

NEW AMERICA HIGH INCOME FUND INC  
Form N-CSR  
March 09, 2006

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 811-05399

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 Street

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: December 31

Date of reporting period: July 1, 2005 to December 31, 2005

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Item 1 - Report to Shareholders

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February 1, 2006

### Dear Fellow Shareholder,

We are pleased to present to you the annual report to shareholders for the year ended December 31, 2005. The high yield market was fairly volatile in 2005. We believe that the high yield market may continue to be volatile in 2006 due to increased activity of private equity funds and the downgrading of high grade debt issuers. Following a weak high yield market early in 2005 and with concerns about General Motors and Ford Motor Company affecting the outlook for the high yield market, investors withdrew \$11.6 billion from high yield mutual funds, according to AMG Data Services. Despite the overall volatility of the high yield bond market, the default rate of the high yield market was approximately 2.6% in 2005, well below the historical average of 4.3%, according to J.P. Morgan. We are pleased that the Fund's portfolio experienced no defaults in 2005. While the absolute 2005 total return for the Fund was modest compared to the total returns on the portfolio in the last two years, the Fund did perform well compared to the average closed-end leveraged high yield fund as reported by Lipper and compared to the Credit Suisse High Yield Index. The performance figures are detailed below. The conservative investing approach within the high yield bond universe of our portfolio managers at T. Rowe Price Associates proved to be a beneficial strategy for 2005.

The Fund's monthly dividend of \$.0175 per share has not changed for three years. In addition to the monthly dividend, the Fund paid a special dividend of \$.025 per share on January 31st, bringing the total dividends declared in 2005 from that year's income to approximately \$.22 per common share. Of course, in the future, the dividend may fluctuate, as it has in the past. Future portfolio results and the direction of the markets will determine the amount of the dividend that is actually paid.

At year-end, the market price of the Fund's shares had declined to \$2.03 from \$2.19 at the beginning of 2005. Based upon the NYSE closing stock price of \$2.18 on January 3, 2005 and annualizing the most recent ordinary monthly dividend of \$.0175 per share, produces a dividend yield of 9.6%. The Fund's total return for 2005 based upon market price and the dividends paid was 2.47%, slightly above the Credit Suisse High Yield Index's total return of 2.26%.

The Fund's net asset value per share ("NAV") began the year at \$2.26 and declined to \$2.13 at year-end. Despite the decline in NAV, the Fund's total return on NAV plus dividends paid was 4.16%, outpacing the Credit Suisse High Yield Index's total return of 2.26%.

Short-term interest rates rose throughout 2005. The dividend rate on the Fund's Auction Term Preferred Stock (the "ATP"), which is reset every 28 days by auction, increased from 2.41% in January 2005 to 4.40% in the last auction of the year. The Fund has been insulated from this 83% increase in its leverage costs by its interest rate swap position. The Fund anticipated the possibility of rising interest rates and entered into an interest rate swap agreement in November, 2004. Under the terms of the swap agreement, the Fund is paying a fixed rate of 3.775% on a notional amount equal to the amount of ATP outstanding and receives a payment that fluctuates with short term rates. The swap arrangement is in place until November, 2009.

The Fund's leverage, which is in the form of the ATP, continues to be an important contributor to the common stock dividend. Of course, as we always remind our fellow shareholders, leverage magnifies the volatility of the NAV. In poor high yield market conditions, the Fund's NAV will decline more than it would if we had the identical portfolio with no leverage. On the other hand, in a strong high yield bond market, the Fund's NAV should increase more than it would if the Fund's portfolio was not leveraged with the ATP.

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## Total Returns for the Periods Ending December 30, 2005

	1 Year	3 Years Cumulative
New America High Income Fund		
(Stock Price and Dividends)*	2.47%	37.81%
New America High Income Fund		
(NAV and Dividends)	4.16%	53.56%
Lipper Closed-End Fund Leveraged		
High Yield Average	2.24%	71.20%
Credit Suisse High Yield Index	2.26%	46.47%
Citigroup 10 Year U.S. Treasury Bond Index	2.04%	8.35%

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.

The Fund's portfolio managers, Mark Vaselkiv and Paul Karpers of T. Rowe Price Associates, have met the expectations of the Board. Over the last three years, the Fund has experienced a modest increase in the underlying asset value of the bonds in the portfolio while maintaining a stable dividend, which would have produced a yield of approximately 10.4% based upon the closing stock price on January 2, 2003 of \$2.02.

### *High Yield Market Update*

The high yield market scratched out small positive returns in the final three months of 2005, ending a year of transition from strong bull market performance to a more uncertain environment. Below investment grade bonds generated respectable relative results versus investment grade corporate debt and U.S. Treasury securities, but lagged stocks and emerging markets securities. Returns for high yield bonds in the second half of 2005 were dragged down by losses in more volatile, lower quality sectors, especially CCC-rated securities. Many bonds issued by automotive companies, utilities, cable operators and forest products producers posted losses due to weaker fundamentals. However, away from these pockets of weakness, the asset class remained generally healthy.

The major investment theme for high yield bonds late in 2005 was the acceleration of merger and acquisition activity, particularly through leveraged buyouts. Almost half of all issuance in the market in the second half of the year related to funding mergers and acquisitions. Private equity sponsors raised about \$125 billion of new capital last year, implying the capability to consummate over \$600 billion in new deals. Assuming appropriate debt structures, this could translate to approximately \$250 billion of new high yield securities to digest. Strategic industry buyers will also compete with LBO sponsors like KKR, Blackstone and the Carlyle Group for corporations that put themselves up for sale. In the fourth quarter alone, several companies in the Fund's portfolio became the target of M&A transactions.

Our biggest concern going into the New Year remains the valuations of high yield bonds, as measured by the spread at which high yield bonds trade versus Treasuries of similar maturity. By this measure, the high yield market demonstrated amazing resiliency throughout 2005 in the face of higher interest rates, skyrocketing energy costs for many of our companies and the downgrades of General Motors and Ford. In our view, these factors seem to have been largely absorbed and discounted into the current spread for the asset class.

*Strategy Update*

The aging of the credit cycle and the anticipated wave of new LBOs rekindled the importance of a strong investment process for successful high yield investing, a trend we saw taking shape in 2005 and allowed us to produce good results versus the Credit Suisse High Yield Index. Our conservative sector allocations in weakening industries and our underweighting of CCC-rated bonds allowed us to comfortably beat this benchmark.

Our analysts also made good calls in areas of the market that have seen fundamentals remain strong. Private equity sponsors began to target bigger companies that often have high quality assets, good competitive positions and deep management teams. The Hertz transaction in December is a good example, and we established a 1% position in the two new bond issues.

In the fourth quarter, we also took a hard look at many of our less stellar credits, and in a number of cases, endured the painful medicine and sold bonds for losses. Our only real credit problem occurred late in the year with Refco Finance, a broker-dealer which filed for bankruptcy after disclosing fraudulent transactions. Fortunately, we were able to keep losses at acceptable levels in exiting this position. For the full year, we experienced no defaults in the portfolio. As always, we remain focused on generating enough interest to support the dividend, while preserving the Fund's invested capital.

Thank you for your 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 this 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 advice.*

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The New America High Income Fund, Inc.

