

NEW AMERICA HIGH INCOME FUND INC
Form N-CSRS
August 25, 2006

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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 end: 12/31

Date of reporting period: 1/1/06 - 6/30/06

Item 1 Report to Shareholders

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August 4, 2006

Dear Fellow Shareholders,

We are pleased to present to our shareholders the semi-annual report for the period ending June 30, 2006. The first half of 2006 has been relatively uneventful.

The market price of the Fund's shares increased from \$2.03 to \$2.15 during the six month period. Annualizing the monthly dividend during the period of \$.0175 at the New York Stock Exchange ("NYSE") closing market price of \$2.15 on June 30th would produce a dividend yield of 9.77%. Based upon the Fund's market price and dividends earned for the six month period, the Fund's shares earned a total return of 10.28%. The Credit Suisse High Yield Index had a total return of 3.49% for the six months ended June 30th.

The Fund's monthly dividend was unchanged at \$.0175 per share. The regular monthly dividend has continued unchanged for forty one months. Of course, future portfolio results and market conditions will determine the actual dividend paid. As our long-time shareholders know, the Fund has paid a special dividend in lieu of a regular monthly dividend in January for a number of years. Our policy in the past and currently is to pay dividends derived solely from the income earned by the portfolio during the year.

The Fund's net asset value (the "NAV") declined from \$2.13 at the beginning of the year to \$2.11 on June 30. Based upon the Fund's NAV and the dividends earned during the six month period, the Fund's total return was 3.17%, slightly behind the Credit Suisse High Yield Index total return of 3.49% for the period.

As of August 4, 2006, the Fund's closing stock price on the NYSE was \$2.20, which represented a 4.2% premium to the NAV of \$2.11.

The Fund's use of leverage, in the form of Auction Term Preferred Stock (the "ATP"), is a key part of its strategy. In normal market conditions, leverage enables the Fund to pay a higher common stock dividend than it would otherwise be able to pay because the dividends paid to the ATP shareholder are lower than the income earned on the high yield bonds purchased with the funds derived from the issuance of the ATP. The ATP dividend is set in an auction process each month and generally floats around one month LIBOR (the London Interbank Offered Rate), a widely used money market reference rate. The difference between the ATP dividend and the earnings on the high yield portfolio varies with changes in market conditions. In the first six months of the year, the dividend paid on the ATP has increased from 4.25% to 5.20%. Fortunately, the Fund has been largely shielded from this increase in ATP dividend expense by an interest rate swap that Fund management entered into in November 2004 in anticipation of higher interest rates. Under the terms of the interest rate swap agreement, the Fund pays 3.775% on a notional amount equal to the amount of the ATP outstanding and receives a floating rate of one month LIBOR. To the extent LIBOR exceeds 3.775%, as it did during the period, the Fund receives the difference, which can be used to offset increases in the ATP dividend. If LIBOR is less than 3.775%, the Fund pays the difference to the swap counterparty. The swap agreement expires in November 2009.

Approximately 23% of taxable income is derived from the successful use of leverage and the interest rate swap. As of June 30, the Fund had total net assets of approximately \$330 million of which \$130 million are assets applicable to the Fund's ATP and the remainder are assets applicable to the Fund's common stock.

The ATP has a AAA rating by Moody's Investor Services, Inc. and Fitch, Inc. (the "Rating Agencies"). In order to maintain these ratings, the Fund must adhere to very strict quality and diversification guidelines, among other restrictions. As noted above, in favorable conditions, leverage enables the Fund to pay a higher common stock dividend. Leverage also magnifies the volatility of the NAV. In a strong high yield market, the Fund's NAV may increase more than it would if the Fund had no leverage. However, in poor market conditions, the Fund's NAV may decline more than the high yield market due to the leverage. In such an environment, the Fund may have to reduce its leverage and perhaps the common stock dividend as well in order to maintain compliance with the Rating Agencies' requirements.

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Total Returns for the Periods Ending June 30, 2006

| | 1 Year | 3 Years Cumulative |
|---|---------|--------------------|
| New America High Income Fund | | |
| (Stock Price and Dividends)* | 12.12% | 32.65% |
| New America High Income Fund | | |
| (NAV and Dividends) | 7.54% | 30.36% |
| Lipper Closed-End Fund Leveraged | | |
| High Yield Average | 5.46% | 40.52% |
| Credit Suisse High Yield Index | 5.02% | 29.21% |
| Citigroup 10 Year Treasury Index | (5.77)% | (0.30)% |

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

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

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

While the recent past has been a period of relative stability and satisfactory results, there is no guarantee we will continue to enjoy such a favorable market environment.

We wish to advise our shareholders that the Fund's Board of Directors and employees are independent of the Fund's investment adviser, T. Rowe Price Associates ("TRP"). None of the directors or employees receives any compensation from the investment adviser. TRP presents an update on the high yield market and its strategy below.

High Yield Market Update

As measured by the Credit Suisse High Yield Index (the "Index"), the high yield market posted a 3.49% gain for the first six months of 2006. After delivering a 3.0% return in the first quarter, results for the second quarter ended June 30, 2006 were closer to breakeven, with the asset class negatively impacted by higher interest rates and widening credit spreads. The first-quarter's momentum extended into April as the yield spread between the Index and US Treasury bonds reached a low point of 300 basis points. The yield spread between the Index and US Treasuries is a measure of the compensation investors require to accept the credit risk and illiquidity of high yield bonds. In May and June, however, investors began to grow increasingly concerned that higher interest rates would eventually begin to slow the U.S. economy. This caused spreads for below-investment grade bonds to readjust to 355 basis points on average by quarter-end. In spite of these negative developments, performance for the high yield market was respectable relative to other volatile, high risk asset classes such as emerging markets bonds and small cap stocks.

Lower quality bonds in our universe continued to outpace higher rated securities, as market participants remained confident in near-term credit trends for the vast majority of high yield issuers. The supply of new issues picked up in the second quarter, although the volume was not sufficient to cover demand driven by coupon payments and bonds which have been matured, called or upgraded to investment grade. More volatile sectors like autos delivered positive returns, and very few companies in the high yield market ran into any serious financial problems. Year-to-date only four high yield issuers have defaulted on their bonds. Although there is no assurance, if this pace continues through year-end, the high yield market default rate may fall to 1% for all of 2006.

Strategy Update

Private equity activity brought what we viewed as a number of good opportunities for the portfolio during the second quarter. We added four major leveraged buyout (LBO) positions with the most significant new name being Nordic Telecom (TDC). TDC is the incumbent phone carrier in Denmark, and was taken private by a consortium of leading sponsors late last year. Its strong competitive position and high quality assets make it an attractive high

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yield investment in our opinion. Other deals we purchased include Nutro, a producer of high-end pet food; Education Management, an owner and operator of for-profit colleges and universities; and IPayment, a financial services company that provides credit card processing to small businesses.

While we continue to be encouraged by the health of our companies from a credit perspective, we have become more cautious about the asset class as a whole. For the last three years, we have run the portfolio with a significant overweighting in medium quality B-rated bonds. This part of the market has provided high current income as well as meaningful capital appreciation during the bull market cycle. BB-rated bonds, by contrast, have lagged significantly as interest rates have moved up, and today, the yield spread between BB-rated and B-rated bonds is at a historical low. In short, we feel investors are not being sufficiently compensated for taking added credit risk with lower quality bonds. We have therefore begun to incrementally rotate the portfolio into a larger allocation to BB-rated credits. One of the reasons we like many BB-rated bonds today is that the recent vintage of higher quality new deals has traded down five to ten percent in principal value, and they can be acquired at attractive discounts versus prices that prevailed just a few months ago.

Outlook

U.S. investors may spend the next several months pondering whether our economy will experience a hard or soft landing, caused by higher interest rates and energy prices. Recent economic data, particularly related to employment trends and the real estate market, indicate that some softness is already evident. Given how important the appreciation of housing values has been to U.S. consumers in this current expansion, the recent cooling in residential real estate is a cause for concern. We think it's still too early to sound the warnings about a recession or a sharp correction in the high yield market. In fact, a move to a more conservative strategy may be premature. However, our job is to manage the portfolio from a long-term perspective, and recognizing the bull market in high yield bonds will celebrate its fourth anniversary in September, a more sober approach seems prudent for the remainder of 2006.

Thank you for your continued interest in the Fund.

Sincerely,

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

Mark Vaselkiv
Vice President
T. Rowe Price Associates

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

Paul Karpers
Vice President
T. Rowe Price Associates

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

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The New America High Income Fund, Inc.

| Industry Summary June 30, 2006 (Unaudited) | As a Percent of Total Investments |
|--|--|
| Oil and Gas | 10.26% |
| Telecommunications | 8.91% |
| Broadcasting and Entertainment | 7.99% |
| Utilities | 7.92% |
| Hotels, Motels, Inns and Gaming | 6.01% |
| Automobile | 5.82% |
| Healthcare, Education, and Childcare | 5.55% |
| Printing and Publishing | 5.11% |
| Containers, Packaging and Glass | 4.71% |
| Mining, Steel, Iron and Non-Precious Metals | 4.31% |
| Electronics | 4.27% |
| Diversified/Conglomerate Service | 4.11% |
| Chemicals, Plastic and Rubber | 3.98% |
| Retail Stores | 2.82% |
| Beverage, Food and Tobacco | 2.33% |
| Aerospace and Defense | 2.32% |
| Building and Real Estate | 2.24% |
| Leisure, Amusement and Entertainment | 1.57% |
| Personal, Food and Miscellaneous Services | 1.49% |
| Ecological | 1.25% |
| Diversified/Conglomerate Manufacturing | 1.18% |
| Personal Non-Durable Consumer Products | 0.90% |
| Finance | 0.84% |
| Machinery | 0.77% |
| Furnishings, Housewares, Durable Consumer Products | 0.69% |
| Farming and Agriculture | 0.48% |
| Textiles and Leather | 0.29% |
| Grocery | 0.25% |
| Cargo Transport | 0.21% |
| Short-Term Investments | 1.42% |
| | 100.00% |
| Moody's Investors Service Ratings June 30, 2006 (Unaudited) | As a Percent of Total Investments |
| Short Term Prime-1 | 1.42% |
| Baa2 | 1.33% |
| Ba1 | 1.63% |
| Ba2 | 14.42% |
| Ba3 | 13.50% |
| Total Ba | 29.55% |
| B1 | 12.96% |
| B2 | 21.13% |
| B3 | 21.39% |
| Total B | 55.48% |
| Caa1 | 8.89% |
| Caa2 | 1.84% |
| Caa3 | 0.22% |

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| | |
|-------------------|---------|
| Total Caa | 10.95% |
| Ca | 0.03% |
| Unrated | 0.53% |
| Equity | 0.71% |
| Total Investments | 100.00% |

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The New America High Income Fund, Inc.

