

NEW AMERICA HIGH INCOME FUND INC  
Form N-CSRS  
September 04, 2012

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

**FORM N-CSR**

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

Investment Company Act file number 811-5399

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

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

02109  
(Zip code)

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

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

Date of fiscal year 12/31  
end:

Date of reporting period: 1/1/12 - 6/30/12

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

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

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

SEC 2569 (5-08)

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Item 1 - Report to Shareholders

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August 17, 2012

**Dear Shareholder,**

We are pleased to report to our shareholders on the results of The New America High Income Fund (the "Fund") for the six months ended June 30, 2012. The Fund's net asset value per share (the "NAV") ended the period at \$10.14. The market price for the Fund's shares was \$10.25 on June 30, 2012, representing a market price premium to NAV of 1.1%. The Fund continued to pay a monthly dividend of \$.065 per share. The annualized dividend yield for a share of common stock purchase at year-end 2011 for the six months ended June 30, 2012 was approximately 7.60%. However, there is no certainty that the dividend will continue at the current level of \$.065 per share per month. The common stock dividend can be affected by portfolio results, the cost and amount of leverage, market conditions, and operating expenses, among other factors.

The Fund's leverage, which is currently in the form of Auction Term Preferred Stock (the "ATP"), contributed approximately 25.8% of the common dividend for the first six months of 2012. As the Fund previously announced, following a change in the methodology used by Moody's Investors Service ("Moody's") to rate securities issued by closed-end funds, in July Moody's downgraded the Fund's ATP, as well as the preferred securities and debt of many other closed-end funds. In response to the action by Moody's, the Fund expects to redeem all outstanding shares of ATP during the fourth quarter at their liquidation preference (par value) plus accumulated but unpaid dividends, as provided by the terms of the ATP. Fund management is reviewing alternative financing available to the Fund to replace the ATP. Alternative financing is expected to be more costly to the Fund than the ATP, which will reduce the net income otherwise available for distribution to common stockholders. Beginning July 12, the dividend rate for the ATP increased from its prior rate of 150% of the 30-day AA composite commercial paper rate to 300% of the 30-day AA composite commercial paper rate, as provided by the terms of the ATP.

**Total Returns for the Periods Ending June  
30, 2012**

|   | <b>1 Year</b> | <b>3 Years Cumulative</b> |
|---|---------------|---------------------------|
| New America High Income Fund (Stock Price and Dividends)* | 4.68%         | 88.94%                    |
| New America High Income Fund (NAV and Dividends)          | 7.81%         | 74.89%                    |
| Lipper Closed-End Fund Leveraged High Yield Average       | 7.18%         | 72.03%                    |
| Credit Suisse High Yield Index                            | 7.30%         | 56.04%                    |
| Citigroup 10 Year Treasury Index                          | 17.39%        | 29.43%                    |

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

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

The Credit Suisse High Yield Index and Citigroup 10 Year Treasury Index are unmanaged indices. Unlike the Fund, the indices have no trading activity, expenses or leverage.

\* 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.

*Market Review*

The high yield market generated solid absolute performance through the first six months of 2012 amidst a difficult backdrop that included deteriorating economic trends and increasing drama in Europe. The old adage to "Sell in May and go away" seemed to apply, as a spring correction materialized, but strong results in June more than offset losses for the previous month, leaving the high yield asset class with respectable results through the first half despite the prevailing macro and political headwinds.

Higher rated BB and crossover bonds (rated investment grade by at least one of the rating agencies) generated the best performance during the past three months, while CCC's lagged for the first time since the summer of 2011. In a similar vein, bonds of global issuers underperformed U.S. companies as the European crisis intensified late in the spring. With so much uncertainty and low rates across the globe, investors are clamoring to earn yield where ever they can find it, but still showing selectivity in opting for the higher credit quality tiers of the high yield universe.

The increasing uncertainty and volatility in the financial markets also resulted in a sharp decline in high yield new issuance. Underwriters completed only \$50 billion of deals during the quarter, about half of the volume generated between January and March. We sense many portfolio managers also raised cash during the quarter in anticipation of trouble ahead, but are now struggling to stay fully invested. This dynamic has been amplified by the broker dealer community, which continues to hold very lean inventories of good quality high yield securities. These technical factors help account for the surprising stability of our market in the face of more bad news from around the world.

#### *Strategy Review*

The significant decline in commodity prices during the past twelve months dictated meaningful portfolio shifts in our top down strategy. This was especially relevant in our energy holdings, given that the oil and gas sector is the largest industry in the high yield market. We have meaningfully reduced the portfolio's exposure in this area since the beginning of the year, focusing particularly on selling the higher cost producers. Our underweight in this sector was a big contributor to relative performance as energy was one of the weakest industries in the market from April to June. We worked hard to redeploy the proceeds from these sales into companies that will benefit from lower energy prices. These include autos, airlines and certain consumer related businesses.

We have also been scouring the investment landscape for shorter-dated securities and reducing exposure to CCC's, with the view that this should also help cushion performance if market trends deteriorate later in the year. Many of our shortest bonds are in the financial services sector, which has continued to generate outstanding absolute returns.

#### *Outlook*

With half of calendar year 2012 now in the books, we are gratified by the resilience shown thus far by the high yield market, in spite of numerous storm clouds on the horizon. We hesitate to make an educated forecast for the back half of the year given the huge uncertainties that could derail the asset class's nine month winning streak. Investor psychology remains highly unpredictable and skittish. Management teams seem to have hunkered down last quarter, as evidenced by recent poor hiring trends in the United States. The solution to Europe's financial woes remains elusive and the uncertain American political climate will rear its ugly head again during a critical

election cycle. In an uncertain world, it is hard to deny the appeal of the semiannual coupon payments promised by high yield issuers, which exceed by a wide margin the yield on all other domestic fixed income strategies.

Sincerely,

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

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

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

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

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

## The New America High Income Fund, Inc.

| <b>Industry Summary<br/>June 30, 2012 (Unaudited)</b>                  | <b>As a Percent of<br/>Total Investments</b> |
|--|--|
| Oil and Gas  | 12.11%                                       |
| Finance  | 12.05%                                       |
| Telecommunications   | 9.35%  |
| Broadcasting and Entertainment   | 9.24%  |
| Diversified/Conglomerate Service                                       | 6.04%  |
| Healthcare, Education and Childcare                                    | 5.60%  |
| Building and Real Estate   | 4.48%  |
| Diversified/Conglomerate Manufacturing                                 | 4.33%  |
| Mining, Steel, Iron and Non-Precious Metals                            | 4.06%  |
| Electronics  | 3.12%  |
| Containers, Packaging and Glass  | 3.10%  |
| Automobile   | 2.78%  |
| Hotels, Motels, Inns and Gaming  | 2.62%  |
| Chemicals, Plastics and Rubber   | 2.17%  |
| Retail Stores  | 2.12%  |
| Beverage, Food and Tobacco   | 2.11%  |
| Aerospace and Defense  | 1.63%  |
| Utilities  | 1.41%  |
| Personal Transportation  | 1.35%  |
| Insurance  | 1.18%  |
| Personal, Food and Miscellaneous Services                              | 0.91%  |
| Leisure, Amusement and Entertainment                                   | 0.86%  |
| Cargo Transport  | 0.60%  |
| Textiles and Leather   | 0.45%  |
| Banking  | 0.40%  |
| Personal Non-Durable Consumer Products                                 | 0.21%  |
| Printing and Publishing  | 0.21%  |
| Groceries  | 0.17%  |
| Short-Term Investments   | 5.34%  |
| Total Investments  | 100.00%                                      |
| <b>Moody's Investors Service Ratings<br/>June 30, 2012 (Unaudited)</b> | <b>As a Percent of<br/>Total Investments</b> |
| Short-Term P-1   | 5.34%  |
| Baa1   | 0.19%  |
| Baa2   | 0.32%  |
| Baa3   | 1.11%  |
| Total Baa  | 1.62%  |
| Ba1  | 5.52%  |
| Ba2  | 8.73%  |
| Ba3  | 12.24%                                       |
| Total Ba   | 26.49%                                       |
| B1   | 14.63%                                       |
| B2   | 13.60%                                       |
| B3   | 17.50%                                       |
| Total B  | 45.73%                                       |



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|                   |         |
|-------------------|---------|
| Caa1              | 8.44%   |
| Caa2              | 5.48%   |
| Caa3              | 2.43%   |
| Total Caa         | 16.35%  |
| Ca                | 0.09%   |
| Unrated           | 2.76%   |
| Equity            | 1.62%   |
| Total Investments | 100.00% |



## The New America High Income Fund, Inc.

## Schedule of Investments June 30, 2012 (Unaudited) (Dollar Amounts in Thousands)

| Principal Amount/Units                   |     |  | Moody's Rating (Unaudited) | Value (Note 1) |
|--|-----|--|----------------------------|----------------|
| <b>CORPORATE DEBT SECURITIES 125.82%</b> |     |  |                            |                |
| <b>(d)</b>                               |     |  |                            |                |
| <b>Aerospace and Defense 2.20%</b>       |     |  |                            |                |
| \$                                       | 650 | BE Aerospace Inc., Senior Notes, 8.50%, 07/01/18                         | Ba2                        | \$ 712         |
|  | 475 | Ducommun, Inc., Senior Notes, 9.75%, 07/15/18                            | B3                         | 501            |
|  | 500 | Esterline Technologies, Senior Notes, 7%, 08/01/20                       | Ba2                        | 549            |
|  | 775 | Kratos Defense and Security Solutions, Inc., Senior Notes, 10%, 06/01/17 | B3                         | 835            |
|  | 625 | Moog, Inc., Senior Notes, 7.25%, 06/15/18                                | Ba3                        | 663            |
|  | 525 | Sequa Corporation, Senior Notes, 11.75%, 12/01/15 (g)                    | Caa2                       | 552            |
|  | 225 | Sequa Corporation, Senior Notes, 13.50%, 12/01/15 (g)                    | Caa2                       | 239            |
|  | 200 | Spirit Aerosystems, Inc., Senior Notes, 7.50%, 10/01/17                  | Ba3                        | 217            |
|  | 850 | Transdigm, Inc., Senior Subordinated Notes,                              | B3                         | 931            |

|                         |       | 7.75%, 12/15/18  |                            | 5,199          |
|-------------------------|-------|--|----------------------------|----------------|
| <b>Automobile 3.46%</b> |       |  |                            |                |
| Principal Amount/Units  |       |  | Moody's Rating (Unaudited) | Value (Note 1) |
|                         | 725   | Allison Transmission, Inc., Senior Notes, 7.125% 05/15/19 (g)    | B3                         | 758            |
|                         | 1,000 | Chrysler Group LLC, Senior Notes, 8%, 06/15/19                   | B2                         | 1,027          |
|                         | 475   | Chrysler Group LLC, Senior Notes, 8.25%, 06/15/21                | B2                         | 488            |
|                         | 400   | Conti Gummi Finance B.V., Senior Notes, 8.50%, 07/15/15 (g)(EUR) | Ba3                        | 556            |
|                         | 300   | Delphi Corporation, Senior Notes, 5.875%, 05/15/19               | Ba2                        | 320            |
|                         | 375   | Delphi Corporation, Senior Notes, 6.125%, 05/15/21               | Ba2                        | 409            |
|                         | 2,000 | Ford Motor Credit Company LLC, Senior Notes, 5%, 05/15/18        | Baa3                       | 2,110          |
|                         | 375   | Ford Motor Credit Company LLC, Senior Notes, 12%, 05/15/15       | Baa3                       | \$ 465         |
|                         | 175   | Goodyear Tire & Rubber Company, Senior Notes,                    | B1                         | 176            |

|                                   |              |  |     |       |
|-----------------------------------|--------------|--|-----|-------|
|                                   |              | 7%, 05/15/22   |     |       |
|                                   |              | Goodyear Tire & Rubber Company, Senior Notes, 8.25%, 08/15/20  | B1  | 587   |
|                                   | 550          |  |     |       |
|                                   |              | Goodyear Tire & Rubber Company, Senior Notes, 8.75%, 08/15/20  | B1  | 216   |
|                                   | 200          |  |     |       |
|                                   |              | Pittsburgh Glass Works, LLC, Senior Notes, 8.50%, 04/15/16 (g) | B2  | 207   |
|                                   | 225          |  |     |       |
|                                   |              | Schaeffler Finance B.V., Senior Notes, 7.75%, 02/15/17 (g)     | B1  | 209   |
|                                   | 200          |  |     |       |
|                                   |              | Schaeffler Finance B.V., Senior Notes, 8.50%, 02/15/19 (g)     | B1  | 636   |
|                                   | 600          |  |     |       |
|                                   |              |  |     | 8,164 |
| <b>Banking</b>                    | <b>.54%</b>  |  |     |       |
|                                   |              | Amsouth Bank, N.A, Subordinated Notes, 5.20%, 04/01/15         | Ba3 | 1,266 |
|                                   | 1,250        |  |     |       |
| <b>Beverage, Food and Tobacco</b> | <b>2.86%</b> |  |     |       |
|                                   |              | Bumble Bee Acquisition Company, Senior Notes, 9%, 12/15/17 (g) | B2  | 382   |
|                                   | 380          |  |     |       |
|                                   |              | Constellation Brands, Inc., Senior Notes, 6%, 05/01/22         | Ba1 | 642   |
|                                   | 600          |  |     |       |
|                                   |              | Cott Beverages, Inc., Senior Notes, 8.125%, 09/01/18           | B3  | 570   |
|                                   | 525          |  |     |       |
|                                   |              | Cott Beverages, Inc., Senior Notes,                            | B3  | 216   |
|                                   | 200          |  |     |       |

|       |  |     |       |
|-------|--|-----|-------|
|       | 8.375%,<br>11/15/17  |     |       |
|       | Darling<br>International,<br>Inc.,<br>Senior Notes,<br>8.50%, 12/15/18 | Ba3 | 168   |
| 150   |  |     |       |
|       | Del Monte Foods<br>Company,<br>Senior Notes,<br>7.625%,<br>02/15/19    | B3  | 1,193 |
| 1,150 |  |     |       |
|       | Land O'Lakes<br>Capital Trust I,<br>7.45%, 03/15/28<br>(g)             | Ba1 | 720   |
| 750   |  |     |       |

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

## The New America High Income Fund, Inc.

## Schedule of Investments June 30, 2012 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal<br>Amount/Units                    |     |  | Moody's<br>Rating<br>(Unaudited) | Value<br>(Note 1) |
|--|-----|--|----------------------------------|-------------------|
| <b>CORPORATE DEBT SECURITIES continued</b>   |     |  |                                  |                   |
| \$   | 900 | Michael Foods,<br>Inc., Senior<br>Notes,<br>9.75%, 07/15/18                  | Caa1                             | \$ 981            |
|  | 875 | Pinnacle Foods<br>Finance LLC,<br>Senior Notes,<br>8.25%, 09/01/17           | Caa1                             | 932               |
|  | 375 | TreeHouse<br>Foods, Inc.,<br>Senior Notes,<br>7.75%, 03/01/18                | Ba2                              | 403               |
|  | 525 | U.S. Food<br>Service, Inc.,<br>Senior Notes,<br>8.50%, 06/30/19<br>(g)       | Caa2                             | 532               |
|  |     |  |                                  | 6,739             |
| <b>Broadcasting and Entertainment 12.37%</b> |     |  |                                  |                   |
|  | 800 | AMC<br>Entertainment,<br>Inc.,<br>Senior Notes,<br>8.75%, 06/01/19           | B2                               | 858               |
|  | 475 | Block<br>Communications,<br>Inc.,<br>Senior Notes,<br>7.25%, 02/01/20<br>(g) | Ba3                              | 484               |
|  | 475 | Bresnan<br>Broadband<br>Holdings,<br>Senior Notes,<br>8%, 12/15/18 (g)       | B3                               | 494               |
|  | 875 | Cablevision<br>Systems<br>Corporation,<br>Senior Notes,<br>7.75%, 04/15/18   | B1                               | 927               |
|  | 350 |  | B1                               | 376               |

|  |       |   |    |       |
|--|-------|---|----|-------|
|  |       | Cablevision Systems Corporation, Senior Notes, 8%, 04/15/20               |    |       |
|  | 275   | Cablevision Systems Corporation, Senior Notes, 8.625%, 09/15/17           | B1 | 308   |
|  | 1,075 | CCO Holdings, LLC, Senior Notes, 6.625%, 01/31/22                         | B1 | 1,150 |
|  | 600   | CCO Holdings, LLC, Senior Notes, 7%, 01/15/19                             | B1 | 651   |
|  | 1,200 | CCO Holdings, LLC, Senior Notes, 7.25%, 10/30/17                          | B1 | 1,311 |
|  | 250   | CCO Holdings, LLC, Senior Notes, 7.375%, 06/01/20                         | B1 | 276   |
|  | 425   | CCO Holdings, LLC, Senior Notes, 7.875%, 04/30/18                         | B1 | 463   |
|  | 1,350 | Cequel Communications Holdings I, LLC, Senior Notes, 8.625%, 11/15/17 (g) | B3 | 1,455 |

| Principal Amount/Units |     |  | Moody's Rating (Unaudited) | Value (Note 1) |
|------------------------|-----|--|----------------------------|----------------|
| \$                     | 150 | Cinemark USA, Inc., Senior Notes, 7.375%, 06/15/21 | B3                         | \$ 162         |
|                        | 225 | Clear Channel Communications,                      | Ca                         | 100            |



