

NEW AMERICA HIGH INCOME FUND INC
Form N-CSRS
September 06, 2007

OMB APPROVAL
OMB Number: 3235-0570
Expires: April 30, 2006
Estimated average burden hours per
response19.4

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 end: 12/31

Date of reporting period: 1/1/07 - 6/30/07

C. Preparation of Report.

**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 (5-07)

Item 1 - Report to Shareholders

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

August 21, 2007

Dear Fellow Shareholder,

We are pleased to report to our fellow shareholders on the results of The New America High Income Fund, Inc. (the "Fund") for the period ended June 30, 2007.

Highlights of the first half of 2007 include:

The Fund's monthly dividend continued unchanged at \$.0175 per share. The regular monthly dividend has been at this level since February 2003. Of course, in the future, the dividend may fluctuate, as it has in the past, depending on portfolio results, market conditions and other factors.

While the Fund's net asset value (the "NAV") did fluctuate during the first half of the year, the NAV ended the period at \$2.19, unchanged from year-end 2006.

The market price for the Fund's shares closed at \$2.19 in trading on the New York Stock Exchange at the end of June, at parity with the NAV. Annualizing the Fund's current regular monthly dividend of \$.0175, at the opening stock price on January 2, 2007 of \$2.26, would have produced a dividend yield of 9.29%.

Over the one and three year periods ended June 30, 2007, the Fund's total return based upon its NAV has outperformed the Lipper Closed-End Fund Leveraged High Yield universe, the Credit Suisse High Yield Index, and the Citigroup 10 Year Treasury Index.

While the high yield market has provided positive returns in recent years, since late July, the U.S. financial markets, including the high yield market have experienced a downturn. None of us knows how long the unfavorable conditions will continue. As of August 17, 2007, the Fund's NAV was \$2.04 and the stock price closed on the New York Stock Exchange at \$1.77, a discount of 13%. During times of market turmoil, it is common for the market price discount to the Fund's NAV to widen.

Due to market conditions, the Fund extended the expiration date of its transferable rights offering (the "Offering") from August 20th to September 17, 2007. Since the issuance of additional common stock through the Offering causes a reduction in the Fund's leverage ratio, the Fund's Board of Directors has authorized action designed to restore the Fund's leverage ratio to approximately 40%, its general level prior to the Offering. As discussed more fully below, the leverage is an important contributor to the Fund's common stock dividend.

It bears remembering that we are shareholders of a Fund that is subject to various risks, including credit and leveraged capital structure risks. For example, the Fund's portfolio of high yield corporate bonds has more credit risk than investment grade debt. In an effort to mitigate the credit risk, T. Rowe Price Associates, Inc. ("TRP"), the Fund's investment advisor, has followed a strategy of investing in a highly diversified, relatively high quality portfolio of high yield bonds.

The Fund's leveraged capital structure is a second important source of risk. The use of leverage, in the form of the Fund's Auction Term Preferred Stock (the "ATP"), increases the volatility of the NAV. If the high yield bond market declines sufficiently, the Fund may have to reduce the leverage and reduce the common stock dividend. In favorable market conditions, the leverage enables the Fund to pay a higher common stock dividend than is possible with an unleveraged capital structure. The ATP dividend resets monthly in an auction procedure and has generally floated around one month LIBOR (the London Interbank Offered Rate), a widely used money market reference rate. Fund management entered into an interest rate swap in November 2004 in anticipation of rising interest rates to hedge against an expected increase in the ATP dividend. Under the terms of the swap agreement, the Fund pays the swap counterparty a fixed rate of 3.775% on a notional amount equal to the amount of ATP outstanding, and in turn receives from the swap counterparty a payment that fluctuates with one month LIBOR. As a result, to the extent LIBOR exceeds 3.775%, as it did during the period, the Fund receives the difference. If LIBOR is less than 3.775%, the Fund pays the difference to the swap counterparty. The swap agreement is scheduled to terminate in November 2009. Approximately 22% of the Fund's taxable income during the period was attributable to the Fund's leveraged structure and the Fund's interest rate swap.

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

Total Returns for the Periods Ending June 30, 2007

| | 1 Year | 3 Years Cumulative |
|---|--------|--------------------|
| New America High Income Fund (Stock Price and Dividends)* | 12.21% | 52.72% |
| New America High Income Fund (NAV and Dividends) | 14.44% | 38.51% |
| Lipper Closed-End Fund Leveraged High Yield Average | 12.77% | 35.18% |
| Credit Suisse High Yield Index | 12.12% | 29.64% |
| Citigroup 10 Year Treasury Index | 4.99% | 8.44% |

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

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

The Fund's ratio of total expenses to average net assets applicable to common stock was 1.33% annualized for the six months ended June 30, 2007. The Fund's ratio of total expenses to average net assets applicable to common and preferred stock was .83% annualized for the six months ended June 30, 2007. The Fund's total returns based upon NAV and dividends in the above table reflect returns after accounting for Fund expenses.

* 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.

Below, the Fund's investment adviser, T. Rowe Price Associates, Inc., reviews the performance of the high yield market and the Fund during the period and its outlook going forward.

High Yield Market Update

As measured by the Credit Suisse High Yield Index (the "Index"), the high yield market generated a return of 3.68% for the six-month period ended June 30, 2007. The market began the year on solid footing, with the Index rallying nicely in January and February. March, however, brought some mild turbulence, despite still delivering a modest contribution. The second quarter was not unlike the first, with the Index up nicely in the first two months before suffering a sharp reversal in June.

The March correction came as a sell-off in Chinese stocks carried over to US equities and the first signs of trouble in the housing and mortgaged-related markets emerged and pushed high yield investors to the sidelines. The market recovered quickly and resumed its ascent through April and May. By the first week of June, spreads for high yield bonds, a measure of their relative yield versus Treasuries, had reached record low levels. The June sell-off was triggered when word came that two hedge funds in the mortgage market were on the verge of collapse just as high yield investors were set to receive several large new bond deals brought to market to fund recent leveraged buyouts. This supply of new issues and the attendant shock waves from the mortgage market sent high yield bonds as an asset class down for the month. Subsequent to the end of the second quarter, credit markets have continued to show increased volatility. Finance companies engaged in originating mortgages have lost access to capital with many rendered insolvent and forced to close. This has reduced liquidity and triggered a general re-pricing of risk across the credit markets. U.S. economic data proved to be stronger than expected throughout the first half of 2007, particularly in the labor market, but the recent credit crisis has, in our view, increased the prospects that the economy could soften a few months from now and raised the odds that the Federal Reserve will cut interest rates this year or in 2008.

Strategy Update

Throughout the first half of the year, we viewed many of the newly issued offerings that came to market as unattractive from an investment standpoint. In recent years, borrowers have enjoyed the advantages brought by an ample supply of credit, including looser lending standards, less restrictive covenants and low interest rates. With the June sell-off, and a very large supply of announced, but not yet completed, leveraged buyouts in need of funding, high yield investors like the Fund are regaining more attractive terms on new issues and second chances to

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

revisit deals previously passed on, but now at more attractive prices and terms. During the first six months, we continued to emphasize the middle and upper quality credit tiers of the high yield market, while limiting our exposure to the most speculative segment (those securities rated CCC or below by the major rating agencies). Throughout the first half, we have also continued to increase the Fund's exposure to bank debt and floating rate notes.

From a sector perspective, the best performing segments in the portfolio included wireless telecommunications, utilities, and metals and mining. The Fund's top performing holding was Freeport McMoRan Copper & Gold, the world's largest copper producer. The bond generated solid gains as copper prices rose sharply. Other top contributors included low-cost wireless provider MetroPCS and independent power producer NRG Energy. On the downside, some of the Fund's lower coupon holdings weighed on performance with the upward move in Treasury rates. Generally, bonds with lower coupons exhibit greater price sensitivity to a change in rates than higher coupon bonds. Examples include Ball Corp and Omnicare. Both issues have coupons of 6.875% and were more sensitive to the upward move in Treasury rates than the Fund's other holdings.

Outlook

We believe the current leveraged buyout boom could eventually plant the seeds for the next bear market in high yield bonds. In June, a few of those seeds began sprouting – four large, aggressively structured private equity deals hit the high yield market simultaneously, and investors responded with overwhelmingly negative sentiment. Some of these deals were downsized or came under significantly revised terms, while some were cancelled for the time being. In the aftermath, investors were left wondering how the market will fare when a wave of even larger bond deals is expected to be issued this fall. Despite the increased volatility since the end of the quarter, we believe that global economic growth is generally intact and the fundamentals of our holdings continue to be positive. While it is never pleasant to experience the re-pricing now underway, it should ultimately lead to better terms for the bonds we consider and provide us with some attractive opportunities in the secondary market to pursue on behalf of the Fund. We have the Fund defensively positioned through exposure to bank debt, floating rate notes and BB and B-rated credits and will take a cautious and conservative approach to investing in both new issues and other opportunities we uncover.

Thank you for your continued interest in the Fund.

Sincerely,

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

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

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

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

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

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

The New America High Income Fund, Inc.

| Industry Summary June 30, 2007 (unaudited) | As a Percent of Total Investments |
|--|--|
| Telecommunications | 12.33% |
| Oil and Gas | 9.34% |
| Broadcasting and Entertainment | 8.03% |
| Utilities | 7.10% |
| Electronics | 6.23% |
| Mining, Steel, Iron and Non-Precious Metals | 5.47% |
| Containers, Packaging and Glass | 5.09% |
| Printing and Publishing | 4.71% |
| Healthcare, Education and Childcare | 4.48% |
| Finance | 4.08% |
| Hotels, Motels, Inns and Gaming | 3.24% |
| Personal, Food and Miscellaneous Services | 2.84% |
| Automobile | 2.83% |
| Retail Stores | 2.81% |
| Building and Real Estate | 2.73% |
| Chemicals, Plastics and Rubber | 2.49% |
| Diversified/Conglomerate Service | 2.24% |
| Aerospace and Defense | 1.73% |
| Diversified/Conglomerate Manufacturing | 1.29% |
| Beverage, Food and Tobacco | 1.24% |
| Leisure, Amusement and Entertainment | 0.87% |
| Ecological | 0.86% |
| Insurance | 0.73% |
| Machinery | 0.72% |
| Furnishings, Housewares, Durable | |
| Consumer Products | 0.58% |
| Personal Non-Durable Consumer Products | 0.48% |
| Textiles and Leather | 0.42% |
| Cargo Transport | 0.38% |
| Personal Transportation | 0.29% |
| Grocery | 0.04% |
| Short-Term Investments | 4.33% |
| | 100.00 |
| Moody's Investors Service Ratings June 30, 2007 (unaudited) | As a Percent of Total Investments |
| Short Term Prime-1 | 4.33% |
| Baa3 | 0.90% |
| Ba1 | 6.39% |
| Ba2 | 8.53% |
| Ba3 | 12.45% |
| Total Ba | 27.37% |
| B1 | 13.57% |
| B2 | 17.74% |
| B3 | 19.32% |
| Total B | 50.63% |
| Caa1 | 9.70% |

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

| | |
|-------------------|---------|
| Caa2 | 1.82% |
| Caa3 | 0.11% |
| Total Caa | 11.63% |
| Unrated | 4.63% |
| Equity | 0.51% |
| Total Investments | 100.00% |

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

The New America High Income Fund, Inc.