Schedule of Investments June 30, 2006 (Unaudited) Dollar Amounts in Thousands)

| Principal Amount/Units | | | Moody's Rating (Unaudited) | Value (Note 1) |
|--|-------|---|----------------------------|----------------|
| CORPORATE DEBT SECURITIES 156.59% (d) | | | | |
| Aerospace and Defense 3.72% | | | | |
| \$ | 850 | Aviall, Inc., Senior Notes, 7.625%, 07/01/11 | Ba3 | \$ 886 |
| | 1,100 | BE Aerospace, Inc., Senior Subordinated Notes, 8.875%, 05/01/11 | B3 | 1,139 |
| | 100 | Evergreen International Aviation, Inc., Senior Notes, 12%, 05/15/10 | Ca | 103 |
| | 1,625 | GenCorp Inc., Senior Subordinated Notes, 9.50%, 08/15/13 | Caa1 | 1,670 |
| | 875 | L3 Communications Corp., Senior Subordinated Notes, 6.375%, 10/15/15 | Ba3 | 833 |
| | 750 | Moog, Inc., Senior Subordinated Notes, 6.25%, 01/15/15 | Ba3 | 703 |
| | 600 | Sequa Corporation, Senior Notes, 9%, 08/01/09 | B1 | 631 |
| | 825 | TransDigm Inc., Senior Subordinated Notes, 7.75%, 07/15/14 (g) | B3 | 821 |
| | 725 | Vought Aircraft Industries, Inc., Senior Notes, 8%, 07/15/11 | B3 | 660 |
| | | | | 7,446 |
| Automobile 8.48% | | | | |
| | 800 | Accuride Corp., Senior Subordinated Notes, 8.50%, 02/01/15 | B3 | 772 |
| | 800 | ADESA, Inc., Senior Subordinated Notes, 7.625%, 06/15/12 | B1 | 782 |
| | 7,100 | Ford Motor Credit Company, Senior Notes, 7.375%, 10/28/09 | Ba2 | 6,585 |
| | 875 | General Motors Acceptance Corporation, Senior Notes, 5.625%, 05/15/09 | Ba1 | 836 |
| | 2,550 | General Motors Acceptance | Ba1 | 2,427 |

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| Principal Amount/Units | | Moody's Rating (Unaudited) | Value (Note 1) |
|-----------------------------------|---|----------------------------|----------------|
| | Corporation, Senior Notes, 6.875%, 08/28/12 | | |
| | General Motors Acceptance Corporation, Senior Notes, 7.75%, 01/19/10 | Ba1 | 1,754 |
| | 1,750 | | |
| | Goodyear Tire and Rubber Company, 7.857%, 08/15/11 | B3 | \$ 786 |
| \$ | 850 | | |
| | Hawk Corporation, Senior Notes, 8.75%, 11/01/14 | B2 | 500 |
| | 500 | | |
| | Insurance Auto Auctions, Inc., Senior Notes, 11%, 04/01/13 | Caa1 | 760 |
| | 775 | | |
| | Lear Corporation, Senior Notes, 8.11%, 05/15/09 | B3 | 1,406 |
| | 1,450 | | |
| | Tenneco Inc., Senior Subordinated Notes, 8.625%, 11/15/14 | B3 | 350 |
| | 350 | | |
| | | | 16,958 |
| Beverage, Food and Tobacco | 3.74% | | |
| | Agrilink Foods, Inc., Senior Subordinated Notes, 11.875%, 11/01/08 | B3 | 286 |
| | 281 | | |
| | B&G Foods, Inc., Senior Notes, 8%, 10/01/11 | B2 | 934 |
| | 925 | | |
| | Del Monte Corporation, Senior Subordinated Notes, 8.625%, 12/15/12 | B2 | 1,053 |
| | 1,025 | | |
| | Dole Food Company, Inc., Senior Notes 8.625%, 05/01/09 | B3 | 476 |
| | 500 | | |
| | Dole Food Company, Inc., Senior Notes 8.875%, 03/15/11 | B3 | 769 |
| | 825 | | |
| | Le-Nature's, Inc., Senior Subordinated Notes, 10.00%, 06/15/13 (g) | B3 | 735 |
| | 700 | | |
| | NPI Merger Corporation, Senior Notes, 9.23% 10/15/13 (g) | B3 | 433 |
| | 425 | | |
| | NPI Merger Corporation, Senior Subordinated Notes, 10.75%, 04/15/14 (g) | Caa1 | 797 |
| | 775 | | |
| | 400 | B3 | 416 |

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| | | | |
|-------|--|-----|-------|
| | Pierre Foods, Inc., Senior Subordinated Notes, 9.875%, 07/15/12 | | |
| | Reynolds American, Inc., Senior Notes, 7.25%, 06/01/13 (g) | Ba2 | 1,029 |
| 1,050 | | | |
| | Wornick Company, Senior Secured Notes, 10.875%, 07/15/11 | B2 | 553 |
| 550 | | | |
| | | | 7,481 |

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

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The New America High Income Fund, Inc.

Schedule of Investments June 30, 2006 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units | | Moody's Rating (Unaudited) | Value (Note 1) |
|--|-------|--|----------------|
| CORPORATE DEBT SECURITIES continued | | | |
| Broadcasting and Entertainment 12.57% | | | |
| \$ | 1,650 | Allbritton Communications Company, Senior Subordinated Notes, 7.75%, 12/15/12 B3 | \$ 1,625 |
| | 1,350 | AMC Entertainment, Inc., Senior Notes, 11%, 02/01/16 B3 | 1,445 |
| | 800 | AMC Entertainment, Inc., Senior Subordinated Notes, 8%, 03/01/14 B3 | 734 |
| | 2,375 | Charter Communications Operating, LLC, Senior Secured Notes, 8%, 04/30/12 (g) B2 | 2,357 |
| | 250 | Cinemark, Inc., Senior Discount Notes, 9.75%, 03/15/14 (b)(g) Caa1 | 194 |
| | 2,125 | Cinemark, Inc., Senior Discount Notes, 9.75%, 03/15/14 (b) Caa1 | 1,652 |
| | 775 | Cinemark USA, Inc., Senior Subordinated Notes, 9%, 02/01/13 B3 | 814 |
| | 1,425 | CSC Holdings, Inc., Senior Notes, 7.25%, 07/15/08 B2 | 1,429 |
| | 850 | DirectTV Holdings, LLC, Senior Notes, 6.375%, 06/15/15 Ba2 | 786 |
| | 228 | DirectTV Holdings, LLC, Senior Notes, 8.375%, 03/15/13 Ba2 | 239 |
| | 500 | EchoStar DBS Corporation, Senior Notes, 6.625%, 10/01/14 Ba3 | 469 |
| | 225 | Fisher Communications, Inc., Senior Notes, 8.625%, 09/15/14 B2 | 234 |
| | 850 | Gray Television, Inc., Senior Subordinated Notes, 9.25%, 12/15/11 Ba3 | 884 |
| | 375 | Insight Midwest, L.P., Senior Notes, 9.75%, 10/01/09 B2 | 383 |
| | 750 | | 780 |

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| | | | | |
|--|-------|---|-----|-----|
| | | Insight Midwest, L.P., Senior Notes, 10.50%, 11/01/10 | | |
| | 500 | Intelsat, Ltd., Senior Notes, 8.25%, 01/15/13 | B2 | 496 |
| | 800 | Intelsat, Ltd., Senior Notes, 9.614%, 01/15/12 | B2 | 810 |
| | 200 | Kabel Deutschland GmbH, Senior Notes, 10.625%, 7/01/14 (g) | B2 | 214 |
| | 1,325 | Liberty Media Corporation, Senior Notes, 4%, 11/15/29 | Ba2 | 805 |

| Principal Amount/Units | | | Moody's Rating (Unaudited) | Value (Note 1) |
|---------------------------|-------|--|----------------------------------|-------------------|
| | | Mediacom Broadband LLC, Senior Notes, 8.50%, 10/15/15 | B2 | \$ 338 |
| \$ | 350 | Nexstar Broadcasting, Inc., Senior Subordinated Notes, 7%, 01/15/14 | B3 | 362 |
| | 400 | Nexstar Holdings, Inc., Senior Notes, 1.375%, 04/01/13 (b) | Caa1 | 969 |
| | 1,200 | PanAmSat Corporation, Senior Notes, 9%, 08/15/14 | B2 | 942 |
| | 924 | PanAmSat Holdco, Senior Discount Notes, 10.375%, 11/01/14 (b) | Caa1 | 201 |
| | 275 | Rainbow National Services LLC, Senior Notes, 8.75%, 09/01/12 (g) | B2 | 262 |
| | 250 | Rogers Cable Inc., Senior Secured Notes, 6.75%, 03/15/15 | Ba2 | 814 |
| | 850 | Shaw Communications, Inc., Senior Notes, 8.25%, 04/11/10 | Ba2 | 181 |
| | 175 | Sinclair Broadcast Group, Inc., Senior Subordinated Notes, 8%, 03/15/12 | B2 | 962 |
| | 950 | Sinclair Broadcast Group, Inc., Senior Subordinated Notes, 8.75%, 12/15/11 | B2 | 1,121 |
| | 1,075 | Sirius Satellite Radio, Inc., Senior Notes, 9.625%, 08/01/13 | Caa1 | 801 |
| | 850 | Videotron Ltee., Senior Notes, 6.375%, 12/15/15 | Ba3 | 231 |
| | 250 | | | |

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| | | | | |
|---------------------------------------|-------|---|------|--------|
| | | Videotron Ltee., Senior Notes, 6.875%, 01/15/14 | Ba3 | 784 |
| | 825 | | | |
| | | Warner Music Group, Senior Subordinated Notes, 7.375%, 04/15/14 | B2 | 822 |
| | 850 | | | |
| | | | | 25,140 |
| Building and Real Estate 3.59% | | | | |
| | | B.F. Saul Real Estate Investment Trust, Senior Secured Notes, 7.50%, 03/01/14 | B2 | 628 |
| | 625 | | | |
| | | Building Materials Corporation of America, Senior Notes, 7.75%, 08/01/14 | B2 | 1,194 |
| | 1,250 | | | |
| | | Collins & Aikman Floorcoverings, Inc., Senior Subordinated Notes, 9.75%, 02/15/10 | Caa1 | 1,032 |
| | 1,050 | | | |
| | | FelCor Lodging Limited Partnership, Senior Notes, 9.57%, 06/01/11 | Ba3 | 283 |
| | 275 | | | |

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The New America High Income Fund, Inc.

