (g)                | \$ 1,060       |
|  | 1,125 | Foundation PA Coal Company, Senior Notes, 7.25%, 08/01/14           | 1,102          |
|  | 1,500 | Freeport-McMoRan Copper & Gold Inc., Senior Notes, 8.375%, 04/01/17 | 1,511          |
|  | 1,750 | Gibraltar Industries, Inc., Senior Subordinated Notes, 8%, 12/01/15 | 1,312          |
|  | 850   | International Coal Group, Inc., Senior Notes, 10.25%, 07/15/14      | 599            |
|  | 105   | Metals USA, Inc., Senior Notes, 8.208%, 07/01/12 (i)                | 63             |
|  | 550   | Metals USA, Inc., Senior Secured Notes, 11.125%, 12/01/15           | 450            |
|  | 850   | Novelis, Inc., Senior Notes, 7.25%, 02/15/15                        | 642            |
|  | 825   | Reliance Steel and Aluminum Company, Senior Notes, 6.20%, 11/15/16  | 660            |
|  | 925   | Ryerson, Inc., Senior Notes, 12%, 11/01/15                          | 754            |
|  | 575   | Steel Dynamics, Inc., Senior Notes, 6.75%, 04/01/15                 | 507            |
|  | 700   | Steel Dynamics, Inc., Senior Notes, 7.375%, 11/01/12                | 665            |
|  | 775   | Teck Resources Limited, Senior Notes, 9.75%, 05/15/14 (g)           | 810            |
|  | 775   | Teck Resources Limited, Senior Notes, 10.25%, 05/15/16 (g)          | 814            |
|  | 800   | Teck Resources Limited, Senior Notes, 10.75%, 05/15/19 (g)          | 864            |
| Principal Amount/Units                     |       | Moody's Rating (Unaudited)  | Value (Note 1) |
| \$   | 1,050 | Caa1  | \$ 646         |

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|                           |  |      |        |
|---------------------------|--|------|--------|
|                           | Tube City IMS Corporation., Senior Subordinated Notes, 9.75%, 02/01/15   |      |        |
| 800                       | United States Steel Corporation, Senior Notes, 6.05%, 06/01/17           | Ba3  | 673    |
|                           |  |      | 14,242 |
| <b>Oil and Gas 16.21%</b> |  |      |        |
| 75                        | AmeriGas Partners, L.P., Senior Notes, 7.125%, 05/20/16                  | Ba3  | 69     |
| 1,650                     | AmeriGas Partners, L.P., Senior Notes, 7.25%, 05/20/15                   | Ba3  | 1,547  |
| 450                       | Berry Petroleum Company, Senior Notes, 10.25%, 06/01/14                  | B2   | 452    |
| 525                       | Bill Barrett Corporation, Senior Notes, 9.875%, 07/15/16 (g)             | (e)  | 500    |
| 500                       | Bristow Group Inc., Senior Notes, 6.125%, 06/15/13                       | Ba2  | 455    |
| 1,050                     | Bristow Group, Inc. Senior Notes, 7.50%, 09/15/17                        | Ba2  | 950    |
| 25                        | Chesapeake Energy Corp., Senior Notes, 6.375%, 06/15/15                  | Ba3  | 22     |
| 1,450                     | Chesapeake Energy Corp., Senior Notes, 9.50%, 02/15/15                   | Ba3  | 1457   |
| 200                       | Compagnie Generale De Geophysique-Veritas, Senior Notes, 7.50%, 05/15/15 | Ba3  | 183    |
| 1,575                     | Compagnie Generale De Geophysique-Veritas, Senior Notes, 7.75%, 05/15/17 | Ba3  | 1,419  |
| 1,700                     | Complete Production Services, Inc., Senior Notes, 8%, 12/15/16           | B1   | 1,449  |
| 1,075                     | Compton Petroleum Finance Corporation, Senior Notes, 7.625%, 12/01/13    | Caa2 | 591    |
| 1,550                     | Connacher Oil and Gas Limited, Senior Notes, 10.25%, 12/15/15 (g)        | Caa2 | 938    |

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, 2009 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units                     |                                | Moody's Rating (Unaudited)   | Value (Note 1) |
|--|--------------------------------|--|----------------|
| <b>CORPORATE DEBT SECURITIES continued</b> |                                |  |                |
|  | Connacher Oil and Gas Limited, |  |                |
| \$   | 350                            | Senior Notes, 11.75%, 07/15/14 (g)                                     | \$ 337         |
|  | 1,175                          | Copano Energy, LLC, Senior Notes, 8.125%, 03/01/16                     | 1,104          |
|  | 575                            | Denbury Resources Inc., Senior Subordinated Notes, 9.75%, 03/01/16     | 589            |
|  | 350                            | El Paso Corporation, Senior Notes, 8.25%, 02/15/16                     | 340            |
|  | 1,425                          | El Paso Corporation, Senior Notes, 12%, 12/12/13                       | 1,546          |
|  | 575                            | Encore Acquisition Company, Senior Subordinated Notes, 6.25%, 04/15/14 | 493            |
|  | 825                            | Encore Acquisition Company, Senior Subordinated Notes, 7.25%, 12/01/17 | 709            |
|  | 125                            | Encore Acquisition Company, Senior Subordinated Notes, 9.50%, 05/01/16 | 123            |
|  | 525                            | Ferrellgas, L.P., Senior Notes, 6.75%, 05/01/14                        | 457            |
|  | 1,575                          | Ferrellgas Partners L.P., Senior Notes, 8.75%, 06/15/12                | 1,473          |
|  | 1,300                          | Forest Oil Corp., Senior Notes, 7.25%, 06/15/19                        | 1,170          |
|  | 325                            | Forest Oil Corp., Senior Notes, 8.50%, 02/15/14 (g)                    | 320            |
|  | 1,575                          | Hilcorp Energy I, L.P., Senior Notes, 7.75%, 11/01/15 (g)              | 1,339          |
|  | 475                            | Inergy, L.p., Senior Notes, 8.75%, 03/01/15 (g)                        | 464            |
|  | 125                            | Kinder Morgan Finance Company LLC., Senior Notes, 5.70%, 01/15/16      | 109            |
|  | 525                            | Mariner Energy, Inc., Senior Notes, 11.75%, 06/30/16                   | 522            |
|  | 1,175                          | OPTI Canada Inc., Senior Secured Notes, 7.875%, 12/15/14               | 764            |