Schedule of Investments June 30, 2007 (Unaudited) Dollar Amounts in Thousands)

| Principal Amount/Units | | | Moody's Rating (Unaudited) | Value (Note 1(a)) |
|--|-------|---|----------------------------|-------------------|
| CORPORATE DEBT SECURITIES 143.53% (d) | | | | |
| Aerospace and Defense 2.73% | | | | |
| \$ | 1,625 | GenCorp Inc., Senior Subordinated Notes, 9.50%, 08/15/13 | B1 | \$ 1,729 |
| | 425 | Hawker Beechcraft Acquisition Company LLC, Senior Notes, 8.50%, 04/01/15 (g) | B3 | 438 |
| | 500 | Hawker Beechcraft Acquisition Company LLC, Senior Notes, 8.875%, 04/01/15 (g) | B3 | 508 |
| | 425 | Hawker Beechcraft Acquisition Company LLC, Senior Subordinated Notes, 9.75%, 04/01/17 (g) | Caa1 | 442 |
| | 1,225 | L3 Communications Corporation, Senior Subordinated Notes, 6.375%, 10/15/15 | Ba3 | 1,167 |
| | 600 | Sequa Corporation, Senior Notes, 9%, 08/01/09 | B2 | 623 |
| | 825 | TransDigm Inc., Senior Subordinated Notes, 7.75%, 07/15/14 | B3 | 831 |
| | | | | 5,738 |
| Automobile 3.72% | | | | |
| | 800 | Accuride Corporation, Senior Subordinated Notes, 8.50%, 02/01/15 | B3 | 790 |
| | 1,125 | American Axle and Manufacturing, Inc., Senior Notes, 7.875, 03/01/17 | Ba3 | 1,105 |
| | 425 | General Motors Corporation, Senior Notes, 7.125%, 07/15/13 | Caa1 | 397 |
| | 625 | General Motors Corporation, Senior Notes, 7.20%, 01/15/11 | Caa1 | 600 |
| | 125 | General Motors Corporation, | Caa1 | 117 |

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

| Principal Amount/Units | | Moody's Rating (Unaudited) | Value (Note 1(a)) |
|------------------------|---|----------------------------|-------------------|
| | Senior Notes, 7.70%, 04/15/16 The Goodyear Tire & Rubber Company, Senior Notes, 8.625%, 12/01/11 (g) | Ba3 | 1,020 |
| 958 | | | |
| | The Goodyear Tire & Rubber Company, Senior Notes, 9.135%, 12/01/09 (g) | Ba3 | 1,101 |
| 1,100 | | | |
| | KAR Holdings, Inc., Senior Subordinated Notes, 10%, 05/01/15 (g) | Caa1 | \$ 802 |
| \$ 825 | | | |
| | KAR Holdings, Inc., Senior Notes, 9.358%, 05/01/14 (g) | B3 | 514 |
| 525 | | | |
| | Tenneco Inc., Senior Subordinated Notes, 8.625%, 11/15/14 | B3 | 1,110 |
| 1,075 | | | |
| | United Components, Inc., Senior Subordinated Notes, 9.375%, 06/15/13 | Caa1 | 285 |
| 275 | | | |
| | | | 7,841 |
| | Beverage, Food and Tobacco 1.96% | | |
| | Del Monte Corporation, Senior Subordinated Notes, 8.625%, 12/15/12 | B2 | 1,066 |
| 1,025 | | | |
| | NPI Merger Corporation, Senior Notes, 9.37% 10/15/13 (g) | B3 | 556 |
| 525 | | | |
| | NPI Merger Corporation, Senior Subordinated Notes, 10.75%, 04/15/14 (g) | Caa1 | 901 |
| 775 | | | |
| | Reynolds American, Inc., Senior Notes, 7.25%, 06/01/13 | Ba1 | 1,092 |
| 1,050 | | | |
| | Reynolds American, Inc., Senior Notes, 7.625%, 06/01/16 | Ba1 | 505 |
| 475 | | | |
| | | | 4,120 |
| | Broadcasting and Entertainment 10.80% | | |
| | Allbritton Communications Company, Senior Subordinated Notes, 7.75%, 12/15/12 | B1 | 1,666 |
| 1,650 | | | |
| | AMC Entertainment, Inc., Senior | B2 | 74 |
| 75 | | | |

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

| | | | |
|-----|---|------|-----|
| | Subordinated Notes, 8%, 03/01/14 | | |
| | AMC Entertainment, Inc., Senior | | |
| 600 | Subordinated Notes, 11%, 02/01/16 | B2 | 669 |
| | Barrington Broadcasting Group, LLC, Senior | | |
| 400 | Subordinated Notes, 10.50%, 08/15/14 (g) | B3 | 417 |
| | Bonten Media Group, Inc., | | |
| 200 | Senior Subordinated Notes, 9%, 06/01/15 (g) | Caa1 | 202 |

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

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

The New America High Income Fund, Inc.

Schedule of Investments June 30, 2007 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units | | Moody's Rating (Unaudited) | Value (Note 1(a)) |
|--|-------|--|-------------------|
| CORPORATE DEBT SECURITIES continued | | | |
| | | Canadian Satellite Radio, Senior Notes, 12.75%, 02/15/14 | |
| \$ | 425 | (e) | \$ 431 |
| | 3,225 | CCH II LLC, Senior Notes 10.25%, 09/15/10 | 3,370 |
| | | Cinemark, Inc., Senior Discount Notes, 9.75%, 03/15/14 (b) | 229 |
| | 250 | B3 | |
| | 1,000 | CSC Holdings, Inc., Senior Notes, 7.25%, 07/15/08 | 1,010 |
| | | DIRECTV Holdings, LLC, Senior Notes, 8.375%, 03/15/13 | 1,365 |
| | 1,303 | Ba3 | |
| | 500 | EchoStar DBS Corporation, Senior Notes, 6.625%, 10/01/14 | 480 |
| | | EchoStar DBS Corporation, Senior Notes, 7%, 10/01/13 | 761 |
| | 775 | Ba3 | |
| | 195 | Insight Midwest, L.P., Senior Notes, 9.75%, 10/01/09 | 195 |
| | | Intelsat Subsidiary Holding Company, Ltd., Senior Notes, 8.25%, 01/15/13 | 510 |
| | 500 | B2 | |
| | 475 | Kabel Deutschland GmbH, Senior Notes, 10.625%, 07/01/14 | 525 |
| | | Lamar Media Corporation, Senior Subordinated Notes, 6.625%, 08/15/15 | 1,684 |
| | 1,750 | Ba3 | |
| | 350 | Local TV Finance, LLC, Senior Notes, 9.25%, 06/15/15 (g) | 346 |
| | | Mediacom Broadband, LLC, Senior Notes, 8.50%, 10/15/15 (g) | 228 |
| | 225 | B3 | |
| | 50 | Mediacom Broadband, LLC, Senior Notes, 8.50%, 10/15/15 | 51 |
| | | Nexstar Holdings, Inc., Senior Notes, 11.375%, 04/01/13 (b) | 1,228 |
| | 1,250 | Caa1 | |

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

| Principal Amount/Units | | Moody's Rating (Unaudited) | Value (Note 1(a)) |
|---------------------------------------|---|----------------------------|-------------------|
| \$ 625 | Nexstar Broadcasting, Inc., Senior Subordinated Notes 7%, 01/15/14 | B3 | \$ 620 |
| 924 | Panamsat Corp., Senior Notes, 9%, 08/15/14 | B2 | 974 |
| 575 | Quebecor World Capital Corporation, Senior Notes, 6.125%, 11/15/13 | B2 | 523 |
| 500 | Quebecor World, Inc., Senior Notes, 9.75%, 01/15/15 (g) | B2 | 516 |
| 250 | Rainbow National Services LLC, Senior Notes, 8.75%, 09/01/12 (g) | B2 | 262 |
| 300 | Rogers Cable Inc., Senior Secured Notes, 6.75%, 03/15/15 | Baa3 | 305 |
| 300 | Shaw Communications, Inc., Senior Notes, 8.25%, 04/11/10 | Ba1 | 314 |
| 420 | Sinclair Broadcast Group, Inc., Senior Subordinated Notes, 8%, 03/15/12 | B1 | 432 |
| 1,050 | TL Acquisitions, Inc., Senior Subordinated Notes, 13.25%, 07/15/15 (b)(g) | Caa2 | 790 |
| 825 | Univision Communications, Inc., Senior Notes, 9.75%, 03/15/15 (g) | B3 | 823 |
| 250 | Videotron Ltee., Senior Notes, 6.375%, 12/15/15 | Ba2 | 239 |
| 825 | Videotron Ltee., Senior Notes, 6.875%, 01/15/14 | Ba2 | 811 |
| 700 | XM Satellite Radio, Inc., Senior Notes 9.75%, 05/01/14 | Caa1 | 686 |
| | | | 22,736 |
| Building and Real Estate 4.32% | | | |
| 900 | AMH Holdings, Inc., Senior Discount Notes, 11.25%, 03/01/14 (b) | Caa2 | 671 |
| 625 | B.F. Saul Real Estate Investment Trust, Senior Secured Notes, 7.50%, 03/01/14 | Ba2 | 638 |
| 675 | | B2 | 683 |

Builders FirstSource,
Inc.,
Senior Notes,
9.61%, 02/15/12

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

6

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

| Principal Amount/Units | | Moody's Rating (Unaudited) | Value (Note 1(a)) |
|--|--|----------------------------|-------------------|
| | Senior Notes, 9.75%, 11/15/14 Hexion Specialty Chemicals, Inc., Senior Notes, 9.75% 11/15/14 (g) | B3 | 78 |
| 75 | | | |
| | Hexion Specialty Chemicals, Inc., Senior Notes, 9.86%, 11/15/14 | B3 | \$ 333 |
| \$ 325 | | | |
| | Huntsman International LLC, Senior Subordinated Notes, 7.875%, 11/15/14 | B2 | 879 |
| 825 | | | |
| | Ineos Group Holdings, plc, Senior Notes, 8.50%, 02/15/16 (g) | B2 | 1,144 |
| 1,175 | | | |
| | INVISTA S.A.R.L., Senior Notes 9.25%, 05/01/12 (g) | Ba3 | 1,280 |
| 1,225 | | | |
| | KI Holding., Senior Secured Notes, 9.875%, 11/15/14 (b) | B3 | 1,111 |
| 1,300 | | | |
| | Koppers Inc., Senior Secured Notes, 9.875%, 10/15/13 | B2 | 531 |
| 500 | | | |
| | Lyondell Chemical Corporation, Senior Notes, 8.25%, 09/15/16. | B1 | 834 |
| 800 | | | |
| | Nell AF S.a.r.l. Senior Notes, 8.375%, 08/15/15 (g) | B2 | 200 |
| 200 | | | |
| | PolyOne Corporation, Senior Notes, 10.625%, 05/15/10 | B2 | 323 |
| 308 | | | |
| | | | 8,284 |
| Containers, Packaging and Glass 8.04% | | | |
| | AEP Industries, Inc., Senior Notes, 7.875%, 03/15/13 | B1 | 825 |
| 825 | | | |
| | Ball Corporation, Senior Notes, 6.875%, 12/15/12 | Ba1 | 645 |
| 650 | | | |
| | Berry Plastics Holding Corporation, Senior Secured Notes, 8.875%, 09/15/14 | B3 | 1,236 |
| 1,225 | | | |
| | Berry Plastics Holding Corporation, Senior Secured Notes, 9.235%, 09/15/14 | B3 | 356 |
| 350 | | | |
| | Berry Plastics Holding Corporation, Senior Secured 10.25%, 03/01/16 | B3 | 525 |
| 525 | | | |

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

| | | | |
|-----|---|----|-----|
| 950 | Boise Cascade, LLC, Senior Subordinated, Notes, 7.125%, 10/15/14 | B2 | 902 |
| 175 | Bowater Canada Finance Corporation, Senior Notes, 7.95%, 11/15/11 | B3 | 165 |
| 775 | BWAY Corporation, Senior Subordinated Notes, 10%, 10/15/10 | B3 | 806 |

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

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

The New America High Income Fund, Inc.