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|       |   |      |       |
|-------|---|------|-------|
|       | Inc., Senior Notes,<br>7.25%, 10/15/27  |      |       |
| 300   | Clear Channel<br>Communications,<br>Inc., Senior Notes,<br>11%, 08/01/16            | Ca   | 185   |
| 175   | Clear Channel<br>Worldwide Holdings,<br>Inc., Senior Notes,<br>7.625%, 03/15/20 (g) | B3   | 168   |
| 1,450 | Clear Channel<br>Worldwide Holdings,<br>Inc., Senior Notes,<br>7.625%, 03/15/20 (g) | B3   | 1,417 |
| 150   | Cyfrowy Polsat<br>Finance AB,<br>Senior Notes,<br>7.125%, 05/20/18<br>(g)(EUR)      | Ba3  | 194   |
| 475   | Dish DBS<br>Corporation, Senior<br>Notes,<br>6.75%, 06/01/21                        | Ba2  | 514   |
| 700   | Dish DBS<br>Corporation, Senior<br>Notes,<br>7.875%, 09/01/19                       | Ba2  | 807   |
| 150   | Dish DBS<br>Corporation, Senior<br>Notes,<br>7.125%, 02/01/16                       | Ba2  | 165   |
| 575   | GTP Acquisition<br>Partners I, LLC,<br>Senior Notes,<br>7.628%, 06/15/41 (g)        | Ba3  | 578   |
| 325   | Lamar Media<br>Corporation, Senior<br>Subordinated Notes,<br>5.875%, 02/01/22 (g)   | B1   | 334   |
| 350   | Lin Television<br>Corporation,<br>Senior Notes,<br>8.375%, 04/15/18                 | Caa1 | 358   |
| 350   | National CineMedia<br>LLC,<br>Senior Notes,<br>6%, 04/15/22 (g)                     | Ba2  | 356   |
| 350   | Netflix, Inc., Senior<br>Notes,<br>8.50%, 11/15/17                                  | Ba2  | 369   |
| 825   |   | B3   | 873   |

|  |     |  |     |     |
|--|-----|--|-----|-----|
|  |     | Nexstar Broadcasting, Inc., Senior Notes, 8.875%, 04/15/17     |     |     |
|  |     | Polish Television Holding B.V., Senior Notes, 11.25%, 05/15/17 |     |     |
|  | 375 | (g)(EUR)   | (e) | 479 |
|  |     | Regal Cinemas Corporation, Senior Notes, 8.625%, 07/15/19      | B2  |     |
|  | 500 |  |     | 551 |

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

## The New America High Income Fund, Inc.

## Schedule of Investments June 30, 2012 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal<br>Amount/Units                  |   | Moody's<br>Rating<br>(Unaudited) | Value<br>(Note 1) |
|--|---|----------------------------------|-------------------|
| <b>CORPORATE DEBT SECURITIES continued</b> |   |                                  |                   |
| \$ 825                                     | Regal Cinemas<br>Corporation,<br>Senior Notes,<br>9.125%,<br>08/15/18             | B3                               | \$ 907            |
| 925  | Sinclair<br>Television<br>Group, Inc.,<br>Senior Notes,<br>9.25%, 11/01/17<br>(g) | B1                               | 1,021             |
| 2,425                                      | Sirius Satellite<br>Radio, Inc.,<br>Senior Notes,<br>8.75%, 04/01/15<br>(g)       | B2                               | 2,722             |
| 300  | Unitymedia<br>Hessen/NRW,<br>Senior Notes,<br>8.125%,<br>12/01/17 (g)             | B3                               | 319               |
| 475  | Unitymedia<br>Hessen<br>GmbH&Co.,<br>Senior Notes,<br>9.50%, 03/15/21<br>(g)(EUR) | B3                               | 649               |
| 375  | Univision<br>Communications,<br>Inc.,<br>Senior Notes,<br>6.875%,<br>05/15/19 (g) | B2                               | 386               |
| 1,950                                      | Univision<br>Communications,<br>Inc.,<br>Senior Notes,<br>7.875%,<br>11/01/20 (g) | B2                               | 2,087             |
| 1,750                                      | Univision<br>Communications,  | Caa2                             | 1,767             |

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|  |     |   |     |        |
|--|-----|---|-----|--------|
|  |     | Inc.,<br>Senior Notes,<br>8.50%, 05/15/21<br>(g)                              |     |        |
|  | 475 | UPCB Finance<br>Limited,<br>Senior Notes,<br>6.875%,<br>01/15/22 (g)          | Ba3 | 468    |
|  | 550 | UPCB Finance<br>Limited,<br>Senior Notes,<br>7.25%, 11/15/21<br>(g)           | Ba3 | 560    |
|  | 450 | UPCB Finance<br>Limited,<br>Senior Notes,<br>7.625%,<br>01/15/20<br>(g)(EUR)  | Ba3 | 602    |
|  | 575 | Videotron Ltee.,<br>Senior Notes,<br>5%, 07/15/22 (g)                         | Ba1 | 584    |
|  | 75  | Videotron Ltee.,<br>Senior Notes,<br>9.125%,<br>04/15/18                      | Ba1 | 82     |
|  | 150 | WMG<br>Acquisition<br>Corporation,<br>Senior Notes,<br>9.50%, 06/15/16<br>(g) | Ba2 | 164    |
|  | 425 | XM Satellite<br>Radio, Inc.,<br>Senior Notes,<br>13%, 08/01/14<br>(g)         | B2  | 474    |
|  |     |   |     | 29,155 |

| Principal<br>Amount/Units       |              |   | Moody's<br>Rating<br>(Unaudited) | Value<br>(Note 1) |
|---------------------------------|--------------|---|----------------------------------|-------------------|
| <b>Building and Real Estate</b> | <b>6.06%</b> |   |                                  |                   |
|                                 | \$ 575       | Associated<br>Materials, Inc.,<br>Senior Notes,<br>9.125%, 11/01/17 | Caa1                             | \$ 513            |
|                                 | 275          | Aviv Healthcare<br>Properties Ltd.                                  | B1                               | 283               |

|     |   |     |     |
|-----|---|-----|-----|
|     | Partnership, Senior Notes, 7.75%, 02/15/19                                    |     |     |
| 500 | CB Richard Ellis Services, Inc., Senior Subordinated Notes, 6.625%, 10/15/20  | Ba1 | 527 |
| 325 | CB Richard Ellis Services, Inc., Senior Subordinated Notes, 11.625%, 06/15/17 | Ba2 | 369 |
| 650 | Dycom Investments Inc., Senior Subordinated Notes, 7.125%, 01/15/21           | Ba3 | 666 |
| 300 | Host Hotels and Resorts, L.P., Senior Notes, 5.875%, 06/15/19                 | Ba1 | 327 |
| 400 | Host Marriott, L.P., Senior Notes, 6%, 10/01/21                               | Ba1 | 440 |
| 600 | KB Home, Senior Notes, 8%, 03/15/20   | B2  | 612 |
| 475 | Masco Corporation, Senior Notes, 5.85%, 03/15/17                              | Ba2 | 498 |
| 325 | Masco Corporation, Senior Notes, 6.125%, 10/03/16                             | Ba2 | 348 |
| 750 | Mercer International, Inc., Senior Notes, 9.50%, 12/01/17                     | B3  | 773 |
| 225 | Meritage Homes Corporation, Senior Notes, 7%, 04/01/22 (g)                    | B1  | 232 |
| 250 | MPT Operating Partnership, L.P., Senior Notes, 6.375%, 02/15/22               | Ba1 | 252 |
| 525 | MPT Operating Partnership, L.P., Senior Notes,                                | Ba1 | 547 |

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|  |       |                      |      |       |
|--|-------|----------------------|------|-------|
|  |       | 6.875%, 05/01/21     |      |       |
|  |       | Nortek, Inc., Senior |      |       |
|  |       | Notes,               |      |       |
|  | 1,250 | 8.50%, 04/15/21      | Caa1 | 1,225 |
|  |       | Nortek, Inc., Senior |      |       |
|  |       | Notes,               |      |       |
|  | 650   | 10%, 12/01/18        | Caa1 | 678   |
|  |       | Potlach              |      |       |
|  |       | Corporation, Senior  |      |       |
|  |       | Notes,               |      |       |
|  | 575   | 7.50%, 11/01/19      | Ba1  | 611   |

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

## The New America High Income Fund, Inc.

## Schedule of Investments June 30, 2012 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal<br>Amount/Units                  |  | Moody's<br>Rating<br>(Unaudited) | Value<br>(Note 1) |
|--|--|----------------------------------|-------------------|
| <b>CORPORATE DEBT SECURITIES continued</b> |  |                                  |                   |
| \$ 725                                     | Reliance<br>Intermediate<br>Holdings, L.P.,<br>Senior Notes,<br>9.50%, 12/15/19<br>(g) | Ba2                              | \$ 798            |
| 900  | Shea Homes<br>Limited<br>Partnership,<br>Senior Notes,<br>8.625%,<br>05/15/19          | B2                               | 967               |
| 200  | Standard Pacific<br>Corporation,<br>Senior Notes,<br>8.375%,<br>05/15/18               | B3                               | 219               |
| 400  | Standard Pacific<br>Corporation,<br>Senior Notes,<br>10.75%,<br>09/15/16               | B3                               | 471               |
| 550  | Summit<br>Materials LLC,<br>Senior Notes,<br>10.50%,<br>01/31/20 (g)                   | B3                               | 587               |
| 850  | Taylor Morrison<br>Communities,<br>Inc.,<br>Senior Notes,<br>7.75%, 04/15/20<br>(g)    | B2                               | 890               |
| 525  | Texas Industries,<br>Senior Notes,<br>9.25%, 08/15/20                                  | Caa2                             | 528               |
| 125  | USG<br>Corporation,<br>Senior Notes,<br>8.375%,<br>10/15/18 (g)                        | B2                               | 131               |

|                        |             |  |      |        |
|------------------------|-------------|--|------|--------|
|                        | 725         | USG Corporation, Senior Notes, 9.75%, 08/01/14 (g)                           | B2   | 805    |
|                        |             |  |      | 14,297 |
| <b>Cargo Transport</b> | <b>.81%</b> |  |      |        |
|                        | 480         | DP World Ltd., Senior Notes, 6.85%, 07/02/37 (g)                             | Baa3 | 472    |
|                        | 7           | Florida East Coast Holdings, Senior Notes, 10.50%, 08/01/17 (h)              | Caa3 | 6      |
|                        | 325         | Florida East Coast Railway Corporation, Senior Notes, 8.125%, 02/01/17       | B3   | 339    |
|                        | 250         | Kansas City Southern de Mexico, S.A. de C.V., Senior Notes, 6.125%, 06/15/21 | Ba2  | 275    |
|                        | 200         | Kansas City Southern de Mexico, S.A. de C.V., Senior Notes, 6.625%, 12/15/20 | Ba2  | 223    |
|                        | 525         | Kansas City Southern de Mexico, S.A. de C.V., Senior Notes, 8%, 02/01/18     | Ba2  | 584    |
|                        |             |  |      | 1,899  |

| Principal Amount/Units                |              |                  | Moody's Rating (Unaudited) | Value (Note 1) |
|---------------------------------------|--------------|------------------|----------------------------|----------------|
| <b>Chemicals, Plastics and Rubber</b> | <b>2.94%</b> |                  |                            |                |
| \$                                    | 225          | Compass Minerals | Ba2                        | \$ 241         |



|       |   |     |       |
|-------|---|-----|-------|
|       | International,<br>Inc., Senior<br>Notes,<br>8%, 06/01/19                                  |     |       |
| 500   | Hexion Specialty<br>Chemicals, Inc.,<br>Senior Notes,<br>6.625%,<br>04/15/20              | Ba3 | 514   |
| 1,150 | Hexion Specialty<br>Chemicals, Inc.,<br>Senior Notes,<br>8.875%,<br>02/01/18              | B3  | 1,173 |
| 275   | Hexion Specialty<br>Chemicals, Inc.,<br>Senior Notes,<br>9%, 11/15/20                     | (e) | 237   |
| 175   | Huntsman<br>International<br>LLC, Senior<br>Subordinated<br>Notes,<br>8.625%,<br>03/15/20 | B2  | 197   |
| 1,250 | Huntsman<br>International<br>LLC, Senior<br>Subordinated<br>Notes,<br>8.625%,<br>03/15/21 | B2  | 1,409 |
| 575   | Ineos Finance<br>PLC, Senior<br>Notes,<br>8.375%,<br>02/15/19 (g)                         | B1  | 592   |
| 200   | Ineos Finance<br>PLC, Senior<br>Notes,<br>9%, 05/15/15 (g)                                | B1  | 210   |
| 375   | Koppers<br>Holdings Inc.,<br>Senior Notes,<br>7.875%,<br>12/01/19                         | B1  | 405   |
| 475   | Lyondell<br>Chemical<br>Company,<br>Senior Notes,<br>5%, 04/15/19 (g)                     | Ba2 | 497   |

|  |              |   |      |       |
|--|--------------|---|------|-------|
|  |              | Momentive Performance Materials, Inc., Senior Notes, 9%, 01/15/21     | Caa1 | 228   |
|  | 300          |   |      |       |
|  |              | Momentive Performance Materials, Inc., Senior Notes, 11.50%, 12/01/16 | Caa3 | 875   |
|  | 1,175        |   |      |       |
|  |              | PolyOne Corporation, Senior Notes, 7.375%, 09/15/20                   | Ba3  | 345   |
|  | 325          |   |      |       |
|  |              |   |      | 6,923 |
| <b>Containers, Packaging and Glass</b> | <b>4.19%</b> |   |      |       |
|  |              | AEP Industries, Inc., Senior Notes, 8.25%, 04/15/19                   | B3   | 388   |
|  | 375          |   |      |       |
|  |              | Ball Corporation, Senior Notes, 7.375%, 09/01/19                      | Ba1  | 468   |
|  | 425          |   |      |       |
|  |              | Beverage Packaging Holdings, Senior Notes, 8%, 12/15/16 (g)(EUR)      | Caa1 | 1,196 |
|  | 1,000        |   |      |       |