<b>Industry Summary December 31, 2005</b>	<b>As a Percent of Total Investments</b>
Telecommunications	10.68%
Oil and Gas	9.97%
Broadcasting and Entertainment	6.58%
Healthcare, Education and Childcare	5.73%
Chemicals, Plastics and Rubber	5.67%
Utilities	5.58%
Hotels, Motels, Inns and Gaming	5.56%
Automobile	5.31%
Printing and Publishing	4.94%
Containers, Packaging and Glass	4.88%
Electronics	4.44%
Mining, Steel, Iron and Non-Precious Metals	4.11%
Retail Stores	3.03%
Building and Real Estate	2.96%
Diversified/Conglomerate Service	2.65%
Diversified/Conglomerate Manufacturing	2.24%
Leisure, Amusement and Entertainment	2.09%
Aerospace and Defense	2.03%
Beverage, Food and Tobacco	1.87%
Personal, Food and Miscellaneous Services	1.82%
Ecological	1.62%
Personal Non-Durable Consumer Products	1.39%
Finance	1.23%
Farming and Agriculture	0.53%
Furnishings, Housewares, Durable Consumer Products	0.48%
Textiles and Leather	0.29%
Machinery	0.25%
Grocery	0.18%
Cargo Transport	0.14%
Short-Term Investments	1.75%
	100.00%
<b>Moody's Investors Service Ratings December 31, 2005 (Unaudited)</b>	<b>As a Percent of Total Investments</b>
Short Term Prime-1	1.75%
A2	0.36%
Baa2	1.03%
Baa3	1.25%
Total Baa	2.28%
Ba1	2.96%
Ba2	7.59%
Ba3	12.92%
Total Ba	23.47%
B1	15.35%
B2	25.65%
B3	19.96%

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Total B	60.96%
Caa1	8.13%
Caa2	1.80%
Total Caa	9.93%
Ca	0.14%
Unrated	0.37%
Equity	0.74%
Total Investments	100.00%

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The New America High Income Fund, Inc.

Schedule of Investments December 31, 2005 (Dollar Amounts in Thousands)

Principal Amount/Units			Moody's Rating (Unaudited)	Value (Note 1(a))
<b>CORPORATE DEBT SECURITIES 156.60% (d)</b>				
<b>Aerospace and Defense 3.25%</b>				
\$	850	Aviall, Inc., Senior Notes, 7.625%, 07/01/11	B1	\$ 871
	1,100	BE Aerospace, Inc., Senior Subordinated Notes, 8.875%, 05/01/11	Caa2	1,155
	1,625	GenCorp Inc., Senior Subordinated Notes, 9.50%, 08/15/13	Caa1	1,755
	425	Moog, Inc., Senior Subordinated Notes, 6.25%, 01/15/15	Ba3	419
	325	Moog, Inc., Senior Subordinated Notes, 6.25%, 01/15/15 (g)	Ba3	320
	600	Sequa Corporation, Senior Notes, 9%, 08/01/09	B1	639
	650	TransDigm Inc., Senior Subordinated Notes, 8.375%, 07/15/11	B3	683
	725	Vought Aircraft Industries, Inc., Senior Notes, 8%, 07/15/11	B2	682
				6,524
<b>Automobile 8.53%</b>				
	1,125	Accuride Corp., Senior Subordinated Notes, 8.50%, 02/01/15	B3	1,108
	800	ADESA, Inc., Senior Subordinated Notes, 7.625%, 06/15/12	B1	800
	675	Autocam Corporation, Senior Subordinated Notes, 10.875%, 06/15/14	Ca	462
	4,550	Ford Motor Credit Company, Senior Notes, 7.375%, 10/28/09	Baa3	4,036
	6,450	General Motors Acceptance Corporation, Senior Bonds, 6.75%, 12/01/14	Ba1	5,798
	1,550	General Motors Acceptance Corporation, Senior	Ba1	1,506



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Principal Amount/Units	Moody's Rating (Unaudited)	Value (Note 1(a))
500	B2	505
750	Caa1	784
\$ 275	B3	\$ 261
707	Ba3	765
1,400	B3	1,078
		17,103
<b>Beverage, Food and Tobacco 3.00%</b>		
281	B3	289
250	B3	220
925	B2	946
325	B2	317
275	B2	292
400	B2	412
700	B2	725
700	B3	732
400	B3	416
1,100	Ba2	1,095

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	6.50%, 07/15/10 (g)		
	Wornick Company, Senior Secured		
550	Notes, 10.875%, 07/15/11	B2	568
			6,012
<b>Broadcasting and Entertainment 10.41%</b>			
	Allbritton Communications Company, Senior Subordinated		
1,000	Notes, 7.75%, 12/15/12	B3	1,006
	AMC Entertainment, Inc., Senior		
325	Notes, 8.625%, 08/15/12	B2	340

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 December 31, 2005 Continued (Dollar Amounts in Thousands)

Principal Amount/Units		Moody's Rating (Unaudited)	Value (Note 1(a))
<b>CORPORATE DEBT SECURITIES continued</b>			
		AMC Entertainment, Inc., Senior Subordinated Notes, 8%, 03/01/14	
\$	325	B3	\$ 295
		Charter Communications Operating, LLC, Senior Secured Notes, 8%, 04/30/12 (g)	
	2,375	B2	2,381
		Cinemark, Inc., Senior Discount Notes, 9.75%, 03/15/14 (b)(g)	
	250	Caa1	185
		Cinemark, Inc., Senior Discount Notes, 9.75%, 03/15/14 (b)	
	2,125	Caa1	1,573
		Cinemark USA, Inc., Senior Subordinated Notes, 9%, 02/01/13	
	375	B3	396
		CSC Holdings, Inc., Senior Notes, 7%, 04/15/12 (g)	
	625	B2	591
		CSC Holdings, Inc., Senior Notes, 7.625%, 04/01/11	
	1,000	B2	995
		DirectTV Holdings, LLC, Senior Notes, 6.375%, 06/15/15	
	850	Ba2	833
		DirectTV Holdings, LLC, Senior Notes, 8.375%, 03/15/13	
	228	Ba2	246
		EchoStar Communications Corporation, Convertible Subordinated Notes, 5.75%, 05/15/08	
	500	B2	491
		EchoStar DBS Corporation, Senior Notes, 6.625%, 10/01/14	
	500	Ba3	481
		Fisher Communications, Inc., Senior Notes, 8.625%, 09/15/14	
	225	B2	237
		Gray Television, Inc., Senior Subordinated Notes, 9.25%, 12/15/11	
	850	Ba3	910
		Insight Midwest, L.P., Senior Notes, 9.75%, 10/01/09	
	375	B2	386
		Insight Midwest, L.P., Senior Notes, 10.50%, 11/01/10	
	750	B2	788

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		Loews Cineplex Entertainment Corporation, Senior Subordinated		
	425	Notes, 9%, 08/01/14	B3	429
		Marquee Holdings, Inc., Senior Discount Notes,		
	1,575	12%, 08/15/14 (b)	Caa1	1,008
		Mediacom Broadband LLC, Senior		
	350	Notes, 8.50%, 10/15/15 (g)	B2	324

Principal Amount/Units			Moody's Rating (Unaudited)	Value (Note 1(a))
\$	600	Mediacom Broadband LLC, Senior Notes, 11%, 07/15/13	B2	\$ 645
	1,000	Quebecor Media, Inc., Senior Notes, 11.125%, 07/15/11	B2	1,085
	850	Rogers Cable Inc., Senior Secured Notes, 6.75%, 03/15/15	Ba3	863
	275	Sinclair Broadcast Group, Inc., Senior Subordinated Notes, 8%, 03/15/12	B2	284
	825	Sinclair Broadcast Group, Inc., Senior Subordinated Notes, 8.75%, 12/15/11	B2	867
	250	Videotron Ltee., Senior Notes, 6.375%, 12/15/15 (g)	Ba3	248
	825	Videotron Ltee., Senior Notes, 6.875%, 01/15/14	Ba3	833
	850	Warner Music Group, Senior Subordinated Notes, 7.375%, 04/15/14	B2	848
	300	WDAC Subsidiary Corp. Senior Notes, 8.375%, 12/01/14 (g)	Caa1	290
	300	XM Satellite Radio Inc., Senior Secured Discount Notes, 14%, 12/31/09 (b)	Caa1	320
	614	XM Satellite Radio Inc., Senior Secured Notes, 12%, 06/15/10	Caa1	690
				20,868
<b>Building and Real Estate</b>	<b>4.74%</b>			