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| Principal Amount/Units |  | Moody's Rating (Unaudited) | Value (Note 1) |
|------------------------|--|----------------------------|----------------|
| \$ 700                 | OPTI Canada Inc., Senior Secured Notes, 8.25%, 12/15/14                  | Caa1                       | \$ 464         |
| 300                    | Penn Virginia Corporation, Senior Notes, 10.375%, 06/15/16               | B2                         | 305            |
| 200                    | PetroHawk Energy Corporation, Senior Notes, 7.875%, 06/01/15             | B3                         | 185            |
| 1,275                  | PetroHawk Energy Corporation, Senior Notes, 9.125%, 07/15/13             | B3                         | 1,272          |
| 400                    | PetroHawk Energy Corporation, Senior Notes, 10.50%, 08/01/14 (g)         | B3                         | 410            |
| 350                    | Plains Exploration & Production Co., Senior Notes, 7%, 03/15/17          | B1                         | 306            |
| 425                    | Quicksilver Resources, Inc., Senior Notes, 8.25%, 08/01/15               | B2                         | 378            |
| 525                    | Quicksilver Resources, Inc., Senior Notes, 11.75%, 01/01/16              | B2                         | 542            |
| 150                    | Range Resources Corporation, Senior Subordinated Notes, 7.375%, 07/15/13 | Ba3                        | 146            |
| 650                    | Range Resources Corporation, Senior Subordinated Notes, 7.50%, 05/15/16  | Ba3                        | 622            |
| 750                    | SandRidge Energy, Inc., Senior Notes, 4.222%, 04/01/14                   | B3                         | 589            |
| 75                     | SandRidge Energy, Inc., Senior Notes, 8%, 06/01/18 (g)                   | B3                         | 63             |
| 1,525                  | SandRidge Energy, Inc., Senior Notes, 8.625%, 04/01/15                   | B3                         | 1,369          |
| 300                    | Tennessee Gas Pipeline Company, Senior Notes, 8%, 02/01/16               | Baa3                       | 314            |
| 400                    | Tesoro Corporation, Senior Notes, 9.75%, 06/01/19                        | Ba1                        | 394            |
|                        |  |                            | 29,250         |

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The New America High Income Fund, Inc.

Schedule of Investments June 30, 2009 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units                                 |       | Moody's Rating (Unaudited)  | Value (Note 1) |
|--|-------|---|----------------|
| <b>CORPORATE DEBT SECURITIES continued</b>             |       |   |                |
| <b>Personal, Food and Miscellaneous Services 3.74%</b> |       |   |                |
| \$   | 1,450 | ARAMARK Corporation,<br>Senior Notes,<br>4.528%, 02/01/15                     | \$ 1,211       |
|  | 400   | ARAMARK Corporation,<br>Senior Notes,<br>5%, 06/01/12                         | 364            |
|  | 325   | Brinker International,<br>Inc.,<br>Senior Notes,<br>5.75%, 06/01/14           | 295            |
|  | 800   | FTI Consulting, Inc.,<br>Senior Notes,<br>7.625%, 06/15/13                    | 764            |
|  | 750   | FTI Consulting, Inc.,<br>Senior Notes,<br>7.75%, 10/01/16                     | 714            |
|  | 1,100 | Mac-Gray Corporation,<br>Senior Notes,<br>7.625%, 08/15/15                    | 1,046          |
|  | 850   | O'Charleys, Inc., Senior<br>Subordinated Notes,<br>9%, 11/01/13               | 750            |
|  | 400   | OSI Restaurant Partners,<br>Inc.,<br>Senior Notes,<br>10%, 06/15/15           | 272            |
|  | 550   | Wendy's International<br>Holdings,<br>LLC, Senior Notes,<br>10%, 07/15/16 (g) | 526            |
|  | 900   | West Corporation, Senior<br>Subordinated Notes,<br>9.50%, 10/15/14            | 797            |
|  |       |   | 6,739          |
| <b>Personal Non-Durable Consumer Products .96%</b>     |       |   |                |
|  | 675   | Bausch & Lomb,<br>Incorporated,<br>Senior Notes,<br>9.875%, 11/01/15          | 645            |
|  | 375   | Jarden Corporation,<br>Senior Notes,<br>8%, 05/01/16                          | 358            |
|  | 50    | Visant Holding Corp.,<br>Senior Notes,<br>10.25%, 12/01/13                    | 50             |
|  | 675   | Visant Corporation,<br>Senior<br>Subordinated Notes,<br>7.625%, 10/01/12      | 670            |
|  |       |   | 1,723          |

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| Principal Amount/Units               |       | Moody's Rating (Unaudited)                               | Value (Note 1) |
|--------------------------------------|-------|--|----------------|
| <b>Personal Transportation .99%</b>  |       |  |                |
|                                      |       | American Airlines, Inc.,                                 |                |
| \$                                   | 850   | Senior Notes, 7.858%, 10/01/11                           | \$ 801         |
|                                      |       | Delta Airlines, Inc.,                                    |                |
|                                      | 825   | Senior Notes, 7.57%, 11/18/10                            | 796            |
|                                      |       | Northwest Airlines                                       |                |
|                                      | 225   | 7.575%, 09/01/20   | 187            |
|                                      |       |  | 1,784          |
| <b>Printing and Publishing 2.85%</b> |       |  |                |
|                                      |       | Affinity Group Holding, Inc.,                            |                |
|                                      | 151   | Senior Notes, 10.875%, 02/15/12                          | 60             |
|                                      |       | Affinity Group Inc., Senior                              |                |
|                                      | 850   | Subordinated Notes, 9%, 02/15/12                         | 578            |
|                                      |       | Deluxe Corporation,                                      |                |
|                                      | 1,100 | Senior Notes, 7.375%, 06/01/15                           | 883            |
|                                      |       | Interpublic Group of Companies,                          |                |
|                                      | 475   | Inc., Senior Notes, 10%, 07/15/17 (g)                    | 482            |
|                                      |       | Local Insight Regatta Holdings,                          |                |
|                                      | 1,175 | Inc., Senior Subordinated Notes, 11%, 12/01/17           | 311            |
|                                      |       | Nielsen Finance LLC,                                     |                |
|                                      | 425   | Senior Notes, 10%, 08/01/14                              | 404            |
|                                      |       | Nielsen Finance LLC,                                     |                |
|                                      | 350   | Senior Notes, 11.50%, 05/01/16 (g)                       | 340            |
|                                      |       | Nielsen Finance LLC,                                     |                |
|                                      | 400   | Senior Notes, 11.625%, 02/01/14 (g)                      | 397            |
|                                      |       | Nielsen Finance LLC,                                     |                |
|                                      | 1,225 | Senior Subordinated Discount Notes, 12.50%, 08/01/16 (b) | 792            |
|                                      |       | Valassis   |                |
|                                      |       | Communications, Inc.,                                    |                |
|                                      | 1,250 | Senior Notes, 8.25%, 03/01/15                            | 903            |
|                                      |       |  | 5,150          |
| <b>Retail Stores 7.17%</b>           |       |  |                |
|                                      |       | Ace Hardware Corporation,                                |                |
|                                      | 1,675 | Senior Notes, 9.125%, 06/01/16 (g)                       | 1,658          |
|                                      |       | Alimentation   |                |
|                                      |       | Couche-Tard, Inc.,                                       |                |
|                                      | 1,000 | Senior Subordinated Notes, 7.50%, 12/15/13               | 975            |