Schedule of Investments June 30, 2007 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units | | Moody's Rating (Unaudited) | Value (Note 1(a)) |
|--|-------|--|-------------------|
| CORPORATE DEBT SECURITIES continued | | | |
| | | | |
| \$ | 550 | Clondalkin Acquisition BV, Senior Notes, 7.359%, 12/15/13 (g) | \$ 550 |
| | 275 | Domtar Inc., Senior Notes, 5.375%, 12/01/13 | 248 |
| | 1,100 | Domtar Inc., Senior Notes, 7.125%, 08/15/15 | 1,075 |
| | 100 | Domtar Inc., Senior Notes, 9.50%, 08/01/16 | 109 |
| | 775 | Georgia-Pacific Corporation, Senior Notes, 7%, 01/15/15 (g) | 757 |
| | 900 | Georgia-Pacific Corporation, Senior Notes, 7.125%, 01/15/17 (g) | 864 |
| | 525 | Georgia-Pacific Corporation, Senior Notes, 7.70%, 06/15/15 | 521 |
| | 525 | Georgia-Pacific Corporation, Senior Notes, 8.125%, 05/15/11 | 533 |
| | 325 | Graham Packaging Company, Senior Notes, 8.50%, 10/15/12 | 324 |
| | 450 | Graphic Packaging International Inc., Senior Notes, 8.50%, 08/15/11 | 458 |
| | 325 | Graphic Packaging International Inc., Senior Subordinated Notes, 9.50%, 08/15/13 | 337 |
| | 131 | MDP Acquisitions Plc, Senior Notes, 9.625%, 10/01/12 | 138 |
| | 125 | NewPage Corporation, Senior Secured Notes, 10%, 05/01/12 | 135 |
| | 625 | NewPage Corporation, Senior Secured Notes, 11.606%, 05/01/12 | 681 |
| | 475 | NewPage Corporation, Senior Subordinated Notes, 12%, 05/01/13 | 520 |

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

| Principal Amount/Units | | Moody's Rating (Unaudited) | Value (Note 1(a)) |
|---|---|----------------------------|-------------------|
| | Norske Skog Canada Ltd., Senior Notes 7.375%, 03/01/14 | B2 | 630 |
| 700 | | | |
| | Plastipak Holdings, Inc., Senior Notes, 8.50%, 12/15/15 (g) | B3 | 368 |
| 350 | | | |
| | Silgan Holdings Inc., Senior Subordinated Notes, 6.75%, 11/15/13 | B1 | \$ 367 |
| \$ 375 | | | |
| | Smurfit-Stone Enterprises, Inc., Senior Notes, 8%, 03/15/17 | B3 | 802 |
| 825 | | | |
| | Stone Container Corporation, Senior Notes, 8.375%, 07/01/12 | B3 | 326 |
| 325 | | | |
| | Stone Container Finance Company of Canada, Senior Notes, 7.375%, 07/15/14 | B3 | 383 |
| 400 | | | |
| | Verso Paper Holdings, LLC, Senior Notes, 9.106%, 08/01/14 (g) | B2 | 178 |
| 175 | | | |
| | Verso Paper Holdings, LLC, Senior Notes, 9.125%, 08/01/14 (g) | B2 | 366 |
| 350 | | | |
| | Verso Paper Holdings, LLC, Senior Subordinated Notes, 11.375%, 08/01/16 (g) | B3 | 799 |
| 750 | | | |
| | | | 16,929 |
| Diversified/Conglomerate Manufacturing 2.04% | | | |
| | Bombardier Inc., Senior Notes, 6.30%, 5/01/14 (g) | Ba2 | 690 |
| 725 | | | |
| | Bombardier Inc., Senior Notes, 6.75%, 05/01/12 (g) | Ba2 | 848 |
| 850 | | | |
| | Hawk Corporation, Senior Notes, 8.75%, 11/01/14 | B3 | 515 |
| 500 | | | |
| | RBS Global, Inc., Senior Notes, 9.50%, 08/01/14 | B3 | 2,243 |
| 2,175 | | | |
| | | | 4,296 |
| Diversified/Conglomerate Service 3.54% | | | |
| | Education Management, LLC, Senior Subordinated Notes, 10.25%, 06/01/16 | Caa1 | 2,231 |
| 2,100 | | | |
| | | B1 | 990 |
| 950 | | | |

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

| | | | |
|-----|--|-----|-----|
| | Hertz Corporation, Senior Notes, 8.875%, 01/01/14 | | |
| | IKON Office Solutions, Inc., Senior Notes, 7.75%, 09/15/15 | Ba3 | 657 |
| 650 | | | |
| | Interline Brands, Inc., Senior Subordinated Notes, 8.125%, 06/15/14 | B3 | 177 |
| 175 | | | |
| | Invensys plc, Senior Notes, 9.875%, 03/15/11 (g) | B2 | 976 |
| 910 | | | |

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

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

The New America High Income Fund, Inc.

Schedule of Investments June 30, 2007 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units | | Moody's Rating (Unaudited) | Value (Note 1(a)) |
|--|-------|---|-------------------|
| CORPORATE DEBT SECURITIES continued | | | |
| | | Mobile Services Group, Inc. | |
| \$ | 650 | Senior Notes, 9.75%, 08/01/14 (g) | \$ 701 |
| | | Rental Services Corporation, Senior Notes 9.50%, 12/01/14 (g) | 844 |
| | 825 | Sunstate Equipment Co, LLC, Senior Secured Notes, 10.50%, 04/01/13 (g) | 880 |
| | | | 7,456 |
| Ecological 1.36% | | | |
| | | Allied Waste North America, Senior Notes, 7.875%, 04/15/13 | 961 |
| | 950 | Casella Waste Systems, Inc., Senior Subordinated Notes, 9.75%, 02/01/13 | 1,317 |
| | 1,250 | WCA Waste Corporation, Senior Notes, 9.25%, 06/15/14 | 594 |
| | | | 2,872 |
| Electronics 9.24% | | | |
| | | Avago Technologies Finance, Pte. Ltd., Senior Notes, 10.125%, 12/01/13 | 852 |
| | 800 | Celestica Inc., Senior Subordinated Notes, 7.875%, 07/01/11 | 800 |
| | 825 | Conexant Systems, Inc., Senior Notes 9.11%, 11/15/10 | 688 |
| | 675 | Dycom Investments, Inc., Senior Subordinated Notes, 8.125%, 10/15/15 | 705 |
| | 675 | Freescale Semiconductor, Inc., Senior Notes, 9.235%, 12/15/14 (g) | 1,296 |
| | 1,350 | Freescale Semiconductor, Inc., Senior Subordinated | 729 |
| | 775 | | |

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

| | | | |
|-----|--|----|-----|
| | Notes, 10.125%, 12/15/16 (g) | | |
| | General Cable Corporation, Senior Notes, 7.125%, 04/01/17 (g) | B1 | 476 |
| 475 | | | |
| | General Cable Corporation, Senior Notes, 7.735%, 04/01/15 (g) | B1 | 376 |
| 375 | | | |

| Principal Amount/Units | | Moody's Rating (Unaudited) | Value (Note 1(a)) |
|---------------------------|--|----------------------------------|----------------------|
| \$ | iPayment Inc., Senior Subordinated Notes, 9.75%, 05/15/14 | Caa1 | \$ 829 |
| 825 | | | |
| | iPayment Inc., Senior Subordinated Notes, 12.75%, 07/15/14 (g)(i) | (e) | 716 |
| 692 | | | |
| | Lucent Technologies, Inc., Senior Notes 6.45%, 03/15/29 | Ba2 | 629 |
| 725 | | | |
| | Lucent Technologies, Inc., Senior Notes 6.50%, 01/15/28 | Ba2 | 1,119 |
| 1,275 | | | |
| | Nortel Networks, Ltd., Senior Notes, 9.606%, 07/15/11 (g) | B3 | 1,548 |
| 1,450 | | | |
| | NXP, B.V., Senior Notes, 8.106%, 10/15/13 | Ba2 | 675 |
| 675 | | | |
| | NXP, B.V., Senior Notes, 9.50%, 10/15/15 | B2 | 817 |
| 825 | | | |
| | Sanmina-SCI Corporation, Senior Notes, 8.11%, 06/15/10 (g) | Ba3 | 652 |
| 650 | | | |
| | Serena Software, Inc., Senior Subordinated Notes, 10.375%, 03/15/16 | Caa1 | 377 |
| 350 | | | |
| | Spansion Technology, Inc., Senior Notes, 11.25%, 01/15/16 (g) | Caa1 | 669 |
| 650 | | | |
| | SS&C Technologies, Inc., Senior Subordinated Notes, 11.75%, 12/01/13 | Caa1 | 334 |
| 300 | | | |
| | STATS ChipPAC Ltd., Senior Notes, 6.75%, 11/15/11 | Ba1 | 354 |
| 350 | | | |
| | STATS ChipPAC Ltd., Senior Notes, 7.50%, 07/19/10 | Ba1 | 335 |
| 325 | | | |
| | Sunguard Data Systems, Inc., Senior Notes, 9.125%, 08/15/13 | Caa1 | 844 |
| 825 | | | |
| | Superior Essex Communications, Senior Notes, 9%, 04/15/12 | B3 | 487 |
| 475 | | | |
| | Unisys Corporation, Senior Notes, 6.875%, 03/15/10 | B2 | 317 |
| 325 | | | |
| 425 | Unisys Corporation, Senior Notes, | B2 | 425 |

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

9

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

The New America High Income Fund, Inc.

Schedule of Investments June 30, 2007 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units | | Moody's Rating (Unaudited) | Value (Note 1(a)) |
|--|---|----------------------------|-------------------|
| CORPORATE DEBT SECURITIES continued | | | |
| \$ 250 | Unisys Corporation, Senior Notes, 8%, 10/15/12 | B2 | \$ 242 |
| 900 | Xerox Corp., Senior Notes, 6.40%, 03/15/16 | Baa3 | 903 |
| 1,225 | Xerox Corp., Senior Notes, 6.75%, 02/01/17 | Baa3 | 1,255 |
| | | | 19,449 |
| Finance 6.44% | | | |
| 4,675 | Ford Motor Credit Company LLC, Senior Notes, 9.806% 04/15/12 | B1 | 5,003 |
| 3,250 | General Motors Acceptance Corporation, Senior Notes, 6.875%, 08/28/12 | Ba1 | 3,178 |
| 1,800 | General Motors Acceptance Corporation, Senior Notes, 7.56%, 12/01/14 | Ba1 | 1,820 |
| 1,400 | General Motors Acceptance Corporation, Senior Notes, 8%, 11/01/31 | Ba1 | 1,430 |
| 1,015 | Global Cash Access LLC, Senior Subordinated Notes, 8.75%, 03/15/12 | B3 | 1,053 |
| 1,100 | Leucadia National Corporation, Senior Notes, 7%, 08/15/13 | Ba2 | 1,078 |
| | | | 13,562 |
| Furnishings, Housewares, Durable Consumer Products .92% | | | |
| 1,050 | Sealy Mattress Company, Senior Subordinated Notes, 8.25%, 06/15/14 | B2 | 1,074 |
| 1,025 | Simmons Company, Senior Discount Notes, 10%, 12/15/14 (b) | B3 | 861 |
| | | | 1,935 |
| Grocery .06% | | | |
| 125 | | Caa2 | 129 |

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

| | | | | |
|--|--------|---|---|------------------------------|
| | | Pathmark Stores, Inc., Senior Subordinated Notes, 8.75%, 02/01/12 | | |
| Healthcare, Education and Childcare 7.07% | | | | |
| | 2,500 | Community Health Systems, Inc., Senior Notes, 8.875%, 07/15/15 (g) | B3 | 2,531 |
| | 525 | Community Health Systems, Inc., Senior Subordinated Notes, 6.50%, 12/15/12 | B2 | 544 |
| Principal Amount/Units | | | Moody's Rating (Unaudited) | Value (Note 1(a)) |
| | \$ 625 | CRC Health Corporation, Senior Subordinated Notes, 10.75%, 02/01/16 | Caa1 | \$ 689 |
| | 600 | DaVita, Inc., Senior Notes, 6.625%, 03/15/13 | B1 | 586 |
| | 575 | DaVita, Inc., Senior Subordinated Notes, 7.25%, 03/15/15 | B2 | 568 |
| | 575 | Fresenius Medical Care Capital Trust IV, 7.875%, 06/15/11 | B1 | 591 |
| | 1,125 | Genesis Healthcare Corporation, Senior Subordinated Notes, 8%, 10/15/13 | B1 | 1,201 |
| | 2,725 | HCA Inc., Senior Notes, 9.25%, 11/15/16 (g) | B2 | 2,892 |
| | 300 | HCA Inc., Senior Notes, 9.625%, 11/15/16 (g) | B2 | 323 |
| | 500 | IASIS Healthcare LLC, Senior Subordinated Notes, 8.75%, 06/15/14 | B3 | 500 |
| | 700 | Invacare Corporation, Senior Notes, 9.75%, 02/15/15 (g) | B2 | 709 |
| | 350 | Omnicare, Inc., Senior Subordinated Notes, 6.75%, 12/15/13 | Ba3 | 334 |
| | 1,025 | Omnicare, Inc., Senior Subordinated Notes, 6.875%, 12/15/15 | Ba3 | 974 |
| | 200 | Team Health, Inc., Senior Subordinated Notes, 11.25%, 12/01/13 | Caa1 | 216 |
| | 225 | Universal Hospital Services, Inc., Second Lien Notes, 8.759%, 06/01/15 (g) | B3 | 225 |
| | 400 | Universal Hospital Services, Inc., Second Lien Notes, 8.50%, 06/01/15 (g) | B3 | 398 |

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

| | | | |
|-------|---|------|--------|
| | United Surgical Partners International, Inc., Senior Notes, 9.25%, 05/01/17(g) | Caa1 | 451 |
| 450 | Vanguard Health Holding Company II, LLC, Senior Subordinated Notes, 9%, 10/01/14 | Caa1 | 1,156 |
| 1,175 | | | 14,888 |

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

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

The New America High Income Fund, Inc.