Schedule of Investments June 30, 2006 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units | | Moody's Rating (Unaudited) | Value (Note 1) |
|---|-------|--|----------------|
| CORPORATE DEBT SECURITIES continued | | | |
| | | FelCor Lodging Limited Partnership, Senior Notes, 8.50%, 06/01/11 | |
| \$ | 75 | Ba3 | \$ 79 |
| | 504 | Mobile Mini, Inc., Senior Notes, 9.50%, 07/01/13 | 545 |
| | 800 | Norcraft Companies, L.P., Senior Subordinated Notes, 9%, 11/01/11 | 818 |
| | 550 | Norcraft Holding Companies, L.P., Senior Discount Notes, 9.75%, 09/01/12 (b) | 443 |
| | 875 | Texas Industries, Inc., Senior Notes, 7.25%, 07/15/13 | 868 |
| | 500 | US Concrete, Inc., Senior Subordinated Notes, 8.375%, 04/01/14 (g) | 492 |
| | 500 | Ventas Realty, Limited Partnership, Senior Notes, 6.50%, 06/01/16 | 479 |
| | 325 | Ventas Realty, Limited Partnership, Senior Notes, 6.75%, 06/01/10 | 322 |
| | | | 7,183 |
| Cargo Transport .34% | | | |
| | 250 | American Commercial Lines LLC, Senior Notes, 9.50%, 02/15/15 | 274 |
| | 400 | TFM, S.A. de C.V., Senior Notes, 9.375%, 05/01/12 | 416 |
| | | | 690 |
| Chemicals, Plastics and Rubber 6.39% | | | |
| | 525 | ARCO Chemical Company, Senior Debentures, 10.25%, 11/01/10 | 580 |
| | 1,490 | BCP Caylux Holdings Luxembourg S.C.A., Senior Subordinated Notes, 9.625%, 06/15/14 | 1,602 |

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| | | | | |
|-------------------------------|-------|--|-----------------------------------|-----------------------|
| | | Crystal US Holdings 3 LLC, Senior Discount Notes, 10%, 10/01/14 (b) | Caa2 | 578 |
| | 724 | Crystal US Holdings 3 LLC, Senior Discount Notes, 10.50%, 10/01/14 (b) | Caa2 | 689 |
| | 892 | EquiStar Chemicals PL Funding, Senior Notes, 8.75%, 02/15/09 | B1 | 386 |
| | 375 | | | |
| Principal Amount/Units | | | Moody's Rating (Unaudited) | Value (Note 1) |
| \$ | 475 | Ethyl Corporation, Senior Notes, 8.875%, 05/01/10 | B1 | \$ 487 |
| | 425 | Freepport McMoran Resources, Senior Notes, 7%, 02/15/08 | Ba3 | 424 |
| | 175 | Hercules, Incorporated, Senior Subordinated Notes, 6.75%, 10/15/29 | Ba3 | 165 |
| | 959 | Huntsman LLC, Senior Secured Notes, 11.625%, 10/15/10 | Ba3 | 1,062 |
| | 1,225 | Invista, Units, 9.25%, 05/01/12 (g) | B1 | 1,271 |
| | 853 | Koppers Inc., Senior Secured Notes, 9.875%, 10/15/13 | B1 | 926 |
| | 625 | Lyondell Chemical Company, Senior Secured Notes, 10.50%, 06/01/13 | Ba3 | 689 |
| | 200 | Lyondell Chemical Company, Senior Secured Notes, 11.125%, 07/15/12 | Ba3 | 217 |
| | 1,675 | Nell AF S.a.r.l. Senior Notes, 8.375%, 08/15/15 (g) | B2 | 1,612 |
| | 525 | PolyOne Corporation, Senior Notes, 10.625%, 05/15/10 | B3 | 564 |
| | 175 | Rockwood Specialties Group, Inc., Senior Subordinated Notes, 7.50%, 11/15/14 | B3 | 170 |
| | 838 | Rockwood Specialties Group, Inc., Senior Subordinated Notes, 10.625%, 05/15/11 | B3 | 899 |
| | 200 | VWR International, Inc., Senior Notes, 6.875%, 04/15/12 | B3 | 190 |

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| | | | |
|--|---|------|--------|
| | VWR International, Inc., Senior Subordinated Notes, 8%, 04/15/14 | Caa1 | 268 |
| 275 | | | 12,779 |
| Containers, Packaging and Glass 7.57% | | | |
| | Abitibi-Consolidated, Inc., Senior Notes, 8.55%, 08/01/10 | B1 | 790 |
| 825 | | | |
| | AEP Industries, Inc., Senior Notes, 7.875%, 03/15/13 | B2 | 769 |
| 775 | | | |
| | Ball Corporation, Senior Notes, 6.875%, 12/15/12 | Ba2 | 639 |
| 650 | | | |
| | Boise Cascade, LLC, Senior Subordinated, Notes, 7.125%, 10/15/14 | B2 | 848 |
| 950 | | | |

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Schedule of Investments June 30, 2006 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units | | Moody's Rating (Unaudited) | Value (Note 1) |
|--|-------|----------------------------|----------------|
| CORPORATE DEBT SECURITIES continued | | | |
| | | | |
| | | | |
| | | | |
| \$ | 775 | B3 | \$ 813 |
| | | | |
| | 525 | B3 | 501 |
| | 425 | B1 | 401 |
| | 450 | B2 | 451 |
| | 325 | B3 | 327 |
| | 175 | Caa1 | 171 |
| | 350 | B1 | 369 |
| | 700 | B2 | 619 |
| | 800 | Caa1 | 716 |
| | 1,410 | B3 | 1,463 |
| | 125 | B3 | 129 |
| | 850 | B3 | 928 |
| | 475 | Caa2 | 492 |
| | 650 | B1 | 585 |

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| | | | |
|-------|--|------|-------|
| | Brickman Group, LTD, Senior Subordinated Notes, 11.75%, 12/15/09 | | |
| | Education Management, LLC, Senior Subordinated Notes, 10.25%, 06/01/16 (g) | Caa1 | 2,089 |
| 2,100 | | | |
| | Hertz Corporation, Senior Notes, 8.875%, 01/01/14 (g) | B1 | 1,025 |
| 1,000 | | | |
| | Hertz Corporation, Senior Subordinated Notes, 10.50%, 01/01/16 (g) | B3 | 793 |
| 750 | | | |
| | IKON Office Solutions, Inc., Senior Notes, 7.75%, 09/15/15 | Ba2 | 718 |
| 725 | | | |
| | Invensys plc, Senior Notes, 9.875%, 03/15/11 (g) | B3 | 1,514 |
| 1,400 | | | |

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

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The New America High Income Fund, Inc.

Schedule of Investments June 30, 2006 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units | | Moody's Rating (Unaudited) | Value (Note 1) |
|--|--------------|---|----------------|
| CORPORATE DEBT SECURITIES continued | | | |
| | | Interline Brands, Inc., Senior Subordinated Notes, 8.125%, 06/15/14 | |
| \$ | 425 | B3 | \$ 423 |
| | | NationsRent Companies, Inc., Senior Notes, 9.50%, 10/15/10 | |
| | 825 | B2 | 881 |
| | | Neff Rental LLC, Senior Notes, 11.25%, 06/15/12 (g) | |
| | 750 | Caa1 | 808 |
| | | Sunstate Equipment Co, LLC, Senior Secured Notes, 10.50%, 04/01/13 (g) | |
| | 850 | B3 | 875 |
| | | | 13,211 |
| Ecological | 2.01% | | |
| | | Allied Waste North America, Inc., Senior Secured Notes, 8.50%, 12/01/08 | |
| | 1,125 | B2 | 1,164 |
| | | Allied Waste North America, Inc., Senior Secured Notes, 9.25%, 09/01/12 | |
| | 100 | B2 | 106 |
| | | Casella Waste Systems, Inc., Senior Subordinated Notes, 9.75%, 02/01/13 | |
| | 2,075 | B3 | 2,171 |
| | | WCA Waste Corporation, Senior Notes, 9.25%, 06/15/14 (g) | |
| | 575 | B2 | 581 |
| | | | 4,022 |
| Electronics | 6.85% | | |
| | | Celestica, Inc., Senior Subordinated Notes, 7.875%, 07/01/11 | |
| | 825 | B2 | 813 |
| | | Dycom Investments, Inc., Senior Subordinated Notes, 8.125%, 10/15/15 | |
| | 675 | Ba3 | 682 |
| | | Nortel Networks, Ltd., Senior Notes, 9.73%, 07/15/11 (g) | |
| | 1,025 | B3 | 1,040 |
| | | General Cable Corporation, Senior Notes, 9.50%, 11/15/10 | |
| | 750 | B2 | 804 |

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| | | | | |
|--------------------------------|-------------|--|-----------------------------------|-----------------------|
| | 900 | iPayment, Inc., Senior Subordinated Notes, 9.75%, 05/15/14 (g) | Caa1 | 905 |
| | 350 | Serena Software, Inc., Senior Subordinated Notes, 10.375%, 03/15/16 (g) | Caa1 | 354 |
| | 550 | Spansion Technology, Inc., Senior Notes, 11.25%, 01/15/16 (g) | Caa1 | 551 |
| | 300 | SS&C Technologies, Inc., Senior Subordinated Notes, 11.75%, 12/01/13 (g) | Caa1 | 311 |
| | 350 | STATS ChipPAC Ltd., Senior Notes, 6.75%, 11/15/11 | Ba2 | 328 |
| Principal Amount/Units | | | Moody's Rating (Unaudited) | Value (Note 1) |
| \$ | 325 | STATS ChipPAC Ltd., Senior Notes, 7.50%, 07/19/10 | Ba2 | \$ 323 |
| | 2,250 | Sunguard Data Systems, Inc., Senior Notes, 9.125%, 08/15/13 (g) | B3 | 2,351 |
| | 800 | Telex Communications, Inc., Senior Secured Notes, 11.50%, 10/15/08 | B3 | 844 |
| | 975 | UGS Capital Corporation, II, Senior Notes, 10.38%, 06/01/11 (g) | Caa1 | 963 |
| | 1,050 | UGS Corp., Senior Subordinated Notes, 10%, 06/01/12 | B3 | 1,131 |
| | 325 | Unisys Corporation, Senior Notes, 6.875%, 03/15/10 | Ba3 | 305 |
| | 425 | Unisys Corporation, Senior Notes, 7.875%, 04/01/08 | Ba3 | 425 |
| | 250 | Unisys Corporation, Senior Notes, 8%, 10/15/12 | Ba3 | 237 |
| | 900 | Xerox Corp., Senior Notes, 6.40%, 03/15/16 | Ba2 | 849 |
| | 175 | Xerox Corp., Senior Notes, 6.875%, 08/15/11 | Ba2 | 174 |
| | 325 | Xerox Corp., Senior Notes, 7.625%, 06/15/13 | Ba2 | 328 |
| | | | | 13,718 |
| Farming and Agriculture | .76% | | | |
| | 150 | IMC Global Inc., Senior Notes, 10.875%, 06/01/08 | Ba3 | 160 |

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| | | | | |
|----------------|--------------|--|-----|-------|
| | 125 | IMC Global Inc., Senior Notes, 10.875%, 08/01/13 | Ba3 | 140 |
| | 700 | IMC Global Inc., Senior Notes, 11.25%, 06/01/11 | Ba3 | 739 |
| | 450 | Terra Capital, Inc., Senior Notes, 11.50%, 06/01/10 | B2 | 490 |
| | | | | 1,529 |
| Finance | 1.34% | | | |
| | 500 | Dollar Financial Group, Inc., Senior Notes, 9.75%, 11/15/11 | B3 | 539 |
| | 1,015 | Global Cash Access Inc., Senior Subordinated Notes, 8.75%, 03/15/12 | B3 | 1,073 |
| | 1,100 | Leucadia National Corporation, Senior Notes, 7%, 08/15/13 | Ba2 | 1,073 |
| | | | | 2,685 |

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

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The New America High Income Fund, Inc.