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850	Ainsworth Lumber Company, Ltd., Senior Notes, 7.25%, 10/01/12	B2	765
625	B.F. Saul Real Estate Investment Trust, Senior Secured Notes, 7.50%, 03/01/14	B2	638
1,250	Building Materials Corporation of America, Senior Notes, 7.75%, 08/01/14	B2	1,206
1,050	Collins & Aikman Floorcoverings, Inc., Senior Subordinated Notes, 9.75%, 02/15/10	Caa1	924
275	FelCor Lodging Limited Partnership, Senior Notes, 8.83%, 06/01/11	B1	284
75	FelCor Lodging Limited Partnership, Senior Notes, 9%, 06/01/11	B1	82
275	Meristar Hospitality Operating, Senior Notes, 9%, 01/15/08	B2	284

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The New America High Income Fund, Inc.

Schedule of Investments December 31, 2005 Continued (Dollar Amounts in Thousands)

Principal Amount/Units			Moody's Rating (Unaudited)	Value (Note 1(a))
<b>CORPORATE DEBT SECURITIES continued</b>				
		Meristar Hospitality Operating, Senior Notes, 9.125%, 01/15/11	B2	\$ 575
\$	525			
	775	Mobile Mini, Inc., Senior Notes, 9.50%, 07/01/13	B2	853
	800	Norcraft Companies, L.P., Senior Subordinated Notes, 9%, 11/01/11	B3	828
	450	Norcraft Holding Companies, L.P., Senior Discount Notes, 9.75%, 09/01/12 (b)	Caa1	322
	325	Omega Healthcare Investors, Inc., Senior Notes, 7%, 04/01/14	B1	324
	875	Texas Industries, Inc., Senior Notes, 7.25%, 07/15/13 (g)	Ba3	908
	500	Ventas Realty, Limited Partnership, Senior Notes, 6.50%, 06/01/16 (g)	Ba2	501
	325	Ventas Realty, Limited Partnership, Senior Notes, 6.75%, 06/01/10	Ba2	333
	700	WCI Communities, Inc., Senior Subordinated Notes, 9.125%, 05/01/12	Ba3	693
				9,520
<b>Cargo Transport .22%</b>				
	400	TFM, S.A. de C.V., Senior Notes, 9.375%, 05/01/12 (g)	B2	438
<b>Chemicals, Plastics and Rubber 9.10%</b>				
	525	ARCO Chemical Company, Senior Debentures, 10.25%, 11/01/10	B1	580
	300	ARCO Chemical Company, Senior Notes, 9.80%, 02/01/20	B1	336
	1,190	BCP Caylux Holdings Luxembourg S.C.A., Senior Subordinated	B3	1,324

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	Notes, 9.625%, 06/15/14		
	Borden Chemical, Inc., Senior		
725	Secured Notes, 9%, 07/15/14 (g)	B3	719
	Crystal US Holdings 3 LLC, Senior		
274	Discount Notes, 10%, 10/01/14 (b)	Caa2	201
	Crystal US Holdings 3 LLC, Senior		
1,167	Discount Notes, 10.50%, 10/01/14 (b)	Caa2	855
	EquiStar Chemicals PL Funding,		
375	Senior Notes, 8.75%, 02/15/09	B2	394

Principal Amount/Units		Moody's Rating (Unaudited)	Value (Note 1(a))
\$ 475	Ethyl Corporation, Senior Notes, 8.875%, 05/01/10	B2	\$ 494
	Freeport McMoran Resources,		
425	Senior Notes, 7%, 02/15/08	Ba3	434
	Huntsman International LLC, Senior		
600	Notes, 9.875%, 03/01/09	B2	630
	Huntsman LLC, Senior Secured		
959	Notes, 11.625%, 10/15/10	Ba3	1,088
2,300	Invista, Units, 9.25%, 05/01/12 (g)	B1	2,461
	Koppers Inc., Senior Secured Notes,		
1,250	9.875%, 10/15/13	B2	1,356
	Lyondell Chemical Company, Senior		
	Secured Notes,		
236	9.50%, 12/15/08	B1	248
	Lyondell Chemical Company, Senior		
	Secured Notes,		
600	9.625%, 05/01/07	B1	628
	Lyondell Chemical Company,		
	Senior Secured Notes, 10.50%, 06/01/13	B1	708
	Lyondell Chemical Company,		
	Senior Secured Notes, 11.125%, 07/15/12	B1	225
	Nell AF S.a.r.l., Senior Notes,		
750	8.375%, 08/15/15 (g)	B2	742
525		B3	563

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		PolyOne Corporation, Senior Notes, 10.625%, 05/15/10		
		Resolution Performance		
	825	Products, LLC, Senior Secured Notes, 9.50%, 04/15/10	B3	835
	1,450	Rhodia S.A., Senior Notes, 10.25%, 06/01/10	B3	1,599
		Rockwood Specialties Group, Inc., Senior Subordinated Notes, 10.625%, 05/15/11	B3	913
	838	VWR International, Inc., Senior Notes, 6.875%, 04/15/12	B3	199
	200	VWR International, Inc., Senior Subordinated Notes, 8%, 04/15/14	Caa1	718
	725			18,250
<b>Containers, Packaging and Glass</b>	<b>7.84%</b>			
	625	AEP Industries, Inc., Senior Notes, 7.875%, 03/15/13	B2	612

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The New America High Income Fund, Inc.

Schedule of Investments December 31, 2005 Continued (Dollar Amounts in Thousands)

Principal Amount/Units			Moody's Rating (Unaudited)	Value (Note 1(a))
<b>CORPORATE DEBT SECURITIES continued</b>				
		Ball Corporation, Senior Notes,		
\$	650	6.875%, 12/15/12.	Ba2	\$ 665
		Boise Cascade, LLC, Senior Subordinated, Notes,		
	950	7.125%, 10/15/14	B2	888
		BWAY Corporation, Senior Subordinated Notes,		
	775	10%, 10/15/10	B3	810
		Crown Americas, Inc., Senior Notes,		
	725	7.625%, 11/15/13 (g)	B1	752
		Graphic Packaging International Inc., Senior Notes, 8.50%,		
	450	08/15/11	B2	451
		Graphic Packaging International Inc., Senior Subordinated,		
	325	Notes, 9.50%, 08/15/13	B3	314
		Greif Brothers Corporation, Senior Subordinated Notes,		
	350	8.875%, 08/01/12.	B1	373
		Jefferson Smurfit Corporation, (U.S.) Senior Notes, 7.50%,		
	700	06/01/13	B2	644
		JSG Funding, PLC, Senior Subordinated Notes,		
	800	7.75%, 04/01/15	Caa1	664
		Longview Fibre Company, Senior Subordinated Notes,		
	1,425	10%, 01/15/09	B2	1,495
		MDP Acquisitions Plc, Senior Notes,		
	1,410	9.625%, 10/01/12	B3	1,410
		NewPage Corporation, Senior Secured Notes, 10%,		
	125	05/01/12	B3	123
		NewPage Corporation, Senior Secured Notes, 10.50%,		
	600	05/01/12	B3	594
		NewPage Corporation, Senior Subordinated Notes,		
	325	12%, 05/01/13	Caa2	299