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

## The New America High Income Fund, Inc.

## Schedule of Investments June 30, 2012 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal<br>Amount/Units                  |     |   | Moody's<br>Rating<br>(Unaudited) | Value<br>(Note 1) |
|--|-----|---|----------------------------------|-------------------|
| <b>CORPORATE DEBT SECURITIES continued</b> |     |   |                                  |                   |
| \$   | 250 | Boise Paper Holdings LLC, Senior Notes, 8%, 04/01/20                  | Ba3                              | \$ 276            |
|  | 375 | Boise Paper Holdings LLC, Senior Notes, 9%, 11/01/17                  | Ba3                              | 413               |
|  | 425 | Bway Holding Company, Senior Notes, 10%, 06/15/18                     | B3                               | 463               |
|  | 625 | Cascades Inc., Senior Notes, 7.75%, 12/15/17                          | Ba3                              | 628               |
|  | 925 | Cascades, Inc., Senior Notes, 7.875%, 01/15/20                        | Ba3                              | 920               |
|  | 250 | Clearwater Paper Corporation, Senior Notes, 7.125%, 11/01/18          | Ba3                              | 263               |
|  | 100 | Clondalkin Acquisition BV, Senior Notes, 2.468%, 12/15/13 (g)         | B2                               | 90                |
|  | 325 | Exopack Holding Corporation, Senior Notes, 10%, 06/01/18              | Caa2                             | 324               |
|  | 525 | Graphic Packaging International, Inc., Senior Notes, 7.875%, 10/01/18 | B2                               | 575               |
|  | 600 | Graphic Packaging International, Inc., Senior Notes, 9.50%, 06/15/17  | B2                               | 658               |
|  | 350 | Greif Inc., Senior Notes,   | Ba2                              | 394               |

|     |   |     |     |
|-----|---|-----|-----|
|     | 7.75%, 08/01/19   |     |     |
|     | Plastipak Holdings,<br>Inc.,<br>Senior Notes,<br>10.625%, 08/15/19    |     |     |
| 300 | (g)   | B3  | 340 |
|     | Reynolds Group<br>Issuer, Inc.,<br>Senior Notes,<br>7.125%, 04/15/19  |     |     |
| 175 | (g)   | Ba3 | 183 |
|     | Rock-Tenn<br>Company, Senior<br>Notes,<br>4.45%, 03/01/19 (g)         |     |     |
| 135 |   | Ba1 | 138 |
|     | Rock-Tenn<br>Company, Senior<br>Notes,<br>4.90%, 03/01/22 (g)         |     |     |
| 90  |   | Ba1 | 93  |
|     | Sappi Papier<br>Holding GmbH,<br>Senior Notes,<br>7.75%, 07/15/17 (g) |     |     |
| 575 |   | Ba2 | 579 |

| Principal<br>Amount/Units |   | Moody's<br>Rating<br>(Unaudited) | Value<br>(Note 1) |
|---------------------------|---|----------------------------------|-------------------|
|                           | Sappi Papier<br>Holding GmbH,<br>Senior Notes,<br>8.375%,<br>06/15/19 (g) |                                  |                   |
| \$ 275                    |   | Ba2                              | \$ 276            |
|                           | Tekni Plex, Inc.,<br>Senior Notes,<br>9.75%, 06/01/19<br>(g)              |                                  |                   |
| 400                       |   | Caa1                             | 405               |
|                           | Weyerhaeuser<br>Company,<br>Senior Notes,<br>8.50%, 01/15/25              |                                  |                   |
| 675                       |   | Ba1                              | 799               |
|                           |   |                                  | 9,869             |

**Diversified/Conglomerate Manufacturing**  
5.85%

|     |  |     |     |
|-----|--|-----|-----|
|     | Altra Holdings,<br>Inc., Senior<br>Notes,<br>8.125%,<br>12/01/16 |     |     |
| 400 |  | Ba3 | 430 |
| 375 | Amsted<br>Industries, Inc.,                                      | B1  | 398 |

|       |   |      |       |
|-------|---|------|-------|
|       | Senior Notes,<br>8.125%,<br>03/15/18 (g)  |      |       |
|       | Building<br>Materials<br>Corporation of<br>America, Senior<br>Notes,<br>6.75%, 05/01/21<br>(g)  | Ba3  | 1,139 |
| 1,075 |   |      |       |
|       | Case New<br>Holland,<br>Incorporated,<br>Senior Notes,<br>7.875%,<br>12/01/17                   | Ba2  | 747   |
| 650   |   |      |       |
|       | CNH Capital<br>LLC, Senior<br>Notes,<br>6.25%, 11/01/16<br>(g)                                  | Ba2  | 961   |
| 900   |   |      |       |
|       | Coleman Cable,<br>Inc., Senior<br>Notes,<br>9%, 02/15/18  | B3   | 466   |
| 450   |   |      |       |
|       | Columbus<br>McKinnon<br>Corporation,<br>Senior<br>Subordinated<br>Notes,<br>7.875%,<br>02/01/19 | B1   | 265   |
| 250   |   |      |       |
|       | Commscope,<br>Inc., Senior<br>Notes,<br>8.25%, 01/15/19<br>(g)                                  | B3   | 2,115 |
| 2,000 |   |      |       |
|       | Euramax<br>International,<br>Inc.,<br>Senior Notes,<br>9.50%, 04/01/16                          | Caa1 | 574   |
| 650   |   |      |       |
|       | Fiat Industrial<br>Finance, Senior<br>Notes,<br>6.25%, 03/09/18<br>(EUR)                        | Ba2  | 637   |
| 500   |   |      |       |
| 300   | Manitowoc<br>Company, Inc.,<br>Senior Notes,  | B3   | 324   |

|     |                 |    |     |
|-----|-----------------|----|-----|
|     | 8.50%, 11/01/20 |    |     |
|     | Mcron Finance   |    |     |
|     | Sub LLC,        |    |     |
|     | Senior Notes,   |    |     |
| 375 | 8.375%,         |    |     |
|     | 05/15/19 (g)    | B1 | 375 |
|     | Oshkosh         |    |     |
|     | Corporation,    |    |     |
|     | Senior Notes,   |    |     |
| 475 | 8.25%, 03/01/17 | B1 | 518 |
|     | Oshkosh         |    |     |
|     | Corporation,    |    |     |
|     | Senior Notes,   |    |     |
| 475 | 8.50%, 03/01/20 | B1 | 519 |

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

## The New America High Income Fund, Inc.

## Schedule of Investments June 30, 2012 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal<br>Amount/Units                  |   | Moody's<br>Rating<br>(Unaudited) | Value<br>(Note 1) |
|--|---|----------------------------------|-------------------|
| <b>CORPORATE DEBT SECURITIES continued</b> |   |                                  |                   |
| \$ 200                                     | Owens Corning,<br>Inc., Senior<br>Notes,<br>9%, 06/15/19                  | Ba1                              | \$ 249            |
| 800  | RBS Global,<br>Inc., Senior<br>Notes,<br>8.50%, 05/01/18                  | B3                               | 864               |
| 700  | Sensata<br>Technologies<br>BV,<br>Senior Notes,<br>6.50%, 05/15/19<br>(g) | B2                               | 716               |
| 450  | SPX<br>Corporation,<br>Senior Notes,<br>6.875%,<br>09/01/17               | Ba2                              | 493               |
| 200  | Terex<br>Corporation,<br>Senior Notes,<br>6.50%, 04/01/20                 | B2                               | 202               |
| 50   | Terex<br>Corporation,<br>Senior Notes,<br>10.875%,<br>06/01/16            | B2                               | 56                |
| 975  | Terex<br>Corporation,<br>Senior<br>Subordinated<br>Notes,<br>8%, 11/15/17 | Caa1                             | 1,004             |
| 675  | Vulcan<br>Materials, Senior<br>Notes,<br>7.50%, 06/15/21                  | Ba2                              | 744               |
|  |   |                                  | 13,796            |
| <b>Diversified/Conglomerate Service</b>    | <b>8.17%</b>  |                                  |                   |
| 425  |   | B2                               | 438               |

|       |   |      |       |
|-------|---|------|-------|
|       | Aguila 3 S.A.,<br>Senior Notes,<br>7.875%,<br>01/31/18 (g)                          |      |       |
| 150   | Aguila 3 S.A.,<br>Senior Notes,<br>7.875%,<br>01/31/18 (g)                          | B2   | 154   |
| 575   | Alliance Data<br>Systems<br>Company,<br>Senior Notes,<br>6.375%,<br>04/01/20 (g)    | (e)  | 578   |
| 275   | Anixter Inc.,<br>Senior Notes,<br>5.625%,<br>05/01/19                               | Ba3  | 283   |
| 475   | Anixter Inc.,<br>Senior Notes,<br>10%, 03/15/14                                     | Ba3  | 517   |
| 600   | Aramark<br>Holdings, Senior<br>Notes,<br>8.625%,<br>05/01/16 (g)                    | B3   | 614   |
| 250   | Ashtead Capital<br>Inc., Senior<br>Notes,<br>6.50%, 07/15/22<br>(g)                 | B2   | 250   |
| 1,000 | Avis Budget Car<br>Rental LLC,<br>Senior Notes,<br>9.625%,<br>03/15/18              | B2   | 1,090 |
| 700   | Capsugel<br>Finance<br>Company,<br>Senior Notes,<br>9.875%,<br>08/01/19<br>(g)(EUR) | Caa1 | 957   |
| 25    | CDW<br>Corporation,<br>Senior<br>Secured Notes,<br>8%, 12/15/18                     | B1   | 27    |



| Principal Amount/Units |       |   | Moody's Rating (Unaudited) | Value (Note 1) |
|------------------------|-------|---|----------------------------|----------------|
| \$                     | 2,300 | CDW Corporation, Senior Subordinate Notes, 12.535%, 10/12/17                | Caa1                       | \$ 2,496       |
|                        | 825   | CDW Escrow Corporation, Senior Subordinate Notes, 8.50%, 04/01/19           | B3                         | 879            |
|                        | 275   | Ceridian Corporation, Senior Notes, 8.875%, 07/15/19 (g)                    | B1                         | 283            |
|                        | 1,300 | First Data Corporation, Senior Notes, 7.375%, 06/15/19 (g)                  | B1                         | 1,326          |
|                        | 1,825 | First Data Corporation, Senior Notes, 12.625%, 01/15/21                     | Caa1                       | 1,825          |
|                        | 475   | FTI Consulting Inc., Senior Notes, 6.75%, 10/01/20                          | Ba2                        | 502            |
|                        | 150   | FTI Consulting Inc., Senior Notes, 7.75%, 10/01/16                          | Ba2                        | 155            |
|                        | 400   | Garda World Security Corporation, Senior Notes, 9.75%, 03/15/17 (g)         | B2                         | 428            |
|                        | 125   | Gategroup Finance (Luxembourg) S.A., Senior Notes, 6.75%, 03/01/19 (g)(EUR) | B1                         | 158            |
|                        | 475   | Goodman Networks, Inc., Senior Notes, 12.125%, 07/01/18 (g)                 | B2                         | 499            |
|                        | 975   | iPayment, Inc., Senior Notes, 10.25%, 05/15/18                              | B3                         | 878            |
|                        | 550   | Jaguar Holdings, Inc., Senior Notes, 9.50%, 12/01/19 (g)                    | B3                         | 597            |
|                        | 700   | Lender Processing Services, Inc., Senior Notes,                             | Ba2                        | 730            |

|     |  |      |     |
|-----|--|------|-----|
|     | 8.125%, 07/01/16   |      |     |
|     | Maxim Crane Works,<br>L.P.,<br>Senior Notes,<br>12.25%, 04/15/15 (g)     | Caa2 | 341 |
| 350 |  |      |     |
|     | Service Master<br>Company,<br>Senior Notes,<br>8%, 02/15/20              | B3   | 298 |
| 275 |  |      |     |
|     | Syniverse Holdings,<br>Inc.,<br>Senior Notes,<br>9.125%, 01/15/19        | Caa1 | 707 |
| 650 |  |      |     |
|     | Truven Health<br>Analytics,<br>Senior Notes,<br>10.625%, 06/01/20<br>(g) | Caa1 | 260 |
| 250 |  |      |     |

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

## The New America High Income Fund, Inc.

## Schedule of Investments June 30, 2012 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal<br>Amount/Units                  |              |   | Moody's<br>Rating<br>(Unaudited) | Value<br>(Note 1) |
|--|--------------|---|----------------------------------|-------------------|
| <b>CORPORATE DEBT SECURITIES continued</b> |              |   |                                  |                   |
|  |              | UR Financing<br>Escrow<br>Corporation,<br>Senior Notes,<br>5.75%, 07/15/18      |                                  |                   |
| \$   | 350          | (g)   | Ba3                              | \$ 364            |
|  |              | West<br>Corporation,<br>Senior Notes,<br>7.875%,<br>01/15/19                    |                                  |                   |
|  | 525          |   | B3                               | 538               |
|  |              | West<br>Corporation,<br>Senior Notes,<br>8.625%,<br>10/01/18                    |                                  |                   |
|  | 1,025        |   | B3                               | 1,081             |
|  |              |   |                                  | 19,253            |
| <b>Electronics</b>                         | <b>3.46%</b> |   |                                  |                   |
|  |              | Advanced Micro<br>Devices, Inc.,<br>Senior Notes,<br>7.75%, 08/01/20            |                                  |                   |
|  | 475          |   | Ba3                              | 521               |
|  |              | Advanced Micro<br>Devices, Inc.,<br>Senior Notes,<br>8.125%,<br>12/15/17        |                                  |                   |
|  | 175          |   | Ba3                              | 192               |
|  |              | Core Logic, Inc.,<br>Senior Notes,<br>7.25%, 06/01/21<br>(g)                    |                                  |                   |
|  | 700          |   | Ba3                              | 717               |
|  |              | Epicor Software<br>Corporation,<br>Senior Notes,<br>8.625%,<br>05/01/19         |                                  |                   |
|  | 800          |   | Caa1                             | 816               |
|  | 125          | Fidelity National<br>Information<br>Services, Inc.,<br>Senior Notes,<br>7.625%, |                                  |                   |
|  |              |   | Ba2                              | 137               |



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|                |               | Senior Notes,<br>7.75%, 04/01/19                                   |     | 8,147 |
|----------------|---------------|--|-----|-------|
| <b>Finance</b> | <b>15.47%</b> |  |     |       |
|                |               | AerCap Aviation Solutions B.V., Senior Notes, 6.375%, 05/30/17 (g) | (e) | 476   |
|                | 475           |  |     |       |
|                |               | Aircastle Limited, Senior Notes, 6.75%, 04/15/17                   | Ba3 | 304   |
|                | 300           |  |     |       |
|                |               | Aircastle Limited, Senior Notes, 7.625%, 04/15/20                  | Ba3 | 710   |
|                | 700           |  |     |       |
|                |               | Aircastle Limited, Senior Notes, 9.75%, 08/01/18                   | Ba3 | 666   |
|                | 600           |  |     |       |
|                |               | Air Lease Corporation, Senior Notes, 5.625%, 04/01/17 (g)          | (e) | 786   |
|                | 800           |  |     |       |
|                |               | Ally Financial, Inc., Senior Notes, 4.625%, 06/26/2015             | B1  | 1,024 |
|                | 1,025         |  |     |       |
|                |               | Ally Financial, Inc., Senior Notes, 5.50%, 02/15/17                | B1  | 1,190 |
|                | 1,175         |  |     |       |
|                |               | Ally Financial, Inc., Senior Notes, 6.25%, 12/01/17                | B1  | 526   |
|                | 500           |  |     |       |
|                |               | Ally Financial, Inc., Senior Notes, 7.50%, 09/15/20                | B1  | 874   |
|                | 775           |  |     |       |
|                |               | Ally Financial, Inc., Senior Notes, 8%, 03/15/20                   | B1  | 289   |
|                | 250           |  |     |       |
|                |               | Ally Financial, Inc., Senior Notes, 8%, 11/01/31                   | B1  | 845   |
|                | 725           |  |     |       |
|                |               | CIT Group, Inc., Senior Notes,                                     | B1  | 489   |
|                | 475           |  |     |       |

|       |  |     |       |
|-------|--|-----|-------|
|       | 4.75%, 02/15/15<br>(g)   |     |       |
| 625   | CIT Group, Inc.,<br>Senior Notes,<br>5.25%, 03/15/18                       | B1  | 644   |
| 1,575 | CIT Group, Inc.,<br>Senior Notes,<br>5.375%,<br>05/15/20                   | B1  | 1,603 |
| 2,175 | CIT Group, Inc.,<br>Senior Notes,<br>5.50%, 02/15/19<br>(g)                | B1  | 2,240 |
| 1,650 | CIT Group, Inc.,<br>Senior Notes,<br>6.625%,<br>04/01/18 (g)               | B1  | 1,778 |
| 1,200 | Discover<br>Financial<br>Services,<br>Senior Notes,<br>10.25%,<br>07/15/19 | Ba1 | 1,542 |
| 400   | E*Trade<br>Financial<br>Corporation,<br>Senior Notes,<br>6.75%, 06/01/16   | B2  | 407   |