Schedule of Investments June 30, 2006 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units | | | Moody's Rating (Unaudited) | Value (Note 1) |
|---|-------|---|----------------------------|----------------|
| CORPORATE DEBT SECURITIES continued | | | | |
| Furnishings, Housewares, Durable Consumer Products 1.11% | | | | |
| \$ | 1,050 | Sealy Mattress Company, Senior Subordinated Notes, 8.25%, 06/15/14 | B2 | \$ 1,050 |
| | 1,025 | Simmons Company, Senior Discount Notes, 10%, 12/15/14 (b) | Caa2 | 689 |
| | 500 | Simmons Company, Senior Subordinated Notes, 7.875%, 01/15/14 | Caa1 | 474 |
| | | | | 2,213 |
| Grocery .40% | | | | |
| | 850 | Pathmark Stores, Inc., Senior Subordinated Notes, 8.75%, 02/01/12 | Caa2 | 799 |
| Healthcare, Education and Childcare 8.91% | | | | |
| | 700 | Biovail Corporation, Senior Subordinated Notes, 7.875%, 04/01/10 | B2 | 710 |
| | 375 | Community Health Systems, Inc., Senior Subordinated Notes, 6.50%, 12/15/12 | B3 | 354 |
| | 1,425 | Concentra Operating Corporation, Senior Subordinated Notes, 9.50%, 08/15/10 | B3 | 1,475 |
| | 625 | CRC Health Corporation, Senior Subordinated Notes, 10.75%, 02/01/16 (g) | Caa1 | 634 |
| | 600 | Davita, Inc., Senior Notes, 6.625%, 03/15/13 | B2 | 570 |
| | 550 | Davita, Inc., Senior Subordinated Notes, 7.25%, 03/15/15 | B3 | 529 |
| | 1,300 | Fisher Scientific International Inc., Senior Subordinated Notes, 6.125%, 07/01/15 | Ba2 | 1,255 |
| | 575 | | B1 | 581 |

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| Principal Amount/Units | | Moody's Rating (Unaudited) | Value (Note 1) |
|------------------------|--|----------------------------|----------------|
| | Fresenius Medical Care Capital Trust IV, 7.875%, 06/15/11 | | |
| 1,125 | Genesis Healthcare Corporation, Senior Subordinated Notes, 8%, 10/15/13 | B2 | 1,176 |
| 200 | HCA Inc., Senior Notes, 6.30%, 10/01/12 | Ba2 | 188 |
| 875 | HCA Inc., Senior Notes, 6.375%, 01/15/15 | Ba2 | 810 |
| | | | |
| \$ 725 | HCA Inc., Senior Notes, 6.50%, 02/15/16 | Ba2 | \$ 670 |
| 2,150 | HCA Inc., Senior Notes, 8.75%, 09/01/10 | Ba2 | 2,265 |
| 350 | Omnicare, Inc., Senior Subordinated Notes, 6.75%, 12/15/13 | Ba3 | 333 |
| 450 | Omnicare, Inc., Senior Subordinated Notes, 6.875%, 12/15/15 | Ba3 | 431 |
| 725 | Team Health, Inc., Senior Subordinated Notes, 11.25%, 12/01/13 | Caa1 | 758 |
| 1,100 | Tenet Healthcare Corporation, Senior Notes, 6.375%, 12/01/11 | B3 | 979 |
| 450 | Tenet Healthcare Corporation, Senior Notes, 6.50%, 06/01/12 | B3 | 395 |
| 350 | Triad Hospitals, Inc., Senior Subordinated Notes, 7%, 05/15/12 | B2 | 348 |
| 1,300 | Triad Hospitals, Inc., Senior Subordinated Notes, 7%, 11/15/13 | B3 | 1,261 |
| 850 | US Oncology, Inc., Senior Notes, 9%, 08/15/12 | B1 | 885 |
| 725 | Vanguard Health Holding Company II, LLC, Senior Subordinated Notes, 9%, 10/01/14 | Caa1 | 723 |
| 500 | Warner Chilcott Corporation, | Caa1 | 506 |

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Senior Subordinated
Notes,
8.75%, 02/01/15

17,836

Hotels, Motels, Inns and Gaming 9.14%

| | | | |
|-------|---|----|-------|
| | American Casino & Entertainment Properties LLC, Senior Secured Notes, 7.85%, 02/01/12 | B2 | 1,028 |
| 1,025 | | | |
| | Boyd Gaming Corporation, Senior Subordinated Notes, 6.75%, 04/15/14 | B1 | 949 |
| 1,000 | | | |
| | Boyd Gaming Corporation, Senior Subordinated Notes, 7.75%, 12/15/12 | B1 | 151 |
| 150 | | | |
| | Boyd Gaming Corporation, Senior Subordinated Notes, 8.75%, 04/15/12 | B1 | 26 |
| 25 | | | |

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

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The New America High Income Fund, Inc.

Schedule of Investments June 30, 2006 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units | | Moody's Rating (Unaudited) | Value (Note 1) |
|--|--|--|----------------|
| CORPORATE DEBT SECURITIES continued | | | |
| | | Chukchansi Economic Development Authority, Senior Notes, 8.78%, 11/15/12 (g) | \$ 483 |
| \$ 475 | | B2 | |
| | | Herbst Gaming, Inc., Senior Subordinated Notes, 7%, 11/15/14 | 1,051 |
| 1,100 | | B3 | |
| | | Host Marriott, L.P., Senior Notes, 6.375%, 03/15/15 | 93 |
| 100 | | Ba2 | |
| | | Host Marriott, L.P., Senior Notes, 6.75%, 06/01/16 | 1,066 |
| 1,125 | | Ba2 | |
| | | Host Marriott, L.P., Senior Notes, 7%, 08/15/12 | 248 |
| 250 | | Ba2 | |
| | | Host Marriott, L.P., Senior Notes, 7.125%, 11/01/13 | 546 |
| 550 | | Ba2 | |
| | | Little Traverse Bay Bands of Odawa Indians, Senior Notes, 10.25%, 02/15/14 (g) | 521 |
| 525 | | B2 | |
| | | Majestic Star Casino, LLC, Senior Notes, 9.75%, 01/15/11 (g) | 648 |
| 650 | | B3 | |
| | | Mandalay Resort Group, Senior Subordinated Notes, 10.25%, 08/01/07 | 259 |
| 250 | | Ba3 | |
| | | MGM MIRAGE, Senior Notes, 8.50%, 09/15/10 | 1,571 |
| 1,500 | | Ba2 | |
| | | MGM MIRAGE, Senior Notes, 9.75%, 06/01/07 | 283 |
| 275 | | Ba3 | |
| | | MGM MIRAGE, Senior Subordinated Notes, 8.375%, 02/01/11 | 1,578 |
| 1,525 | | Ba3 | |
| | | Mohegan Tribal Gaming Authority, Senior Subordinated Notes, 8%, 04/01/12 | 1,127 |
| 1,100 | | Ba3 | |
| | | MTR Gaming Group, Inc., Senior Subordinated Notes, 9%, 06/01/12 (g) | 226 |
| 225 | | B3 | |
| | | Penn National Gaming, Inc., Senior Subordinated Notes, 6.75%, 03/01/15 | 775 |
| 825 | | B1 | |

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| | | | | |
|-----|--|--|------|-------|
| | | Pinnacle Entertainment, Inc., Senior Subordinated Notes, 8.25%, 03/15/12 | Caa1 | 304 |
| 300 | | | | |
| | | Pokagon Gaming Authority, Senior Notes, 10.375%, 06/15/14 (g) | B3 | 698 |
| 675 | | | | |
| | | Poster Financial group, Inc., Senior Notes, 8.75%, 12/01/11 | B2 | 1,012 |
| 975 | | | | |

| Principal Amount/Units | | | Moody's Rating (Unaudited) | Value (Note 1) |
|------------------------|--|--|----------------------------|----------------|
| | | Resorts International Hotel and Casino, Inc., Senior Notes, 11.50%, 03/15/09 | B2 | \$ 81 |
| \$ 75 | | | | |
| | | Station Casinos, Inc., Senior Notes, 6%, 04/01/12 | Ba3 | 495 |
| 525 | | | | |
| | | Station Casinos, Inc., Senior Subordinated Notes, 6.50%, 02/01/14 | B1 | 117 |
| 125 | | | | |
| | | Station Casinos, Inc., Senior Subordinated Notes, 6.875%, 03/01/16 | B1 | 1,687 |
| 1,800 | | | | |
| | | Trump Entertainment ResortsHoldings, L.P., Senior Secured Notes, 8.50%, 06/01/15 | Caa1 | 1,059 |
| 1,100 | | | | |
| | | Wynn Las Vegas, LLC, Senior Secured Notes, 6.625%, 12/01/14 | B2 | 214 |
| 225 | | | | |
| | | | | 18,296 |

Leisure, Amusement and Entertainment 2.52%

| | | | | |
|-------|--|---|------|-------|
| | | AMF Bowling Worldwide, Inc. Senior Subordinated Notes, 10%, 03/01/10 | Caa1 | 820 |
| 800 | | | | |
| | | Eastman Kodak Company, Senior Notes, 7.25%, 11/15/13 | B2 | 1,671 |
| 1,750 | | | | |
| | | K2 Inc., Senior Notes, 7.375%, 07/01/14 | B1 | 752 |
| 775 | | | | |
| | | Town Sports International, Inc., Senior Notes, 9.625%, 04/15/11 | B2 | 530 |
| 513 | | | | |
| | | Universal City Development Partners, Ltd., Senior Notes, 11.75%, 04/01/10 | B2 | 1,269 |
| 1,175 | | | | |
| | | | | 5,042 |

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Machinery 1.23%

| | | | | |
|-----|--|--|----|-------|
| | | Columbus McKinnon Corporation, Senior Subordinated Notes, 8.875%, 11/01/13 | B3 | 867 |
| 850 | | JLG Industries, Inc., Senior Subordinated Notes, 8.375%, 06/15/12 | B2 | 781 |
| 747 | | Terex Corporation, Senior Subordinated Notes, 9.25%, 07/15/11 | B2 | 818 |
| 775 | | | | 2,466 |

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

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The New America High Income Fund, Inc.