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		Norske Skog Canada Ltd., Senior		
	650	Notes 7.375%, 03/01/14	B1	572
		Owens-Brockway Glass Container, Inc., Senior Notes, 8.25%, 05/15/13	B2	671
	450	Owens-Brockway Glass Container, Inc., Senior Secured Notes, 7.75%, 05/15/11	B1	468
	725	Owens-Brockway Glass Container, Inc., Senior Secured Notes, 8.75%, 11/15/12	B1	779

Principal Amount/Units			Moody's Rating (Unaudited)	Value (Note 1(a))
\$	1,225	Owens-Brockway Glass Container, Inc., Senior Secured Notes, 8.875%, 02/15/09	B1	\$ 1,277
	425	Plastipak Holdings, Inc., Senior Notes, 8.50%, 12/15/15 (g)	B2	431
	375	Silgan Holdings Inc., Senior Subordinated Notes, 6.75%, 11/15/13	B1	373
	450	Solo Cup Company, Senior Subordinated Notes, 8.50%, 02/15/14	Caa1	394
	100	Stone Container Corporation, Senior Notes, 9.75%, 02/01/11	B2	101
	625	Stone Container Finance Company of Canada, Senior Notes, 7.375%, 07/15/14	B2	569
				15,729

**Diversified/Conglomerate Manufacturing 3.60%**

	850	Aearo Company, Senior Subordinated Notes, 8.25%, 04/15/12	B3	863
	625	Bombardier, Inc., Senior Notes, 6.30%, 05/1/14 (g)	Ba2	547
	1,750	Bombardier, Inc., Senior Notes, 6.75%, 05/01/12 (g)	Ba2	1,614
	850	Case New Holland Inc., Senior Notes, 9.25%, 08/01/11	Ba3	905

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		Columbus McKinnon Corporation, Senior Subordinated Notes, 8.875%, 11/01/13 (g)	B3	886
850				
		Manitowoc Company, Inc., Senior Notes, 7.125%, 11/01/13	B1	565
550				
		Rexnord Corp., Senior Subordinated Notes, 10.125%, 12/15/12	B3	1,832
1,700				
				7,212
<b>Diversified/Conglomerate Service 4.25%</b>				
		Brand Services, Inc., Senior Subordinated Notes, 12%, 10/15/12	Caa1	1,601
1,525				
		Brickman Group, LTD, Senior Subordinated Notes, 11.75%, 12/15/09	B2	1,352
1,225				
		Coinmach Corporation, Senior Notes, 9%, 02/01/10	B3	303
289				

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 December 31, 2005 Continued (Dollar Amounts in Thousands)

Principal Amount/Units			Moody's Rating (Unaudited)	Value (Note 1(a))
<b>CORPORATE DEBT SECURITIES continued</b>				
\$	1,450	Hertz Corporation, Senior Notes, 8.875%, 01/01/14 (g)	B1	\$ 1,479
	1,775	Hertz Corporation, Senior Subordinated Notes, 10.50%, 01/01/16 (g)	B3	1,828
	425	IKON Office Solutions, Inc., Senior Notes, 7.75%, 09/15/15 (g)	Ba2	413
	625	NationsRent Companies, Inc., Senior Notes, 9.50%, 10/15/10	B2	683
	850	Sunstate Equipment Co, LLC, Senior Secured Notes, 10.50%, 04/01/13 (g)	B3	863
				8,522
<b>Ecological</b>	<b>2.61%</b>			
	625	Allied Waste North America, Inc., Senior Secured Notes, 7.875%, 04/15/13	B2	644
	1,125	Allied Waste North America, Inc., Senior Secured Notes, 8.50%, 12/01/08	B2	1,183
	1,050	Allied Waste North America, Inc., Senior Secured Notes, 8.875%, 04/01/08	B2	1,105
	100	Allied Waste North America, Inc., Senior Secured Notes, 9.25%, 09/01/12	B2	108
	2,075	Casella Waste Systems, Inc., Senior Subordinated Notes, 9.75%, 02/01/13	B3	2,184
				5,224
<b>Electronics</b>	<b>7.14%</b>			
	125	Activant Solutions, Inc., Senior Notes, 10.054%, 04/01/10 (g)	B2	131
	350	Activant Solutions, Inc., Senior	B2	368

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Principal Amount/Units		Moody's Rating (Unaudited)	Value (Note 1(a))
	Notes, 10.054%, 04/01/10 (g) Celestica, Inc., Senior Subordinated		
825	Notes, 7.875%, 07/01/11	B2	831
650	Dycom Investments, Inc., Senior Subordinated Notes, 8.125%, 10/15/15 (g)	Ba3	652
850	Flextronics International, Inc., Senior Subordinated Notes, 6.25%, 11/15/14	Ba2	837
\$	Freescale Semiconductor, Inc., Senior Notes, 6.875%, 07/15/11	Ba1	\$ 681
925	Freescale Semiconductor, Inc., Senior Notes, 7.125%, 07/15/14	Ba1	985
625	General Cable Corporation, Senior Notes, 9.50%, 11/15/10	B2	664
850	Invensys plc, Senior Notes, 9.875%, 03/15/11 (g)	B3	842
300	SS&C Technologies, Inc., Senior Subordinated Notes, 11.75%, 12/01/13 (g)	Caa1	308
150	Sanmina-SCI Corporation, Senior Secured Notes, 10.375%, 01/15/10	Ba2	165
550	Spansion Technology, Inc., Senior Notes, 11.25%, 01/15/16 (g)	Caa1	523
350	STATS ChipPAC Ltd., Senior Notes, 6.75%, 11/15/11	Ba2	342
325	STATS ChipPAC Ltd., Senior Notes, 7.50%, 07/19/10	Ba2	329
2,250	Sunguard Data Systems, Inc., Senior Notes, 9.125%, 08/15/13 (g)	B3	2,340
975	Sunguard Data Systems, Inc., Senior Subordinated Notes, 10.25%, 08/15/15 (g)	Caa1	980
800		B3	852

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	Telex Communications, Inc., Senior Secured Notes, 11.50%, 10/15/08		
1,050	UGS Corp., Senior Subordinated Notes, 10%, 06/01/12	B3	1,150
375	Unisys Corporation, Senior Notes, 7.875%, 04/1/08	Ba3	367
250	Unisys Corporation, Senior Notes, 8%, 10/15/12	Ba3	231
175	Xerox Corp., Senior Notes, 6.875%, 08/15/11	Ba2	181
200	Xerox Corp., Senior Notes, 7.20%, 04/01/16	Ba2	209
325	Xerox Corp., Senior Notes, 7.625%, 06/15/13	Ba2	344
			14,312
<b>Farming and Agriculture</b>	<b>.85%</b>		
150	IMC Global Inc., Senior Notes, 10.875%, 06/01/08	Ba3	166
125	IMC Global Inc., Senior Notes, 10.875%, 08/01/13	Ba3	143

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The New America High Income Fund, Inc.