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

## The New America High Income Fund, Inc.

## Schedule of Investments June 30, 2012 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal<br>Amount/Units                  |       |   | Moody's<br>Rating<br>(Unaudited) | Value<br>(Note 1) |
|--|-------|---|----------------------------------|-------------------|
| <b>CORPORATE DEBT SECURITIES continued</b> |       |   |                                  |                   |
| \$   | 475   | E*Trade Financial Corporation, Senior Notes, 7.875%, 12/01/15           | B2                               | \$ 483            |
|  | 3,373 | E*Trade Financial Corporation, Senior Notes, 12.50%, 11/30/17           | (e)                              | 3,871             |
|  | 350   | General Motors Financial Company, Inc., Senior Notes, 6.75%, 06/01/18   | Ba3                              | 382               |
|  | 1,375 | Icahn Enterprises, L.P., Senior Notes, 8%, 01/15/18                     | Ba3                              | 1,457             |
|  | 425   | International Lease Finance Corporation, Senior Notes, 4.875%, 04/01/15 | Ba3                              | 425               |
|  | 350   | International Lease Finance Corporation, Senior Notes, 5.75%, 05/15/16  | Ba3                              | 355               |
|  | 675   | International Lease Finance Corporation, Senior Notes, 8.25%, 12/15/20  | Ba3                              | 773               |
|  | 525   | International Lease Finance Corporation, Senior Notes, 8.625%, 01/15/22 | Ba3                              | 610               |
|  | 1,800 | International Lease Finance Corporation, Senior Notes, 8.875%, 09/01/17 | Ba3                              | 2,034             |
|  | 525   |   | Caa3                             | 278               |

|                               |       |   |                                   |                       |
|-------------------------------|-------|---|-----------------------------------|-----------------------|
|                               |       | MBIA Insurance Corporation, Surplus Notes, 14%, 01/15/33 (g)            |                                   |                       |
|                               | 500   | Nationstar Mortgage LLC, Senior Notes, 9.625%, 05/01/19 (g)             | B2                                | 528                   |
|                               | 400   | Neuberger Berman Group LLC, Senior Notes, 5.625%, 03/15/20 (g)          | Ba1                               | 416                   |
|                               | 425   | Neuberger Berman Group LLC, Senior Notes, 5.875%, 03/15/22 (g)          | Ba1                               | 443                   |
|                               | 1,500 | Nuveen Investments, Inc., Senior Notes, 5.50%, 09/15/15                 | Caa2                              | 1,365                 |
|                               | 2,425 | Nuveen Investments, Inc., Senior Notes, 10.50%, 11/15/15                | Caa2                              | 2,449                 |
| <b>Principal Amount/Units</b> |       |   | <b>Moody's Rating (Unaudited)</b> | <b>Value (Note 1)</b> |
| \$                            | 225   | Provident Funding Associates, L.P., Senior Notes, 10.125%, 02/15/19 (g) | B2                                | \$ 209                |
|                               | 575   | Provident Funding Associates, L.P., Senior Notes, 10.25%, 04/15/17 (g)  | Ba3                               | 599                   |
|                               | 1,725 | SLM Corporation, Senior Medium Term Notes, 8.45%, 06/15/18              | Ba1                               | 1,935                 |
|                               | 625   |   | Caa1                              | 497                   |



|  |              |   |      |        |
|--|--------------|---|------|--------|
|  |              | Springleaf<br>Finance<br>Corporation,<br>Senior Medium<br>Term<br>Notes, 6.90%,<br>12/15/17 |      |        |
|  | 900          | Synovus<br>Financial<br>Corporation,<br>Subordinate<br>Notes,<br>5.125%,<br>06/15/17        | B3   | 826    |
|  | 125          | Synovus<br>Financial<br>Corporation,<br>Senior Notes,<br>7.875%,<br>02/15/19                | B2   | 132    |
|  |              |   |      | 36,460 |
| <b>Groceries</b>                           | <b>.23%</b>  |   |      |        |
|  | 500          | Susser Holdings<br>LLC, Senior<br>Notes,<br>8.50%, 05/15/16                                 | B2   | 545    |
| <b>Healthcare, Education and Childcare</b> | <b>7.58%</b> |   |      |        |
|  | 125          | Accellent, Inc.<br>Senior Notes,<br>8.375%,<br>02/01/17                                     | B1   | 127    |
|  | 675          | Accellent, Inc<br>Senior<br>Subordinated<br>Notes,<br>10%, 11/01/17                         | Caa2 | 565    |
|  | 1,500        | Biomet, Inc.,<br>Senior Notes,<br>10.375%,<br>10/15/17                                      | B3   | 1,605  |
|  | 575          | Biomet, Inc.,<br>Senior<br>Subordinated<br>Notes,<br>11.625%,<br>10/15/17                   | Caa1 | 621    |
|  | 800          | Capella<br>Healthcare Inc.,<br>Senior Notes,<br>9.25%, 07/01/17                             | B3   | 828    |
|  | 1,550        |   | B3   | 1,643  |

|     |  |     |     |
|-----|--|-----|-----|
|     | CHS/Community Health Systems, Inc., Senior Notes, 8%, 11/15/19                 |     |     |
| 175 | Crown NewCo 3, Senior Notes, 7%, 02/15/18 (g)(GBP)                             | B2  | 266 |
| 525 | Davita, Inc., Senior Notes, 6.375%, 11/01/18                                   | B2  | 543 |
| 775 | Fresenius Medical Care US Finance II, Inc., Senior Notes, 5.625%, 07/31/19 (g) | Ba2 | 802 |

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

## The New America High Income Fund, Inc.

## Schedule of Investments June 30, 2012 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal<br>Amount/Units                  |       |   | Moody's<br>Rating<br>(Unaudited) | Value<br>(Note 1) |
|--|-------|---|----------------------------------|-------------------|
| <b>CORPORATE DEBT SECURITIES continued</b> |       |   |                                  |                   |
|  |       | Fresenius Medical<br>Care<br>US Finance II, Inc.,<br>Senior Notes,<br>5.875%, 01/31/22<br>(g) | Ba2                              | \$ 467            |
| \$   | 450   |   |                                  |                   |
|  |       | HCA, Inc., Senior<br>Notes,<br>7.50%, 02/15/22  | B3                               | 1,438             |
|  | 1,325 |   |                                  |                   |
|  |       | HCA, Inc., Senior<br>Secured Notes,<br>8.50%, 04/15/19  | Ba3                              | 615               |
|  | 550   |   |                                  |                   |
|  |       | HCA, Inc., Senior<br>Secured Notes,<br>9.875%, 02/15/17                                       | B2                               | 107               |
|  | 98    |   |                                  |                   |
|  |       | Health<br>Management<br>Associates, Inc.,<br>Senior Notes,<br>7.375%, 01/15/20<br>(g)         | B3                               | 1,325             |
|  | 1,250 |   |                                  |                   |
|  |       | lasis Healthcare<br>Capital<br>8.375%, 05/15/19   | Caa1                             | 811               |
|  | 825   |   |                                  |                   |
|  |       | Inventive Health<br>Inc., Senior Notes,<br>10%, 08/15/18 (g)                                  | Caa2                             | 510               |
|  | 600   |   |                                  |                   |
|  |       | Inventive Health<br>Inc., Senior Notes,<br>10%, 08/15/18 (g)                                  | Caa2                             | 361               |
|  | 425   |   |                                  |                   |
|  |       | Kindred Healthcare,<br>Inc.,<br>Senior Notes,<br>8.25%, 06/01/19                              | B3                               | 473               |
|  | 525   |   |                                  |                   |
|  |       | LifePoint Hospitals,<br>Inc.,<br>Senior Notes,<br>6.625%, 10/01/20                            | Ba1                              | 267               |
|  | 250   |   |                                  |                   |
|  |       | MedAssets, Inc.,<br>Senior Notes,<br>8%, 11/15/18   | B3                               | 501               |
|  | 475   |   |                                  |                   |

|  |     |  |      |     |
|--|-----|--|------|-----|
|  | 900 | Multiplan, Inc.,<br>Senior Notes,<br>9.875%, 09/01/18<br>(g)                                 | Caa1 | 986 |
|  | 350 | Mylan Inc., Senior<br>Notes,<br>7.625%, 07/15/17<br>(g)                                      | Ba2  | 389 |
|  | 525 | Radiation Therapy<br>Services, Inc.,<br>Senior<br>Subordinated<br>Notes,<br>9.875%, 04/15/17 | Caa2 | 409 |
|  | 925 | Tenet Healthcare<br>Corporation,<br>Senior Notes,<br>6.25%, 11/01/18                         | B1   | 976 |
|  | 50  | Tenet Healthcare<br>Corporation,<br>Senior Notes,<br>8.875%, 07/01/19                        | B1   | 56  |
|  | 175 | Universal Health<br>Services, Inc.,<br>Senior Notes,<br>7%, 10/01/18                         | B1   | 189 |
|  | 200 | Universal Hospital<br>Services, Inc.,<br>Senior Secured<br>Notes, 8.50%,<br>06/01/15         | B3   | 203 |

| Principal<br>Amount/Units |     |   | Moody's<br>Rating<br>(Unaudited) | Value<br>(Note 1) |
|---------------------------|-----|---|----------------------------------|-------------------|
| \$                        | 500 | Vanguard Health<br>Holding<br>Company II,<br>LLC, Senior<br>Notes,<br>7.75%, 02/01/19 | B3                               | \$ 506            |
|                           | 250 | Vanguard Health<br>Holding<br>Company II,<br>LLC, Senior<br>Notes,<br>8%, 02/01/18    | B3                               | 255               |
|                           | 31  | Vanguard Health<br>Systems, Inc.,<br>Senior Discount                                  | Caa1                             | 21                |

|  |              | Notes,<br>Zero Coupon,<br>02/01/16   |      |        |
|--|--------------|--|------|--------|
|  |              |  |      | 17,865 |
| <b>Hotels, Motels, Inns and Gaming</b> | <b>3.43%</b> |  |      |        |
|  | 150          | Ameristar<br>Casinos, Inc.,<br>Senior Notes,<br>7.50%, 04/15/21                                  | B3   | 161    |
|  | 340          | Ameristar<br>Casinos, Inc.,<br>Senior Notes,<br>7.50%, 04/15/21<br>(g)                           | B3   | 364    |
|  | 300          | Boyd Gaming<br>Corporation,<br>Senior Notes,<br>9.125%,<br>12/01/18                              | B3   | 311    |
|  | 450          | Boyd Gaming<br>Corporation,<br>Senior Notes,<br>9%, 07/01/20 (g)                                 | B3   | 454    |
|  | 425          | Caesar's<br>Entertainment<br>Operating<br>Company, Inc.,<br>Senior Notes,<br>5.625%,<br>06/01/15 | Caa1 | 351    |
|  | 750          | Caesar's<br>Entertainment<br>Operating<br>Company, Inc.,<br>Senior Notes,<br>11.25%,<br>06/01/17 | B2   | 817    |
|  | 850          | CCM Merger,<br>Inc., Senior<br>Notes,<br>9.125%,<br>05/01/19 (g)                                 | Caa2 | 861    |
|  | 275          | Choice Hotels<br>International,<br>Inc.,<br>Senior Notes,<br>5.75%, 07/01/22                     | Baa3 | 288    |
|  | 300          | MGM Mirage,<br>Senior Notes,<br>9%, 03/15/20   | Ba2  | 334    |
|  | 375          |  | Ba2  | 425    |

|     |   |    |     |
|-----|---|----|-----|
|     | MGM Mirage,<br>Senior Notes,<br>10.375%,<br>05/15/14  |    |     |
|     | Pinnacle<br>Entertainment,<br>Inc.,<br>Senior<br>Subordinated<br>Notes,<br>7.75%, 04/01/22    | B3 | 320 |
| 300 |   |    |     |
|     | Quapaw<br>Downstream<br>Development<br>Authority, Senior<br>Notes,<br>10.50%,<br>07/01/19 (g) | B3 | 335 |
| 325 |   |    |     |

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

## The New America High Income Fund, Inc.

## Schedule of Investments June 30, 2012 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal<br>Amount/Units                  |              |   | Moody's<br>Rating<br>(Unaudited) | Value<br>(Note 1) |
|--|--------------|---|----------------------------------|-------------------|
| <b>CORPORATE DEBT SECURITIES continued</b> |              |   |                                  |                   |
| \$   | 400          | Rivers Pittsburgh<br>Borrower, L.P.,<br>Senior Notes,<br>9.50%, 06/15/19<br>(g)   | B3                               | \$ 414            |
|  | 750          | Seminole Tribe<br>of Florida,<br>Senior Notes,<br>7.75%, 10/01/17<br>(g)  | Ba1                              | 814               |
|  | 875          | Seneca Gaming<br>Corporation,<br>Senior Notes,<br>8.25%, 12/01/18<br>(g)  | B2                               | 897               |
|  | 175          | Starwood Hotels<br>and Resorts<br>Worldwide, Inc.,<br>Senior Notes,<br>7.15%, 12/01/19  | Baa3                             | 208               |
|  | 975          | Station Casinos<br>LLC, Senior<br>Notes,<br>3.66%, 06/18/18<br>(g)  | Caa2                             | 731               |
|  |              |   |                                  | 8,085             |
| <b>Insurance</b>                           | <b>1.59%</b> |   |                                  |                   |
|  | 650          | Amerigroup<br>Corporation,<br>Senior Notes,<br>7.50%, 11/15/19  | Ba2                              | 697               |
|  | 925          | Assured<br>Guarantee<br>Holdings<br>Municipal<br>Holdings, Inc.,<br>Junior<br>Subordinated<br>Debentures,<br>6.40%, 12/15/66<br>(g) | Ba1                              | 611               |

|       |  |      |       |
|-------|--|------|-------|
| 750   | Hub International Limited, Senior Notes, 9%, 12/15/14 (g)                  | Caa1 | 761   |
| 1,235 | Hub International Limited, Senior Subordinated Notes, 10.25%, 06/15/15 (g) | Caa2 | 1,260 |
| 425   | USI Holdings Corporation, Senior Subordinated Notes, 9.75%, 05/15/15 (g)   | Caa2 | 427   |
|       |  |      | 3,756 |

**Leisure, Amusement and Entertainment 1.16%**

|     |   |      |     |
|-----|---|------|-----|
| 525 | Cedar Fair LP, Senior Notes, 9.125%, 08/01/18                     | B2   | 583 |
| 175 | Easton Bell Sports Inc., Senior Notes, 9.75%, 12/01/16            | B2   | 191 |
| 450 | Manchester United Finance plc, Senior Notes, 8.375%, 02/01/17 (g) | (e)  | 487 |
| 225 | NCL Corporation, Senior Notes, 9.50%, 11/15/18                    | Caa1 | 245 |

| Principal Amount/Units |   | Moody's Rating (Unaudited) | Value (Note 1) |
|------------------------|---|----------------------------|----------------|
| \$ 350                 | NCL Corporation, Senior Notes, 11.75%, 11/15/16 | B2                         | \$ 402         |
| 775                    | Ticketmaster, Senior Notes, 10.75%, 08/01/16    | B3                         | 821            |



2,729

**Mining, Steel, Iron and Non-Precious Metals****5.49%**

|       |   |      |       |
|-------|---|------|-------|
| 725   | AK Steel Corporation, Senior Notes, 7.625%, 05/15/20        | B2   | 614   |
| 575   | Alrosa Finance S.A., Senior Notes, 7.75%, 11/03/20 (g)      | Ba3  | 603   |
| 925   | Arch Coal, Inc., Senior Notes, 7.25%, 06/15/21              | B3   | 782   |
| 250   | Consol Energy, Inc., Senior Notes, 8%, 04/01/17             | B1   | 260   |
| 1,300 | Consol Energy, Inc., Senior Notes, 8.25%, 04/01/20          | B1   | 1,372 |
| 525   | Essar Steel Algoma Inc., Senior Notes, 9.875%, 06/15/15 (g) | Caa2 | 444   |
| 350   | FMG Resources Pty. Ltd., Senior Notes, 6%, 04/01/17 (g)     | Ba3  | 348   |
| 850   | FMG Resources Pty. Ltd., Senior Notes, 7%, 11/01/15 (g)     | Ba3  | 863   |
| 1,000 | Foresight Energy LLC, Senior Notes, 9.625%, 08/15/17 (g)    | Caa1 | 1,005 |
| 700   | JMC Steel Group, Inc., Senior Notes, 8.25%, 03/15/18 (g)    | B3   | 693   |
| 425   | Novelis, Inc., Senior Notes, 8.75%, 12/15/20                | B2   | 459   |
| 625   |   | Ba1  | 623   |

|       |   |      |       |
|-------|---|------|-------|
|       | Peabody Energy Corporation, Senior Notes, 6%, 11/15/18 (g)              |      |       |
| 650   | Peabody Energy Corporation, Senior Notes, 6.25%, 11/15/21 (g)           | Ba1  | 642   |
|       | Ryerson Holding Corporation, Senior Secured Notes, 16.50%, 02/01/15 (b) | Caa3 | 1,755 |
| 3,375 | Ryerson Inc., Senior Secured Notes, 12%, 11/01/15                       | Caa1 | 1,228 |
| 1,225 | Severstal Columbus LLC, Senior Notes, 10.25%, 02/15/18                  | B3   | 775   |
| 775   |   |      |       |