Schedule of Investments June 30, 2007 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units | | Moody's Rating (Unaudited) | Value (Note 1(a)) |
|--|---|----------------------------|-------------------|
| CORPORATE DEBT SECURITIES continued | | | |
| Hotels, Motels, Inns and Gaming 4.87% | | | |
| \$ 1,025 | American Casino & Entertainment Properties LLC, Senior Secured Notes, 7.85%, 02/01/12 | B3 | \$ 1,056 |
| 200 | Buffalo Thunder Development Authority, Senior Notes, 9.375%, 12/15/14 (g) | B2 | 200 |
| 475 | Chukchansi Economic Development Authority, Senior Notes, 8.859%, 11/15/12 (g) | B2 | 484 |
| 675 | Fontainebleau Las Vegas Holdings, LLC, 2nd Mortgage Notes, 10.25%, 06/15/15 (g) | Caa1 | 675 |
| 525 | Little Traverse Bay Bands of Odawa Indians, Senior Notes, 10.25%, 02/15/14 (g) | B2 | 541 |
| 1,500 | MGM MIRAGE, Senior Notes, 8.50%, 09/15/10 | Ba2 | 1,571 |
| 1,100 | Mohegan Tribal Gaming Authority, Senior Subordinated Notes, 8%, 04/01/12 | Ba2 | 1,136 |
| 350 | MTR Gaming Group, Inc., Senior Notes, 9.75%, 04/01/10 | B2 | 367 |
| 325 | MTR Gaming Group, Inc., Senior Subordinated Notes, 9%, 06/01/12 | B3 | 343 |
| 1,300 | Pokagon Gaming Authority, Senior Notes, 10.375%, 06/15/14 (g) | B3 | 1,436 |
| 925 | Shingle Springs Tribal Gaming Authority, 9.375%, 06/15/15 (g) | B3 | 931 |
| 700 | Trump Entertainment Resorts Holdings, | Caa1 | 696 |

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

| Principal Amount/Units | | Moody's Rating (Unaudited) | Value (Note 1(a)) |
|--|--|----------------------------|-------------------|
| | L.P., Senior Secured Notes, 8.50%, 06/01/15 Wimar Opco, LLC, Senior Subordinated Notes, 9.625%, 12/15/14 (g) | B3 | 822 |
| 850 | | | 10,258 |
| Insurance 1.16% | | | |
| | Hub International Limited, Senior Notes, 9%, 12/15/14 (g) | B3 | \$ 661 |
| \$ 675 | | | |
| | Hub International Limited, Senior Subordinated Notes, 10.25%, 06/15/15 (g) | Caa1 | 825 |
| 850 | | | |
| | USI Holdings Corporation, Senior Notes 9.23%, 11/15/14 (g) | B3 | 526 |
| 525 | | | |
| | USI Holdings Corporation, Senior Subordinated Notes, 9.75%, 05/15/15 (g) | Caa1 | 423 |
| 425 | | | 2,435 |
| Leisure, Amusement and Entertainment 1.38% | | | |
| | AMF Bowling Worldwide, Inc. Senior Subordinated Notes, 10%, 03/01/10 | B3 | 840 |
| 800 | | | |
| | K2 Inc., Senior Notes, 7.375%, 07/01/14 | B1 | 818 |
| 775 | | | |
| | Universal City Development Partners, Ltd., Senior Notes, 11.75%, 04/01/10 | B1 | 1,248 |
| 1,175 | | | 2,906 |
| Machinery 1.13% | | | |
| | Baldor Electric Company, Senior Notes, 8.625%, 02/15/17 | B3 | 1,190 |
| 1,125 | | | |
| | Columbus McKinnon Corporation, Senior Subordinated Notes, 8.875%, 11/01/13 | B2 | 1,190 |
| 1,125 | | | 2,380 |
| Mining, Steel, Iron and Non-Precious Metals 8.63% | | | |
| | Aleris International, Inc., | Caa1 | 278 |
| 275 | | | |

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

| | | | |
|-----|--|----|-----|
| | Senior Subordinated Notes, 10%, 12/15/16 (g) Alpha Natural Resources, LLC, | | |
| 825 | Senior Notes, 10%, 06/01/12 | B3 | 870 |
| | Arch Western Finance LLC, | | |
| 575 | Senior Notes, 6.75%, 07/01/13 | B1 | 553 |
| | Century Aluminum Company, | | |
| 450 | Senior Notes, 7.50%, 08/15/14 | B1 | 450 |

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

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

The New America High Income Fund, Inc.

Schedule of Investments June 30, 2007 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units | | | Moody's Rating (Unaudited) | Value (Note 1(a)) |
|--|-------|---|----------------------------|-------------------|
| CORPORATE DEBT SECURITIES continued | | | | |
| \$ | 1,225 | ESCO Corporation, Senior Notes, 8.625%, 12/15/13 (g) | B2 | \$ 1,274 |
| | 350 | ESCO Corporation, Senior Notes, 9.235%, 12/15/13 (g) | B2 | 360 |
| | 1,125 | Foundation PA Coal Company, Senior Notes, 7.25%, 08/01/14 | Ba3 | 1,117 |
| | 1,375 | Freeport-McMoRan Copper & Gold, Inc., Senior Notes, 8.25%, 04/01/15 | Ba3 | 1,447 |
| | 6,175 | Freeport-McMoRan Copper & Gold, Inc., Senior Notes, 8.375%, 04/01/17 | Ba3 | 6,576 |
| | 750 | Gerdau Ameristeel Corporation, Senior Notes, 10.375%, 07/15/11 | Ba2 | 787 |
| | 1,000 | Gibraltar Industries, Inc., Senior Subordinated Notes, 8%, 12/01/15 | Ba3 | 1,000 |
| | 575 | Metals USA Holdings Corp., Senior Notes, 11.356%, 01/15/12 (g) | Caa1 | 572 |
| | 375 | Metals USA, Inc., Senior Notes, 11.125%, 12/01/15 | B3 | 408 |
| | 850 | Novelis, Inc., Senior Notes, 7.25%, 02/15/15 | B3 | 871 |
| | 450 | Peabody Energy Corporation, Senior Notes, 7.375%, 11/01/16 | Ba1 | 459 |
| | 575 | Steel Dynamics, Inc., Senior Notes, 6.75%, 04/01/15 (g) | Ba2 | 559 |
| | 575 | Tube City IMS Corporation, Senior Subordinated Notes, 9.75%, 02/01/15 (g) | B3 | 598 |
| | | | | 18,179 |

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

Oil and Gas 13.19%

| | | | | |
|----|-------|--|-----|-------|
| | | AmeriGas Partners, L.P., Senior Notes, 7.125%, 05/20/16 | B1 | 74 |
| 75 | | | | |
| | 1,650 | AmeriGas Partners, L.P., Senior Notes, 7.25%, 05/20/15 | B1 | 1,633 |
| | 475 | Bristow Group, Inc., Senior Notes, 7.50%, 09/15/17 (g) | Ba2 | 474 |

| Principal Amount/Units | | | Moody's Rating (Unaudited) | Value (Note 1(a)) |
|---------------------------|-------|--|----------------------------------|----------------------|
| \$ | 975 | Chaparral Energy, Inc., Senior Notes, 8.50%, 12/01/15 | Caa1 | \$ 953 |
| | 950 | CHC Helicopter Corporation, Senior Subordinated Notes, 7.375%, 05/01/14 | B1 | 907 |
| | 550 | Chesapeake Energy Corporation, Senior Notes, 6.50%, 08/15/17 | Ba2 | 520 |
| | 1,900 | Chesapeake Energy Corporation, Senior Notes, 6.875%, 11/15/20 | Ba2 | 1,814 |
| | 200 | Compagnie Generale de Geophysique-Veritas, Senior Notes, 7.50%, 05/15/15 | Ba3 | 201 |
| | 975 | Compagnie Generale de Geophysique-Veritas, Senior Notes, 7.75%, 05/15/17 | Ba3 | 990 |
| | 1,075 | Compton Petroleum Finance Corporation, Senior Notes, 7.625%, 12/01/13 | B2 | 1,059 |
| | 750 | Copano Energy, LLC, Senior Notes, 8.125%, 03/01/16 | B2 | 765 |
| | 725 | Denbury Resources, Inc., Senior Subordinated Notes, 7.50%, 04/01/13 | B1 | 725 |
| | 350 | Denbury Resources, Inc., Senior Subordinated Notes, 7.50%, 12/15/15 | B1 | 350 |
| | 1,075 | Encore Acquisition Company, Senior Subordinated Notes, 7.25%, 12/01/17 | B1 | 989 |
| | 250 | Ferrellgas, L.P., Senior Notes, 6.75%, 05/01/14 | Ba3 | 237 |
| | 1,275 | Ferrellgas Partners L.P., Senior Notes, 8.75%, 06/15/12 | B2 | 1,312 |
| | 1,325 | Forest Oil Corp., Senior Notes, 7.25%, 06/15/19 (g) | B1 | 1,282 |
| | 1,000 | Hanover Compressor Company, Senior Notes, | B2 | 1,002 |

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

| | | | | |
|--|-------|---------------------------|-----|-------|
| | | 7.50%, 04/15/13 | | |
| | | Hilcorp Energy I, L.P., | | |
| | | Senior Notes, | | |
| | 1,250 | 7.75%, 11/01/15 (g) | B3 | 1,213 |
| | | Offshore Logistics, Inc., | | |
| | | Senior Notes, | | |
| | 875 | 6.125%, 06/15/13 | Ba2 | 831 |