Schedule of Investments December 31, 2005 Continued (Dollar Amounts in Thousands)

Principal Amount/Units			Moody's Rating (Unaudited)	Value (Note 1(a))
<b>CORPORATE DEBT SECURITIES continued</b>				
\$	100	IMC Global Inc., Senior Notes, 11.25%, 06/01/11	Ba3	\$ 108
	400	Terra Capital, Inc., Senior Notes, 11.50%, 06/01/10	B2	449
	797	United Agri Products, Inc., Senior Notes, 8.25%, 12/15/11	B1	839
				1,705
<b>Finance 1.98%</b>				
	675	Dollar Financial Group, Inc., Senior Notes, 9.75%, 11/15/11	B3	697
	2,300	E*TRADE Financial Corp., Senior Notes, 8%, 06/15/11	B1	2,386
	840	Global Cash Access Inc., Senior Subordinated Notes, 8.75%, 03/15/12	Caa1	894
				3,977
<b>Furnishings, Housewares, Durable Consumer Products .77%</b>				
	1,050	Sealy Mattress Company, Senior Subordinated Notes, 8.25%, 06/15/14	B3	1,081
	875	Simmons Company, Senior Discount Notes, 10%, 12/15/14 (b)(g)	Caa2	472
				1,553
<b>Grocery .29%</b>				
	625	Pathmark Stores, Inc., Senior Subordinated Notes, 8.75%, 02/01/12	Caa2	587
<b>Healthcare, Education and Childcare 9.21%</b>				
	525	AmerisourceBergen Corporation, Senior Notes, 5.625%, 09/15/12 (g)	Ba2	524
	700	Biovail Corporation, Senior Subordinated Notes, 7.875%, 04/01/10	B2	725
	375	Community Health Systems, Inc., Senior Subordinated	B3	367





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	Triad Hospitals, Inc., Senior Subordinated Notes, 7%, 05/15/12	B2	358
350			
	US Oncology, Inc., Senior Notes, 9%, 08/15/12	B2	909
850			
	Vanguard Health Holding Company II, LLC, Senior Subordinated Notes, 9%, 10/01/14	Caa1	558
525			

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The New America High Income Fund, Inc.

Schedule of Investments December 31, 2005 Continued (Dollar Amounts in Thousands)

Principal Amount/Units		Moody's Rating (Unaudited)	Value (Note 1(a))
<b>CORPORATE DEBT SECURITIES continued</b>			
	Warner Chilcott Corporation, Senior Subordinated Notes, 8.75%, 02/01/15 (g)	Caa1	\$ 461
\$ 500			\$ 461
			18,472
<b>Hotels, Motels, Inns and Gaming 8.93%</b>			
	American Casino & Entertainment Properties LLC, Senior Secured Notes, 7.85%, 02/01/12	B2	1,052
1,025			1,052
	Ameristar Casinos, Inc., Senior Subordinated Notes, 10.75%, 02/15/09	B2	1,060
1,000			1,060
	Boyd Gaming Corporation, Senior Subordinated Notes, 6.75%, 04/15/14	B1	995
1,000			995
	Boyd Gaming Corporation, Senior Subordinated Notes, 7.75%, 12/15/12	B1	157
150			157
	Boyd Gaming Corporation, Senior Subordinated Notes, 8.75%, 04/15/12	B1	27
25			27
	CCM Merger, Inc., Senior Notes, 8%, 08/01/13 (g)	B3	505
525			505
	Chukchansi Economic Development Authority, Senior Notes, 8.06%, 11/15/12 (g)	B2	484
475			484
	Herbst Gaming, Inc., Senior Subordinated Notes, 7%, 11/15/14	B3	696
700			696
	Host Marriott, L.P., Senior Notes, 6.375%, 03/15/15	Ba2	100
100			100
	Host Marriott, L.P., Senior Notes, 7.125%, 11/01/13	Ba2	653
625			653
	MGM MIRAGE, Senior Notes, 9.75%, 06/01/07	Ba3	868
825			868
	MGM MIRAGE, Senior Secured	Ba2	846
850			846

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		Notes, 6%, 10/01/09 MGM MIRAGE, Senior Secured		
	1,500	Notes, 8.50%, 09/15/10	Ba2	1,627
		Majestic Star Casino, LLC, Senior		
	650	Notes, 9.75%, 01/15/11(g)	B3	657
		Mandalay Resort Group, Senior		
	600	Subordinated Notes, 10.25%, 08/01/07	Ba3	639

Principal Amount/Units			Moody's Rating (Unaudited)	Value (Note 1(a))
\$	575	Mohegan Tribal Gaming Authority, Senior Subordinated Notes, 6.875%, 02/15/15	Ba3	\$ 581
	1,100	Mohegan Tribal Gaming Authority, Senior Subordinated Notes, 8%, 04/01/12	Ba3	1,160
	825	Penn National Gaming, Inc., Senior Subordinated Notes, 6.75%, 03/01/15	B3	810
	400	Pinnacle Entertainment, Inc., Senior Subordinated Notes, 8.25%, 03/15/12	Caa1	414
	725	Poster Financial group, Inc., Senior Notes, 8.75%, 12/01/11	B2	749
	75	Resorts International Hotel and Casino, Inc., Senior Notes, 11.50%, 03/15/09	B2	83
	525	Station Casinos, Inc., Senior Notes, 6%, 04/01/12	Ba2	529
	125	Station Casinos, Inc., Senior Subordinated Notes, 6.50%, 02/01/14	Ba3	127
	1,800	Station Casinos, Inc., Senior Subordinated Notes, 6.875%, 03/01/16	Ba3	1,840
	650	Trump Entertainment ResortsHoldings, L.P., Senior Secured Notes, 8.50%, 06/01/15	Caa1	634
	625	Wynn Las Vegas, LLC, Senior	B2	609

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		Secured Notes, 6.625%, 12/01/14		
				17,902
<b>Leisure, Amusement and Entertainment</b>	<b>3.36%</b>			
		AMF Bowling Worldwide, Inc. Senior Subordinated Notes, 800	10%, 03/01/10 Caa1	796
		Eastman Kodak Company, Senior Notes, 7.25%, 11/15/13 1,750	B1	1,671
		Equinox Holdings, Inc., Senior Notes, 9%, 12/15/09 575	B3	615
		K2 Inc., Senior Notes, 7.375%, 07/01/14 775	Ba3	773
		Six Flags Inc., Senior Notes, 8.875%, 02/01/10 325	Caa1	319
		Six Flags Inc., Senior Notes, 9.625%, 06/01/14 150	Caa1	146

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The New America High Income Fund, Inc.

Schedule of Investments December 31, 2005 Continued (Dollar Amounts in Thousands)

Principal Amount/Units			Moody's Rating (Unaudited)	Value (Note 1(a))
<b>CORPORATE DEBT SECURITIES continued</b>				
\$	275	Six Flags Inc., Senior Notes, 9.75%, 04/15/13	Caa1	\$ 270
	800	Town Sports International, Inc., Senior Notes, 9.625%, 04/15/11	B2	838
	1,175	Universal City Development Partners, Ltd., Senior Notes, 11.75%, 04/01/10	B2	1,316
				6,744
<b>Machinery .39%</b>				
	747	JLG Industries, Inc., Senior Subordinated Notes, 8.375%, 06/15/12	B3	792
<b>Mining, Steel, Iron and Non-Precious Metals 6.60%</b>				
	475	Aleris International, Inc., Senior Notes, 9%, 11/15/14	(e)	489
	825	Alpha Natural Resources, LLC, Senior Notes, 10%, 06/01/12	B3	887
	575	Arch Western Finance LLC, Senior Notes, 6.75%, 07/01/13	Ba3	582
	450	Century Aluminum Company, Senior Notes, 7.50%, 08/15/14	B1	443
	1,525	Earle M. Jorgensen Company, Senior Secured Notes, 9.75%, 06/01/12	B1	1,628
	825	Foundation PA Coal Company, Senior Notes, 7.25%, 08/01/14	B1	856
	750	Gerdau Ameristeel Corporation, Senior Notes, 10.375%, 07/15/11	Ba3	825
	1,150	Gibraltar Industries, Inc., Senior Subordinated Notes, 8%, 12/01/15 (g)	Ba3	1,150
	825	James River Coal Company, Senior	B3	860