Schedule of Investments June 30, 2006 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units | | Moody's Rating (Unaudited) | Value (Note 1) |
|--|-------|---|----------------|
| CORPORATE DEBT SECURITIES continued | | | |
| Mining, Steel, Iron and Non-Precious Metals 6.92% | | | |
| \$ | 650 | Aleris International, Inc., Senior Notes, 9%, 11/15/14 | \$ 661 |
| | 825 | Alpha Natural Resources, LLC, Senior Notes, 10%, 06/01/12 | 885 |
| | 575 | Arch Western Finance LLC, Senior Notes, 6.75%, 07/01/13 | 551 |
| | 450 | Century Aluminum Company, Senior Notes, 7.50%, 08/15/14 | 449 |
| | 1,525 | Earle M. Jorgensen Company, Senior Secured Notes, 9.75%, 06/01/12 | 1,624 |
| | 1,125 | Foundation PA Coal Company, Senior Notes, 7.25%, 08/01/14 | 1,098 |
| | 750 | Gerdau Ameristeel Corporation, Senior Notes, 10.375%, 07/15/11 | 810 |
| | 1,425 | Gibraltar Industries, Inc., Senior Subordinated Notes, 8%, 12/01/15 (g) | 1,414 |
| | 500 | Indalex Holdings Corporation, Senior Notes, 11.50%, 02/01/14 (g) | 510 |
| | 825 | James River Coal Company, Senior Notes, 9.375%, 06/01/12 | 824 |
| | 675 | Massey Energy Company, Senior Notes, 6.625%, 11/15/10 | 665 |
| | 75 | Massey Energy Company, Senior Notes, 6.875%, 12/15/13 (g) | 69 |
| | 375 | Metals USA, Inc., Senior Notes, 11.125%, 12/01/15 (g) | 411 |
| | 1,000 | Neenah Foundry Company, Senior Secured Notes, | 1,090 |

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| | | | | |
|--|-------|-----------------------|-----|--------|
| | | 11%, 09/30/10 (g) | | |
| | | Novelis, Inc., Senior | | |
| | 850 | Notes, | B1 | 816 |
| | | 7.75%, 02/15/15 (g) | | |
| | | Peabody Energy | | |
| | | Corporation, Senior | | |
| | | Notes, 6.875%, | | |
| | 2,000 | 03/15/13 | Ba2 | 1,965 |
| | | | | 13,842 |

Oil and Gas 16.47%

| | | | | |
|--|-------|------------------------|----|-------|
| | | Allis-Chalmers Energy, | | |
| | | Inc., Senior | | |
| | 450 | Notes, 9%, 01/15/14 | B3 | 452 |
| | | (g) | | |
| | | AmeriGas Partners, | | |
| | | L.P., Senior | | |
| | 2,500 | Notes, 7.25%, 05/20/15 | B1 | 2,356 |

| Principal Amount/Units | | | Moody's Rating (Unaudited) | Value (Note 1) |
|---------------------------|-------|--------------------------------|----------------------------------|-------------------|
| | | Atlas Pipeline Partners, L.P., | | |
| | | Senior | | |
| \$ | 750 | Notes, 8.125%, 12/15/15 (g) | B1 | \$ 755 |
| | | Chaparral Energy, Inc., Senior | | |
| | 1,050 | Notes, 8.50%, 12/01/15 (g) | B3 | 1,042 |
| | | CHC Helicopter Corporation, | | |
| | | Senior | | |
| | | Subordinated Notes, | | |
| | 1,100 | 7.375%, 05/01/14 | B2 | 1,060 |
| | | Chesapeake Energy | | |
| | | Corporation, | | |
| | | Senior Notes, 6.375%, | | |
| | 725 | 06/15/15 | Ba2 | 674 |
| | | Chesapeake Energy | | |
| | | Corporation, | | |
| | | Senior Notes, 6.50%, 08/15/17 | Ba2 | 347 |
| | | Chesapeake Energy | | |
| | | Corporation, | | |
| | | Senior Notes, | | |
| | 1,300 | 6.625%, 01/15/16 (g) | Ba2 | 1,219 |
| | | Chesapeake Energy | | |
| | | Corporation, | | |
| | | Senior Notes, 7%, 08/15/14 | Ba2 | 170 |
| | | Colorado Interstate Gas | | |
| | | Company, | | |
| | | Senior Notes, 5.95%, 03/15/15 | Ba2 | 275 |
| | | Colorado Interstate Gas | | |
| | | Company, | | |
| | | Senior Notes, 6.80%, 11/15/15 | Ba2 | 1,396 |
| | 1,450 | Compton Petroleum | | |
| | | Corporation, | | |
| | | Senior Notes, 7.625%, | | |
| | 775 | 12/01/13 | B2 | 730 |
| | | Copano Energy, LLC, Senior | | |
| | | Notes, | | |
| | 750 | 8.125%, 03/01/16 (g) | B2 | 748 |
| | | Denbury Resources, Inc., | | |
| | | Senior | | |
| | | Subordinated Notes, | | |
| | 750 | 7.50%, 04/01/13 | B2 | 746 |

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| | | | |
|-------|---|----|-------|
| | Denbury Resources, Inc., Senior Subordinated Notes, 7.50%, 12/15/15 | B2 | 348 |
| 350 | | | |
| | Dresser-Rand Group Inc., Senior Subordinated Notes, 7.375%, 11/01/14 | B2 | 272 |
| 286 | | | |
| | El Paso Production Holding Co., Senior Notes 7.75%, 06/01/13 | B1 | 1,591 |
| 1,575 | | | |
| | Encore Acquisition Company, Senior Subordinated Notes, 7.25%, 12/01/17 | B2 | 740 |
| 775 | | | |
| | Ferrellgas Partners L.P., Senior Notes, 8.75%, 06/15/12 | B2 | 835 |
| 825 | | | |
| | Hanover Compressor Company, Senior Notes, 7.50%, 04/15/13 | B3 | 893 |
| 925 | | | |
| | Hanover Equipment Trust, Senior Secured Notes, 8.75%, 09/01/11 | B2 | 1,076 |
| 1,050 | | | |
| | Hilcorp Energy I, L.P., Senior Notes, 7.75%, 11/01/15 (g) | B3 | 1,181 |
| 1,250 | | | |

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

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The New America High Income Fund, Inc.

Schedule of Investments June 30, 2006 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units | | Moody's Rating (Unaudited) | Value (Note 1) |
|--|-------|---|----------------|
| CORPORATE DEBT SECURITIES continued | | | |
| | | Magnum Hunter Resources, Inc., Senior Notes, 9.60%, 03/15/12 | |
| \$ | 650 | Ba3 | \$ 687 |
| | | Mission Energy Holding Company, Senior Notes, 13.50%, 07/15/08 | |
| | 850 | B2 | 950 |
| | | Northwest Pipeline Corporation, Senior Notes, 8.125%, 03/01/10 | |
| | 200 | Ba1 | 207 |
| | | Offshore Logistics, Inc., Senior Notes, 6.125%, 06/15/13 | |
| | 575 | Ba2 | 532 |
| | | Petrohawk Energy Corporation, Senior Notes, 9.125%, 07/15/13 (g) | |
| | 525 | B3 | 520 |
| | | Plains Exploration & Production Co., L.P., Senior Subordinated Notes, 8.75%, 07/01/12 | |
| | 775 | Ba3 | 808 |
| | | Range Resources Corporation, Senior Subordinated Notes, 6.375%, 03/15/15 | |
| | 350 | B2 | 322 |
| | | Range Resources Corporation, Senior Subordinated Notes, 7.375%, 07/15/13 | |
| | 700 | B2 | 690 |
| | | Range Resources Corporation, Senior Subordinated Notes, 7.50%, 05/15/16 | |
| | 475 | B2 | 468 |
| | | SESI, L.L.C., Senior Notes, 6.875%, 06/01/14 (g) | |
| | 825 | Ba3 | 794 |
| | | Southern Natural Gas Company, Senior Notes, 8.875%, 03/15/10 | |
| | 1,125 | Ba2 | 1,184 |
| | | Stone Energy Corporation, Senior Notes, 8.24%, 07/15/10 (g) | |
| | 825 | B3 | 823 |
| | 400 | B2 | 421 |
| | | Swift Energy Company, Senior | |

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| | | | | |
|-------|--|--|-----|--------|
| | | Subordinated Notes, 9.375%, 05/01/12 | | |
| | | Universal Compression, Inc., Senior | | |
| 925 | | Notes, 7.25%, 05/15/10 | Ba3 | 918 |
| | | Whiting Petroleum Corporation, Senior Subordinated Notes, | | |
| 475 | | 7.25%, 05/01/13 | B2 | 456 |
| | | Williams Clayton Energy, Inc., Senior | | |
| 225 | | Notes, 7.75%, 08/01/13 | B3 | 207 |
| | | Williams Companies, Inc., Senior | | |
| 175 | | Notes, 7.625%, 07/15/19 | Ba2 | 179 |
| | | Williams Companies, Inc., Senior | | |
| 3,725 | | Notes, 8.125%, 03/15/12 | Ba2 | 3,874 |
| | | | | 32,946 |

| Principal Amount/Units | | | Moody's Rating (Unaudited) | Value (Note 1) |
|--|-----|---|----------------------------------|-------------------|
| Personal, Food and Miscellaneous Services 2.39% | | | | |
| | | American Greetings Corporation, Senior Notes, 7.375%, 06/01/16 | Ba2 | \$ 225 |
| \$ | 225 | FTD, Inc., Senior Subordinated | | |
| | 983 | Notes, 7.75%, 02/15/14 | B3 | 968 |
| | | FTI Consulting, Inc., Senior Notes, 7.625%, 06/15/13 | Ba2 | 812 |
| 800 | | Mac-Gray Corporation, Senior | | |
| | 600 | Notes, 7.625%, 08/15/15 | B1 | 610 |
| | | O'Charleys, Inc., Senior Subordinated Notes, 9%, 11/01/13 | Ba3 | 860 |
| 850 | | Real Mex Restaurants, Inc., Senior Notes, 10.00%, 04/01/10 | B2 | 496 |
| 475 | | Restaurant Company, Senior Notes, 10%, 10/01/13 | B3 | 819 |
| 900 | | | | 4,790 |
| Personal Non-Durable Consumer Products 1.45% | | | | |
| | | ACCO Brands Corporation, Senior Subordinated Notes, 7.625%, 08/15/15 | B2 | 743 |
| 800 | | American Achievement Corporation, Senior Notes, | Caa2 | 502 |
| 500 | | | | |

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| | | | |
|--------------------------------------|---|------|-------|
| | 12.75%, 10/01/12 (g) | | |
| | American Achievement Corporation, Senior Subordinated Notes, | | |
| 550 | 8.25%, 04/01/12 | B2 | 543 |
| | Jostens Holding Corporation, Senior Notes, 10.25%, 12/01/13 (b) | Caa2 | 39 |
| 50 | Jostens Intermediate Holding Corp., Senior Subordinated Notes, | | |
| 1,100 | 7.625%, 10/01/12 | B3 | 1,067 |
| | | | 2,894 |
| Printing and Publishing 8.20% | | | |
| | Advanstar Communications Inc., Senior Notes, 10.75%, 08/15/10 | B3 | 1,314 |
| 1,225 | Advanstar Communications Inc., Senior Subordinated Notes, | | |
| 575 | 12%, 02/15/11 | Caa2 | 605 |
| | Advanstar Inc., Senior Discount Debentures, 15%, 10/15/11 | (e) | 706 |
| 675 | Affinity Group Inc., Senior Subordinated Notes, | | |
| 850 | 9%, 02/15/12 | B3 | 842 |

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

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The New America High Income Fund, Inc.