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

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

| | | | | |
|---|-------------|---|-----------------------------------|--------------------------|
| | 225 | American Greetings Corporation, Senior Notes, 7.375%, 06/01/16 | Ba2 | 227 |
| | 1,550 | Aramark Corporation, Senior Notes, 8.856%, 02/01/15 (g) | B3 | 1,577 |
| Principal Amount/Units | | | Moody's Rating (Unaudited) | Value (Note 1(a)) |
| \$ | 750 | FTD, Inc., Senior Subordinated Notes, 7.75%, 02/15/14 | B3 | \$ 751 |
| | 800 | FTI Consulting, Inc., Senior Notes, 7.625%, 06/15/13 | Ba2 | 814 |
| | 750 | FTI Consulting, Inc., Senior Notes, 7.75%, 10/01/16 | Ba2 | 772 |
| | 600 | Mac-Gray Corporation, Senior Notes, 7.625%, 08/15/15 | B2 | 614 |
| | 850 | O'Charleys, Inc., Senior Subordinated Notes, 9%, 11/01/13 | B1 | 884 |
| | 1,325 | OSI Restaurant Partners, Inc., Senior Notes, 10%, 06/15/15 (g) | Caa1 | 1,265 |
| | 475 | Real Mex Restaurants, Inc., Senior Notes, 10%, 04/01/10 | Ba2 | 488 |
| | 900 | Restaurant Company, Senior Notes, 10%, 10/01/13 | B3 | 874 |
| | 875 | West Corporation, Senior Subordinated Notes, 11%, 10/15/16 | Caa1 | 914 |
| | | | | 9,180 |
| Personal Non-Durable Consumer Products | .72% | | | |
| | 800 | ACCO Brands Corporation, Senior Subordinated Notes, 7.625%, 08/15/15 | B2 | 792 |
| | 50 | Jostens Holding Corporation, Senior Notes, 10.25%, 12/01/13 (b) | B3 | 46 |
| | 675 | Jostens Intermediate Holding Corp., Senior Subordinated Notes, 7.625%, 10/01/12 | B1 | 675 |
| | | | | 1,513 |
| Personal Transportation | .45% | | | |
| | 975 | Continental Airlines, Inc., | B3 | 949 |

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

| | | | | |
|--------------------------------|--------------|--|------|-----|
| | | Senior Notes, 8.75%, 12/01/11 | | |
| Printing and Publishing | 7.20% | | | |
| | | Affinity Group Holding, Inc., Senior Notes, 10.875%, 02/15/12 (i) | Caa1 | 458 |
| | 428 | Affinity Group Inc., Senior Subordinated Notes, 9%, 02/15/12 | B3 | 880 |
| | 850 | | | |

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

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

The New America High Income Fund, Inc.

Schedule of Investments June 30, 2007 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units | | Moody's Rating (Unaudited) | Value (Note 1(a)) |
|--|--|----------------------------|-------------------|
| CORPORATE DEBT SECURITIES continued | | | |
| | CanWest Media, Inc., Senior Subordinated Notes, 8%, 09/15/12 | B3 | \$ 848 |
| \$ 853 | | | |
| | Clarke American Corp., Senior Notes 10.106%, 05/15/15 (g) | Caa1 | 524 |
| 525 | | | |
| | Clarke American Corp., Senior Notes 9.50%, 05/15/15 (g) | Caa1 | 695 |
| 700 | | | |
| | Deluxe Corporation, Senior Notes, 7.375%, 06/01/15 (g) | Ba2 | 528 |
| 525 | | | |
| | Dex Media East LLC, Senior Subordinated Notes, 12.125%, 11/15/12 | B2 | 1,227 |
| 1,137 | | | |
| | Dex Media Inc., Senior Discount Notes, 9%, 11/15/13 (b) | B3 | 71 |
| 75 | | | |
| | Dex Media West LLC, Senior Subordinated Notes, 9.875%, 08/15/13 | B2 | 856 |
| 800 | | | |
| | Haight's Cross Communications Operating Company, Senior Notes, 11.75%, 08/15/11 | Caa2 | 769 |
| 725 | | | |
| | Idearc, Inc., Senior Notes, 8%, 11/15/16 | B2 | 2,027 |
| 2,000 | | | |
| | MediaNews Group, Inc., Senior Subordinated Notes, 6.375%, 04/01/14 | B2 | 315 |
| 375 | | | |
| | MediaNews Group, Inc., Senior Subordinated Notes, 6.875%, 10/01/13 | B2 | 435 |
| 500 | | | |
| | Morris Publishing Group, LLC, Senior Subordinated Notes, 7%, 08/01/13 | B1 | 911 |
| 1,000 | | | |
| | R.H. Donnelley Finance Corporation, Senior Notes, 8.875%, 01/15/16 | B3 | 1,504 |
| 1,450 | | | |

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

| | | | | |
|--|-------|--|----|--------|
| | | R.H. Donnelley Inc., Senior Subordinated Notes, 10.875%, 12/15/12 | B2 | 2,024 |
| | 1,900 | | | |
| | | Valassis Communications, Inc., Senior Notes, 8.25%, 03/01/15 (g) | B3 | 1,086 |
| | 1,125 | | | |
| | | | | 15,158 |

| Principal Amount/Units | | | Moody's Rating (Unaudited) | Value (Note 1(a)) |
|---------------------------|--------------|--|----------------------------------|----------------------|
| Retail Stores | 4.44% | | | |
| | | Alimentation Couche-Tard, Inc., Senior Subordinated Notes, 7.50%, 12/15/13 | Ba2 | \$ 1,007 |
| \$ | 1,000 | | | |
| | | AutoNation, Inc. Senior Notes, 7%, 04/15/14 | Ba2 | 294 |
| | 300 | | | |
| | | AutoNation, Inc. Senior Notes, 7.356%, 04/15/13 | Ba2 | 543 |
| | 550 | | | |
| | | Bon-Ton Department Stores, Inc., Senior Notes, 10.25%, 03/15/14 | B3 | 885 |
| | 875 | | | |
| | | GameStop Corporation, Senior Notes, 8%, 10/01/12 | Ba3 | 1,664 |
| | 1,600 | | | |
| | | Leslie's Poolmart, Inc., Senior Notes, 7.75%, 02/01/13 | B2 | 1,159 |
| | 1,150 | | | |
| | | Nebraska Book Company, Inc., Senior Subordinated Notes, 8.625%, 03/15/12 | B3 | 1,390 |
| | 1,400 | | | |
| | | Payless Shoesource, Inc., Senior Subordinated Notes, 8.25%, 08/01/13 | B1 | 51 |
| | 50 | | | |
| | | Sally Holdings, LLC, Senior Notes, 9.25%, 11/15/14 (g) | B2 | 820 |
| | 800 | | | |
| | | Susser Holdings, LLC, Senior Notes, 10.625%, 12/15/13 | B2 | 423 |
| | 388 | | | |
| | | Yankee Acquisition Corporation, Senior Notes, 8.50%, 02/15/15 | B3 | 960 |
| | 975 | | | |
| | | Yankee Acquisition Corporation, Senior Subordinated Notes, 9.75%, 02/15/17 | Caa1 | 148 |
| | 150 | | | |
| | | | | 9,344 |

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

Telecommunications 18.29%

| | | | |
|-------|--|------|-------|
| | American Cellular Corporation, Senior Notes, 10%, 08/01/11 | B3 | 17 |
| 16 | Broadview Networks Holdings, Inc., Senior Secured Notes, 11.375%, 09/01/12 (g) | B3 | 509 |
| 475 | Centennial Cellular Operating Co. LLC, Senior Notes, 10.125%, 06/15/13 | B2 | 1,153 |
| 1,075 | Centennial Communications Corp., Senior Notes, 10%, 01/01/13 | Caa1 | 617 |
| 575 | | | |

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

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

The New America High Income Fund, Inc.

Schedule of Investments June 30, 2007 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units | | Moody's Rating (Unaudited) | Value (Note 1(a)) |
|--|-------|--|-------------------|
| CORPORATE DEBT SECURITIES continued | | | |
| | | | |
| \$ | 2,200 | Citizens Communications Company, Senior Notes, 7.125%, 03/15/19 | \$ 2,084 |
| | 2,000 | Citizens Communications Company, Senior Notes, 9%, 08/15/31 | 2,060 |
| | 1,625 | Cricket Communications, Inc., Senior Notes, 9.375%, 11/01/14 | 1,682 |
| | 825 | Cricket Communications, Inc., Senior Notes, 9.375%, 11/01/14 (g) | 854 |
| | 1,050 | Digicel Limited, Senior Notes, 9.25%, 09/01/12 (g) | 1,112 |
| | 600 | Dobson Cellular Systems, Inc., Senior Secured Notes, 9.875%, 11/01/12 | 647 |
| | 1,450 | Dobson Communications Corporation, Senior Notes, 8.875%, 10/01/13 | 1,515 |
| | 850 | GCI, Inc., Senior Notes, 7.25%, 02/15/14 | 812 |
| | 850 | iPCS Escrow Company, Senior Notes, 7.48%, 05/01/13 (g) | 850 |
| | 825 | iPCS Escrow Company, Senior Notes, 8.605%, 05/01/14 (g) | 829 |
| | 192 | Level 3 Communications, Inc., Convertible Subordinated Bonds, 6%, 09/15/09 | 187 |
| | 183 | Level 3 Communications, Inc., Convertible Subordinated Notes, 6%, 03/15/10 | 176 |
| | 1,275 | Level 3 Communications, Inc., Senior Notes, 9.25%, 11/01/14 | 1,286 |
| | 1,575 | MetroPCS Wireless, Inc., Senior Notes, 9.25%, 11/01/14 (g) | 1,644 |
| | 800 | MetroPCS Wireless, Inc., Senior Notes, 9.25%, 11/01/14 (g) | 838 |

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

| Principal Amount/Units | | Moody's Rating (Unaudited) | Value (Note 1(a)) |
|------------------------|--|----------------------------|-------------------|
| \$ 2,675 | Nordic Telephone Company Holdings ApS., Senior Notes, 8.875%, 05/01/16 (g) | B2 | \$ 2,852 |
| 800 | Qwest Corporation, Senior Notes, 6.50%, 06/01/17 (g) | Ba1 | 764 |
| 1,250 | Qwest Corporation, Senior Notes, 7.50%, 10/01/14 | Ba1 | 1,281 |
| 500 | Qwest Corporation, Senior Notes, 7.875%, 09/01/11 | Ba1 | 522 |
| 825 | Qwest Corporation, Senior Notes, 8.61%, 06/15/13 | Ba1 | 897 |
| 975 | Qwest Corporation, Senior Notes, 8.875%, 03/15/12 | Ba1 | 1,053 |
| 2,400 | Rogers Wireless Inc., Senior Secured Notes, 8%, 12/15/12 | Ba1 | 2,532 |
| 1,550 | Rural Cellular Corporation, Senior Notes, 8.25%, 03/15/12 | Ba3 | 1,585 |
| 325 | Rural Cellular Corporation, Senior Subordinated Notes, 11.106%, 11/01/12 | Caa2 | 334 |
| 75 | Syniverse Technologies, Inc., Senior Subordinated Notes, 7.75%, 08/15/13 | B2 | 73 |
| 450 | Time Warner Telecom Holdings, Inc., Senior Notes, 9.25%, 02/15/14 | B3 | 478 |
| 850 | Tim Hellas Telecommunications, Senior Notes, 11.106%, 01/15/15 (g) | Caa1 | 873 |
| 500 | Valor Telecommunications Enterprise, L.L.C., Senior Notes, 7.75%, 02/15/15 | Baa3 | 530 |
| 1,525 | Wind Acquisition Finance S.A., Senior Notes, 10.75%, 12/01/15 (g) | B2 | 1,784 |
| 3,850 | Windstream Corporation, Senior Notes, 8.625%, 08/01/16 | Ba3 | 4,076 |
| | | | 38,506 |

Textiles and Leather .66%

| | | | |
|-----|--|----|-----|
| | AGY Holding Corporation, Senior Notes, 11%, 11/15/14 (g) | B2 | 525 |
| 500 | | | |

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

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

The New America High Income Fund, Inc.