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

## The New America High Income Fund, Inc.

## Schedule of Investments June 30, 2012 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal<br>Amount/Units                  |       |   | Moody's<br>Rating<br>(Unaudited) | Value<br>(Note 1) |
|--|-------|---|----------------------------------|-------------------|
| <b>CORPORATE DEBT SECURITIES continued</b> |       |   |                                  |                   |
| \$   | 50    | Steel Dynamics,<br>Senior Notes,<br>7.75%, 04/15/16                             | Ba2                              | \$ 52             |
|  | 450   | United States<br>Steel<br>Corporation,<br>Senior Notes,<br>7.50%,<br>03/15/22B1 | B1                               | 430               |
|  |       |   |                                  | 12,948            |
| <b>Oil and Gas 16.38%</b>                  |       |   |                                  |                   |
|  | 200   | Alta Mesa<br>Holdings, L.P.,<br>Senior Notes,<br>9.625%,<br>10/15/18            | B3                               | 198               |
|  | 275   | AmeriGas<br>Finance LLC,<br>Senior Notes,<br>6.75%, 05/20/20                    | Ba2                              | 280               |
|  | 1,125 | AmeriGas<br>Finance LLC,<br>Senior Notes,<br>7%, 05/20/22                       | Ba2                              | 1,153             |
|  | 700   | Antero<br>Resources<br>Corporation,<br>Senior Notes,<br>7.25%, 08/01/19         | B2                               | 724               |
|  | 1,425 | Antero<br>Resources<br>Corporation,<br>Senior Notes,<br>9.375%,<br>12/01/17     | B2                               | 1,568             |
|  | 300   | Atwood<br>Oceanics, Inc.,<br>Senior Notes,<br>6.50%, 02/01/20                   | Ba3                              | 314               |
|  | 750   | Berry Petroleum<br>Company,   | B1                               | 772               |

|                                   |       |  |   |                           |
|-----------------------------------|-------|--|---|---------------------------|
|                                   |       | Senior Notes,<br>6.375%,<br>09/15/22                                       |   |                           |
|                                   | 300   | Berry Petroleum<br>Company,<br>Senior Notes,<br>6.75%, 11/01/20            | B1  | 312                       |
|                                   | 450   | Berry Petroleum<br>Company,<br>Senior Notes,<br>10.25%,<br>06/01/14        | B1  | 503                       |
|                                   | 1,025 | Bill Barrett<br>Corporation,<br>Senior Notes,<br>7%, 10/15/22              | B1  | 979                       |
|                                   | 1,100 | Bill Barrett<br>Corporation,<br>Senior Notes,<br>7.625%,<br>10/01/19       | B1  | 1,100                     |
|                                   | 350   | Chesapeake<br>Energy Corp.,<br>Senior Notes,<br>6.625%,<br>11/15/19 (g)    | Ba3                                       | 315                       |
|                                   | 800   | Clayton Williams<br>Energy<br>Company,<br>Senior Notes,<br>7.75%, 04/01/19 | B3  | 788                       |
| <b>Principal<br/>Amount/Units</b> |       |  | <b>Moody's<br/>Rating<br/>(Unaudited)</b> | <b>Value<br/>(Note 1)</b> |
| \$                                | 300   | Concho Resources,<br>Inc.,<br>Senior Notes,<br>7%, 01/15/21                | B1  | \$ 321                    |
|                                   | 500   | Concho Resources,<br>Inc.,<br>Senior Notes,<br>8.625%, 10/01/17            | B1  | 551                       |
|                                   | 750   | Connacher Oil and<br>Gas Limited,<br>Senior Notes,<br>8.50%, 08/01/19, (g) | Caa2                                      | 664                       |
|                                   | 772   | Denbury Resources<br>Inc., Senior<br>Subordinated Notes,                   | B1  | 845                       |

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|       |  |      |       |
|-------|--|------|-------|
|       | 8.25%, 02/15/20  |      |       |
|       | Dolphin Subsidiary II,<br>Inc.,<br>Senior Notes,<br>6.50%, 10/15/16 (g)      | Ba1  | 745   |
| 700   |  |      |       |
|       | Dolphin Subsidiary II,<br>Inc.,<br>Senior Notes,<br>7.25%, 10/15/21 (g)      | Ba1  | 1,243 |
| 1,125 |  |      |       |
|       | El Paso Corporation,<br>Senior Notes,<br>6.50%, 09/15/20                     | Ba3  | 82    |
| 75    |  |      |       |
|       | El Paso Corporation,<br>Senior Notes,<br>7.75%, 01/15/32                     | Ba3  | 908   |
| 800   |  |      |       |
|       | El Paso Corporation,<br>Senior Notes,<br>7.80%, 08/01/31                     | Ba3  | 226   |
| 200   |  |      |       |
|       | EQT Corporation,<br>Senior Notes,<br>8.125%, 06/01/19                        | Baa2 | 810   |
| 675   |  |      |       |
|       | Everest Acquisition<br>LLC,<br>Senior Notes,<br>9.375%, 05/01/20 (g)         | B2   | 803   |
| 775   |  |      |       |
|       | Exco Resources, Inc.,<br>Senior Notes,<br>7.50%, 09/15/18                    | B3   | 805   |
| 925   |  |      |       |
|       | Exterran Holdings,<br>Inc.,<br>Senior Notes,<br>7.25%, 12/01/18              | Ba3  | 1,433 |
| 1,500 |  |      |       |
|       | Ferrellgas, L.P.,<br>Senior Notes,<br>6.50%, 05/01/21                        | B2   | 1,711 |
| 1,875 |  |      |       |
|       | Ferrellgas, L.P.,<br>Senior Notes,<br>9.125%, 10/01/17                       | B2   | 52    |
| 50    |  |      |       |
|       | FTS International<br>Services, LLC,<br>Senior Notes,<br>8.125%, 11/15/18 (g) | Ba3  | 907   |
| 900   |  |      |       |
|       | GenOn Escrow<br>Corporation,<br>Senior Notes,<br>9.50%, 10/15/18             | B3   | 1,360 |
| 1,375 |  |      |       |
|       | GenOn Energy, Inc.,<br>Senior Notes,<br>7.875%, 06/15/17                     | B3   | 140   |
| 150   |  |      |       |

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

## The New America High Income Fund, Inc.

## Schedule of Investments June 30, 2012 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal<br>Amount/Units                  |     |   | Moody's<br>Rating<br>(Unaudited) | Value<br>(Note 1) |
|--|-----|---|----------------------------------|-------------------|
| <b>CORPORATE DEBT SECURITIES continued</b> |     |   |                                  |                   |
| \$   | 700 | Hercules Offshore,<br>Inc.,<br>Senior Notes,<br>7.125%, 04/01/17<br>(g)                     | B1                               | \$ 675            |
|  | 225 | Hercules Offshore,<br>Inc.,<br>Senior Notes,<br>10.50%, 10/15/17<br>(g)                     | Caa1                             | 225               |
|  | 525 | Laredo Petroleum,<br>Inc.,<br>Senior Notes,<br>7.375%, 05/01/22<br>(g)                      | B3                               | 543               |
|  | 710 | Newfield<br>Exploration<br>Company,<br>Senior<br>Subordinated<br>Notes,<br>6.875%, 02/01/20 | Ba2                              | 753               |
|  | 475 | Oasis Petroleum,<br>Inc., Senior Notes,<br>6.50%, 11/01/21                                  | B3                               | 470               |
|  | 125 | Oasis Petroleum,<br>Inc., Senior Notes,<br>7.25%, 02/01/19                                  | B3                               | 128               |
|  | 490 | Parker Drilling<br>Company,<br>Senior Notes,<br>9.125%, 04/01/18<br>(g)                     | B1                               | 518               |
|  | 350 | Penn Virginia<br>Corporation,<br>Senior Notes,<br>7.25%, 04/15/19                           | B3                               | 285               |
|  | 450 | Penn Virginia<br>Corporation,<br>Senior Notes,<br>8.375%, 06/01/20                          | B2                               | 457               |

|     |   |     |  |     |
|-----|---|-----|--|-----|
|     | (g)   |     |  |     |
|     | Penn Virginia Resources Partners, L.P., Senior Notes, 8.25%, 04/15/18     | B2  |  | 682 |
| 675 |   |     |  |     |
|     | Petroleos de Venezuela SA, Senior Notes, 8.50%, 11/02/17 (g)              | (e) |  | 443 |
| 550 |   |     |  |     |
|     | Petroleum Geo Services ASA, Senior Notes, 7.375%, 12/15/18 (g)            | Ba2 |  | 697 |
| 675 |   |     |  |     |
|     | Plains Exploration and Production Company, Senior Notes, 6.125%, 06/15/19 | B1  |  | 775 |
| 775 |   |     |  |     |
|     | Plains Exploration and Production Company, Senior Notes, 6.75%, 02/01/22  | B1  |  | 331 |
| 325 |   |     |  |     |
|     | Precision Drilling Corporation, Senior Notes, 6.50%, 12/15/21             | Ba1 |  | 154 |
| 150 |   |     |  |     |
|     | Precision Drilling Corporation, Senior Notes, 6.625%, 11/15/20            | Ba1 |  | 663 |
| 650 |   |     |  |     |

| Principal Amount/Units |   | Moody's Rating (Unaudited) |  | Value (Note 1) |
|------------------------|---|----------------------------|--|----------------|
|                        | Range Resources Corporaiton, Senior Subordinated Notes, 6.75%, 08/01/20 | Ba3                        |  | \$ 893         |
| \$ 825                 |   |                            |  |                |
|                        | Regency Energy Partners, L.P., Senior Notes, 6.875%, 12/01/18           | B1                         |  | 475            |
| 450                    |   |                            |  |                |
| 575                    |   | Ba3                        |  | 604            |



|       |  |     |        |
|-------|--|-----|--------|
|       | SESI LLC,<br>Senior Notes,<br>6.375%,<br>05/01/19                                |     |        |
| 875   | SESI LLC,<br>Senior Notes,<br>7.125%,<br>12/15/21 (g)                            | Ba3 | 954    |
| 325   | SM Energy<br>Company,<br>Senior Notes,<br>6.50%, 11/15/21                        | B1  | 331    |
| 450   | SM Energy<br>Company,<br>Senior Notes,<br>6.50%, 01/01/23<br>(g)                 | B1  | 457    |
| 225   | SM Energy<br>Company,<br>Senior Notes,<br>6.625%,<br>02/15/19                    | B1  | 231    |
| 825   | Swift Energy<br>Company,<br>Senior Notes,<br>7.875%,<br>03/01/22                 | B3  | 829    |
| 650   | Swift Energy<br>Company,<br>Senior Notes,<br>8.875%,<br>01/15/20                 | B3  | 682    |
| 300   | Targa<br>Resources<br>Partners L.P.,<br>Senior Notes,<br>6.375%,<br>08/01/22 (g) | Ba3 | 299    |
| 1,300 | Unit Corporation,<br>Senior<br>Subordinated<br>Notes,<br>6.625%,<br>05/15/21     | B2  | 1,311  |
| 1,150 | WPX Energy,<br>Inc., Senior<br>Notes,<br>6%, 01/15/22                            | Ba1 | 1,144  |
|       |  |     | 38,621 |

**Personal, Food and Miscellaneous Services****1.23%**

|       |  |      |       |
|-------|--|------|-------|
| 400   | Central Garden & Pet Company, Senior Subordinated Notes, 8.25%, 03/01/18 | B2   | 402   |
| 579   | CKE Restaurants, Senior Notes, 11.375%, 07/15/18                         | B2   | 662   |
| 1,000 | DineEquity, Inc., Senior Notes, 9.50%, 10/30/18                          | B3   | 1,100 |
| 450   | Fiesta Restaurant Group, Senior Notes, 8.875%, 08/15/16 (g)              | B2   | 473   |
| 250   | Wok Acquisition Corporation, Senior Notes, 10.25%, 06/30/20 (g)          | Caa1 | 256   |
|       |  |      | 2,893 |

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

## The New America High Income Fund, Inc.

## Schedule of Investments June 30, 2012 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units                             |   | Moody's Rating (Unaudited) | Value (Note 1) |
|--|---|----------------------------|----------------|
| <b>CORPORATE DEBT SECURITIES continued</b>         |   |                            |                |
| <b>Personal Non-Durable Consumer Products .28%</b> |   |                            |                |
| \$ 250   | Jarden Corporation, Senior Notes, 8%, 05/01/16                | Ba3                        | \$ 272         |
| 375  | Mead Products, Senior Notes, 6.75%, 04/30/20 (g)              | B1                         | 395            |
|  |   |                            | 667            |
| <b>Personal Transportation 1.82%</b>               |   |                            |                |
| 1,300  | Continental Airlines, Inc., Senior Notes, 6.75%, 09/15/15 (g) | Ba2                        | 1,336          |
| 180  | Continental Airlines, Inc., Senior Notes, 7.25%, 05/10/21     | Baa2                       | 204            |
| 117  | Continental Airlines, Inc., Senior Notes, 9.25%, 11/10/18     | Ba2                        | 128            |
| 516  | Delta Airlines, Inc., Senior Notes, 9.50%, 09/15/14 (g)       | Ba2                        | 546            |
| 1,600  | Delta Airlines, Inc., Senior Notes, 12.25%, 03/15/15 (g)      | B1                         | 1,740          |
| 169  | Northwest Airlines 7.575%, 09/01/20                           | (e)                        | 183            |
| 150  | United Airlines, Inc., Senior                                 | B3                         | 157            |

|                                |       | Notes,<br>12%, 11/01/13<br>(g)                              |                                   | 4,294                 |
|--------------------------------|-------|---|-----------------------------------|-----------------------|
| <b>Printing and Publishing</b> |       |   | <b>.28%</b>                       |                       |
|                                | 75    | Nielsen Finance LLC, Senior Notes, 7.75%, 10/15/18          | B2                                | 83                    |
|                                | 228   | Nielsen Finance LLC, Senior Notes, 11.50%, 05/01/16         | B2                                | 259                   |
|                                | 375   | Trader Corporation, Senior Notes, 9.875%, 08/15/18 (g)      | B3                                | 315                   |
|                                |       |   |                                   | 657                   |
| <b>Retail Stores</b>           |       |   | <b>2.87%</b>                      |                       |
|                                | 1,125 | Academy, Ltd., Senior Notes 9.25%, 08/01/19 (g)             | Caa1                              | 1,218                 |
|                                | 475   | Claire's Escrow Corporation, Senior Notes, 8.875%, 03/15/19 | Caa3                              | 408                   |
|                                | 259   | Claire's Stores, Inc., Senior Notes, 9.625%, 06/01/15       | Caa3                              | 220                   |
|                                |       |   |                                   |                       |
| <b>Principal Amount/Units</b>  |       |   | <b>Moody's Rating (Unaudited)</b> | <b>Value (Note 1)</b> |
| \$                             | 770   | Dollar General Corporation, Senior Notes, 4.125%, 07/15/17  | Ba2                               | \$ 782                |
|                                | 100   | JC Penney Corporation, Senior Notes, 7.125%, 11/15/23       | Ba1                               | 93                    |
|                                | 175   |   | Caa1                              | 173                   |