Schedule of Investments June 30, 2006 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units | | Moody's Rating (Unaudited) | Value (Note 1) |
|--|--------------|--|----------------|
| CORPORATE DEBT SECURITIES continued | | | |
| | | Affinity Group Inc., Senior | |
| \$ | 385 | Subordinated Notes, 10.875%, 02/15/12 | \$ 376 |
| | | CanWest Media, Inc., Senior | |
| | 1,053 | Subordinated Notes, 8%, 09/15/12 | 1,047 |
| | | Dex Media East LLC, Senior | |
| | 1,137 | Subordinated Notes, 12.125%, 11/15/12 | 1,275 |
| | | Dex Media West LLC, Senior Notes, 8.50%, 08/15/10 | |
| | 650 | | 672 |
| | | Dex Media West LLC, Senior | |
| | 800 | Subordinated Notes, 9.875%, 08/15/13 | 867 |
| | | Haight's Cross Communications Operating Company, Senior | |
| | 725 | Notes, 11.75%, 08/15/11 | 747 |
| | | Houghton Mifflin Company, Senior | |
| | 875 | Notes, 8.25%, 02/01/11 | 886 |
| | | MediaNews Group, Inc., Senior | |
| | 225 | Subordinated Notes, 6.375%, 04/01/14 | 200 |
| | | MediaNews Group, Inc., Senior | |
| | 650 | Subordinated Notes, 6.875%, 10/01/13 | 596 |
| | | Morris Publishing Group, LLC, Senior Subordinated Notes, 7%, 08/01/13 | |
| | 1,000 | | 950 |
| | | R.H. Donnelley Finance Corporation, Senior Notes, 8.875%, 01/15/16 (g) | |
| | 3,275 | | 3,222 |
| | | R.H. Donnelley Inc., Senior Subordinated Notes, 10.875%, 12/15/12 | |
| | 1,900 | | 2,092 |
| | | | 16,397 |
| Retail Stores | 4.52% | | |

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| | | | | |
|-----------------------------------|---------------|--|---|---------------------------|
| | | Alimentation Couche-Tard, Inc., Senior Subordinated Notes, | | |
| | 1,000 | 7.50%, 12/15/13 | Ba2 | 995 |
| | 300 | Autonation, Inc., Senior Notes, 7%, 04/15/14 (g) | Ba2 | 297 |
| | 275 | Autonation, Inc., Senior Notes, 7.045%, 04/15/13 (g) | Ba2 | 278 |
| Principal Amount/Units | | | Moody's Rating (Unaudited) | Value (Note 1) |
| \$ | 2,700 | GameStop Corporation, Senior Notes, 8%, 10/01/12 | Ba3 | \$ 2,707 |
| | 525 | Gregg Appliances, Inc., Senior Notes, 9%, 02/01/13 | B2 | 482 |
| | 975 | Jean Coudu Group, Inc., Senior Notes, 7.625%, 08/01/12 | B3 | 943 |
| | 1,150 | Leslie's Poolmart, Inc., Senior Notes, 7.75%, 02/01/13 | B2 | 1,118 |
| | 925 | Movie Gallery, Inc., Senior Notes, 11%, 05/01/12 | Caa3 | 689 |
| | 1,025 | Nebraska Book Company, Inc., Senior Subordinated Notes, 8.625%, 03/15/12 | Caa1 | 952 |
| | 550 | Stripes Acquisition, LLC, Senior Notes, 10.625%, 12/15/13 (g) | B2 | 591 |
| | | | | 9,052 |
| Telecommunications | 14.30% | | | |
| | 100 | American Cellular Corporation, Senior Notes, 10%, 08/01/11 | B3 | 106 |
| | 800 | American Tower Corporation, Senior Notes, 7.125%, 10/15/12 | B1 | 808 |
| | 125 | American Tower Corporation, Senior Notes, 7.50%, 05/01/12 | B1 | 126 |
| | 150 | American Towers Corporation, Senior Subordinated Notes, 7.25%, 12/01/11 | Ba2 | 153 |
| | 475 | Centennial Communications Corp., Senior Notes, 10%, 01/01/13 | Caa2 | 473 |

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| | | | |
|-------|---|------|-------|
| 1,075 | Centennial Communications Corp., Senior Notes, 10.125%, 06/15/13 | B3 | 1,137 |
| 900 | Digicel Unlimited, Senior Notes, 9.25%, 09/01/12 (g) | B3 | 948 |
| 600 | Dobson Cellular Systems, Inc., Senior Notes 9.875%, 11/01/12 | B2 | 631 |
| 725 | Dobson Communications Corporation, Senior Notes, 8.875%, 10/01/13 | Caa2 | 710 |
| 1,025 | Eircom Funding plc, Senior Subordinated Notes, 8.25%, 08/15/13 | B1 | 1,089 |
| 425 | Horizon PCS, Inc., Senior Notes, 11.375%, 07/15/12 | B3 | 478 |
| 450 | iPCS Escrow Company, Senior Notes, 11.50%, 05/01/12 | B3 | 505 |
| 850 | Level 3 Financing, Inc., Senior Notes, 10.75%, 10/15/11 | B3 | 880 |

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

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The New America High Income Fund, Inc.

Schedule of Investments June 30, 2006 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units | | Moody's Rating (Unaudited) | Value (Note 1) |
|--|--|---|----------------|
| CORPORATE DEBT SECURITIES continued | | | |
| | | NEXTEL Communications, Inc., Senior Notes, 6.875%, 10/31/13 | |
| \$ 1,800 | | Baa2 | \$ 1,812 |
| | | NEXTEL Communications, Inc., Senior Notes, 7.375%, 08/01/15 | |
| 1,375 | | Baa2 | 1,401 |
| | | Nextel Partners, Inc., Senior Notes, 8.125%, 07/01/11 | |
| 725 | | Ba3 | 761 |
| | | Nordic Telephone Company Holdings ApS., Senior Notes, 8.875%, 05/01/16 (g) | |
| 2,900 | | B2 | 2,980 |
| | | Qwest Corporation, Notes, 8.579%, 06/15/13 | |
| 825 | | Ba3 | 879 |
| | | Qwest Corporation, Notes 8.875%, 03/15/12 | |
| 525 | | Ba3 | 558 |
| | | Qwest Services Corp., Notes, 7.875%, 09/01/11 | |
| 1,025 | | Ba3 | 1,038 |
| | | Rogers Wireless Inc., Senior Secured Notes, 7.50%, 03/15/15 | |
| 375 | | Ba2 | 380 |
| | | Rogers Wireless Inc., Senior Secured Notes, 8%, 12/15/12 | |
| 2,400 | | Ba3 | 2,466 |
| | | Rogers Wireless Inc., Senior Secured Notes, 9.625%, 05/01/11 | |
| 1,000 | | Ba2 | 1,101 |
| | | Rural Cellular Corporation, Senior Notes, 10.899%, 02/01/10 | |
| 475 | | Caa1 | 492 |
| | | Rural Cellular Corporation, Senior Subordinated Notes, 10.43%, 11/01/12 (g) | |
| 325 | | Caa2 | 336 |
| | | Syniverse Technologies, Inc., Senior Subordinated Notes, 7.75%, 08/15/13 | |
| 850 | | B2 | 827 |
| | | US LEC Corporation, Senior Notes, 13.62%, 10/01/09 | |
| 1,000 | | B3 | 1,070 |
| 950 | | Baa2 | 1,052 |

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| | | | |
|-------|--|-----|--------|
| | US Unwired Inc., Senior Secured Notes, 10%, 06/15/12 | | |
| | Valor Telecommunications Enterprise, L.L.C., Senior Notes, 7.75%, 02/15/15 | Ba2 | 362 |
| 350 | Wind Acquisition Finance S.A., Senior Notes, 10.75%, 12/01/15 (g) | B3 | 1,603 |
| 1,525 | Windstream Corporation, Senior Notes, 8.125%, 08/01/13 | Ba3 | 281 |
| 275 | Windstream Corporation, Senior Notes, 8.625%, 08/01/16 (g) | Ba3 | 1,173 |
| 1,150 | | | 28,616 |

| Principal Amount/Units | | Moody's Rating (Unaudited) | Value (Note 1) |
|-----------------------------|---|----------------------------------|-------------------|
| Textiles and Leather | .46% | | |
| | Interface, Inc., Senior Subordinated Notes, 9.50%, 02/01/14 | Caa1 | \$ 103 |
| \$ 100 | Rafaella Apparel Group, Inc., Senior Secured, 11.25%, 06/15/11 (g) | B2 | 816 |
| 850 | | | 919 |
| Utilities | 12.72% | | |
| | The AES Corporation, Senior Notes, 7.75%, 03/01/14 | B1 | 352 |
| 350 | The AES Corporation, Senior Notes, 9.375%, 09/15/10 | B1 | 1,150 |
| 1,075 | The AES Corporation, Senior Secured Notes, 9%, 05/15/15 (g) | Ba3 | 3,332 |
| 3,100 | Allegheny Energy Supply Company, LLC, Senior Notes, 8.25%, 04/15/12 (g) | Ba3 | 1,116 |
| 1,050 | Midwest Generation, LLC, Senior Secured Notes, 8.75%, 05/01/34 | Ba3 | 1,806 |
| 1,700 | Mirant Americas Generation, LLC, Senior Notes, 8.30%, 05/01/11 | B2 | 1,555 |
| 1,575 | Mirant North America, LLC, Senior Notes, 7.375%, | B1 | 3,153 |
| 3,250 | | | |

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| | | 12/31/13 (g) | | |
|--|-------|---|-----|---------|
| | 1,275 | NRG Energy, Inc., Senior Notes, 7.25%, 02/01/14 | B1 | 1,245 |
| | 4,800 | NRG Energy, Inc., Senior Notes, 7.375%, 02/01/16 | B1 | 4,686 |
| | 1,650 | Orion Power Holdings, Inc., Senior Notes, 12%, 05/01/10 | B3 | 1,873 |
| | 700 | Roseton-Danskammer 2001, Senior Secured Notes, 7.27%, 11/08/10 | B2 | 700 |
| | 225 | Sierra Pacific Resources, Senior Notes, 7.803%, 06/15/12 | B1 | 226 |
| | 2,050 | Sierra Pacific Resources, Senior Notes, 8.625%, 03/15/14 | B1 | 2,140 |
| | 1,500 | TECO Energy, Inc., Senior Notes, 7%, 05/01/12 | Ba2 | 1,492 |
| | 600 | Utilicorp Canada Financial Corporation, Senior Notes, 7.75%, 06/15/11 | B2 | 621 |
| | | | | 25,447 |
| | | Total Corporate Debt Securities (Total cost of \$317,937) | | 313,315 |

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

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The New America High Income Fund, Inc.