Schedule of Investments June 30, 2007 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units | | Moody's Rating (Unaudited) | Value (Note 1(a)) |
|--|-------|---|-------------------|
| CORPORATE DEBT SECURITIES continued | | | |
| | | Interface, Inc., Senior Subordinated Notes, 9.50%, 02/01/14 | |
| \$ | 100 | B3 | \$ 108 |
| | | Rafaella Apparel Group, Inc., Senior Secured, 11.25%, 06/15/11 | |
| | 760 | B2 | 768 |
| | | | 1,401 |
| Utilities 10.27% | | | |
| | | The AES Corporation, Senior Notes, 9.375%, 09/15/10 | |
| | 1,075 | B1 | 1,139 |
| | | The AES Corporation, Senior Secured Notes, 9%, 05/15/15 (g) | |
| | 2,500 | Ba3 | 2,650 |
| | | Allegheny Energy Supply Company, LLC, Senior Notes, 8.25%, 04/15/12 (g) | |
| | 1,050 | Ba3 | 1,118 |
| | | Dynegy Holdings Inc., Senior Notes 7.50%, 06/01/15 (g) | |
| | 1,150 | B2 | 1,085 |
| | | Dynegy Holdings Inc., Senior Notes 7.75%, 06/01/19 (g) | |
| | 1,325 | B2 | 1,236 |
| | | Mirant North America, LLC, Senior Notes, 7.375%, 12/31/13 | |
| | 775 | B2 | 794 |
| | | NRG Energy, Inc., Senior Notes, 7.25%, 02/01/14 | |
| | 1,275 | B1 | 1,278 |
| | | NRG Energy, Inc., Senior Notes, 7.375%, 02/01/16 | |
| | 4,800 | B1 | 4,812 |
| | | Orion Power Holdings, Inc., Senior Notes, 12%, 05/01/10 | |
| | 1,650 | B2 | 1,869 |
| | | Reliant Energy, Incorporated, Senior Notes, 6.75%, 12/15/14 | |
| | 450 | B2 | 461 |
| | | Reliant Energy, Incorporated, Senior Notes, 7.625%, 06/15/14 | |
| | 800 | B3 | 780 |
| | | Reliant Energy, Incorporated, Senior Notes, 7.875%, 06/15/17 | |
| | 650 | B3 | 630 |

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

| | | | | |
|---|-------|---|---|------------------------------|
| | | Roseton-Danskammer 2001, Senior Secured Notes, 7.27%, 11/08/10 | Ba3 | 711 |
| | 700 | Sierra Pacific Resources, Senior Notes, 7.803%, 06/15/12 | B1 | 235 |
| Principal Amount/Units | | | Moody's Rating (Unaudited) | Value (Note 1(a)) |
| \$ | 2,050 | Sierra Pacific Resources, Senior Notes, 8.625%, 03/15/14 | B1 | \$ 2,193 |
| | | Utilicorp Canada Financial Corporation, Senior Notes, 7.75%, 06/15/11 | Ba3 | 633 |
| | 600 | | | 21,624 |
| | | Total Corporate Debt Securities (Total cost of \$300,789) | | 302,199 |
| BANK DEBT SECURITIES 6.77% (d) | | | | |
| Automobile .24% | | | | |
| | | The Goodyear Tire & Rubber Company, 8.82%, 03/01/11 (h) | B3 | 503 |
| | 500 | | | |
| Broadcasting and Entertainment 1.63% | | | | |
| | | Local TV Finance, LLC, 7.36%, 05/07/13 (h) | Ba3 | 751 |
| | 750 | | | |
| | | TL Acquisitions, Inc., 8.07%, 07/15/14 (h) | B1 | 739 |
| | 750 | | | |
| | | Univision Communications, Inc., 7.605%, 09/29/14 (h) | Ba3 | 1,956 |
| | 2,000 | | | 3,446 |
| Electronics .60% | | | | |
| | | Infor Enterprise Solutions Holdings, Inc., 9.11%, 07/28/12 (h) | B3 | 751 |
| | 746 | | | |
| | | Infor Global Solutions, Inc., 11.61%, 03/15/14 (h) | Caa2 | 506 |
| | 500 | | | 1,257 |
| Hotels, Motels, Inns and Gaming .24% | | | | |
| | | Fontainebleau Las Vegas, LLC, 8.61%, 06/06/14 (h) | B1 | 501 |
| | 500 | | | |
| Oil and Gas 1.56% | | | | |
| | | Dresser, Inc., 11.11%, 05/04/15 (h) | B3 | 504 |
| | 500 | | | |
| | | Lyondell Chemical Company, 6.856%, 08/16/13 (h) | Ba2 | 496 |
| | 496 | | | |
| | | SandRidge Energy, Inc., 8.625%, 04/01/15 (h) | B3 | 1,530 |
| | 1,500 | | | |

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

| | | | |
|-----|--|----|-------|
| | SandRidge Energy, Inc., 8.975%, 04/01/14 (h) | B3 | 765 |
| 750 | | | 3,295 |

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

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

The New America High Income Fund, Inc.

Schedule of Investments June 30, 2007 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units | | | Moody's Rating (Unaudited) | Value (Note 1(a)) |
|---|--------|---|----------------------------|-------------------|
| BANK DEBT SECURITIES continued | | | | |
| Personal, Food and Miscellaneous Services .12% | | | | |
| \$ | 250 | OSI Restaurant Partners LLC, 7.607%, 05/09/14 (h) | B1 | \$ 250 |
| Printing and Publishing .24% | | | | |
| | 500 | Penton Media, Inc., 7.605%, 02/01/13 (h) | B1 | 501 |
| Telecommunications 1.19% | | | | |
| | 1,746 | MetroPCS Wireless, Inc., 7.625%, 11/03/13 (h) | B3 | 1,751 |
| | 750 | Trilogy International Partners LLC, 8.86%, 06/27/12 (h) | B2 | 752 |
| | | | | 2,503 |
| Utilities .95% | | | | |
| | 1750 | NRG Energy, Inc., 7.11%, 02/01/13 (h) | Ba1 | 1,752 |
| | 250 | NRG Energy, Inc., 7.86%, 02/01/14 (h) | B2 | 249 |
| | | | | 2,001 |
| | | Total Bank Debt | | |
| | | (Total cost of \$14,271) | | 14,257 |
| Shares | | | | |
| PREFERRED STOCK .76% (d) | | | | |
| Automobile .51% | | | | |
| | 49,000 | General Motors Corporation, Senior Convertible, Series B, Preferred Stock, 5.25% | Caa1 | 1,073 |
| Banking 0.00% | | | | |
| | 57,935 | WestFed Holdings, Inc., Cumulative, Series A, Preferred Stock, 15.50% (a)(c) | (e) | |
| Broadcasting and Entertainment .25% | | | | |
| | 483 | Spanish Broadcasting System, Inc., Series B, Preferred Stock, 10.75% | B3 | 530 |
| | | Total Preferred Stock | | |
| | | (Total cost of \$6,450) | | 1,603 |
| Shares | | | Moody's Rating (Unaudited) | Value (Note 1(a)) |

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

COMMON STOCK and WARRANTS .04% (d)

| | | | |
|----|--------|---|-----------|
| \$ | 27,474 | WestFed Holdings, Inc., Common Stock (a)(c). | \$ |
| | | WKI Holding Company, Inc., | |
| | 10,052 | Common Stock (c)(f)(h) | 90 |
| | | Total Common Stock and Warrants (Total cost of \$2,295) | 90 |

Principal
Amount/Units

SHORT-TERM INVESTMENTS 6.84% (d)

| | | | | |
|--|-------|---|-----|-------|
| | 1,000 | Alpine Securitization Corp., Commercial Paper, Due 07/10/07, Discount of 5.32% | P-1 | 999 |
| | 1,000 | Chariot Funding LLC, Commercial Paper, Due 07/16/07, Discount of 5.30% (g) | P-1 | 998 |
| | 1,200 | CRC Funding, LLC, Commercial Paper, Due 08/03/07, Discount of 5.27% | P-1 | 1,194 |
| | 1000 | Dexia Delaware LLC, Commercial Paper, Due 08/15/07, Discount of 5.27% | P-1 | 994 |
| | 1,000 | Fairway Finance Company LLC, Commercial Paper, Due 07/13/07, Discount of 5.375% | P-1 | 998 |
| | 1,000 | Falcon Asset Securitization, Commercial Paper, Due 07/17/07, Discount of 5.28% | P-1 | 998 |
| | 1,000 | Hewlett-Packard Company, Commercial Paper, Due 07/20/07, Discount of 5.26% (g) | P-1 | 997 |
| | 1,000 | Jupiter Securitization Corporation, Commercial Paper, Due 07/09/07, Discount of 5.35% (g) | P-1 | 999 |
| | 1,000 | Kitty Hawk Funding Corp., Commercial Paper, Due 07/06/07, Discount of 5.33% | P-1 | 999 |
| | 1,000 | MassMutual Funding LLC, Commercial Paper, Due 07/18/07, Discount of 5.27% | P-1 | 997 |
| | 1,000 | New York State Power Authority, Commercial Paper, Due 07/06/07, Discount of 5.25% | P-1 | 999 |

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, 2007 (Unaudited)**

(Dollars in thousands, except per share amounts)

Assets:

| | |
|--|------------|
| INVESTMENTS IN SECURITIES, at value (Identified cost of \$338,196 see Schedule of Investments and Notes 1 and 2) | \$ 332,540 |
| INTEREST RATE SWAP, at fair value (Note 6) | 4,203 |
| CASH | 914 |
| RECEIVABLES: | |
| Investment securities sold | 6,362 |
| Interest and dividends | 5,849 |
| Swap settlement | 145 |
| PREPAID EXPENSES | 103 |
| DEFERRED OFFERING EXPENSES (Note 10) | 572 |
| Total assets | \$ 350,688 |

Liabilities:

| | |
|-------------------------------------|------------|
| PAYABLES: | |
| Investment securities purchased | \$ 8,875 |
| Dividend on common stock | 262 |
| Dividend on preferred stock | 279 |
| ACCRUED EXPENSES (Note 3) | 202 |
| ACCRUED OFFERING EXPENSES (Note 10) | 519 |
| Total liabilities | \$ 10,137 |

Auction Term Preferred Stock:

| | |
|--|------------|
| \$1.00 par value, 1,000,000 shares authorized, 5,200 shares issued and outstanding, liquidation preference of \$25,000 per share (Notes 4 and 5) | \$ 130,000 |
|--|------------|

Net Assets \$ 210,551**Represented By:**

| | |
|---|------------|
| COMMON STOCK: | |
| \$0.01 par value, 200,000,000 shares authorized, 96,232,751 shares issued and outstanding | \$ 962 |
| CAPITAL IN EXCESS OF PAR VALUE | 387,165 |
| UNDISTRIBUTED NET INVESTMENT INCOME (Note 2) | 1,100 |
| ACCUMULATED NET REALIZED LOSS FROM SECURITIES TRANSACTIONS (Note 2) | (177,223) |
| NET UNREALIZED DEPRECIATION ON INVESTMENTS AND INTEREST RATE SWAPS | (1,453) |
| Net Assets Applicable To Common Stock | |
| (Equivalent to \$2.19 per share, based on 96,232,751 shares outstanding) | \$ 210,551 |

Statement of Operations**For the Six Month Period Ended**

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

June 30, 2007 (Unaudited) (Dollars in thousands)

| | |
|---|------------|
| Investment Income: (Note 1) | |
| Interest income | \$ 13,124 |
| Other income | 623 |
| Dividend income | 105 |
| Total investment income | \$ 13,852 |
| Expenses: | |
| Cost of leverage: | |
| Preferred and auction (Note 5) | \$ 174 |
| Total cost of leverage | \$ 174 |
| Professional services: | |
| Management (Note 3) | \$ 586 |
| Custodian and transfer agent | 115 |
| Legal (Note 8) | 62 |
| Audit | 27 |
| Total professional services | \$ 790 |
| Administrative: | |
| General administrative (Note 8) | \$ 240 |
| Directors | 107 |
| NYSE | 44 |
| Shareholder communications | 23 |
| Shareholder meeting | 20 |
| Miscellaneous | 17 |
| Total administrative | \$ 451 |
| Total expenses | \$ 1,415 |
| Net investment income | \$ 12,437 |
| Realized and Unrealized Gain (Loss) on Investment Activities: | |
| Realized gain on investments, net | \$ 3,433 |
| Net swap settlement receipts (Note 6) | \$ 1,010 |
| Change in net unrealized depreciation on investments | \$ (5,154) |
| Change in unrealized appreciation on interest rate swap agreement | 20 |
| Total change in net unrealized depreciation on investments and interest rate swap | \$ (5,134) |
| Net loss on investments and interest rate swap | \$ (691) |
| Cost of Preferred Leverage | |
| Distributions to preferred stockholders | \$ (3,430) |
| Net increase in net assets resulting from operations | \$ 8,316 |

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

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

The New America High Income Fund, Inc.