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



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800 Sally Holdings, LLC, Senior Notes, 9.25%, 11/15/14 B3 796

| Principal Amount/Units           |  | Moody's Rating (Unaudited) | Value (Note 1) |
|----------------------------------|--|----------------------------|----------------|
| \$ 150                           | Sally Holdings, LLC, Senior Notes, 10.50%, 11/15/16                        | Caa1                       | \$ 149         |
| 525                              | Yankee Candle Company, Inc., Senior Notes, 8.50%, 02/15/15                 | B3                         | 444            |
|                                  |  |                            | 12,927         |
| <b>Telecommunications 18.47%</b> |  |                            |                |
| 1,325                            | American Tower Corporation, Senior Notes, 7.25%, 05/15/19 (g)              | Ba1                        | 1,282          |
| 875                              | Broadview Networks Holdings, Inc., Senior Secured Notes, 11.375%, 09/01/12 | B3                         | 683            |
| 1,800                            | CC Holdings GS V LLC, Senior Notes, 7.75%, 05/01/17 (g)                    | Ba1                        | 1,755          |
| 650                              | Cincinnati Bell Inc., Senior Notes, 7%, 02/15/15                           | Ba3                        | 585            |
| 1,775                            | Cricket Communications, Inc., Senior Notes, 9.375%, 11/01/14               | B3                         | 1,748          |
| 575                              | Cricket Communications, Inc., Senior Notes, 10%, 07/15/15                  | B3                         | 572            |
| 1,275                            | Crown Castle International Corporation, Senior Notes, 9%, 01/15/15         | B2                         | 1,297          |
| 1,850                            | Digicel Group Limited, Senior Notes, 8.875%, 01/15/15 (g)                  | Caa1                       | 1,545          |
| 1,475                            | Digicel Limited, Senior Notes, 9.25%, 09/01/12 (g)                         | B1                         | 1,433          |
| 325                              | Frontier Communications Corporation, Senior Notes, 6.25%, 01/15/13         | Ba2                        | 297            |
| 650                              | Frontier Communications Corporation, Senior Notes, 8.25%, 05/01/14         | Ba2                        | 614            |
| 1,025                            | GC Impsat Holdings I, Plc, Senior Notes, 9.875%, 02/15/17 (g)              | B2                         | 908            |
| 900                              | GCI, Inc., Senior Notes, 7.25%, 02/15/14                                   | B3                         | 819            |

|     |   |    |     |
|-----|---|----|-----|
|     | Hughes Network<br>Systems, LLC,<br>Senior Notes,<br>9.50%, 04/15/14 (g) | B1 | 406 |
| 425 |   |    |     |

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, 2009 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units                     |   | Moody's Rating (Unaudited) | Value (Note 1) |
|--|---|----------------------------|----------------|
| <b>CORPORATE DEBT SECURITIES continued</b> |   |                            |                |
|  | Intelsat (Bermuda), Ltd.,<br>Senior Notes,<br>11.50%, 02/04/17 (g)(i)               | Caa2                       | \$ 368         |
| \$ 475                                     |   |                            |                |
|  | Intelsat Corporation, Senior<br>Notes,<br>9.25%, 06/15/16 (g)                       | B3                         | 479            |
| 500  |   |                            |                |
|  | Intelsat Ltd., Senior Notes,<br>11.25%, 06/15/16                                    | Caa2                       | 510            |
| 500  |   |                            |                |
|  | Intelsat Subsidiary Holding<br>Company, Ltd., Senior Notes,<br>8.875%, 01/15/15 (g) | B3                         | 360            |
| 375  |   |                            |                |
|  | iPCS, Inc., Senior Secured<br>Notes,<br>3.153%, 05/01/13                            | B1                         | 644            |
| 800  |   |                            |                |
|  | iPCS, Inc., Senior Secured<br>Notes,<br>5.028%, 05/01/14                            | Caa1                       | 644            |
| 950  |   |                            |                |
|  | Level 3 Financing, Inc.,<br>Senior Notes,<br>9.25%, 11/01/14                        | Caa1                       | 594            |
| 725  |   |                            |                |
|  | MetroPCS Wireless, Inc.,<br>Senior Notes,<br>9.25%, 11/01/14                        | B3                         | 1,987          |
| 2,000                                      |   |                            |                |
|  | MetroPCS Wireless, Inc.,<br>Senior Notes,<br>9.25%, 11/01/14 (g)                    | B3                         | 50             |
| 50   |   |                            |                |
|  | Millicom International<br>Cellular S.A.,<br>Senior Notes,<br>10%, 12/01/13          | B1                         | 76             |
| 75   |   |                            |                |
|  | Nextel Communications,<br>Senior Notes,<br>6.875%, 10/31/13                         | Ba2                        | 536            |
| 650  |   |                            |                |
|  | Nextel Communications,<br>Senior Notes,<br>7.375%, 08/01/15                         | Ba2                        | 278            |
| 350  |   |                            |                |
|  | Nordic Telephone Company<br>Holdings ApS., Senior Notes,<br>8.875%, 05/01/16 (g)    | B1                         | 1,648          |
| 1,650                                      |   |                            |                |
|  | Orascom Telecom Finance<br>S.C.A.,<br>Senior Notes,<br>7.875%, 02/08/14 (g)         | B2                         | 254            |
| 300  |   |                            |                |
|  | Paetec Holding Corporation,<br>Senior Notes,<br>8.875%, 06/30/17 (g)                | B1                         | 553            |
| 575  |   |                            |                |
|  | Paetec Holding Corporation,<br>Senior Notes,<br>9.50%, 07/15/15                     | Caa1                       | 462            |
| 525  |   |                            |                |

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| Principal Amount/Units      |             | Moody's Rating (Unaudited)  | Value (Note 1) |
|-----------------------------|-------------|---|----------------|
| \$                          | 450         | Qwest Communications International, Inc., Senior Notes, 7.50%, 02/15/14 | \$ 410         |
|                             | 775         | Qwest Corporation, Senior Notes, 8.375%, 05/01/16 (g)                   | 745            |
|                             | 550         | Sprint Capital Corporation, Senior Notes, 6.875%, 11/15/28              | 387            |
|                             | 700         | Sprint Capital Corporation, Senior Notes, 8.375%, 03/15/12              | 684            |
|                             | 1,475       | Sprint Capital Corporation, Senior Notes, 8.75%, 03/15/32               | 1,187          |
|                             | 2,100       | Sprint Nextel Corporation, Senior Notes, 6%, 12/01/16                   | 1,717          |
|                             | 1,250       | Telesat Canada, Senior Notes, 11%, 11/01/15 (g)                         | 1,281          |
|                             | 475         | Telesat Canada, Senior Subordinated Notes, 12.50%, 11/01/17 (g)         | 468            |
|                             | 400         | Terremark Worldwide, Inc., Senior Notes, 12%, 06/15/17 (g)              | 382            |
|                             | 500         | Valor Telecommunications Enterprise, LLC, Senior Notes, 7.75%, 02/15/15 | 492            |
|                             | 1,550       | Wind Acquisition Finance S.A., Senior Notes, 10.75%, 12/01/15 (g)       | 1,604          |
|                             | 500         | Windstream Corporation, Senior Notes, 8.125%, 08/01/13                  | 484            |
|                             | 100         | Windstream Corporation, Senior Notes, 8.625%, 08/01/16                  | 96             |
|                             |             |   | 33,324         |
| <b>Textiles and Leather</b> | <b>.22%</b> |   |                |
|                             | 500         | AGY Holding Corp., Senior Secured Notes, 11%, 11/15/14                  | 393            |