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|                           |   |      |       |
|---------------------------|---|------|-------|
|                           | Jo-Ann Stores, Inc., Senior Notes, 8.125% 03/15/19 (g)      |      |       |
| 400                       | 99 Cents Only Stores, Senior Notes, 11%, 12/15/19 (g)       | Caa1 | 434   |
| 250                       | QVC, Inc., Senior Notes, 7.50%, 10/01/19 (g)                | Ba2  | 276   |
| 750                       | Radio Shack Corporation, Senior Notes 6.75%, 05/15/19       | B2   | 557   |
| 325                       | Rite Aid Corporation, Senior Notes, 7.70%, 02/15/27         | Caa3 | 266   |
| 800                       | Rite Aid Corporation, Senior Notes, 9.25%, 03/15/20 (g)     | Caa2 | 807   |
| 1,200                     | Rite Aid Corporation, Senior Notes, 9.50%, 06/15/17         | Caa2 | 1,227 |
| 300                       | Sonic Automotive, Inc., Senior Notes, 7%, 07/15/22 (g)      | B3   | 307   |
|                           |   |      | 6,768 |
| <b>Telecommunications</b> | <b>12.64%</b>   |      |       |
| 400                       | Cincinnati Bell Inc., Senior Notes, 7%, 02/15/15            | B1   | 406   |
| 300                       | Cricket Communications, Inc., Senior Notes, 7.75%, 05/15/16 | Ba2  | 319   |
| 1,725                     | Cricket Communications, Inc., Senior Notes, 7.75%, 10/15/20 | B3   | 1,652 |

|       |   |      |       |
|-------|---|------|-------|
|       | Cricket<br>Communications,<br>Inc.,<br>Senior Notes,<br>10%, 07/15/15 | B3   | 281   |
| 275   |   |      |       |
|       | Digicel Limited,<br>Senior Notes,<br>8.25%, 09/01/17<br>(g)           | B1   | 707   |
| 700   |   |      |       |
|       | Digicel Limited,<br>Senior Notes,<br>10.50%,<br>04/15/18 (g)          | Caa1 | 470   |
| 450   |   |      |       |
|       | Earthlink Inc.,<br>Senior Notes,<br>8.875%,<br>05/15/19               | B2   | 317   |
| 325   |   |      |       |
|       | Equinix, Inc.,<br>Senior Notes,<br>7%, 07/15/21                       | Ba2  | 1,105 |
| 1,000 |   |      |       |
|       | GCI, Inc., Senior<br>Notes,<br>6.75%, 06/01/21                        | B2   | 434   |
| 450   |   |      |       |

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

## The New America High Income Fund, Inc.

## Schedule of Investments June 30, 2012 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal<br>Amount/Units                  |       |  | Moody's<br>Rating<br>(Unaudited) | Value<br>(Note 1) |
|--|-------|--|----------------------------------|-------------------|
| <b>CORPORATE DEBT SECURITIES continued</b> |       |  |                                  |                   |
| \$   | 775   | Hughes Satellite<br>Systems, Inc.,<br>Senior Notes,<br>6.50%, 06/15/19     | Ba3                              | \$ 825            |
|  | 775   | Hughes Satellite<br>Systems, Inc.,<br>Senior Notes,<br>7.625%, 06/15/21    | B3                               | 841               |
|  | 1,175 | Intelsat Bermuda<br>Ltd., Senior Notes,<br>11.50%, 02/04/17<br>(g)         | Caa3                             | 1,213             |
|  | 250   | Intelsat Bermuda<br>Ltd., Senior Notes,<br>11.50%, 02/04/17                | Caa3                             | 259               |
|  | 525   | Intelsat<br>Corporation, Senior<br>Notes,<br>7.25%, 04/01/19               | B3                               | 550               |
|  | 675   | Intelsat Jackson<br>Holdings Ltd.,<br>Senior Notes,<br>7.25%, 10/15/20     | B3                               | 710               |
|  | 100   | Intelsat Jackson<br>Holdings Ltd.,<br>Senior Notes,<br>7.25%, 10/15/20 (g) | B3                               | 105               |
|  | 2,050 | Intelsat<br>(Luxembourg) S.A.,<br>Senior Notes,<br>11.25%, 02/04/17        | Caa3                             | 2,122             |
|  | 100   | ITC Deltacom, Inc.,<br>Senior Notes,<br>10.50%, 04/01/16                   | B1                               | 105               |
|  | 1,000 | Level 3<br>Communications,<br>Inc.,<br>Senior Notes,<br>11.875%, 02/01/19  | Caa2                             | 1,110             |
|  | 650   | Level 3 Financing,<br>Inc., Senior Notes,                                  | B3                               | 682               |

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|                                   |       |   |   |                           |
|-----------------------------------|-------|---|---|---------------------------|
|                                   |       | 8.625%, 07/15/20  |   |                           |
|                                   | 400   | Level 3 Financing,<br>Inc., Senior Notes,<br>9.375%, 04/01/19                   | B3  | 432                       |
|                                   | 625   | MetroPCS<br>Wireless, Inc.,<br>Senior Notes,<br>6.625%, 11/15/20                | B2  | 616                       |
|                                   | 1,350 | MetroPCS<br>Wireless, Inc.,<br>Senior Notes,<br>7.875%, 09/01/18                | B2  | 1,406                     |
|                                   | 600   | Nextel<br>Communications,<br>Senior Notes,<br>7.375%, 08/01/15                  | (e)                                       | 600                       |
|                                   | 750   | NII Capital<br>Corporation,<br>Senior Notes,<br>7.625, 04/01/21                 | B2  | 643                       |
|                                   | 375   | NII Capital<br>Corporation,<br>Senior Notes,<br>8.875%, 12/15/19                | B2  | 339                       |
| <b>Principal<br/>Amount/Units</b> |       |   | <b>Moody's<br/>Rating<br/>(Unaudited)</b> | <b>Value<br/>(Note 1)</b> |
| \$                                | 600   | Paetec Holding<br>Corporation,<br>Senior Notes,<br>8.875%, 06/30/17             | (e)                                       | \$ 643                    |
|                                   | 425   | Sable International<br>Finance Limited,<br>Senior Notes,<br>7.75%, 02/15/17 (g) | Ba2                                       | 440                       |
|                                   | 200   | Sable International<br>Finance Limited,<br>Senior Notes,<br>8.75%, 02/01/20 (g) | Ba2                                       | 213                       |
|                                   | 125   | Satelites Mexicanos,<br>S.A. de C.V.,<br>Senior Notes,<br>9.50%, 05/15/17       | B3  | 132                       |
|                                   | 32    | SBA<br>Telecommunications,<br>Inc.,<br>Senior Notes,<br>8%, 08/15/16            | B1  | 34                        |
|                                   | 471   |   | B1  | 516                       |



|       |  |  |       |
|-------|--|--|-------|
|       | SBA<br>Telecommunications,<br>Inc.,<br>Senior Notes,<br>8.25%, 08/15/19                |  |       |
| 475   | Sprint Capital<br>Corporation,<br>Senior Notes,<br>11.50%, 11/15/21 (g) B3             |  | 532   |
| 350   | Sprint Nextel<br>Corporation,<br>Senior Notes,<br>7%, 03/01/20 (g) Ba3                 |  | 365   |
| 1,975 | Sprint Nextel<br>Corporation,<br>Senior Notes,<br>9%, 11/15/18 (g) Ba3                 |  | 2,217 |
| 825   | Sprint Nextel<br>Corporation,<br>Senior Notes,<br>9.125%, 03/01/17 (g) B3              |  | 868   |
| 900   | Telesat Canada,<br>Senior<br>Subordinated Notes,<br>12.50%, 11/01/17 B3                |  | 998   |
| 150   | Trilogy International<br>Partners, LLC,<br>Senior Notes,<br>10.25%, 08/15/16 (g) Caa1  |  | 123   |
| 375   | ViaSat, Inc., Senior<br>Notes,<br>6.875%, 06/15/20 (g) B1                              |  | 379   |
| 275   | ViaSat, Inc., Senior<br>Notes,<br>8.875%, 09/15/16 B1                                  |  | 295   |
| 550   | Vimpelcom Holdings,<br>Senior Notes,<br>7.504%, 03/01/22 (g) Ba3                       |  | 510   |
| 300   | Vimpelcom Holdings,<br>Senior Notes,<br>7.748%, 02/02/21 (g) Ba3                       |  | 284   |
| 600   | Wind Acquisition<br>Holdings Finance<br>S.A., Senior Notes,<br>7.25%, 02/15/18 (g) Ba3 |  | 525   |

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

## The New America High Income Fund, Inc.

## Schedule of Investments June 30, 2012 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal<br>Amount/Units                  |   | Moody's<br>Rating<br>(Unaudited) | Value<br>(Note 1) |
|--|---|----------------------------------|-------------------|
| <b>CORPORATE DEBT SECURITIES continued</b> |   |                                  |                   |
| \$ 225                                     | Wind Acquisition Holdings Finance S.A., Senior Notes, 7.25%, 02/15/18 (g)     | Ba3                              | \$ 197            |
| 425  | Wind Acquisition Holdings Finance S.A., Senior Notes, 11.75%, 07/15/17 (g)    | B3                               | 346               |
| 444  | Wind Acquisition Holdings Finance S.A., Senior Notes, 12.25%, 07/15/17 (g)(h) | Caa1                             | 306               |
| 1,200                                      | Windstream Corporation, Senior Notes, 7.875%, 11/01/17                        | Ba3                              | 1,317             |
| 300  | Zayo Group, LLC, Senior Notes, 8.125%, 01/01/20 (g)                           | B1                               | 314               |
|  |   |                                  | 29,803            |
| <b>Textiles and Leather .60%</b>           |   |                                  |                   |
| 375  | Hanesbrands, Inc., Senior Notes, 6.375%, 12/15/20                             | B1                               | 396               |
| 200  | Levi Strauss & Co., Senior Notes,   | B2                               | 213               |

|                  |  |     |         |
|------------------|--|-----|---------|
|                  | 7.625%,<br>05/15/20  |     |         |
|                  | Levi Strauss &<br>Co., Senior<br>Notes,<br>6.875%,<br>05/01/22 (g)                     | B2  | 487     |
| 475              |  |     |         |
|                  | Levi Strauss &<br>Co., Senior<br>Notes,<br>7.75%, 05/15/18<br>(EUR)                    | B2  | 327     |
| 250              |  |     |         |
|                  |  |     | 1,423   |
| <b>Utilities</b> | <b>1.86%</b>   |     |         |
|                  | AES<br>Corporation,<br>Senior Notes,<br>7.375%,<br>07/01/21 (g)                        | Ba3 | 390     |
| 350              |  |     |         |
|                  | Calpine<br>Corporation,<br>Senior Notes,<br>7.50%, 02/15/21<br>(g)                     | B1  | 1,085   |
| 1,000            |  |     |         |
|                  | NRG Energy,<br>Inc., Senior<br>Notes,<br>7.625%,<br>01/15/18                           | B1  | 387     |
| 375              |  |     |         |
|                  | PNM<br>Resources, Inc.,<br>Senior Notes,<br>9.25%, 05/15/15                            | Ba1 | 388     |
| 338              |  |     |         |
|                  | Sabine Pass<br>LNG, L.P.,<br>Senior Notes,<br>7.50%, 11/30/16                          | B1  | 814     |
| 775              |  |     |         |
|                  | Tokyo Electric<br>Power<br>Company, Inc.,<br>Senior Notes,<br>4.50%, 03/24/14<br>(EUR) | Ba2 | 1,322   |
| 1,050            |  |     |         |
|                  |  |     | 4,386   |
|                  | <b>Total Corporate<br/>Debt Securities</b><br>(Total cost of<br>\$288,036)             |     | 296,607 |

Shares

|  |           |   | <b>Moody's<br/>Rating<br/>(Unaudited)</b> | <b>Value<br/>(Note 1)</b> |
|--|-----------|---|---|---------------------------|
| <b>PREFERRED STOCK 2.07% (d)</b>           |           |   |   |                           |
| <b>Automobile .30%</b>                     |           |   |   |                           |
|  | 21,350    | General Motors Company, Convertible, 4.75%              | (e)                                       | \$ 709                    |
| <b>Broadcasting and Entertainment .12%</b> |           |   |   |                           |
|  | 495       | Spanish Broadcasting System, Inc., 10.75% (a)           | Caa3                                      | 297                       |
| <b>Containers, Packaging and Glass 0%</b>  |           |   |   |                           |
|  | 1,975     | Smurfit-Stone Container Corporation, 7%, (c)(f) ESC     | (e)                                       |                           |
| <b>Electronics .77%</b>                    |           |   |   |                           |
|  | 2,675     | Lucent Technologies Capital Trust I, Convertible, 7.75% | (e)                                       | 1,806                     |
| <b>Finance .83%</b>                        |           |   |   |                           |
|  | 1,125     | Ally Financial, Inc., 7% (g)                            | B3  | 1,002                     |
|  | 39,575    | GMAC Capital Trust I, 8.125%                            | B3  | 952                       |
|  |           |   |   | 1,954                     |
| <b>Utilities .05%</b>                      |           |   |   |                           |
|  | 2,100     | PPL Corporation, 8.75% Convertible                      | (e)                                       | 112                       |
|  |           | <b>Total Preferred Stock</b><br>(Total cost of \$5,085) |   | 4,878                     |
| <b>COMMON STOCK .11% (d)</b>               |           |   |   |                           |
|  | 15,325    | Ameristar Casinos, Inc,                                 |   | 272                       |
|  |           | <b>Total Common Stock</b><br>(Total cost of \$336)      |   | 272                       |
| <b>Principal Amount</b>                    |           |   |   |                           |
| <b>SHORT-TERM INVESTMENTS 7.23% (d)</b>    |           |   |   |                           |
|  | \$ 17,032 |   | P-1                                       | 17,032                    |

|  |                   |
|--|-------------------|
| Novartis Finance Corporation, Commercial Paper, Due 07/02/12 |                   |
| Discount of .10% (g)   |                   |
| <b>Total</b>   |                   |
| <b>Short-Term Investments</b>                                |                   |
| (Total cost of \$17,032)                                     | 17,032            |
| <b>TOTAL INVESTMENTS</b>                                     |                   |
| (Total cost of \$310,489)                                    | <b>\$ 318,789</b> |

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

The New America High Income Fund, Inc.

**Schedule of Investments June 30, 2012 (Unaudited) Continued** (Dollar Amounts in Thousands)

- (a) Denotes income is not being accrued and/or issuer is in bankruptcy proceedings.
  - (b) Securities are step interest bonds. Interest on these bonds accrues based on the effective interest method which results in a constant rate of interest being recognized.
  - (c) Security is valued at fair value using methods determined by the Board of Directors. The total value of these securities at June 30, 2012 was \$0.
  - (d) Percentages indicated are based on total net assets to common shareholders of \$235,737.
  - (e) Not rated.
  - (f) Non-income producing.
  - (g) Securities are exempt from registration under Rule 144A of the Securities Act of 1933. Such securities may be resold, normally to qualified institutional buyers in transactions exempt from registration. Unless otherwise noted, 144A Securities are deemed to be liquid. See Note 1 of the Note to Schedule of Investments for valuation policy. Total market value of Rule 144A securities amounted to \$122,977 as of June 30, 2012.
  - (h) Pay-In-Kind
- (EUR) Euro
- (GBP) British Pound
- ESC Escrow Cusip. Represents a beneficial interest in a residual pool of bankruptcy assets. Interest rate and maturity date are those of the original security.