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

| | Six Months Ended June 30, 2007 (Unaudited) | For the Year Ended December 31, 2006 |
|---|---|---|
| From Operations: | | |
| Net investment income | \$ 12,437 | \$ 23,504 |
| Realized gain on investments, net | 3,433 | 556 |
| Net swap settlement receipts | 1,010 | 1,680 |
| Change in net unrealized depreciation on investments and other financial instruments | (5,134) | 7,014 |
| Distributions from net investment income related to preferred stock | | |
| Dividends to preferred stockholders | (3,430) | (6,557) |
| Net increase in net assets resulting from operations | \$ 8,316 | \$ 26,197 |
| From Fund Share and Auction Term Preferred Stock Transactions: | | |
| Net asset value of 734,559 shares and 1,173,203 shares issued to common stockholders for reinvestment of dividends in 2007 and 2006, respectively | 1,638 | 2,527 |
| Increase in net assets resulting from fund share transactions | \$ 1,638 | \$ 2,527 |
| Distributions to Common Stockholders: | | |
| From net investment income (\$.09 and \$.21 per share in 2007 and 2006, respectively) | \$ (8,402) | \$ (20,274) |
| Total net increase in net assets | \$ 1,552 | \$ 8,450 |
| Net Assets Applicable to Common Stock: | | |
| Beginning of period | \$ 208,999 | \$ 200,549 |
| End of period (Including \$1,100 of undistributed net investment income and \$(1,539) of accumulated deficit of net investment income at June 30, 2007 and December 31, 2006, respectively) | \$ 210,551 | \$ 208,999 |

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

The New America High Income Fund, Inc.

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

| | For the Six Months Ended June 30, 2007 (Unaudited) | 2006 | 2005 | For the Years Ended December 31, | | |
|--|--|---------|---------|----------------------------------|----------|----------|
| | | | | 2004 | 2003 (b) | 2002 |
| NET ASSET VALUE: | | | | | | |
| Beginning of period | \$ 2.19 | \$ 2.13 | \$ 2.26 | \$ 2.19 | \$ 1.89 | \$ 2.61 |
| NET INVESTMENT INCOME | .13 | .25 | .25 | .26 | .26# | .37 |
| NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND OTHER FINANCIAL INSTRUMENTS | (.02) | .07 | (.11) | .09 | .34 | (.72) |
| DISTRIBUTIONS FROM NET INVESTMENT INCOME RELATED TO PREFERRED STOCK: | (.02) | (.05) | (.05) | (.05) | (.06) | (.08) |
| TOTAL FROM INVESTMENT OPERATIONS | .09 | .27 | .09 | .30 | .54 | (.43) |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS: | | | | | | |
| From net investment income | (.09) | (.21) | (.22) | (.23) | (.22) | (.29) |
| TOTAL DISTRIBUTIONS | (.09) | (.21) | (.22) | (.23) | (.22) | (.29) |
| Effect of rights offering and related expenses; and Auction Term | | | | | | |
| Preferred Stock offering costs and sales load | | | | | (.02) | |
| NET ASSET VALUE: | | | | | | |
| End of period | \$ 2.19 | \$ 2.19 | \$ 2.13 | \$ 2.26 | \$ 2.19 | \$ 1.89 |
| PER SHARE MARKET VALUE: | | | | | | |
| End of period | \$ 2.19 | \$ 2.26 | \$ 2.03 | \$ 2.19 | \$ 2.16 | \$ 2.01 |
| TOTAL INVESTMENT RETURN | .76% | 22.82% | 2.47% | 12.80% | 19.23% | (12.97)% |

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 Continued**

| | For the | For the Years Ended December 31, | | | | |
|---|---|----------------------------------|------------|------------|------------|------------|
| | Six Months Ended June 30, 2007 (Unaudited) | 2006 | 2005 | 2004 | 2003 (b) | 2002 |
| NET ASSETS, END OF PERIOD, APPLICABLE TO COMMON STOCK (a) | \$ 210,551 | \$ 208,999 | \$ 200,549 | \$ 212,165 | \$ 204,705 | \$ 131,170 |
| NET ASSETS, END OF PERIOD, APPLICABLE TO PREFERRED STOCK (a) | \$ 130,000 | \$ 130,000 | \$ 130,000 | \$ 130,000 | \$ 130,000 | \$ 100,000 |
| TOTAL NET ASSETS APPLICABLE TO COMMON AND PREFERRED STOCK, END OF PERIOD (a) | \$ 340,551 | \$ 338,999 | \$ 330,549 | \$ 342,165 | \$ 334,705 | \$ 231,170 |
| EXPENSE RATIOS: | | | | | | |
| Ratio of preferred and other leverage expenses to average net assets* | .16%** | .16% | .16% | .15% | .16% | .18% |
| Ratio of operating expenses to average net assets* | 1.17%** | 1.21% | 1.23% | 1.27% | 1.56% | 1.46% |
| RATIO OF TOTAL EXPENSES TO AVERAGE NET ASSETS* | 1.33%** | 1.37% | 1.39% | 1.42% | 1.72% | 1.64% |
| RATIO OF NET INVESTMENT INCOME TO AVERAGE NET ASSETS* | 11.72%** | 11.54% | 11.48% | 12.02% | 12.81% | 16.48% |
| RATIO OF TOTAL EXPENSES TO AVERAGE NET ASSETS APPLICABLE TO COMMON AND PREFERRED STOCK | .83%** | .84% | .85% | .87% | 1.05% | .89% |
| RATIO OF NET INVESTMENT INCOME TO AVERAGE NET ASSETS APPLICABLE TO COMMON AND PREFERRED STOCK | 7.29%** | 7.05% | 7.03% | 7.38% | 7.79% | 8.91% |
| PORTFOLIO TURNOVER RATE | 38.15% | 64.08% | 61.54% | 70.90% | 120.47% | 82.47% |

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

(a) Dollars in thousands.

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

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

** Annualized

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

22

The New America High Income Fund, Inc.

Information Regarding Senior Securities

| | June 30, 2007 (Unaudited) | 2006 | 2005 | As of December 31, | | |
|-------------------------------------|---------------------------------|----------------|----------------|--------------------|----------------|----------------|
| | | | | 2004 | 2003 | 2002 |
| TOTAL AMOUNT OUTSTANDING: | | | | | | |
| Preferred Stock | \$ 130,000,000 | \$ 130,000,000 | \$ 130,000,000 | \$ 130,000,000 | \$ 130,000,000 | \$ 100,000,000 |
| ASSET COVERAGE: | | | | | | |
| Per Preferred Stock Share | | | | | | |
| (1) | \$ 65,491 | \$ 65,192 | \$ 63,567 | \$ 65,801 | \$ 64,366 | \$ 57,793 |
| INVOLUNTARY LIQUIDATION PREFERENCE: | | | | | | |
| Preferred Stock Share | | | | | | |
| (2) | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 |
| APPROXIMATE MARKET VALUE: | | | | | | |
| Per Preferred Stock Share | | | | | | |
| (2) | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 |

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

(2) Plus accumulated and unpaid dividends.

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

The New America High Income Fund, Inc.

Notes to Financial Statements
June 30, 2007 (Unaudited)

(1) Significant Accounting and Other Policies

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

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

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

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

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

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

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

The New America High Income Fund, Inc.

Notes to Financial Statements - Continued
June 30, 2007 (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.

(d) *New Accounting Pronouncements* Effective June 29, 2007, the Fund adopted Financial Accounting Standards Board ("FASB") Interpretation No. 48 ("FIN 48"), *Accounting for Uncertainty in Income Taxes*, a clarification of FASB Statement No. 109, *Accounting for Income Taxes*. FIN 48 establishes financial reporting rules regarding recognition and measurement of tax positions taken or expected to be taken on a tax return. FIN 48 applies to all open tax years as of the date of effectiveness. The adoption of FIN 48 had no impact on the financial statements of the Fund.

In September 2006, the FASB released the Statement of Financial Accounting Standard No. 157 ("FAS 157"), *Fair Value Measurements*. FAS 157 clarifies the definition of fair value and establishes the framework for measuring fair value, as well as proper disclosure of this methodology in the financial statements. It will be effective for the Fund's fiscal year beginning January 1, 2008. Management is evaluating the effects of FAS 157; however it is not expected to have a material impact on the Fund's net assets or results of operations.

(2) Tax Matters and Distributions

At June 30, 2007, the total cost of securities (including temporary cash investments) for federal income tax purposes was approximately \$339,411,000. Aggregate gross unrealized gain on securities in which there was an excess of value over tax cost was approximately \$4,882,000. Aggregate unrealized loss on securities in which there was an excess of tax cost over value was approximately \$11,753,000. Net unrealized loss on investments for tax purposes at June 30, 2007 was approximately \$6,871,000.

At December 31, 2006, the Fund had approximate capital loss carryovers available to offset future capital gains, if any, to the extent provided by regulations:

| Carryover Available | Expiration Date |
|---------------------|-------------------|
| \$ 35,581,000 | December 31, 2007 |
| 21,821,000 | December 31, 2008 |
| 67,043,000 | December 31, 2009 |
| 45,239,000 | December 31, 2010 |
| 7,387,000 | December 31, 2011 |
| 125,000 | December 31, 2012 |
| 954,000 | December 31, 2013 |
| 1,481,000 | December 31, 2014 |
| \$ 179,631,000 | |

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 \$26,777,000 and \$24,790,000 in 2006 and 2005, respectively, was from ordinary income.

As of December 31, 2006, the components of distributable earnings on a tax basis were approximately:

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

| | | |
|-------------------------------------|----|---------------|
| Undistributed Net Investment Income | \$ | 411,000 |
| Undistributed Long-Term Gain | | |
| Unrealized Gain | \$ | 1,946,000 |
| Capital Losses Carry Forward | \$ | (179,631,000) |

The difference between components of distributable earnings on a tax basis and the amounts reflected in

The New America High Income Fund, Inc.

Notes to Financial Statements - Continued
June 30, 2007 (Unaudited)

the Statement of Assets and Liabilities are primarily due to market discount adjustments, and deductibility of preferred stock dividends. For the year ended December 31, 2006, the Fund reclassified \$1,412,000 between undistributed income and accumulated net realized losses from transactions relating to permanent differences between financial and tax reporting.

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

(3) Investment Advisory Agreement

T. Rowe Price Associates, Inc. (T. Rowe Price), the Fund's Investment Advisor, earned approximately \$586,000 in management fees during the six months ended June 30, 2007. 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, 2007, the fee payable to T. Rowe Price was approximately \$97,000, which was included in accrued expenses on the accompanying statement of assets and liabilities.

(4) Auction Term Preferred Stock (ATP)

The Fund had 5,200 shares of ATP issued and outstanding at June 30, 2007. 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 5.22% - 5.30% for the six months ended June 30, 2007. The average dividend rate as of June 30, 2007 was 5.25%.

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

(5) ATP Auction-Related Matters

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

After each auction, BTC as auction agent 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 New America High Income Fund, Inc.

Notes to Financial Statements - Continued
June 30, 2007 (Unaudited)

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 \$174,000 for service charges for the six months ended June 30, 2007. This amount is included under the caption preferred and auction fees in the accompanying statement of operations.