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, 2009 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units                     |       | Moody's Rating (Unaudited)  | Value (Note 1) |
|--|-------|---|----------------|
| <b>CORPORATE DEBT SECURITIES continued</b> |       |   |                |
| <b>Utilities 8.92%</b>                     |       |   |                |
| \$   | 50    | AES Corporation, Senior Notes, 7.75%, 03/01/14                          | \$ 47          |
|  | 2,375 | AES Corporation, Senior Notes, 9.75%, 04/15/16 (g)                      | 2,393          |
|  | 850   | Dynergy Holdings Inc., Senior Notes, 7.50%, 06/01/15                    | 712            |
|  | 1,825 | Dynergy Holdings Inc., Senior Notes, 7.75%, 06/01/19                    | 1,428          |
|  | 1,750 | Energy Future Holding Corporation, Senior Notes, 10.875%, 11/01/17      | 1,286          |
|  | 4,293 | Energy Future Holding Corporation, Senior Notes, 11.25%, 11/01/17 (i)   | 2,619          |
|  | 925   | Mirant Americas Generation, LLC, Senior Notes, 8.30%, 05/01/11          | 925            |
|  | 750   | NRG Energy, Inc., Senior Notes, 7.375%, 02/01/16                        | 709            |
|  | 950   | NRG Energy, Inc., Senior Notes, 7.375%, 01/15/17                        | 898            |
|  | 975   | PNM Resources, Inc., Senior Notes, 9.25%, 05/15/15                      | 899            |
|  | 497   | RRI Energy, Inc., Senior Secured Notes, 6.75%, 12/15/14                 | 481            |
|  | 1,050 | RRI Energy, Inc., Senior Notes, 7.625%, 06/15/14                        | 950            |
|  | 1,250 | RRI Energy, Inc., Senior Notes, 7.875%, 06/15/17                        | 1,125          |
|  | 225   | Sierra Pacific Resources, Senior Notes, 7.803%, 06/15/12                | 223            |
|  | 500   | Sierra Pacific Resources, Senior Notes, 8.625%, 03/15/14                | 490            |
|  | 713   | Texas Competitive Electric Holdings, Senior Notes, 10.50%, 11/01/16 (i) | 324            |
|  | 175   | Williams Companies, Inc., Senior Notes,                                 | 173            |

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7.625%, 07/15/19

| Principal Amount/Units                       |  | Moody's Rating (Unaudited) | Value (Note 1) |
|--|--|----------------------------|----------------|
|  | Williams Companies, Inc.,<br>Senior Notes,<br>8.75%, 01/15/20 (g)                                | Baa3                       | \$ 416         |
| \$ 400                                       |  |                            | 16,098         |
|  | <b>Total Corporate Debt Securities</b><br>(Total cost of \$262,288)                              |                            | 246,218        |
| <b>CONVERTIBLE DEBT SECURITIES 3.67% (d)</b> |  |                            |                |
| <b>Broadcasting and Entertainment .11%</b>   |  |                            |                |
|  | Lions Gate Entertainmnet Corporation, Senior Subordinated Convertible Notes,<br>2.938%, 10/15/24 | (e)                        | 204            |
| 252  |  |                            |                |
| <b>Building and Real Estate .93%</b>         |  |                            |                |
|  | D.R. Horton, Inc.,<br>Convertible Senior Notes,<br>2%, 05/15/14                                  | Ba3                        | 324            |
| 337  |  |                            |                |
|  | Host Hotels and Resorts L.P.,<br>Senior Debentures,<br>2.625%, 04/15/27 (g)                      | (e)                        | 614            |
| 750  |  |                            |                |
|  | Icahn Partners,<br>Convertible Subordinated Notes,<br>4%, 08/15/13 (g)                           | (e)                        | 484            |
| 685  |  |                            |                |
|  | Kilroy Realty L.P.,<br>3.25%, 04/15/12 (g)   | (e)                        | 250            |
| 305  |  |                            | 1,672          |
| <b>Chemicals, Plastic and Rubber .07%</b>    |  |                            |                |
|  | Hercules Offshore, Inc.,<br>Convertible Senior Notes,<br>3.375%, 06/01/38 (g)                    | (e)                        | 120            |
| 195  |  |                            |                |
| <b>Electronics .67%</b>                      |  |                            |                |
|  | Advanced Micro Devices, Inc.,<br>Senior Convertible Notes,<br>5.75%, 08/15/12                    | (e)                        | 468            |
| 750  |  |                            |                |
|  | Lucent Technologies, Inc., Senior<br>Convertible Debentures,<br>2.875%, 06/15/25                 | B1                         | 533            |
| 750  |  |                            |                |
|  | Wesco International, Inc.,<br>Senior Convertible Notes<br>1.75%, 11/15/26                        | (e)                        | 208            |
| 249  |  |                            | 1,209          |

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, 2009 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units                                  |     | Moody's Rating (Unaudited)  | Value (Note 1) |
|---|-----|---|----------------|
| <b>Convertible Debt Securities continued</b>            |     |   |                |
| <b>Finance .32%</b>                                     |     |   |                |
| \$  | 384 | NASDAQ OMX Group, Inc.,<br>Senior Convertible Notes,<br>2.50%, 08/15/13                       | \$ 313         |
|   | 300 | SVB Financial Group,<br>Senior Notes,<br>3.875%, 04/15/11 (g)                                 | 271            |
|   |     |   | 584            |
| <b>Mining, Steel, Iron and Non-Precious Metals .28%</b> |     |   |                |
|   | 350 | Peabody Energy Corporation,<br>Convertible Junior Subordinated Debentures,<br>4.75%, 12/15/66 | 253            |
|   | 230 | Steel Dynamics, Inc.,<br>Senior Convertible Notes,<br>5.125%, 06/15/14                        | 252            |
|   |     |   | 505            |
| <b>Oil and Gas .47%</b>                                 |     |   |                |
|   | 352 | Bill Barrett Corporation,<br>Senior Convertible Notes,<br>5%, 03/15/28                        | 321            |
|   | 697 | Cal Dive International,<br>Senior Convertible Notes,<br>3.25%, 12/15/25                       | 530            |
|   |     |   | 851            |
| <b>Personal Transportation .53%</b>                     |     |   |                |
|   | 593 | AirTran Holdings, Inc.,<br>Senior Convertible Notes,<br>7%, 07/01/23                          | 581            |
|   | 400 | JetBlue Airways Corporation,<br>Senior Convertible Debentures,<br>3.75%, 3/15/35              | 382            |
|   |     |   | 963            |
| <b>Telecommunications .29%</b>                          |     |   |                |
|   | 511 | SBA Communication,<br>Senior Convertible Notes,<br>4%, 10/01/14 (g)                           | 516            |
|   |     | <b>Total Convertible Debt Securities</b><br>(Total cost of \$5,999)                           | 6,624          |