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



## The New America High Income Fund, Inc.

**Statement of Assets and Liabilities****June 30, 2012 (Unaudited)**

(Dollars in thousands, except per share amounts)

**Assets:**

|   |            |
|---|------------|
| INVESTMENTS IN SECURITIES, at value<br>(Identified<br>cost of \$310,489 see Schedule of Investments<br>and Notes 1 and 2) | \$ 318,789 |
| CASH  | 102        |
| RECEIVABLES:  |            |
| Investment securities sold  | 487        |
| Interest and dividends  | 5,631      |
| PREPAID EXPENSES  | 37         |
| Total assets  | \$ 325,046 |

**Liabilities:**

|  |          |
|--|----------|
| PAYABLES:  |          |
| Investment securities purchased  | \$ 3,032 |
| Dividend on common stock   | 123      |
| Dividend on preferred stock  | 9        |
| ACCRUED EXPENSES (Note 3)  | 619      |
| UNREALIZED LOSS ON CURRENCY AND<br>FORWARD CURRENCY EXCHANGE<br>CONTRACTS (Notes 1 and 10) | 101      |
| Total liabilities  | \$ 3,884 |

**Auction Term Preferred Stock:**

|   |                   |
|---|-------------------|
| \$1.00 par value, 1,000,000 shares authorized,<br>3,417 shares issued and outstanding,<br>liquidation preference of \$25,000 per share<br>(Notes 4 and 5) | \$ 85,425         |
| <b>Net Assets</b>   | <b>\$ 235,737</b> |

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

|   |          |
|---|----------|
| \$0.01 par value, 40,000,000 shares authorized,<br>23,252,174 shares issued and outstanding | \$ 233   |
| CAPITAL IN EXCESS OF PAR VALUE  | 267,200  |
| UNDISTRIBUTED NET INVESTMENT INCOME<br>(Note 2)   | 4,531    |
| ACCUMULATED NET REALIZED LOSS FROM<br>SECURITIES TRANSACTIONS (Note 2)                      | (44,426) |
| NET UNREALIZED APPRECIATION ON<br>INVESTMENTS AND FORWARD<br>CURRENCY EXCHANGE CONTRACTS    | 8,199    |

**Net Assets Applicable To Common Stock**

|  |            |
|--|------------|
| (Equivalent to \$10.14 per share, based on<br>23,252,174 shares outstanding) | \$ 235,737 |
|--|------------|



**Statement of Operations**  
**For the Six Months Ended**  
**June 30, 2012 (Unaudited)** (Dollars in thousands)

|   |           |
|---|-----------|
| <b>Investment Income:</b> (Note 1)  |           |
| Interest income   | \$ 12,521 |
| Dividend income   | 242       |
| Total investment income   | \$ 12,763 |
| <b>Expenses:</b>  |           |
| Cost of leverage:   |           |
| Preferred and auction fees (Note 5)   | \$ 44     |
| Total cost of leverage  | \$ 44     |
| Professional services:  |           |
| Investment Advisor (Note 3)   | \$ 550    |
| Legal (Note 9)  | 472       |
| Custodian and transfer agent  | 144       |
| Audit   | 31        |
| Total professional services   | \$ 1,197  |
| Administrative:   |           |
| General administrative (Note 8)   | \$ 276    |
| Directors   | 89        |
| Insurance   | 69        |
| Rating Agency   | 26        |
| Shareholder communications  | 23        |
| Shareholder meeting   | 18        |
| Miscellaneous   | 15        |
| Total administrative  | \$ 516    |
| Total expenses  | \$ 1,757  |
| Net investment income   | \$ 11,006 |
| <b>Realized and Unrealized Gain (Loss) on Investment Activities:</b>                    |           |
| Realized gain on investments and currencies,<br>net                                     | \$ 1,021  |
| Change in net unrealized depreciation on<br>investments and other financial instruments | \$ 8,492  |
| Net gain on investments   | \$ 9,513  |
| <b>Cost of Preferred Leverage</b>   |           |
| Dividends to preferred stockholders<br>(Notes 4 and 6)                                  | \$ (70)   |
| Net increase in net assets resulting<br>from operations                                 | \$ 20,449 |

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

## The New America High Income Fund, Inc.

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

|   | <b>Six Months<br/>Ended<br/>June 30, 2012<br/>(Unaudited)</b> | <b>For the<br/>Year Ended<br/>December 31,<br/>2011</b> |
|---|---|---|
| <b>From Operations:</b>   |   |   |
| Net investment income   | \$ 11,006   | \$ 23,792   |
| Realized gain on investments and currencies, net  | 1,021   | 7,335   |
| Change in net unrealized depreciation on investments and other financial instruments  | 8,492   | (20,616)  |
| Distributions from net investment income related to preferred stock   |   |   |
| Dividends to preferred stockholders   | (70)  | (168)   |
| Net increase in net assets resulting from operations  | \$ 20,449   | \$ 10,343   |
| <b>From Fund Share Transactions:</b>  |   |   |
| Net asset value of 117,559 and 70,487 shares issued to common stockholders for reinvestment of dividends in 2012 and 2011                 | 1,185   | 709   |
| <b>Distributions to Common Stockholders:</b>  |   |   |
| From net investment income (\$.33 and \$1.04 per share in 2012 and 2011, respectively)  | \$ (7,553)  | \$ (24,020)   |
| Total net increase (decrease) in net assets   | \$ 14,081   | \$ (12,968)   |
| <b>Net Assets Applicable to Common Stock:</b>   |   |   |
| Beginning of period   | \$ 221,656  | \$ 234,624  |
| End of period (Including \$4,531 and \$1,188 of undistributed net investment income at June 30, 2012 and December 31, 2011, respectively) | \$ 235,737  | \$ 221,656  |

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

## The New America High Income Fund, Inc.

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

|  | <b>For the<br/>Six Months<br/>Ended<br/>June 30, 2012<br/>(Unaudited)</b> | <b>2011</b> | <b>For the Years Ended December 31,</b> |             |         | <b>2007</b> |
|--|---|-------------|---|-------------|---------|-------------|
|  |   | <b>2010</b> | <b>2009</b>                             | <b>2008</b> |         |             |
| <b>NET ASSET VALUE:</b>  |   |             |   |             |         |             |
| Beginning of period  | \$ 9.58   | \$ 10.17    | \$ 9.44                                 | \$ 5.75     | \$ 9.70 | \$ 10.95    |
| NET INVESTMENT INCOME  | .49   | 1.03        | 1.06                                    | 1.06        | 1.10    | 1.25#       |
| NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND OTHER FINANCIAL INSTRUMENTS | .41   | (.57)       | .73                                     | 3.65        | (4.00)  | (1.00)#     |
| DISTRIBUTIONS FROM NET INVESTMENT INCOME RELATED TO PREFERRED STOCK:                   |   |             |   |             |         |             |
| (c) TOTAL FROM INVESTMENT OPERATIONS   | (.01)   | (.01)       | (.03)                                   | (.12)       | (.20)   | (.25)       |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS:  |   |             |   |             |         |             |
| From net investment income   | .89   | .45         | 1.76                                    | 4.59        | (3.10)  |             |
| TOTAL DISTRIBUTIONS  | (.33)   | (1.04)      | (1.03)                                  | (.90)       | (.85)   | (1.05)      |
| TOTAL DISTRIBUTIONS  | (.33)   | (1.04)      | (1.03)                                  | (.90)       | (.85)   | (1.05)      |

|  |          |          |          |         |          |          |       |
|--|----------|----------|----------|---------|----------|----------|-------|
| Effect of rights offering and related expenses; and Auction Term Preferred Stock offering costs and sales load |          |          |          |         |          |          | (.20) |
| <b>NET ASSET VALUE:</b>  |          |          |          |         |          |          |       |
| End of period  | \$ 10.14 | \$ 9.58  | \$ 10.17 | \$ 9.44 | \$ 5.75  | \$ 9.70  |       |
| <b>PER SHARE MARKET VALUE:</b>   |          |          |          |         |          |          |       |
| End of period  | \$ 10.25 | \$ 10.21 | \$ 9.96  | \$ 9.05 | \$ 4.50  | \$ 8.55  |       |
| <b>TOTAL INVESTMENT RETURN†</b>  |          |          |          |         |          |          |       |
|  | 3.64%    | 13.61%   | 22.02%   | 126.88% | (40.53)% | (16.34)% |       |

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

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

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

## The New America High Income Fund, Inc.

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

|  | <b>For the<br/>Six Months<br/>Ended<br/>June 30, 2012<br/>(Unaudited)</b> | <b>2011</b> | <b>For the Years Ended December 31,</b> |             |             | <b>2007</b> |
|--|---|-------------|---|-------------|-------------|-------------|
|  |   |             | <b>2010</b>                             | <b>2009</b> | <b>2008</b> |             |
| NET ASSETS, END OF PERIOD, APPLICABLE TO COMMON STOCK                    |   |             |   |             |             |             |
| (a)  | \$ 235,737  | \$ 221,656  | \$ 234,624                              | \$ 217,224  | \$ 132,539  | \$ 223,822  |
| NET ASSETS, END OF PERIOD, APPLICABLE TO PREFERRED STOCK                 |   |             |   |             |             |             |
| (a)  | \$ 85,425   | \$ 85,425   | \$ 85,425                               | \$ 85,425   | \$ 85,425   | \$ 130,000  |
| TOTAL NET ASSETS APPLICABLE TO COMMON AND PREFERRED STOCK, END OF PERIOD |   |             |   |             |             |             |
| (a)  | \$ 321,162  | \$ 307,081  | \$ 320,049                              | \$ 302,649  | \$ 217,964  | \$ 353,822  |
| EXPENSE RATIOS:  |   |             |   |             |             |             |
| Ratio of preferred and   | .04%**  | .04%        | .05%                                    | .04%        | .15%        | .15%        |

|   |         |        |        |        |        |        |
|---|---------|--------|--------|--------|--------|--------|
| other<br>leverage<br>expenses<br>to<br>average<br>net<br>assets*  |         |        |        |        |        |        |
| Ratio<br>of<br>operating<br>expenses<br>to<br>average<br>net<br>assets*   | 1.46%** | 1.42%  | 1.92%  | 1.55%  | 1.30%  | 1.19%  |
| RATIO<br>OF<br>TOTAL<br>EXPENSES<br>TO<br>AVERAGE<br>NET<br>ASSETS*   | 1.50%** | 1.46%  | 1.97%  | 1.59%  | 1.45%  | 1.34%  |
| RATIO<br>OF<br>NET<br>INVESTMENT<br>INCOME<br>TO<br>AVERAGE<br>NET<br>ASSETS*   | 9.42%** | 10.10% | 10.66% | 13.59% | 13.13% | 11.66% |
| RATIO<br>OF<br>TOTAL<br>EXPENSES<br>TO<br>AVERAGE<br>NET<br>ASSETS<br>APPLICABLE<br>TO<br>COMMON<br>AND<br>PREFERRED<br>STOCK | 1.10%** | 1.07%  | 1.43%  | 1.07%  | .92%   | .84%   |
| RATIO<br>OF<br>NET<br>INVESTMENT<br>INCOME  | 6.91%** | 7.41%  | 7.76%  | 9.20%  | 8.31%  | 7.28%  |

|  |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|
| TO<br>AVERAGE<br>NET<br>ASSETS<br>APPLICABLE<br>TO<br>COMMON<br>AND<br>PREFERRED<br>STOCK<br>PORTFOLIO<br>TURNOVER<br>RATE | 32.11% | 58.91% | 79.02% | 81.05% | 57.08% | 67.25% |
|--|--------|--------|--------|--------|--------|--------|

(a) Dollars in thousands.

(b) The per share data for 2007 and 2008 has been adjusted to reflect a 1 for 5 reverse stock split in 2009.

(c) In 2010, dividends to preferred stockholders included a supplemental dividend as explained in Note 6.

\* 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

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

## The New America High Income Fund, Inc.

**Information Regarding  
Senior Securities**

| June 30,<br>2012<br>(Unaudited)            | 2011          | 2010          | As of December 31, |               | 2008          | 2007           |
|--|---------------|---------------|--------------------|---------------|---------------|----------------|
| <b>TOTAL AMOUNT OUTSTANDING:</b>           |               |               |                    |               |               |                |
| Preferred Stock                            | \$ 85,425,000 | \$ 85,425,000 | \$ 85,425,000      | \$ 85,425,000 | \$ 85,425,000 | \$ 130,000,000 |
| <b>ASSET COVERAGE:</b>                     |               |               |                    |               |               |                |
| Per Preferred Stock Share                  |               |               |                    |               |               |                |
| (1) \$                                     | 93,989        | \$ 89,869     | \$ 93,664          | \$ 88,572     | \$ 63,788     | \$ 68,043      |
| <b>INVOLUNTARY LIQUIDATION PREFERENCE:</b> |               |               |                    |               |               |                |
| Per Preferred Stock Share                  |               |               |                    |               |               |                |
| (2) \$                                     | 25,000        | \$ 25,000     | \$ 25,000          | \$ 25,000     | \$ 25,000     | \$ 25,000      |
| <b>LIQUIDATION VALUE:</b>                  |               |               |                    |               |               |                |
| Per Preferred Stock Share                  |               |               |                    |               |               |                |
| (2) \$                                     | 25,000        | \$ 25,000     | \$ 25,000          | \$ 25,000     | \$ 25,000     | \$ 25,000      |

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

(2) Plus accumulated and unpaid dividends.

(3) In January 2008, the Fund repurchased 600 shares of preferred stock at a price of \$25,000 per share. In October 2008, the Fund accepted an unsolicited offer to buy back and retire 1,183 shares of preferred stock at a price of \$16,250 per share. The Fund realized a gain of \$10,351,000 on this transaction. See Note 4 to the Financial Statements.

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







The New America High Income Fund, Inc.

**Notes to Financial Statements**  
**June 30, 2012 (Unaudited)**

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

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

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

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

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

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

(a) *Valuation of Investments* Investments for which market quotations are readily available are stated at market value, which is determined by using the most recently quoted bid price provided by an independent pricing service or principal market maker. Independent pricing services provide market quotations based primarily on quotations from dealers and brokers, market transactions, accessing data from quotations services, offering sheets obtained from dealers and various relationships between securities. Investments whose primary market is on an exchange are valued at the last sale price on the day of valuation. Short-term investments with original maturities of 60 days or less are stated at amortized cost, which approximates market value. Following procedures approved by the Board of Directors, investments for which market quotations are not readily available (primarily fixed-income corporate bonds and notes) are stated at fair value on the basis of subjective valuations furnished by securities dealers and brokers. Other investments, for which market quotations are not readily available with a cost of \$0 and a value of \$0, are

valued in good faith at fair market value using methods determined by the Board of Directors. Fair value measurement is further discussed in section (f) of this footnote.

(b) *Foreign Currency* Investment securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U. S. dollar amounts on the respective dates of such transactions.

The Fund does not isolate that portion of the results of operations resulting from changes in foreign

The New America High Income Fund, Inc.

**Notes to Financial Statements Continued**  
**June 30, 2012 (Unaudited)**

exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss from investments.

Reported net realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transaction, and the difference between the amounts of dividends, interest and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the fair values of assets and liabilities, other than investments in securities at fiscal period end, resulting from changes in exchange rates.

(c) *Foreign Currency Forward Exchange Contracts* The Fund may enter into foreign currency forward exchange contracts primarily to hedge against foreign currency exchange rate risks on its non-U.S. dollar denominated investment securities. When entering into a forward currency contract, the Fund agrees to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. The Fund's net equity therein, representing unrealized gain or loss on the contracts as measured by the difference between the forward foreign exchange rates at the dates of entry into the contracts and the forward rates at the reporting date, is included in the statement of assets and liabilities. Realized and unrealized gains and losses are included in the statement of operations. These instruments involve market risk, credit risk or both kinds of risks, in excess of the amount recognized in the statement of assets and liabilities. Risks arise from the possible inability of counterparties to meet the terms of their contracts and from movement in currency and securities values and interest rates.

(d) *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 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.

(e) *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.

(f) *Fair Value Measurement* The Fund applies ASC 820 "Fair Value Measurements and Disclosures". This standard establishes the definition of fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurements.

The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.

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

The New America High Income Fund, Inc.

**Notes to Financial Statements    Continued**  
**June 30, 2012 (Unaudited)**

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

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

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

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

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

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

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

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

Forwards are valued at the unrealized gain or loss on the contract as measured by the difference between the forward exchange rates at the date of entry into the contract and the forward rates at the reporting date. Forwards are categorized in level 2 of the fair value hierarchy.

The following is a summary of the inputs used as of June 30, 2012 in valuing the Fund's investments:

|                                 | <b>Level 1<br/>Quoted<br/>Prices<br/><br/>(000's)</b> | <b>Level 2<br/>Significant<br/>Observable<br/>Inputs<br/>(000's)</b> | <b>Level 3<br/>Significant<br/>Unobservable<br/>Inputs<br/>(000's)</b> | <b>Total Value<br/><br/>(000's)</b> |
|---------------------------------|---|--|--|-------------------------------------|
| <b>Investments</b>              |   |  |  |                                     |
| Debt Securities*                | \$  | \$ 296,607   | \$   | \$ 296,607                          |
| Preferred Stock                 |   |  |  |                                     |
| Automobile                      | 709   |  |  | 709                                 |
| Broadcasting and Entertainment  |   | 297  |  | 297                                 |
| Containers, Packaging and Glass |   |  |  |                                     |
| Electronics                     | 1,806   |  |  | 1,806                               |
| Finance                         | 952   | 1,002  |  | 1,954                               |
| Utilities                       | 112   |  |  | 112                                 |



## The New America High Income Fund, Inc.

**Notes to Financial Statements**    **Continued**  
**June 30, 2012 (Unaudited)**

|  | <b>Level 1<br/>Quoted<br/>Prices</b> | <b>Level 2<br/>Significant<br/>Observable<br/>Inputs</b> | <b>Level 3<br/>Significant<br/>Unobservable<br/>Inputs</b> | <b>Total Value</b> |
|--|--------------------------------------|--|--|--------------------|
|  | <b>(000's)</b>                       | <b>(000's)</b>   | <b>(000's)</b>   | <b>(000's)</b>     |
| Common Stock                                 |                                      |  |  |                    |
| Ameristar<br>Casinos                         | \$ 272                               | \$   | \$   | \$ 272             |
| Short-Term<br>Investments                    |                                      | 17,032   |  | 17,032             |
| <b>Total<br/>Investments</b>                 | <b>\$ 3,851</b>                      | <b>\$ 314,938</b>  | <b>\$</b>  | <b>\$ 318,789</b>  |
| Forward<br>Currency<br>Exchange<br>Contracts | \$                                   | \$ (101)   | \$   | \$ (101)           |

\* Debt Securities    All are level 2. Type of debt and industries are shown on the Schedule of Investments.