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		Notes, 9.375%, 06/01/12		
		Massey Energy Company, Senior		
	675	Notes, 6.625%, 11/15/10	B1	688
		Massey Energy Company, Senior		
	150	Notes, 6.875%, 12/15/13 (g)	B1	151
		Metals USA, Inc., Senior Notes,		
	375	11.125%, 12/01/15 (g)	B3	388
		Neenah Foundry Company, Senior		
	500	Secured Notes, 11%, 09/30/10 (g)	B2	546
		Novelis, Inc., Senior Notes,		
	850	7.50%, 02/15/15 (g)	B1	795
<b>Principal Amount/Units</b>			<b>Moody's Rating (Unaudited)</b>	<b>Value (Note 1(a))</b>
		Peabody Energy Corporation, Senior Notes,		
\$	2,000	6.875%, 03/15/13	Ba3	\$ 2,082
		Valmont Industries, Inc., Senior		
	850	Subordinated Notes, 6.875%, 05/01/14	Ba3	859
				13,229
<b>Oil and Gas 16.01%</b>				
		AmeriGas Partners, L.P., Senior		
	2,500	Notes, 7.25%, 05/20/15	B2	2,556
		Atlas Pipeline Partners, L.P., Senior		
	525	Notes, 8.125%, 12/15/15 (g)	B1	532
		Chaparral Energy, Inc., Senior		
	1,150	Notes, 8.50%, 12/01/15 (g)	B3	1,190
		CHC Helicopter Corporation, Senior		
	1,100	Subordinated Notes, 7.375%, 05/01/14	B2	1,114
		Chesapeake Energy Corporation, Senior Notes, 6.50%,		
	250	08/15/17(g)	Ba2	251
		Chesapeake Energy Corporation, Senior Notes, 6.375%,		
	725	06/15/15	Ba2	725
		Chesapeake Energy Corporation, Senior Notes, 6.625%,		
	1,425	01/15/16	Ba2	1,443
	175		Ba2	181

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	Chesapeake Energy Corporation, Senior Notes, 7%, 08/15/14		
725	Colorado Interstate Gas Company, Senior Notes, 6.80%, 11/15/15 (g)	B1	728
775	Compton Petroleum Corporation, Senior Notes, 7.625%, 12/01/13 (g)	B2	783
750	Denbury Resources, Inc., Senior Subordinated Notes, 7.50%, 04/01/13	B2	761
225	Denbury Resources, Inc., Senior Subordinated Notes, 7.50%, 12/15/15	B2	228
286	Dresser-Rand Group Inc., Senior Subordinated Notes, 7.625%, 11/01/14 (g)	B3	293
200	Dynergy Holdings, Inc., Senior Notes, 9.875%, 07/15/10 (g)	B1	219
800	Dynergy Holdings, Inc., Senior Notes, 10.125%, 07/15/13 (g)	B1	904
400	El Paso Production Holding Co., Senior Notes 7.75%, 06/01/13	B3	417

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The New America High Income Fund, Inc.

Schedule of Investments December 31, 2005 Continued (Dollar Amounts in Thousands)

Principal Amount/Units			Moody's Rating (Unaudited)	Value (Note 1(a))
<b>CORPORATE DEBT SECURITIES continued</b>				
		Encore Acquisition Company, Senior Subordinated Notes, 7.25%, 12/01/17	B2	\$ 767
\$	775			
		Ferrellgas Partners L.P., Senior Notes, 8.75%, 06/15/12	B2	1,435
	1,450			
		Grant Pride Company, Inc., Senior Notes, 6.125%, 08/15/15 (g)	Ba2	326
	325			
		Hanover Equipment Trust, Senior Secured Notes, 8.75%, 09/01/11	B2	1,110
	1,050			
		Hilcorp Energy I, L.P., Senior Notes, 7.75%, 11/01/15 (g)	B2	1,272
	1,250			
		Magnum Hunter Resources, Inc., Senior Notes, 9.60%, 03/15/12	Ba3	707
	650			
		Northwest Pipeline Corporation, Senior Notes, 8.125%, 03/01/10	Ba2	212
	200			
		Ocean Rig Norway AS, Senior Secured Notes, 8.375%, 07/01/13 (g)	B3	664
	625			
		Petroleum Helicopters, Inc., Senior Notes, 9.375%, 05/01/09	B1	1,000
	950			
		Plains Exploration & Production Co., L.P., Senior Subordinated Notes, 8.75%, 07/01/12	Ba3	833
	775			
		Pogo Producing Company, Senior Subordinated Notes, 6.875%, 10/01/17 (g)	Ba3	244
	250			
		Pride International, Inc., Senior Notes, 7.375%, 07/15/14	Ba2	646
	600			
		Range Resources Corporation, Senior Subordinated Notes, 6.375%, 03/15/15	B2	341
	350			
		Range Resources Corporation, Senior Subordinated Notes,	B2	516
	500			



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		7.375%, 07/15/13		
		Southern Natural Gas Company,		
	1,125	Senior Notes, 8.875%, 03/15/10	B1	1,205
		Stone Energy Corporation, Senior Subordinated Notes,		
	1,100	8.25%, 12/15/11	B3	1,136
		Swift Energy Company, Senior Notes, 7.625%, 07/15/11	B1	511
	500	Universal Compression, Inc., Senior Notes, 7.25%, 05/15/10	Ba3	946
	925			

Principal Amount/Units			Moody's Rating (Unaudited)	Value (Note 1(a))
		Whiting Petroleum Corporation, Senior Subordinated Notes,		
\$	975	7%, 02/01/14 (g)	B2	\$ 980
		Whiting Petroleum Corporation, Senior Subordinated Notes,		
	675	7.25%, 05/01/13	B2	683
		Williams Companies, Inc., Senior Notes, 7.625%, 07/15/19	B1	187
		Williams Companies, Inc., Senior Notes, 8.125%, 03/15/12	B1	4,060
	3,725			32,106

**Personal, Food and Miscellaneous Services 2.92%**

		FTD, Inc., Senior Subordinated Notes, 7.75%, 02/15/14	B3	973
	983			
		FTI Consulting, Inc., Senior Notes, 7.625%, 06/15/13 (g)	Ba2	618
	600			
		Landry's Restaurants, Inc., Senior Notes, 7.50%, 12/15/14	B2	655
	700			
		Mac-Gray Corporation, Senior Notes, 7.625%, 08/15/15	B1	611
	600			
		O'Charleys, Inc., Senior Subordinated Notes, 9%, 11/01/13	Ba3	871
	850			
		Real Mex Restaurants, Inc., Senior Notes, 10.00%, 04/01/10	B2	506
	475			
		Restaurant Company, Senior Notes, 10%, 10/01/13 (g)	B2	624
	675			

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		Worldspan, L.P., Senior Notes, 10.59%, 02/15/11	B3	990
	1,125			5,848
<b>Personal Non-Durable Consumer Products 2.24%</b>				
		ACCO Brands Corporation, Senior Subordinated Notes, 7.625%, 08/15/15	B2	801
	850			
		American Achievement Corporation, Senior Subordinated Notes, 8.25%, 04/01/12	B3	1,066
	1,050			
		Chattem, Inc., Senior Subordinated Notes, 7%, 03/01/14	B2	584
	575			
		Church & Dwight Company, Inc., Senior Subordinated Notes, 6%, 12/15/12	Ba3	320
	325			
		Quicksilver, Inc., Senior Notes, 6.875%, 04/15/15 (g)	B1	265
	275			

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The New America High Income Fund, Inc.