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| Principal Amount/Units                           |        | Moody's Rating (Unaudited)   | Value (Note 1) |
|--|--------|--|----------------|
| <b>BANK DEBT SECURITIES 2.14% (d)</b>            |        |  |                |
| <b>Electronics 1.25%</b>                         |        |  |                |
| \$   | 731    | Infor Global Solutions Holdings, Ltd.,<br>4.06%, 07/28/12 (h)<br>B3                    | \$ 597         |
|  | 500    | Infor Global Solutions, Holdings, Ltd.,<br>6.56%, 03/02/14 (h)<br>Caa2                 | 222            |
|  | 1,970  | Palm Inc.<br>3.81%, 04/24/14 (h)<br>Ba3  | 1,438          |
|  |        |  | 2,257          |
| <b>Leisure, Amusement and Entertainment .43%</b> |        |  |                |
|  | 982    | Town Sports International LLC,<br>2.125%, 02/27/14 (h)<br>Ba2                          | 781            |
| <b>Oil and Gas .20%</b>                          |        |  |                |
|  | 500    | Dresser, Inc.,<br>6.068%, 05/04/15 (h)<br>B3   | 352            |
| <b>Telecommunications .26%</b>                   |        |  |                |
|  | 750    | Trilogy International Partners LLC,<br>4.097%, 06/29/12 (h)<br>B2                      | 473            |
|  |        | <b>Total Bank Debt Securities</b><br>(Total cost of \$5,197)                           | 3,863          |
| <b>Shares</b>                                    |        |  |                |
| <b>PREFERRED STOCK 1.17% (d)</b>                 |        |  |                |
| <b>Broadcasting and Entertainment .07%</b>       |        |  |                |
|  | 495    | Spanish Broadcasting System, Inc.,<br>Series B, Preferred Stock,<br>10.75% (c)(f)<br>C | 125            |
| <b>Electronics 1.10%</b>                         |        |  |                |
|  | 3,400  | Lucent Technologies Capital Trust I,<br>Convertible Preferred Stock,<br>7.75%<br>B3    | 1,995          |
|  |        | <b>Total Preferred Stock</b><br>(Total cost of \$2,576)                                | 2,120          |
| <b>COMMON STOCK 1.17% (d)</b>                    |        |  |                |
|  | 71,818 | Bank of America Corporation  | 948            |
|  | 59,775 | B&G Foods, Inc.,<br>Enhanced Income Securities   | 867            |
|  | 53,800 | Huntsman Corporation   | 271            |

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, 2009 (Unaudited) Continued (Dollar Amounts in Thousands)

| Shares                                  |    |        | Moody's<br>Rating<br>(Unaudited)  | Value<br>(Note 1) |
|---|----|--------|---|-------------------|
| <b>COMMON STOCK continued</b>           |    |        |   |                   |
|   | \$ | 10,052 | WKI Holding Company,<br>Inc.,<br>Common Stock (c)(f)(h)                               | \$ 25             |
|   |    |        | <b>Total Common Stock<br/>and<br/>Warrants</b> (Total cost of<br>\$4,534)             | 2,111             |
| <b>Principal<br/>Amount</b>             |    |        |   |                   |
| <b>SHORT-TERM INVESTMENTS 1.72% (d)</b> |    |        |   |                   |
|   |    | 3,094  | Dexia Delaware LLC,<br>Commercial<br>Paper, Due 07/01/09,<br>Discount of .243%<br>P-1 | 3,094             |
|   |    |        | <b>Total Short-Term<br/>Investments</b><br>(Total cost of \$3,094)                    | 3,094             |
|   |    |        | <b>TOTAL<br/>INVESTMENTS</b><br>(Total cost of \$283,688)                             | \$ 264,030        |

(a) Denotes income is not being accrued and/or issuer is in bankruptcy proceedings.

(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, 2009 was \$150.

(d) Percentages indicated are based on total net assets to common shareholders of \$180,436.

(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 \$71,977 as of June 30, 2009.

(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, 2009 was \$3,888 or 2.15% 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, 2009 (Unaudited)**

(Dollars in thousands, except per share amounts)

|  |                   |
|--|-------------------|
| <b>Assets:</b>   |                   |
| INVESTMENTS IN SECURITIES, at value (Identified cost of \$283,688 see Schedule of Investments and Notes 1 and 2)                                 | \$ 264,030        |
| CASH   | 470               |
| <b>RECEIVABLES:</b>  |                   |
| Investment securities sold   | 946               |
| Interest and dividends   | 5,104             |
| PREPAID EXPENSES   | 180               |
| Total assets   | \$ 270,730        |
| <b>Liabilities:</b>  |                   |
| <b>PAYABLES:</b>   |                   |
| Investment securities purchased  | \$ 3,334          |
| Dividend on common stock   | 145               |
| Swap settlement  | 213               |
| Dividend on preferred stock  | 8                 |
| INTEREST RATE SWAP, at fair value (Note 6)   | 1,020             |
| ACCRUED EXPENSES (Note 3)  | 149               |
| Total liabilities  | \$ 4,869          |
| <b>Auction Term Preferred Stock:</b>   |                   |
| \$1.00 par value, 1,000,000 shares authorized, 3,417 shares issued and outstanding, liquidation preference of \$25,000 per share (Notes 4 and 5) | \$ 85,425         |
| <b>Net Assets</b>  | <b>\$ 180,436</b> |
| <b>Represented By:</b>   |                   |
| <b>COMMON STOCK:</b>   |                   |
| \$0.01 par value, 40,000,000 shares authorized, 23,018,562 shares issued and outstanding   | \$ 230            |
| CAPITAL IN EXCESS OF PAR VALUE   | 366,042           |
| UNDISTRIBUTED NET INVESTMENT INCOME (Note 2)   | 2,898             |
| ACCUMULATED NET REALIZED LOSS FROM SECURITIES TRANSACTIONS (Note 2)  | (168,056)         |
| NET UNREALIZED DEPRECIATION ON INVESTMENTS AND INTEREST RATE SWAPS   | (20,678)          |
| <b>Net Assets Applicable To Common Stock</b>   |                   |
| (Equivalent to \$7.84 per share, based on 23,018,562 shares outstanding)   | \$ 180,436        |