Schedule of Investments June 30, 2006 (Unaudited) Continued (Dollar Amounts in Thousands)

| Principal Amount/Units | | | Moody's Rating (Unaudited) | Value (Note 1) |
|---|--------|---|----------------------------|----------------|
| BANK DEBT .49% (d) | | | | |
| Hotels, Motels, Inns and Gaming .49% | | | | |
| | | Lakes Gaming And Resorts, LLC, Floating Rate Loan, 11.55%, 06/21/10 (h) | (e) | \$ 990 |
| \$ | 1,000 | | | |
| Total Bank Debt | | | | |
| (Total cost of \$990) | | | | 990 |
| Shares | | | | |
| PREFERRED STOCK 1.14% (d) | | | | |
| Automobile .87% | | | | |
| | 94,400 | General Motors Corporation, Senior Convertible, Series B, Preferred Stock, 5.25% | Caa1 | 1,741 |
| Banking 0.00% | | | | |
| | 57,935 | WestFed Holdings, Inc., Cumulative, Series A, Preferred Stock, 15.50% (a)(c) | (e) | |
| Broadcasting and Entertainment .27% | | | | |
| | 483 | Spanish Broadcasting System, Inc., Series B, Preferred Stock, 10.75% | Caa1 | 536 |
| Total Preferred Stock | | | | |
| (Total cost of \$7,073) | | | | 2,277 |
| COMMON STOCK and WARRANTS 0.00% (d) | | | | |
| | 27,474 | WestFed Holdings, Inc., Common Stock (a)(c) | | |
| | 10,052 | WKI Holding Company, Inc., Common Stock (c)(f)(h) | | |
| Total Common Stock and Warrants | | | | |
| (Total cost of \$2,295) | | | | |
| SHORT-TERM INVESTMENTS 2.28% (d) | | | | |
| | 4,571 | Total Capital S.A., Commercial Paper, Due 07/03/06, Discount of 5.27% | P-1 | \$ 4,570 |
| \$ | | | | |
| Total Short-Term Investments | | | | 4,570 |
| (Total cost of \$4,570) | | | | |
| TOTAL INVESTMENTS | | | | \$ 321,152 |

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(Total cost of
\$332,865)

- (a) Denotes issuer is in bankruptcy proceedings. Income is not being accrued.
- (b) Securities are step interest bonds. Interest on these bonds accrues based on the effective interest method which results in a constant rate of interest being recognized.
- (c) Security is valued at fair value using methods determined by the Board of Directors. The total value of these securities at June 30, 2006 was \$0.
- (d) Percentages indicated are based on total net assets to common shareholders of \$200,088.
- (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 vaulation policy. Total market value of Rule 144A securities amounted to \$64,168 as of June 30, 2006.
- (h) Restricted as to public resale. At the date of acquisition, these securities were valued at cost. The total value of restricted securities owned at June 30, 2006 was \$990 or .30% of total assets.

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, 2006 (Unaudited)**

(Dollars in thousands, except per share amounts)

Assets:

INVESTMENTS IN SECURITIES, at value (Identified
cost of \$332,865 see Schedule of Investments
and Notes 1 and 2)

\$ 321,152

INTEREST RATE SWAP, at fair value (Note 6)

7,079

CASH

16

RECEIVABLES:

Investment securities sold

762

Interest and dividends

6,260

Swap settlement

127

PREPAID EXPENSES

101

Total assets

\$ 335,497

Liabilities:**PAYABLES:**

Investment securities purchased

\$ 4,704

Dividend on common stock

259

Dividend on preferred stock

251

ACCRUED EXPENSES (Note 3)

195

Total liabilities

\$ 5,409

Auction Term Preferred Stock:

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

5,200 shares issued and outstanding,

liquidation preference of \$25,000 per share

(Notes 4 and 5)

\$ 130,000

Net Assets

\$ 200,088

Represented By:**COMMON STOCK:**

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

94,756,080 shares issued and outstanding

\$ 948

CAPITAL IN EXCESS OF PAR VALUE

383,949

UNDISTRIBUTED NET INVESTMENT INCOME

(Note 2)

317

ACCUMULATED NET REALIZED LOSS FROM

SECURITIES TRANSACTIONS (Note 2)

(180,492)

NET UNREALIZED DEPRECIATION ON

INVESTMENTS AND INTEREST RATE SWAPS

(4,634)

Net Assets Applicable To Common Stock

(Equivalent to \$2.11 per share, based on

94,756,080 shares outstanding)

\$ 200,088

Statement of Operations**For the Six Month Period Ended****June 30, 2006 (Unaudited)** (Dollars in thousands)

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| | |
|---|------------|
| Investment Income: (Note 1) | |
| Interest income | \$ 12,724 |
| Other income | 295 |
| Dividend income | 25 |
| Total investment income | \$ 13,044 |
| Expenses: | |
| Cost of leverage: | |
| Preferred and auction (Note 5) | \$ 167 |
| Total cost of leverage | \$ 167 |
| Professional services: | |
| Management (Note 3) | \$ 571 |
| Custodian and transfer agent | 137 |
| Legal (Note 8) | 62 |
| Audit | 27 |
| Total professional services | \$ 797 |
| Administrative: | |
| General administrative | \$ 239 |
| Directors | 108 |
| NYSE | 44 |
| Shareholder communications | 23 |
| Shareholder meeting | 20 |
| Miscellaneous | 17 |
| Total administrative | \$ 451 |
| Total expenses | \$ 1,415 |
| Net investment income | \$ 11,629 |
| Realized and Unrealized Gain (Loss) on Investment Activities: | |
| Realized loss on investments, net | \$ (1,024) |
| Net swap settlement receipts (Note 6) | \$ 641 |
| Change in net unrealized depreciation on investments | \$ (3,891) |
| Change in unrealized appreciation on interest rate swap agreement | 2,590 |
| Total change in net unrealized depreciation on investments and interest rate swap | \$ (1,301) |
| Net loss on investments and interest rate swap | \$ (1,684) |
| Cost of Preferred Leverage | |
| Distributions to preferred stockholders | \$ (3,068) |
| Net increase in net assets resulting from operations | \$ 6,877 |

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)

| | Six Months Ended June 30, 2006 (Unaudited) | For the Year Ended December 31, 2005 |
|---|---|---|
| From Operations: | | |
| Net investment income | \$ 11,629 | \$ 23,606 |
| Realized gain (loss) on investments, net | (1,024) | 1,761 |
| Net swap settlement receipts (disbursements) | 641 | (643) |
| Change in net unrealized depreciation on investments and other financial instruments | (1,301) | (12,511) |
| Distributions from net investment income related to preferred stock | | |
| Dividends to preferred stockholders | (3,068) | (4,364) |
| Net increase in net assets resulting from operations | \$ 6,877 | \$ 7,849 |
| From Fund Share and Auction Term Preferred Stock Transactions: | | |
| Net asset value of 431,091 shares and 456,871 shares issued to common stockholders for reinvestment of dividends in 2006 and 2005, respectively | 935 | 993 |
| Increase in net assets resulting from fund share transactions | \$ 935 | \$ 993 |
| Distributions to Common Stockholders: | | |
| From net investment income (\$.09 and \$.22 per share in 2006 and 2005, respectively) | \$ (8,273) | \$ (20,458) |
| Total net decrease in net assets | \$ (461) | \$ (11,616) |
| Net Assets Applicable to Common Stock: | | |
| Beginning of period | \$ 200,549 | \$ 212,165 |
| End of period (Including \$317 of undistributed net investment income and \$(1,304) of accumulated deficit of net investment income at June 30, 2006 and December 31, 2005, respectively) | \$ 200,088 | \$ 200,549 |

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

The New America High Income Fund, Inc.

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

| | For the Six Months Ended June 30, 2006 (Unaudited) | 2005 | For the Years Ended December 31, | | |
|--|--|---------|----------------------------------|---------|----------|
| | | 2004 | 2003 (b) | 2002 | |
| NET ASSET VALUE: | | | | | |
| Beginning of period | \$ 2.13 | \$ 2.26 | \$ 2.19 | \$ 1.89 | \$ 2.61 |
| NET INVESTMENT INCOME | .12 | .25 | .26 | .26# | .37 |
| NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND OTHER FINANCIAL INSTRUMENTS | (.02) | (.11) | .09 | .34 | (.72) |
| DISTRIBUTIONS FROM NET INVESTMENT INCOME RELATED TO PREFERRED STOCK: | (.03) | (.05) | (.05) | (.06) | (.08) |
| TOTAL FROM INVESTMENT OPERATIONS | .07 | .09 | .30 | .54 | (.43) |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS: | | | | | |
| From net investment income | (.09) | (.22) | (.23) | (.22) | (.29) |
| TOTAL DISTRIBUTIONS | (.09) | (.22) | (.23) | (.22) | (.29) |
| Effect of rights offering and related expenses; and Auction Term | | | | | |
| Preferred Stock offering costs and sales load | | | | (.02) | |
| NET ASSET VALUE: | | | | | |
| End of period | \$ 2.11 | \$ 2.13 | \$ 2.26 | \$ 2.19 | \$ 1.89 |
| PER SHARE MARKET VALUE: | | | | | |
| End of period | \$ 2.15 | \$ 2.03 | \$ 2.19 | \$ 2.16 | \$ 2.01 |
| TOTAL INVESTMENT RETURN | 10.28% | 2.47% | 12.80% | 19.23% | (12.97)% |

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

The New America High Income Fund, Inc.