The Fund owns one Level 3 security with a value of zero at June 30, 2012. The Valuation Committee at the Fund's investment Advisor, T. Rowe Price, confirmed that there has been no company-specific news or filings to indicate that the current valuation of zero should be changed. The techniques used to arrive at this valuation have taken into account litigation involving the security with no settlement expected for the foreseeable future. The security is not trading and there is no guarantee that holders will receive any distribution. The security will continue to be valued at zero until trading commences, the occurrence of company-specific or industry events, or other market factors suggest the value should be changed.

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

|  | <b>Equity<br/>Securities</b> |
|--|------------------------------|
| Balance, December 31, 2011                       | \$ 0                         |
| Net purchases (sales)                            | (126)                        |
| Change in unrealized appreciation (depreciation) | 0                            |
| Realized gain (loss)                             | (36)                         |
| Transfers to Level 3 from Level 2                | 162                          |
| Balance, June 30, 2012                           | \$                           |

Level 1 and Level 2 assets are evaluated on a quarterly basis for changes in listings or delistings on national exchanges.

Transfers between levels are recognized at the value at the end of the reporting period. During the six months ended June 30, 2012, the Fund recognized approximately \$1,806,000 of transfers to Level 1 from Level 2.

## (2) Tax Matters and Distributions

At June 30, 2012, the total cost of securities (including temporary cash investments) for federal income tax purposes was approximately \$310,134,000. Aggregate gross unrealized gain on securities in which there was an excess of value over tax cost was approximately \$13,303,000. Aggregate gross unrealized loss on securities in which there was an excess of tax cost over value was approximately \$4,648,000. Net unrealized gain on investments for tax purposes at June 30, 2012 was approximately \$8,655,000.

At December 31, 2011, the Fund had approximate capital loss carryovers available to offset future capital gains, if any, to the extent provided by regulations:

| <b>Carryover Available</b> | <b>Expiration Date</b> |
|----------------------------|------------------------|
| \$ 125,000                 | December 31, 2012      |
| 954,000                    | December 31, 2013      |
| 1,481,000                  | December 31, 2014      |
| 15,500,000                 | December 31, 2016      |
| 26,830,000                 | December 31, 2017      |
| \$ 44,890,000              |                        |

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 \$24,188,000 and \$24,216,000 in 2011 and 2010, respectively, was from ordinary income.

## The New America High Income Fund, Inc.

**Notes to Financial Statements    Continued**  
**June 30, 2012 (Unaudited)**

As of December 31, 2011, the components of distributable earnings on a tax basis were approximately:

|                               |                 |
|-------------------------------|-----------------|
| Undistributed Ordinary income | \$ 611,000      |
| Unrealized Gain               | 260,000         |
| Post-October Losses           | (566,000)       |
| Preferred Dividend Payable    | (7,000)         |
| Capital Losses Carry Forward  | (44,890,000)    |
|                               | \$ (44,592,000) |

The difference between components of distributable earnings on a tax basis and the amounts reflected in the Statement of Assets and Liabilities are primarily due to market discount adjustments, deductibility of preferred stock dividends, expiration of capital loss carryforwards, wash sales and post-October losses. The Fund has recorded several reclassifications in the capital accounts to present undistributed net investment income and accumulated net realized losses on a tax basis. These reclassifications have no impact on the net asset value of the Fund. For the year ended December 31, 2011, permanent differences between book and tax accounting have been reclassified as follows:

Increase (decrease) in:

|  |              |
|--|--------------|
| Undistributed net investment income                        | \$ 666,000   |
| Accumulated net realized loss from securities transactions | \$ (524,000) |
| Capital in excess of par value                             | \$ (142,000) |

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

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

The Fund recognizes the tax benefits of uncertain tax positions only where the position is "more likely than not" to be sustained assuming examination by tax authorities. Management has analyzed the Fund's tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for open tax years 2008-2010, or expected to be taken in the Fund's 2011 tax returns. The Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next twelve months.

**(3) Investment Advisory Agreement**

T. Rowe Price Associates, Inc. (T. Rowe Price), the Fund's Investment Advisor, earned approximately \$550,000 in management fees during the six months ended June 30, 2012. 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, 2012, the fee payable to T. Rowe Price was approximately \$90,000, which was included in accrued expenses on the accompanying statement of assets and liabilities.

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

The Fund had 3,417 shares of ATP issued and outstanding at June 30, 2012. The ATP's dividends are cumulative at a rate designed to be determined using an auction process, the terms of which are set forth in the Fund's charter. Dividend periods will typically be 28 days unless notice is given for periods to be longer or shorter than 28 days. If, as has been the case since

The New America High Income Fund, Inc.

**Notes to Financial Statements Continued**  
**June 30, 2012 (Unaudited)**

February 2008, the auction process does not yield a rate based on orders submitted, then the ATP dividend rate is set using formulas based on a specified percentage of the 30-day AA composite commercial paper rate, which was 150% of such rate for each series' most recent dividend period. Dividend rates ranged from .045% .497% for the six months ended June 30, 2012. The weighted average dividend rate on June 30, 2012 was .215%.

On July 12, 2012, Moody's Investors Service ("Moody's"), one of two nationally recognized statistical rating organizations (an "NRSO") currently rating the Auction Term Preferred Stock ("ATP") of The New America High Income Fund, Inc. (the "Fund"), announced that it has downgraded the ATP from Aaa to Aa3. This action occurred following a review by Moody's of its ratings of the securities of all closed-end registered investment companies, which was undertaken in conjunction with the adoption of changes to the methodology Moody's uses to rate securities issued by closed-end funds. The Fund's ATP continues to have a credit rating in the highest rating category from Fitch Ratings, which affirmed its rating on March 1, 2012.

Under the terms of the ATP, the Fund is required to maintain a rating in the highest category from two NRSOs. From the date of the downgrade until the ATP is redeemed, the dividend rate for the ATP has been increased to 300% of the 30-day AA composite commercial paper rate. Since July 12, 2012 through the date of this report, dividend rates have ranged from .300% .453%.

The ATP is redeemable, at the option of the Fund, or subject to mandatory redemption (if the Fund is in default of certain coverage and ATP ratings requirements) at a redemption price equal to \$25,000 per share plus accumulated and unpaid dividends. In response to the action by Moody's, it is anticipated the Fund will redeem all outstanding shares of ATP at their liquidation preference (par value) of \$25,000 per share plus accumulated but unpaid dividends within 120 days of the downgrade, as provided by the terms of the ATP. Fund management is reviewing alternative financing available to the Fund to replace the ATP.

None of the ATP auctions successfully closed during the period and the approximate market value of the ATP is not determinable at June 30, 2012. The Fund is required to maintain certain asset coverages with respect to the ATP under the Fund's Charter and the 1940 Act to maintain the Fund's Aaa/AAA ratings by Moody's Investors Service and Fitch, Inc., respectively. At June 30, 2012, the Fund was in compliance with these asset coverage requirements.

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

Deutsche Bank (DB) serves as the ATP's auction agent pursuant to an agreement entered into on January 4, 1994 with Bankers Trust Company (BTC). BTC was later acquired by DB. The term of the agreement is unlimited and may be terminated by either party. DB 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 DB as auction agent at any time.

After each auction, DB will pay to each broker-dealer, from funds provided by the Fund, a maximum service charge at the annual rate of 0.25 of 1% or such other percentage subsequently agreed to by the Fund and

the broker-dealers, of the purchase price of shares placed by such broker-dealers at such auction. In the event an auction scheduled to occur on an auction date fails to occur for any reason, the broker-dealers will be entitled to service charges as if the auction had occurred and all holders of shares placed by them had submitted valid hold orders. The Fund incurred approximately \$44,000 for service charges for the six months ended June 30, 2012. This amount is included under the caption preferred and auction fees in the accompanying statement of operations.

## The New America High Income Fund, Inc.

**Notes to Financial Statements    Continued**  
**June 30, 2012 (Unaudited)**

The Fund is currently not paying a service charge on series A, B and C ATP because the broker-dealer is not participating in the auctions. A service charge of .15% is being paid on series D.

**(6) Supplemental Dividend for Series A, B and C ATP**

The Fund's Board of Directors determined in October 2010 that it would be appropriate to adjust the dividends payable to holders of each of the Fund's Series A, B and C Auction Term Preferred Stock (ATP) beginning with the dividend period starting on September 23, 2008 (or for each Series with no dividend period beginning on September 23, 2008, that Series' dividend period next commencing after September 23, 2008) and ending with the dividend period concluding on November 16, 2010 (or for each Series with no dividend period concluding on November 16, 2010, that Series' dividend period concluding most immediately before November 16, 2010), using a formula more favorable than the one that applied during those dividend periods. (The span of such dividend periods for each Series is referred to as its "Supplemental Dividend Period.") This more favorable formula is referred to in the Fund's charter documents as the "Maximum Applicable Rate" and is equal to 150% of the 30-day AA composite commercial paper rate during a dividend period. Dividend rates during each series' Supplemental Dividend Period had previously been determined using a formula referred to in the Fund's charter documents as the "Minimum Applicable Rate," which is equal to 80% of the 30-day AA composite commercial paper rate during the dividend period. The Directors approved a supplemental dividend for each holder of Series A, B or C ATP that represents the difference between the amount actually paid as dividends during the Supplemental Dividend Period for that series and the amount that would have been paid as dividends had the Maximum Applicable Rate been used in calculating the dividends during that series' Supplemental Dividend Period, plus interest on that amount. The aggregate supplemental dividend for all three series was approximately \$413,000, which was distributed on December 27, 2010. The Maximum Applicable Rate was used to determine the amount of all dividends payable on each series from the end of its Supplemental Dividend Period until July 12, 2012 when Moody's downgraded the ATP (see Note 4).

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

Purchases and proceeds of sales or maturities of long-term securities during the six months ended June 30, 2012 were approximately:

|                                 |                |
|---------------------------------|----------------|
| Cost of purchases               | \$ 99,555,000  |
| Proceeds of sales or maturities | \$ 112,394,000 |

**(8) Related Party Transactions**

The Fund paid approximately \$162,000 during the six months ended June 30, 2012 to two officers of the Fund for the provision of certain administrative services.

**(9) Legal Expenses**

For the years ended December 31, 2010, December 31, 2011 and the six months ended June 30, 2012, the Fund incurred legal expenses in the course of responding to inquiries from the staff of the SEC's Division of Enforcement (the "Staff") in connection with the Staff's investigation of matters relating to the Fund's ATP, which expenses were materially higher than the legal expenses incurred in comparable periods prior to 2010. The Fund has reached a settlement in principle with the Staff with respect to these matters, and accordingly does not anticipate incurring comparable amounts of related legal expenses in future periods. The settlement remains subject to the approval of the SEC. The failure to obtain such approval could result in the Fund continuing to incur additional related legal expenses.



## The New America High Income Fund, Inc.

**Notes to Financial Statements Continued**  
**June 30, 2012 (Unaudited)****(10) Derivative Contracts** (Currency Amounts in Thousands)

**Forward Currency Exchange Contracts** As of June 30, 2012 the Fund had forward currency exchange contracts outstanding as follows:

| Counterparty  | Settlement Date | Receive   | Deliver   | Unrealized Appreciation (Depreciation) |
|---|-----------------|-----------|-----------|--|
| State Street Bank   | 7/11/12         | GBP 5     | USD 8     | \$                                     |
| State Street Bank   | 7/11/12         | GBP 3     | USD 5     |  |
| State Street Bank   | 7/11/12         | GBP 4     | USD 6     |  |
| Deutsche Bank   | 7/11/12         | GBP 118   | USD 185   | (1)                                    |
| State Street Bank   | 7/11/12         | USD 472   | GBP 296   | 9                                      |
| State Street Bank   | 7/11/12         | USD 10    | GBP 6     |  |
| Goldman Sachs   | 9/10/12         | USD 8,856 | EUR 7,089 | (121)                                  |
| State Street Bank   | 9/10/12         | USD 64    | EUR 51    |  |
| State Street Bank   | 9/10/12         | USD 61    | EUR 48    | (1)                                    |
| State Street Bank   | 9/10/12         | USD 91    | EUR 72    |  |
| Deutsche Bank   | 9/10/12         | EUR 410   | USD 514   | 5                                      |
| State Street Bank   | 9/10/12         | EUR 261   | USD 330   |  |
| State Street Bank   | 9/10/12         | EUR 46    | USD 58    |  |
| Deutsche Bank   | 9/10/12         | EUR 606   | USD 762   | 6                                      |
| Deutsche Bank   | 9/10/12         | EUR 175   | USD 220   | 2                                      |
| State Street Bank   | 9/10/12         | EUR 75    | USD 95    |  |
| <b>Net unrealized gain (loss) on open forward currency exchange contracts</b> |                 |           |           | <b>\$ (101)</b>                        |

**Fair Value of Derivative Instruments** The fair value of derivative instruments as of June 30, 2012 was as follows:

**Asset Derivatives**  
**June 30, 2012**

|                            | <b>Statement of Assets<br/>and Liabilities Location</b>                      | <b>Fair<br/>Value</b> |
|----------------------------|--|-----------------------|
| Forward currency contracts | Unrealized loss<br>on currency and<br>forward currency<br>exchange contracts | \$ (101)              |

The effect of derivative instruments that are included on the Statement of Operations for the six months ended June 30, 2012 was as follows:

**Amount of Realized Gain on Derivatives**

|                            | Realized gain on<br>investments and<br>currencies, net |
|----------------------------|--|
| Forward currency contracts | \$ 626   |

**Change in Unrealized Appreciation on Derivatives**

|                            | Change in<br>net unrealized<br>depreciation on<br>investments and other<br>financial instruments |
|----------------------------|--|
| Forward currency contracts | \$ (410)   |

The New America High Income Fund, Inc.

**Notes to Financial Statements   Continued**  
**June 30, 2012 (Unaudited)**

**(11) Subsequent Events**

The Fund has evaluated the need for additional disclosures and/or adjustments resulting from subsequent events through the date the financial statements were issued. Based on this evaluation, no adjustments were required to the financial statements as of June 30, 2012.



The New America High Income Fund, Inc.

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

**Availability of Portfolio Holdings**

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

**Compliance Certifications**

On November 14, 2011, 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 redeem and/or purchase its ATP as provided in the Fund's governing documents, as agreed upon by the Fund and sellers or as otherwise permitted. The Fund may effect such redemptions and/or purchases when it deems advisable.

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 advisable. 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  
Bernard J. Korman  
Ernest E. Monrad  
Marguerite A. Piret

**Officers**

Robert F. Birch President  
Ellen E. Terry Vice President, Treasurer, 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 Corporation  
One Lincoln Street  
Boston, MA 02111

**Transfer Agent**

American Stock Transfer & Trust Company  
59 Maiden Lane  
New York, NY 10038  
(800) 937-5449  
Web site: [www.amstock.com](http://www.amstock.com)

**Auction Agent**

Deutsche Bank Trust Company Americas  
P.O. Box 305050  
Nashville, TN 37230

Listed: NYSE

Symbol: HYB

Web site: [www.newamerica-hyb.com](http://www.newamerica-hyb.com)

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

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

**Semi-Annual**

**Report**

**June 30, 2012**

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

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

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

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

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

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

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

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

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

ITEM 11. CONTROLS AND PROCEDURES.

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

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

ITEM 12. EXHIBITS.

- (a)(1) Not Applicable.
- (a)(2) The certifications required by Rule 30a-2(a) under the 1940 Act.
- (a)(3) Not Applicable.
- (b) The certifications required by Rule 30a-2(b) under the 1940 Act.

SIGNATURES

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

The New America High Income Fund, Inc.

By: /s/ Robert F. Birch  
Name: Robert F. Birch  
Title: President and Director  
Date: September 4, 2012

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

By: /s/ Robert F. Birch  
Name: Robert F. Birch  
Title: President  
Date: September 4, 2012

By: /s/ Ellen E. Terry  
Name: Ellen E. Terry  
Title: Treasurer  
Date: September 4, 2012