(6) Interest Rate Swaps

The Fund entered into an interest payment swap arrangement with Fleet National Bank (Fleet) for the purpose of partially hedging its dividend payment obligations with respect to the ATP. Pursuant to the Swap Arrangement the Fund makes payments to Fleet on a monthly basis at a fixed annual rate. In exchange for such payment Fleet makes payments to the Fund on a monthly basis at a variable rate determined with reference to one month LIBOR. The variable rate remained constant at 5.32% for the six months ended June 30, 2007. 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 | \$130 million | 11/5/09 | 3.775% |

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

The 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, 2007, the Fund's obligations under the swap agreements were less than the amount received from Fleet by approximately \$1,010,000 and such amount is included in the accompanying statement of operations.

The estimated fair value of the interest rate swap agreement at June 30, 2007 amounted to approximately \$4,203,000 of unrealized gain and is presented in the accompanying balance sheet.

(7) Purchases and Sales of Securities

Purchases and proceeds of sales or maturities of long-term securities during the six months ended June 30, 2007 were approximately:

| | |
|---------------------------------|----------------|
| Cost of purchases | \$ 124,280,000 |
| Proceeds of sales or maturities | \$ 129,271,000 |

(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 \$49,000 for the six months ended June 30, 2007.

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

The Fund paid approximately \$146,000 during the six months ended June 30, 2007 to two officers of the Fund for the provision of certain administrative services.

The New America High Income Fund, Inc.

Notes to Financial Statements - Continued
June 30, 2007 (Unaudited)**(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, 2007 amounts to \$14,347 and represents 6.81% of net assets to common shareholders.

| Description | Acquisition Date | Principal Amount/ Shares | Acquisition Cost | Value |
|--|------------------|--------------------------|------------------|--------|
| The Goodyear Tire & Rubber Company, 8.82%, 03/01/11 | 7/17/06-7/26/06 | \$ 500 | \$ 505 | \$ 503 |
| Dresser, Inc., 11.11%, 05/04/15 | 5/4/07 | 500 | 500 | 504 |
| Fontainebleau Las Vegas, LLC, 8.61%, 06/06/14 | 5/24/07 | 500 | 500 | 501 |
| Infor Enterprise Solutions Holdings, Inc., 9.11%, 07/28/12 | 7/25/06 | 746 | 746 | 751 |
| Infor Global Solutions, Inc., 11.61%, 03/15/14 | 3/1/07 | 500 | 505 | 506 |
| Local TV Finance, LLC, 7.36%, 05/07/13 | 5/7/07-5/17/07 | 750 | 751 | 751 |
| Lyondell Chemical Company, 6.856%, 08/06/13 | 9/28/06 | 496 | 496 | 496 |
| MetroPCS Wireless, Inc., 7.625%, 11/03/13 | 2/21/07-2/27/07 | 1,746 | 1,768 | 1,751 |
| NRG Energy, Inc., 7.11%, 02/01/13 | 6/8/07 | 1,750 | 1,750 | 1,752 |
| NRG Energy, Inc., 7.86%, 02/01/14 | 6/8/07 | 250 | 250 | 249 |
| OSI Restaurant Partners LLC, 7.607%, 05/09/14 | 5/4/07 | 250 | 250 | 250 |
| Penton Media, Inc., 7.605%, 02/01/13 | 2/6/07 | \$ 500 | \$ 500 | \$ 501 |
| SandRidge Energy, Inc., 8.625%, 04/01/15 | 3/8/07-3/9/07 | 1,500 | 1,506 | 1,530 |
| SandRidge Energy, Inc., 8.975%, 04/01/14 | 3/8/07 | 750 | 750 | 765 |
| TL Acquisitions, Inc., 8.07%, 07/15/14 | 6/27/07 | 750 | 743 | 739 |

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

Trilogy International

| | | | | |
|--|-----------------|-------|-------|-----------|
| Partners LLC, 8.86%, 06/27/12 | 6/22/07-6/27/07 | 750 | 750 | 752 |
| Univision Communications, Inc., 7.605%, 09/29/14 | | | | |
| | 3/16/07 | 2,000 | 2,000 | 1,956 |
| WKI Holding Company, Inc. 3/13/03 | | | | |
| | | 10 | 2,295 | 90 |
| Total | | | | \$ 14,347 |

(10) Rights Offering

The Fund issued to stockholders of record as of the close of business on July 24, 2007, rights to subscribe for an aggregate of 32,143,181 shares of common stock, \$.01 par value per share, of the Fund. One right was issued for each three full shares of common stock beneficially held on the record date. Due to market conditions the Fund extended the expiration date of its transferable rights offering from August 20, 2007 to September 17, 2007. Each right entitles its holder to purchase one new share at a price equal to the lower of: (i) 94% of the average of the last reported sales price of a share on the New York stock Exchange on the expiration date (September 17, 2007) and on the previous 9 business days, and (ii) 94% of the NAV per share as of the close of business on the expiration date. In addition the deferred offering expense of approximately \$572,000 will be netted against the rights offering proceeds.

The New America High Income Fund, Inc.

Notes to Financial Statements - Continued
Supplemental Information (Unaudited)

Availability of Portfolio Holdings

The Fund provides a complete schedule of its portfolio holdings quarterly. The lists of holdings as of the end of the second and fourth quarters appear in the Fund's semi-annual and annual reports to shareholders, respectively. The schedules of portfolio holdings as of the end of the first and third quarters are filed with the Securities and Exchange Commission (the "SEC") on Form N-Q (the "Forms") within 60 days of the end of the first and third quarters. Shareholders can look up the Forms on the SEC's web site at www.sec.gov. 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

Compliance Certifications

On June 20, 2007, your Fund submitted a CEO annual certification to the New York Stock Exchange (NYSE) on which the Fund's principal executive officer certified that he was not aware, as of that date, of any violation by the Fund of the NYSE's Corporate Governance listing standards. In addition, as required by Section 302 of the Sarbanes-Oxley Act of 2002 and related SEC rules, the Fund's principal executive and principal financial officers have made quarterly certifications, included in filings with the SEC on Forms N-CSR and N-Q, relating to, among other things, the Fund's disclosure controls and procedures and internal control over financial reporting.

Common and Auction Term Preferred Stock Transactions

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

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

The New America High Income Fund, Inc.

Directors

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

Officers

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

Investment Advisor

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

Administrator

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

Custodian

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

Transfer Agent

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

Listed: NYSE
Symbol: HYB
Web site: www.newamerica-hyb.com

THIS PAGE INTENTIONALLY LEFT BLANK

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

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

Semi-Annual

Report

June 30, 2007

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

Item 8(a)(1)

The New America High Income Fund (the Fund) is managed by an Investment Advisory Committee co-chaired by Mark J. Vaselkiv and Paul Karpers. Messrs. Vaselkiv and Karpers share day-to-day responsibility for managing the Fund and work with the Committee in developing and executing the Fund's investment program. Their biographies are as follows:

Mark J. Vaselkiv

Mark Vaselkiv is a Vice President of T. Rowe Price Group, Inc., and T. Rowe Price Associates, Inc., and a Portfolio Manager in the Fixed Income Group, heading taxable high-yield bond management. He serves as President of the T. Rowe Price High Yield Fund and Chairman of the High Yield Fund Investment Advisory Committee. Prior to joining the firm in 1988, he was employed as a Vice President, analyzing and trading high-yield debt securities for Shenkman Capital Management, Inc., New York, and a Private Placement Credit Analyst in the Capital Markets Group of Prudential Insurance Company. Mark earned a B.A. in Political Science from Wheaton College, Illinois, and an M.B.A. in finance from New York University.

Paul A. Karpers, CFA

Paul Karpers is a Vice President of T. Rowe Price Group, Inc., and T. Rowe Price Associates, Inc., and a High Yield Portfolio Manager/Analyst in the Fixed Income Group. Prior to joining the firm in 1995, he was an Analyst with the Vanguard Group in Philadelphia. Paul earned a B.S. in Finance from LaSalle University and an M.B.A. with concentrations in Finance and Information Systems from New York University. He has also achieved the Chartered Financial Analyst accreditation and is a member of the Association for Investment Management and Research and the Baltimore Securities Analyst Society.

Item 8(a)(2)

Other Accounts:**Mark Vaselkiv:**

| | Number of Accounts | TOTAL Assets |
|-------------------------------------|-----------------------|--------------------|
| • registered investment companies: | 9 | \$ 6,234.3 million |
| • other pooled investment vehicles: | 6 | \$ 1,814.6 million |
| • other accounts: | 13 | \$ 1,995.9 million |

As of 7/31/2007.

Paul Karpers:

| | Number of Accounts | TOTAL Assets |
|-------------------------------------|-----------------------|------------------|
| • registered investment companies: | 1 | \$ 325.1 million |
| • other pooled investment vehicles: | 0 | |
| • other accounts: | 0 | |

As of 7/31/2007.

None of the accounts listed above have performance-based fees.

Conflicts of Interest

Portfolio managers at T. Rowe Price typically manage multiple accounts. These accounts may include, among others, mutual funds, separate accounts (assets managed on behalf of institutions such as pension funds, colleges and universities, foundations), and commingled trust accounts. Portfolio managers make investment decisions for each portfolio based on the investment objectives, policies, practices and other relevant investment considerations that the managers believe are applicable to that portfolio. Consequently, portfolio managers may purchase (or sell) securities for one portfolio and not another portfolio. T. Rowe Price has adopted brokerage and trade allocation policies and procedures which it believes are reasonably designed to address any potential conflicts associated with managing multiple accounts for multiple clients. Also, as disclosed under the Portfolio Manager's Compensation section, our portfolio managers' compensation is determined in the same manner with respect to all portfolios managed by the portfolio manager.

3

Item 8(a)(3)

Compensation:

Portfolio manager compensation consists primarily of a base salary, a cash bonus, and an equity incentive that usually comes in the form of a stock option grant. Occasionally, portfolio managers will also have the opportunity to participate in venture capital partnerships. Compensation is variable and is determined based on the following factors.

Investment performance over one-, three-, five-, and 10-year periods is the most important input. We evaluate performance in absolute, relative, and risk-adjusted terms. Relative performance and risk-adjusted performance are determined with reference to the broad based index (ex. CS First Boston High Yield) and an applicable Lipper index (ex. High Current Yield Funds Average), though other benchmarks may be used as well. Investment results are also compared to comparably managed funds of competitive investment management firms.

Performance is primarily measured on a pre-tax basis though tax-efficiency is considered and is especially important for tax efficient funds. It is important to note that compensation is viewed with a long term time horizon. The more consistent a manager's performance over time, the higher the compensation opportunity. The increase or decrease in a fund's assets due to the purchase or sale of fund shares is not considered a material factor.

Contribution to our overall investment process is an important consideration as well. Sharing ideas with other portfolio managers, working effectively with and mentoring our younger analysts, and being good corporate citizens are important components of our long term success and are highly valued.

All employees of T. Rowe Price, including portfolio managers, participate in a 401(k) plan sponsored by T. Rowe Price Group. In addition, all employees are eligible to purchase T. Rowe Price common stock through an employee stock purchase plan that features a limited corporate matching contribution. Eligibility for and participation in these plans is on the same basis as for all employees. Finally, all vice presidents of T. Rowe Price Group, including all portfolio managers, receive supplemental medical/hospital reimbursement benefits.

This compensation structure is used for all portfolios managed by the portfolio manager.

4

Item 8(a)(4)

Ownership of Securities

| Portfolio Manager | Fund | Dollar Range of Equity Securities Beneficially Owned* |
|--------------------------|------------------------------|--|
| Mark J. Vaselkiv | New America High Income Fund | None |
| Paul A. Karpers | New America High Income Fund | None |

* As of 7/31/2007.

Item 8(b) Not applicable.

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

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

ITEM 11. CONTROLS AND PROCEDURES.

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

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

ITEM 12. EXHIBITS.

(a)(1) Not Applicable.

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

(a)(3) Not Applicable.

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

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

The New America High Income Fund, Inc.

By: /s/ Robert F. Birch
Name: Robert F. Birch
Title: President and Director
Date: September 6, 2007

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Robert F. Birch
Name: Robert F. Birch
Title: President
Date: September 6, 2007

By: /s/ Ellen E. Terry
Name: Ellen E. Terry
Title: Treasurer
Date: September 6, 2007