Schedule of Investments December 31, 2005 Continued (Dollar Amounts in Thousands)

Principal Amount/Units			Moody's Rating (Unaudited)	Value (Note 1(a))
<b>CORPORATE DEBT SECURITIES continued</b>				
		Rayovac Corporation, Senior		
\$	700	Subordinated Notes, 8.50%, 10/01/13	B3	\$ 611
		Spectrum Brands, Inc., Senior		
	1,025	Subordinated Notes, 7.375%, 02/01/15	B3	846
				4,493
<b>Printing and Publishing 7.93%</b>				
		Advanstar Communications Inc., Senior Notes, 10.75%, 08/15/10	B3	493
	450			
		Advanstar Communications Inc., Senior Subordinated Notes, 12%, 02/15/11	Caa2	604
	575			
		Advanstar Inc., Senior Discount Debentures, 15%, 10/15/11	(e)	705
	675			
		Affinity Group Inc., Senior Subordinated Notes, 9%, 02/15/12	B3	849
	850			
		Affinity Group Inc., Senior Subordinated Notes, 10.875%, 02/15/12	Caa1	350
	365			
		CanWest Media, Inc., Senior Subordinated Notes, 8%, 09/15/12	B2	1,932
	1,878			
		Cenveo Corporation, Senior Notes, 9.625%, 03/15/12	B1	684
	635			
		Dex Media East LLC, Senior Subordinated Notes, 12.125%, 11/15/12	B1	1,330
	1,137			
		Dex Media West LLC, Senior Notes, 8.50%, 08/15/10	B1	686
	650			
		Dex Media West LLC, Senior Subordinated Notes, 9.875%, 08/15/13	B2	887
	800			
	725		Caa1	776

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		Haight's Cross Communications Operating Company, Senior Notes, 11.75%, 08/15/11		
	700	Houghton Mifflin Company, Senior Notes, 8.25%, 02/01/11	B3	728
	950	Jostens Intermediate Holding Corp., Senior Subordinated Notes, 7.625%, 10/01/12	B3	950
<b>Principal Amount/Units</b>			<b>Moody's Rating (Unaudited)</b>	<b>Value (Note 1(a))</b>
\$	950	Lamar Advertising Company, Convertible Notes, 2.875%, 12/31/10	B2	\$ 1,009
	225	MediaNews Group, Inc., Senior Subordinated Notes, 6.375%, 04/01/14	B2	207
	650	MediaNews Group, Inc., Senior Subordinated Notes, 6.875%, 10/01/13	B2	621
	1,000	Morris Publishing Group, LLC, Senior Subordinated Notes, 7%, 08/01/13	B1	941
	1,900	R.H. Donnelley Inc., Senior Subordinated Notes, 10.875%, 12/15/12	B2	2,157
				15,909
<b>Retail Stores 4.87%</b>				
	1,000	Alimentation Couche-Tard, Inc., Senior Subordinated Notes, 7.50%, 12/15/13	Ba3	1,025
	1,225	Amazon.com, Inc., Convertible Subordinated Notes, 4.75%, 02/01/09	B2	1,182
	2,600	GameStop Corporation, Senior Notes, 8%, 10/01/12 (g)	Ba3	2,450
	525	Gregg Appliances, Inc., Senior Notes, 9%, 02/01/13	B2	475
	975	Jean Coutu Group, Inc., Senior Notes, 7.625%, 08/01/12	B3	960

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	Leslie's Poolmart, Inc., Senior		
1,150	Notes, 7.75%, 02/01/13	B2	1,153
	Movie Gallery, Inc., Senior Notes,		
1,300	11%, 05/01/12	B3	1,014
	Nebraska Book Company, Inc., Senior Subordinated Notes,		
1,025	8.625%, 03/15/12	Caa1	943
	Stripes Acquisition, LLC, Senior		
550	Notes, 10.625%, 12/15/13 (g)	B2	558
			9,760
<b>Telecommunications</b>	<b>16.38%</b>		
	Alamosa (Delaware), Inc., Senior		
1,872	Notes, 11%, 07/31/10	Caa1	2,111
	American Cellular Corporation, Senior Notes, 10%,		
100	08/01/11	B3	109

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The New America High Income Fund, Inc.

Schedule of Investments December 31, 2005 Continued (Dollar Amounts in Thousands)

Principal Amount/Units		Moody's Rating (Unaudited)	Value (Note 1(a))
<b>CORPORATE DEBT SECURITIES continued</b>			
\$	800	American Tower Corporation, Senior Notes, 7.125%, 10/15/12 B1	\$ 826
	125	American Tower Corporation, Senior Notes, 7.50%, 05/01/12 B1	131
	150	American Towers Corporation, Senior Subordinated Notes, 7.25%, 12/01/11 Ba2	156
	1,050	AT&T Corporation, Senior Notes, 9.05%, 11/15/11 A2	1,162
	100	Centennial Communications Corp., Senior Notes, 8.125%, 02/01/14 B3	102
	250	Centennial Communications Corp., Senior Notes, 10%, 01/01/13 (g) Caa2	253
	350	Centennial Communications Corp., Senior Notes, 10.125%, 06/15/13 B3	381
	900	Digicel Unlimited, Senior Notes, 9.25%, 09/01/12 (g) B3	925
	600	Dobson Cellular Systems, Inc., Senior Notes 9.875%, 11/01/12 B2	661
	725	Dobson Communications Corporation, Senior Notes, 8.875%, 10/01/13 Caa2	723
	1,025	Eircom Funding plc, Senior Subordinated Notes, 8.25%, 08/15/13 B1	1,102
	425	Horizon PCS, Inc., Senior Notes, 11.375%, 07/15/12 B3	488
	1,425	Intelsat, Ltd., Senior Notes, 8.695%, 01/15/12 (g) B2	1,446
	450	iPCS Escrow Company, Senior Notes, 11.50%, 05/01/12 B3	516
	425	IWO Holdings, Inc., Senior Discount Notes, 10.75%, 01/15/15 (b) Caa2	309
	1,100	Leucadia National Corporation, Ba2	1,089

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		Senior Notes, 7%, 08/15/13		
		L-3 Communications Corporation, Senior Subordinated Notes,		
	875	6.375%, 10/15/15 (g)	Ba3	877
	975	MCI, Inc., Senior Notes, 7.688%, 05/01/09	Ba3	1,007
		NEXTEL Communications, Inc., Senior Notes, 6.875%, 10/31/13	Baa2	1,875
	1,800	NEXTEL Communications, Inc., Senior Notes, 7.375%, 08/01/15	Baa2	1,451