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

| | For the Six Months Ended June 30, 2006 | For the Years Ended December 31, | | | |
|---|--|----------------------------------|------------|------------|------------|
| | (Unaudited) | 2005 | 2004 | 2003 (b) | 2002 |
| NET ASSETS, END OF PERIOD, APPLICABLE TO COMMON STOCK (a) | \$ 200,088 | \$ 200,549 | \$ 212,165 | \$ 204,705 | \$ 131,170 |
| NET ASSETS, END OF PERIOD, APPLICABLE TO PREFERRED STOCK (a) | \$ 130,000 | \$ 130,000 | \$ 130,000 | \$ 130,000 | \$ 100,000 |
| TOTAL NET ASSETS APPLICABLE TO COMMON AND PREFERRED STOCK, END OF PERIOD (a) | \$ 330,088 | \$ 330,549 | \$ 342,165 | \$ 334,705 | \$ 231,170 |
| EXPENSE RATIOS: | | | | | |
| Ratio of preferred and other leverage expenses to average net assets* | .17%** | .16% | .15% | .16% | .18% |
| Ratio of operating expenses to average net assets* | 1.23%** | 1.23% | 1.27% | 1.56% | 1.46% |
| RATIO OF TOTAL EXPENSES TO AVERAGE NET ASSETS* | 1.40%** | 1.39% | 1.42% | 1.72% | 1.64% |
| RATIO OF NET INVESTMENT INCOME TO AVERAGE NET ASSETS* | 11.51%** | 11.48% | 12.02% | 12.81% | 16.48% |
| RATIO OF TOTAL EXPENSES TO AVERAGE NET ASSETS APPLICABLE TO COMMON AND PREFERRED STOCK | .86%** | .85% | .87% | 1.05% | .89% |
| RATIO OF NET INVESTMENT INCOME TO AVERAGE NET ASSETS APPLICABLE TO COMMON AND PREFERRED STOCK | 7.03%** | 7.03% | 7.38% | 7.79% | 8.91% |
| PORTFOLIO TURNOVER RATE | 29.26% | 61.54% | 70.90% | 120.47% | 82.47% |

(a) Dollars in thousands.

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

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

** Annualized

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

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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.

**Information Regarding
Senior Securities**

| | June 30, 2006 | | As of December 31, | | |
|--|--------------------------|----------------|---------------------------|----------------|----------------|
| | (Unaudited) | 2005 | 2004 | 2003 | 2002 |
| TOTAL AMOUNT OUTSTANDING: | | | | | |
| Preferred Stock | \$ 130,000,000 | \$ 130,000,000 | \$ 130,000,000 | \$ 130,000,000 | \$ 100,000,000 |
| ASSET COVERAGE: | | | | | |
| Per Preferred Stock Share (1) | \$ 63,478 | \$ 63,567 | \$ 65,801 | \$ 64,366 | \$ 57,793 |
| INVOLUNTARY LIQUIDATION PREFERENCE: | | | | | |
| Preferred Stock Share (2) | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 |
| APPROXIMATE MARKET VALUE: | | | | | |
| Per Preferred Stock Share (2) | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 |

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

(2) Plus accumulated and unpaid dividends.

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

The New America High Income Fund, Inc.

Notes to Financial Statements
June 30, 2006 (Unaudited)

(1) Significant Accounting and Other Policies

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

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

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

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

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

(a) *Valuation of Investments* Investments for which market quotations are readily available are stated at market value, which is determined by using the most recently quoted bid price provided by an independent pricing service or principal market maker. Independent pricing services provide market quotations based primarily on quotations from dealers and brokers, market transactions, accessing data from quotations services, offering sheets obtained from dealers and various relationships between securities. Short-term investments with original maturities of 60 days or less are stated at amortized cost, which approximates market value. Following procedures approved by the Board of Directors, investments for which market quotations are not readily available (primarily fixed-income corporate bonds and notes) are stated at fair value on the basis of subjective valuations furnished by securities dealers and brokers. Other investments, for which market quotations are not readily available with a cost of approximately \$7,214,000 and a value of \$0, are valued in good faith at fair market value using methods determined by the Board of Directors.

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

The New America High Income Fund, Inc.

Notes to Financial Statements Continued
June 30, 2006 (Unaudited)

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

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

(2) Tax Matters and Distributions

At June 30, 2006, the total cost of securities (including temporary cash investments) for federal income tax purposes was approximately \$334,581,000. Aggregate gross unrealized gain on securities in which there was an excess of value over tax cost was approximately \$2,465,000. Aggregate unrealized loss on securities in which there was an excess of tax cost over value was approximately \$15,894,000. Net unrealized loss on investments for tax purposes at June 30, 2006 was approximately \$13,429,000

At December 31, 2005, the Fund had approximate capital loss carryovers available to offset future capital gains, if any, to the extent provided by regulations:

| Carryover Available | Expiration Date |
|---------------------|-------------------|
| \$ 35,581,000 | December 31, 2007 |
| 21,821,000 | December 31, 2008 |
| 67,043,000 | December 31, 2009 |
| 45,239,000 | December 31, 2010 |
| 7,387,000 | December 31, 2011 |
| 125,000 | December 31, 2012 |
| 954,000 | December 31, 2013 |
| \$ 178,150,000 | |

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 \$24,790,000 and \$23,725,000 in 2005 and 2004, respectively, was from ordinary income.

As of December 31, 2005, the components of distributable earnings on a tax basis were approximately:

| | |
|---|------------------|
| Undistributed Net Investment Income | \$ 584,000 |
| Undistributed Long-Term Gain | |
| Unrealized Loss | \$ (5,155,000) |
| Capital Losses Carry Forward and Post October Losses Deferred | \$ (178,680,000) |

The difference between components of distributable earnings on a tax basis and the amounts reflected in the Statement of Assets and Liabilities are primarily due to market discount adjustments, and deductibility of preferred stock dividends. For the year ended December 31, 2005, the Fund reclassified \$1,420,000 between undistributed income and accumulated net realized losses from transactions relating to permanent differences between financial and tax reporting.

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

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

The New America High Income Fund, Inc.

Notes to Financial Statements Continued
June 30, 2006 (Unaudited)

for financial reporting purposes does not result in additional or decreased common stock dividend income.

(3) Investment Advisory Agreement

T. Rowe Price Associates, Inc. (T. Rowe Price), the Fund's Investment Advisor, earned approximately \$571,000 in management fees during the six months ended June 30, 2006. 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 a tributary to the Fund's common and auction term preferred stock. At June 30, 2006, the fee payable to T. Rowe Price was approximately \$94,000, which was included in accrued expenses on the accompanying statement of assets and liabilities.

(4) Auction Term Preferred Stock (ATP)

The Fund had 5,200 shares of ATP issued and outstanding at June 30, 2006. The ATP's dividends are cumulative at a rate determined at an auction, and dividend periods will typically be 28 days unless notice is given for periods to be longer or shorter than 28 days. Dividend rates ranged from 4.25% - 5.20% for the six months ended June 30, 2006. The average dividend rate as of June 30, 2006 was 5.13%.

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

(5) ATP Auction-Related Matters

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

After each auction, BTC as auction agent will pay to each broker-dealer, from funds provided by the Fund, a maximum service charge at the annual rate of 0.25 of 1% or such other percentage subsequently agreed to by the 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 \$167,000 for service charges for the six months ended June 30, 2006. This amount is included under the caption preferred and auction fees in the accompanying statement of operations.

(6) Interest Rate Swaps

The Fund entered into an interest payment swap arrangement with Fleet National Bank (Fleet) for the purpose of partially hedging its dividend payment obligations with respect to the ATP. Pursuant to the Swap Arrangement the Fund makes payments to Fleet on a monthly basis at a fixed annual rate. In exchange for such payment Fleet makes payments to the Fund on a monthly basis at a variable rate determined with reference to one month LIBOR. The variable rates ranged from 4.31% to

The New America High Income Fund, Inc.

Notes to Financial Statements - Continued
June 30, 2006 (Unaudited)

5.13% for the six months ended June 30, 2006. The effective date, notional amount, maturity and fixed rate of the swap is as follows:

| Effective Date | Notional Contract Amount | Maturity | Fixed Annual Rate |
|-----------------------|---------------------------------|-----------------|--------------------------|
| 11/5/04 | \$130 million | 11/5/09 | 3.775% |

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

The Fund recognizes all freestanding derivative instruments in the balance sheet as either assets or liabilities and measures them at fair value. Any change in the unrealized gain or loss is recorded in current earnings. For the six months ended June 30, 2006, the Fund's obligations under the swap agreements were less than the amount received from Fleet by approximately \$641,000 and such amount is included in the accompanying statement of operations.

The estimated fair value of the interest rate swap agreement at June 30, 2006 amounted to approximately \$7,079,000 of unrealized gain and is presented in the accompanying balance sheet.

(7) Purchases and Sales of Securities

Purchases and proceeds of sales or maturities of long-term securities during the six months ended June 30, 2006 were approximately:

| | |
|---------------------------------|---------------|
| Cost of purchases | \$ 99,076,000 |
| Proceeds of sales or maturities | \$ 93,611,000 |

(8) Related Party Transactions

A partner of Goodwin Procter LLP, counsel to the Fund, serves as a Director of the Fund. Fees earned by Goodwin Procter LLP amounted to approximately \$60,000 for the six months ended June 30, 2006.

The Fund paid approximately \$143,000 during the six months ended June 30, 2006 to two officers of the Fund for the provision of certain administrative services.

Supplemental Information (Unaudited)**Availability of Portfolio Holdings**

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

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site and their public reference room. In addition, the Forms may be reviewed on the Fund's web site at www.newamerica-hyb.com

Compliance Certifications

On May 30, 2006, your Fund submitted a CEO annual certification to the New York Stock Exchange (NYSE)

The New America High Income Fund, Inc.

Notes to Financial Statements Continued
June 30, 2006 (Unaudited)

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

Common and Auction Term Preferred Stock Transactions

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

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

The New America High Income Fund, Inc.

Directors

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

Officers

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

Investment Advisor

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

Administrator

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

Custodian

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

Transfer Agent

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

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

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

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

Semi Annual

Report

June 30, 2006

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 - Not required in semi-annual filing.

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

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

ITEM 11. CONTROLS AND PROCEDURES.

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

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

ITEM 12. EXHIBITS.

(a)(1) Not Applicable.

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

(a)(3) Not Applicable.

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

SIGNATURES

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

The New America High Income Fund, Inc.

By: /s/ Robert F. Birch
Name: Robert F. Birch
Title: President and Director
Date: August 25, 2006

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

By: /s/ Robert F. Birch
Name: Robert F. Birch
Title: President
Date: August 25, 2006

By: /s/ Ellen E. Terry
Name: Ellen E. Terry
Title: Treasurer
Date: August 25, 2006