**Statement of Operations****For the Six Month Period Ended****June 30, 2009 (Unaudited)** (Dollars in thousands)

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|   |             |
|---|-------------|
| <b>Investment Income:</b> (Note 1)  |             |
| Interest income   | \$ 13,194   |
| Dividend and other income   | 197         |
| Total investment income   | \$ 13,391   |
| <b>Expenses:</b>  |             |
| Cost of leverage:   |             |
| Preferred and auction fees (Note 5)   | \$ 12       |
| Total cost of leverage  | \$ 12       |
| Professional services:  |             |
| Management (Note 3)   | \$ 426      |
| Custodian and transfer agent  | 115         |
| Legal (Note 8)  | 84          |
| Audit   | 32          |
| Total professional services   | \$ 657      |
| Administrative:   |             |
| General administrative (Note 8)   | \$ 241      |
| Directors   | 106         |
| Stock split   | 85          |
| Insurance   | 65          |
| NYSE  | 54          |
| Shareholder communications  | 27          |
| Shareholder meeting   | 20          |
| Miscellaneous   | 13          |
| Total administrative  | \$ 611      |
| Total expenses  | \$ 1,280    |
| Net investment income   | \$ 12,111   |
| <b>Realized and Unrealized Gain (Loss) on Investment Activities:</b>              |             |
| Realized loss on investments, net   | \$ (19,378) |
| Net swap settlement disbursements (Note 6)  | \$ (1,420)  |
| Change in net unrealized depreciation on investments                              | \$ 63,053   |
| Change in unrealized depreciation on interest rate swap agreement                 | 1,161       |
| Total change in net unrealized depreciation on investments and interest rate swap | \$ 64,214   |
| Net gain on investments and interest rate swap                                    | \$ 43,416   |
| <b>Cost of Preferred Leverage</b>   |             |
| Distributions to preferred stockholders   | \$ (149)    |
| Net increase in net assets resulting from operations                              | \$ 55,378   |

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

## 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, 2009<br/>(Unaudited)</b> | <b>For the<br/>Year Ended<br/>December 31,<br/>2008</b> |
|---|---|---|
| <b>From Operations:</b>   |   |   |
| Net investment income   | \$ 12,111   | \$ 24,960   |
| Realized loss on investments, preferred and swap transactions, net                    | (19,378)  | (25,460)  |
| Net swap settlement disbursements   | (1,420)   | (933)   |
| Change in net unrealized depreciation on investments and other financial instruments  | 64,214  | (66,742)  |
| Distributions from net investment income related to preferred stock                   |   |   |
| Dividends to preferred stockholders   | (149)   | (4,060)   |
| Net increase (decrease) in net assets resulting from operations                       | \$ 55,378   | \$ (72,235)   |
| <b>Distributions to Common Stockholders:</b>  |   |   |
| From net investment income (\$.33 and \$.85 per share in 2009 and 2008, respectively) | \$ (7,481)  | \$ (19,048)   |
| Total net increase (decrease) in net assets   | \$ 47,897   | \$ (91,283)   |
| <b>Net Assets Applicable to Common Stock:</b>   |   |   |
| Beginning of period   | \$ 132,539  | \$ 223,822  |
| End of period (Including \$2,898 and \$262 of undistributed net investment income at  |   |   |
| June 30, 2009 and December 31, 2008, respectively)                                    | \$ 180,436  | \$ 132,539  |

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 (b)**

|  | For the<br>Six Months<br>Ended<br>June 30, 2009<br>(Unaudited) | 2008     | 2007     | For the Years Ended December 31, |          |          |
|--|--|----------|----------|----------------------------------|----------|----------|
|  |  |          |          | 2006                             | 2005     | 2004     |
| <b>NET ASSET VALUE:</b>  |  |          |          |                                  |          |          |
| Beginning of period  | \$ 5.75  | \$ 9.70  | \$ 10.95 | \$ 10.65                         | \$ 11.30 | \$ 10.95 |
| NET INVESTMENT<br>INCOME   | .53  | 1.10     | 1.25#    | 1.25                             | 1.25     | 1.30     |
| NET REALIZED AND<br>UNREALIZED GAIN<br>(LOSS)<br>ON INVESTMENTS<br>AND OTHER<br>FINANCIAL<br>INSTRUMENTS | 1.96   | (4.00)   | (1.00)#  | .35                              | (.55)    | .45      |
| DISTRIBUTIONS<br>FROM NET<br>INVESTMENT<br>INCOME RELATED<br>TO PREFERRED<br>STOCK:                      | (.07)  | (.20)    | (.25)    | (.25)                            | (.25)    | (.25)    |
| TOTAL FROM<br>INVESTMENT<br>OPERATIONS   | 2.42   | (3.10)   |          | 1.35                             | .45      | 1.50     |
| <b>DISTRIBUTIONS TO COMMON SHAREHOLDERS:</b>   |  |          |          |                                  |          |          |
| From net investment<br>income  | (.33)  | (.85)    | (1.05)   | (1.05)                           | (1.10)   | (1.15)   |
| TOTAL<br>DISTRIBUTIONS   | (.33)  | (.85)    | (1.05)   | (1.05)                           | (1.10)   | (1.15)   |
| Effect of rights offering<br>and related expenses; and<br>Auction Term                                   |  |          |          |                                  |          |          |
| Preferred Stock offering<br>costs and sales load   |  |          | (.20)    |                                  |          |          |
| <b>NET ASSET VALUE:</b>  |  |          |          |                                  |          |          |
| End of period  | \$ 7.84  | \$ 5.75  | \$ 9.70  | \$ 10.95                         | \$ 10.65 | \$ 11.30 |
| <b>PER SHARE MARKET VALUE:</b>   |  |          |          |                                  |          |          |
| End of period  | \$ 7.35  | \$ 4.50  | \$ 8.55  | \$ 11.30                         | \$ 10.15 | \$ 10.95 |
| TOTAL INVESTMENT<br>RETURN   | 72.51%   | (40.53)% | (16.34)% | 22.82%                           | 2.47%    | 12.80%   |

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 (b) Continued**

|   | For the<br>Six Months<br>Ended<br>June 30, 2009<br>(Unaudited) | 2008       | 2007       | For the Years Ended December 31, |            |            |
|---|--|------------|------------|----------------------------------|------------|------------|
|   |  |            |            | 2006                             | 2005       | 2004       |
| NET ASSETS, END OF PERIOD, APPLICABLE TO COMMON STOCK (a)                                     | \$ 180,436   | \$ 132,539 | \$ 223,822 | \$ 208,999                       | \$ 200,549 | \$ 212,165 |
| NET ASSETS, END OF PERIOD, APPLICABLE TO PREFERRED STOCK (a)                                  | \$ 85,425  | \$ 85,425  | \$ 130,000 | \$ 130,000                       | \$ 130,000 | \$ 130,000 |
| TOTAL NET ASSETS APPLICABLE TO COMMON AND PREFERRED STOCK, END OF PERIOD (a)                  | \$ 265,861   | \$ 217,964 | \$ 353,822 | \$ 338,999                       | \$ 330,549 | \$ 342,165 |
| EXPENSE RATIOS:   |  |            |            |                                  |            |            |
| Ratio of preferred and other leverage expenses to average net assets*                         | .02%**   | .15%       | .15%       | .16%                             | .16%       | .15%       |
| Ratio of operating expenses to average net assets*  | 1.67%**  | 1.30%      | 1.19%      | 1.21%                            | 1.23%      | 1.27%      |
| RATIO OF TOTAL EXPENSES TO AVERAGE NET ASSETS*  | 1.69%**  | 1.45%      | 1.34%      | 1.37%                            | 1.39%      | 1.42%      |
| RATIO OF NET INVESTMENT INCOME TO AVERAGE NET ASSETS*   | 15.94%**   | 13.13%     | 11.66%     | 11.54%                           | 11.48%     | 12.02%     |
| RATIO OF TOTAL EXPENSES TO AVERAGE NET ASSETS APPLICABLE TO COMMON AND PREFERRED STOCK        | 1.08%**  | .92%       | .84%       | .84%                             | .85%       | .87%       |
| RATIO OF NET INVESTMENT INCOME TO AVERAGE NET ASSETS APPLICABLE TO COMMON AND PREFERRED STOCK | 10.23%**   | 8.31%      | 7.28%      | 7.05%                            | 7.03%      | 7.38%      |
| PORTFOLIO TURNOVER RATE   | 41.40%   | 57.08%     | 67.25%     | 64.08%                           | 61.54%     | 70.90%     |

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(a) Dollars in thousands.