Principal Amount/Units			Moody's Rating (Unaudited)	Value (Note 1(a))
\$	725	Nextel Partners, Inc., Senior Notes, 8.125%, 07/01/11	Ba3	\$ 774
	100	PanAmSat Holdco, Senior Discount Notes, 10.375%, 11/01/14 (b)	B3	70
	924	PanAmSat Corporation, Senior Notes, 9%, 08/15/14	B1	970
	825	Qwest Corporation, Notes, 7.741%, 06/15/13 (g)	Ba3	893
	525	Qwest Corporation, Notes 8.875%, 03/15/12	Ba3	589
	1,025	Qwest Services Corp., Notes, 7.875%, 09/01/11	Ba3	1,104
	375	Rogers Wireless Inc., Senior Secured Notes, 7.50%, 03/15/15	Ba3	405
	2,400	Rogers Wireless Inc., Senior Secured Notes, 8%, 12/15/12	B2	2,544
	1,000	Rogers Wireless Inc., Senior Secured Notes, 9.625%, 05/01/11	Ba3	1,150
	475	Rural Cellular Corporation, Senior Notes, 9.875%, 02/01/10	Caa1	501
	325	Rural Cellular Corporation, Senior Subordinated Notes, 10.041%, 11/01/12 (g)	Caa2	327
	850	Syniverse Technologies, Inc., Senior Subordinated Notes, 7.75%, 08/15/13	B2	857

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	Time Warner Telecom, Inc., Senior Notes, 10.125%, 02/01/11	Caa1	1,178
1,125			
	UbiquiTel Operating Co., Senior Notes, 9.875%, 03/01/11	Caa1	886
800			
	US LEC Corporation, Senior Notes, 12.716%, 10/01/09	B3	831
775			
	US Unwired Inc., Senior Secured Notes, 10%, 06/15/12	Caa1	1,078
950			
	Wind Acquisition Finance S.A., Senior Notes, 10.75%, 12/01/15 (g)	B3	990
950			
			32,847
<b>Textiles and Leather</b>	<b>.46%</b>		
	Interface, Inc., Senior Subordinated Notes, 9.50%, 02/01/14	Caa1	99
100			
	Rafaella Apparel Group, Inc., Senior Secured, 11.25%, 06/15/11(g)	B2	833
850			
			932

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 December 31, 2005 Continued (Dollar Amounts in Thousands)

Principal Amount/Units			Moody's Rating (Unaudited)	Value (Note 1(a))
<b>CORPORATE DEBT SECURITIES continued</b>				
<b>Utilities 8.72%</b>				
\$	350	The AES Corporation, Senior Notes, 7.75%, 03/01/14	B1	\$ 367
	1,075	The AES Corporation, Senior Notes, 9.375%, 09/15/10	B1	1,177
	3,100	The AES Corporation, Senior Secured Notes, 9%, 05/15/15 (g)	Ba3	3,395
	1,050	Allegheny Energy Supply Company, LLC, Senior Notes, 8.25%, 04/15/12 (g)	Ba3	1,186
	1,125	Midwest Generation, LLC, Senior Secured Notes, 8.75%, 05/01/34	B1	1,237
	1,325	Mirant Americas Generation, LLC, Senior Notes, 8.30%, 05/01/11(a)	B2	1,676
	1,750	Mirant North America, LLC, Senior Notes, 7.375%, 12/31/13 (g)	B1	1,772
	1,650	Orion Power Holdings, Inc., Senior Notes, 12%, 05/01/10	B2	1,865
	700	Roseton-Danskammer 2001, Senior Secured Notes, 7.27%, 11/08/10	B2	704
	1,775	Sierra Pacific Resources, Senior Notes, 8.625%, 03/15/14	B1	1,921
	1,500	TECO Energy, Inc., Senior Notes, 7%, 05/01/12.	Ba2	1,579
	600	Utilicorp Canada Financial Corporation, Senior Notes, 7.75%, 06/15/11	B2	617
				17,496
		<b>Total Corporate Debt Securities</b> (Total cost of \$314,331)		314,066
<b>Shares</b>				

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**PREFERRED STOCK 1.19% (d)**

**Banking 0.00%**

		WestFed Holdings, Inc., Cumulative, Series A, Preferred Stock,		
	57,935	15.50% (a)(c)	(e)	

**Broadcasting and Entertainment .17%**

		Spanish Broadcasting System, Inc., Series B, Preferred Stock, 10.75%		
	308		Caa1	333

**Mining, Steel, Iron, Non-Precious Metals 0.00%**

		Weirton Steel Corporation, Series C Preferred Stock (a)(c)		
	18,000		(e)	

Shares			Moody's Rating (Unaudited)	Value (Note 1(a))
<b>Telecommunications .78%</b>				
		Lucent Technologies Capital Trust Preferred Stock, 7.75%	B3	\$ 1,561
	1,625			
<b>Utilities .24%</b>				
		NRG Energy, Inc., Convertible Preferred Stock, 4% (g)	B3	488
	375			
		<b>Total Preferred Stock</b>		
		(Total cost of \$7,644)		2,382

**COMMON STOCK and WARRANTS 0.00% (d)**

		WestFed Holdings, Inc., Common Stock (a)(c)		
	27,474			
		WKI Holding Company, Inc., Common Stock (c)(f)		
	10,052			
		<b>Total Common Stock and Warrants</b> (Total cost of \$2,295)		

**Principal Amount**

**SHORT-TERM INVESTMENTS 2.80% (d)**

		Consolidated Edison Company of New York, Inc., Commercial Paper, Due 01/03/06, Discount of 4.14%		
\$	5,622		P-1	5,621
		<b>Total Short-Term Investments</b> (Total cost of \$5,621)		5,621
		<b>TOTAL INVESTMENTS</b> (Total cost of \$329,891)		\$ 322,069

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

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- (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 December 31, 2005 was \$0.
- (d) Percentages indicated are based on total net assets to common shareholders of \$200,549.
- (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(a) of the Notes to Financial Statements for valuation policy. Total market value of Rule 144A securities amounted to \$61,821 as of December 31, 2005.

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



## The New America High Income Fund, Inc.

**Statement of Assets and Liabilities****December 31, 2005**

(Dollars in thousands, except per share amounts)

**Assets:**

INVESTMENTS IN SECURITIES, at value (Identified  
cost of \$329,891 see Schedule of Investments  
and Notes 1 and 2)

\$ 322,069

INTEREST RATE SWAP, at fair value (Note 6)

4,489

CASH

736

**RECEIVABLES:**

Investment securities sold

144

Interest and dividends

6,066

Swap settlement

52

**PREPAID EXPENSES**

30

Total assets

\$ 333,586

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

Dividend on common stock

\$ 2,647

Dividend on preferred stock

162

ACCRUED EXPENSES (Note 3)

228

Total liabilities

\$ 3,037

**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**

\$ 200,549

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

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

94,324,989 shares issued and outstanding

\$ 943

CAPITAL IN EXCESS OF PAR VALUE

383,020

UNDISTRIBUTED NET INVESTMENT INCOME

(Note 2)

(1,304)

ACCUMULATED NET REALIZED LOSS FROM

SECURITIES TRANSACTIONS (Note 2)

(178,777)

NET UNREALIZED DEPRECIATION ON

INVESTMENTS AND INTEREST RATE SWAPS

(3,333)

**Net Assets Applicable To Common Stock**

(Equivalent to \$2.13 per share, based on

94,324,989 shares outstanding)

\$ 200,549

**Statement of Operations****For the Year Ended****December 31, 2005** (Dollars in thousands)**Investment Income:** (Note 1)

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Interest income	\$	25,302
Other income		1,061
Dividend income		99
Total investment income	\$	26,462
<b>Expenses:</b>		
Cost of leverage:		
Preferred and auction (Note 5)	\$	321
Total cost of leverage	\$	321
Professional services:		
Management (Note 3)	\$	1,157
Custodian and transfer agent		292
Legal (Note 8)		105
Audit		61