(b) The per share data has been adjusted to reflect a 1 for 5 reverse stock split.

\* 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.

23

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## The New America High Income Fund, Inc.

**Information Regarding  
Senior Securities**

|  | <b>June 30,<br/>2009</b> |               |                | <b>As of December 31,</b> |                |                |  |
|--|--------------------------|---------------|----------------|---------------------------|----------------|----------------|--|
|  | <b>(Unaudited)</b>       | <b>2008</b>   | <b>2007</b>    | <b>2006</b>               | <b>2005</b>    | <b>2004</b>    |  |
| <b>TOTAL AMOUNT OUTSTANDING:</b>           |                          |               |                |                           |                |                |  |
| Preferred Stock                            | \$ 85,425,000            | \$ 85,425,000 | \$ 130,000,000 | \$ 130,000,000            | \$ 130,000,000 | \$ 130,000,000 |  |
| <b>ASSET COVERAGE:</b>                     |                          |               |                |                           |                |                |  |
| Per Preferred Stock Share (1)              | \$ 77,815                | \$ 63,788     | \$ 68,043      | \$ 65,192                 | \$ 63,567      | \$ 65,801      |  |
| <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)(3)           | \$ 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.

(3) In January 2008, the Fund repurchased 600 shares of preferred stock at a price of \$25,000 per share. In October 2008, the Fund repurchased 1,183 shares of preferred stock at a price of \$16,250 per share.

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



The New America High Income Fund, Inc.

**Notes to Financial Statements**  
**June 30, 2009** (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. Investments whose primary market is on an exchange are valued at the last sale price on the day of valuation. 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 \$2,826,000 and a value of \$150,000, 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, 2009** (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, 2005-2008) 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 Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.

Level 2 Observable inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

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

A description of the valuation techniques applied to the Fund's major asset categories is as follows.

Debt securities (corporate, convertible & bank debt). The fair value of debt securities is provided by independent pricing services using quotations from dealers and brokers, market transactions, data from quotations services, offering sheets and various relationships between securities. While most corporate bonds are categorized in level 2 of the fair value hierarchy, there may be instances where less observable inputs necessitate a level 3 categorization.

The New America High Income Fund, Inc.

**Notes to Financial Statements Continued**  
**June 30, 2009** (Unaudited)

Equity securities (preferred and common stock). Equity securities for which the primary market is on an exchange will be valued at the last sale price on the day of valuation and are categorized in level 1 of the fair value hierarchy. Other equity securities traded in inactive markets or valued by independent pricing services using methods similar to debt securities are categorized in level 2. The fair value of equity securities in which observable inputs are unavailable are categorized in level 3.

Short-term investments. Short-term investments are valued using amortized cost, which approximates fair value. To the extent the inputs are observable and timely the values would be categorized in level 2 of the fair value hierarchy.

The following is a summary of the inputs used as of June 30, 2009 in valuing the Fund's investments:

| Valuation Inputs                    | Debt Securities       | Equity Securities   | Short-term Investments | Interest Rate Swap    |
|-------------------------------------|-----------------------|---------------------|------------------------|-----------------------|
| Level 1                             |                       |                     |                        |                       |
| Quoted Prices                       | \$                    | \$ 1,815,000        | \$                     | \$                    |
| Level 2                             |                       |                     |                        |                       |
| Other Significant Observable Inputs | 256,705,000           | 2,266,000           | 3,094,000              | (1,020,000)           |
| Level 3                             |                       |                     |                        |                       |
| Significant Unobservable Inputs     |                       | 150,000             |                        |                       |
| <b>Total</b>                        | <b>\$ 256,705,000</b> | <b>\$ 4,231,000</b> | <b>\$ 3,094,000</b>    | <b>\$ (1,020,000)</b> |

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

|  | Equity Securities |
|--|-------------------|
| Balance, December 31, 2008                       | \$ 50,000         |
| Net purchases (sales)                            |                   |
| Change in unrealized appreciation (depreciation) | (24,000)          |
| Realized gain (loss)                             |                   |
| Transfers in and/or out of Level 3               | 124,000           |
| Balance, June 30, 2009                           | \$ 150,000        |

**(2) Tax Matters and Distributions**

At June 30, 2009, the total cost of securities (including temporary cash investments) for federal income tax purposes was approximately \$283,290,000. Aggregate gross unrealized gain on securities in which there was an excess of value over tax cost was approximately \$9,286,000. Aggregate gross unrealized loss on securities in which there was an excess of tax cost over value was approximately \$28,546,000. Net unrealized loss on investments for tax purposes at June 30, 2009 was approximately \$19,260,000.

At December 31, 2008, the Fund had approximate capital loss carryovers available to offset future capital gains, if any, to the extent provided by regulations:

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| Carryover Available | Expiration Date   |
|---------------------|-------------------|
| \$ 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 |
| 15,500,000          | December 31, 2016 |
| \$ 137,729,000      |                   |

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 \$23,368,000 and \$28,257,000 in 2008 and 2007, respectively, was from ordinary income.

As of December 31, 2008, the components of distributable earnings on a tax basis were approximately:

|                                     |                  |
|-------------------------------------|------------------|
| Undistributed Net Investment Income | \$ 354,000       |
| Undistributed Long-Term Gain        |                  |
| Unrealized Loss                     | \$ (85,054,000)  |
| Post-October Losses                 | \$ (11,295,000)  |
| Preferred Dividend Payable          | \$ (10,000)      |
| Capital Losses Carry Forward        | \$ (137,729,000) |

## The New America High Income Fund, Inc.

**Notes to Financial Statements - Continued**  
**June 30, 2009** (Unaudited)

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, deductibility of preferred stock dividends, wash sales and post-October losses. 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, 2008, permanent differences between book and tax accounting have been reclassified as follows:

Increase (decrease) in:

|  |                 |
|--|-----------------|
| Undistributed net investment income                        | \$ 261,000      |
| Accumulated net realized loss from securities transactions | \$ 21,560,000   |
| Capital in excess of par value                             | \$ (21,821,000) |

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.

The Fund was required to amortize market discounts and premiums for financial reporting purposes. This 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.

The Fund recognizes the tax benefits of uncertain tax positions only where the position is "more likely than not" to be sustained assuming examination by tax authorities. Management has analyzed the Fund's tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for open tax years 2005-2008, or expected to be taken in the Fund's 2009 tax returns. The Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next twelve months.

**(3) Investment Advisory Agreement**

T. Rowe Price Associates, Inc. (T. Rowe Price), the Fund's Investment Advisor, earned approximately \$426,000 in management fees during the six months ended June 30, 2009. 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, 2009, the fee payable to T. Rowe Price was approximately \$77,000, which was included in accrued expenses on the accompanying statement of assets and liabilities.

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

The Fund had 3,417 shares of ATP issued and outstanding at June 30, 2009. 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 .193% - .602% for the six months ended June 30, 2009. The average dividend rate as of June 30, 2009 was .262%.

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

The New America High Income Fund, Inc.

**Notes to Financial Statements - Continued**  
**June 30, 2009** (Unaudited)

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 \$12,000 for service charges for the six months ended June 30, 2009. This amount is included under the caption preferred and auction fees in the accompanying statement of operations.

The Fund is currently not paying commissions on series A, B and C ATP because the broker-dealer is not participating in the auctions.

**(6) Interest Rate Swaps**

The Fund entered into an interest payment swap arrangement with Bank of America, N.A. 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 Bank of America, N.A. on a monthly basis at a fixed annual rate. In exchange for such payment Bank of America, N.A. 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 .319% - 1.89% for the six months ended June 30, 2009. 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        | \$ 85,425,000            | 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 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, 2009, the Fund's obligation under the swap agreement was more than the amount received from Bank of America, N.A. by approximately \$1,420,000 and such amount is included in the accompanying statement of operations.

The estimated fair value of the interest rate swap agreement at June 30, 2009 amounted to approximately \$1,020,000 of unrealized loss and is presented in the accompanying balance sheet.



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The New America High Income Fund, Inc.

## Notes to Financial Statements – Continued June 30, 2009 (Unaudited)

### (7) Purchases and Sales of Securities

Purchases and proceeds of sales or maturities of long-term securities during the six months ended June 30, 2009 were approximately:

|                                 |                |
|---------------------------------|----------------|
| Cost of purchases               | \$ 101,824,000 |
| Proceeds of sales or maturities | \$ 96,461,000  |

### (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 \$84,000 for the six months ended June 30, 2009.

The Fund paid approximately \$147,000 during the six months ended June 30, 2009 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, 2009 amounts to \$3,888 and represents 2.15% of net assets to common shareholders.

| Description  | Acquisition Date | Principal Amount/<br>Shares | Acquisition Cost | Value    |
|--|------------------|-----------------------------|------------------|----------|
| Dresser, Inc.,<br>6.068%, 05/04/15                           | 5/4/07           | \$ 500                      | \$ 500           | \$ 352   |
| Infor Global Solutions<br>Holdings, Ltd.,<br>4.06%, 07/28/12 | 7/25/06          | 731                         | 731              | 597      |
| Infor Global Solutions<br>Holdings, Ltd.,<br>6.56%, 03/02/14 | 3/1/07           | 500                         | 505              | 222      |
| Palm Inc.<br>3.81%, 04/24/14                                 | 11/1/07          | 1,970                       | 1,773            | 1,438    |
| Town Sports<br>International LLC,<br>2.125%, 02/27/14        | 9/21/07          | 982                         | 938              | 781      |
| Trilogy International<br>Partners LLC,<br>4.097%, 06/29/12   | 6/22/07-6/27/07  | 750                         | 750              | 473      |
| WKI Holding<br>Company, Inc.,<br>Common Stock                | 3/13/03          | 10                          | 2,295            | 25       |
| Total  |                  |                             |                  | \$ 3,888 |

### (10) Derivative Contract

Fair Value of Derivative Instruments – The fair value of derivative instruments as of June 30, 2009 was as follows:

| <b>Liability Derivatives</b> |  |                |
|------------------------------|--|----------------|
|                              | Balance Sheet<br>Location  | Fair Value     |
| Interest Rate Swap           | Net Unrealized<br>Depreciation<br>On Investments<br>and Interest<br>Rate Swaps | \$ (1,020,000) |

The effect of derivative instruments on the Statement of Operations for the Six Month Period Ended June 30, 2009, was as follows:

**Amount of Realized Loss on Derivatives**

|                                   | Interest<br>Rate Swap |
|-----------------------------------|-----------------------|
| Net swap settlement disbursements | \$ (1,420,000)        |

**Change in Unrealized Depreciation on Derivatives**

|                                   | Interest<br>Rate Swap |
|-----------------------------------|-----------------------|
| Change in unrealized depreciation | \$ 1,161,000          |

**(11) New Accounting Pronouncements**

In October 2008, the FASB issued Staff Position 157-3, *Determining the Fair Value of a Financial Asset in a Market That Is Not Active* ("FSP 157-3"), which clarifies the application of SFAS 157 in an inactive market and provides an illustrative example to demonstrate how the fair value of a financial asset is determined when the market for that financial asset is not active. The guidance provided by FSP 157-3 did not have an impact on the Fund's approach to valuing financial assets.

The New America High Income Fund, Inc.

**Notes to Financial Statements    Continued**  
**June 30, 2009** (Unaudited)

In April 2009, the FASB Staff issued Position No. 157-4 *Determining Fair Value when the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly* ("FSP 157-4"). FSP 157-4 clarifies the process for measuring the fair value of financial instruments when the markets become inactive and quoted prices may reflect distressed transactions. FSP 157-4 provides a non-exclusive list of factors a reporting entity should consider when determining whether there has been a significant decrease in the volume and level of activity for an asset or liability when compared with normal market activity. Under FSP 157-4, if a reporting entity concludes there has been a significant decrease in volume and level of activity for the asset or liability (or similar assets or liabilities), transactions or quoted prices may not be determinative of fair value. Further analysis of the transactions or quoted prices is needed, and a significant adjustment to the transactions or quoted prices may be necessary to estimate fair value in accordance with FASB Statement No. 157 *Fair Value Measurement*. FSP157-4 is effective for interim and annual reporting periods ending after June 15, 2009, and shall be applied prospectively. The guidance provided by FSP 157-4 did not have an impact on the Fund's approach to valuing financial assets.

In May 2009, the FASB issued SFAS No. 165 SUBSEQUENT EVENTS ("SFAS165"). SFAS 165 provides authoritative accounting literature related to evaluating subsequent events that was previously addressed only in the auditing literature, and is largely similar to the current guidance in the auditing literature with some exceptions that are not intended to result in significant changes in practice. SFAS 165 defines subsequent events and also requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for that date. SFAS 165 is effective on a prospective basis for interim or annual financial periods ending after June 15, 2009. The Fund has evaluated subsequent events through the issuance of its financial statements on August 21, 2009.

**(12) Reverse Stock Split**

The Fund implemented a reverse stock split of 1-for-5 effective after the close of business on January 22, 2009. As a result of the reverse stock split, every five outstanding Fund shares were converted into one share, thereby reducing the number of outstanding shares by a factor of five.

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 20, 2009, 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 may 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, 2009**

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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: August 28, 2009

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: August 28, 2009

By: /s/ Ellen E. Terry  
Name: Ellen E. Terry  
Title: Treasurer  
Date: August 28, 2009