

NEW AMERICA HIGH INCOME FUND INC  
Form N-CSR  
March 05, 2014

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, 2013

Date of reporting period: July 1, 2013 to December 31, 2013

Item 1. Report to Stockholders

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February 12, 2014

**Dear Shareholder,**

We are pleased to report to our shareholders on the results of The New America High Income Fund (the "Fund") for the year ended December 31, 2013. The Fund's net asset value per share (the "NAV") ended the period at \$10.58. The market price for the Fund's shares was \$9.65 on December 31, 2013, representing a market price discount to NAV of 8.8%, which is generally in line with other leveraged, high yield closed-end funds. In 2013, the Fund paid common stock dividends totaling \$0.86 per share, including a special dividend of \$.145 per share. The dividend yield for the year ended December 31, 2013 on a share of common stock purchased at year-end 2012 was approximately 8.2%. However, there is no certainty that the monthly dividend will continue at the current level of \$.065 per share per month. The common stock dividend can be affected by portfolio results, the cost and amount of leverage, market conditions, and operating expenses, among other factors. The Fund's leverage contributed approximately 24% of the common stock dividend in 2013. It is important to note that leverage is a two-edged sword. Leverage increases the total return to the common shareholders in favorable markets while the opposite is true in unfavorable markets.

At year-end, the Fund had borrowed the maximum \$100 million available through its credit facility (the "Facility") with The Bank of Nova Scotia. The Facility, which has a one year term, was extended in November for an additional year. Amounts borrowed under the Facility bear interest at an adjustable rate based on a margin above LIBOR. As a consequence, in the current interest rate environment the 1.07% interest rate on the Facility at December 31, 2013 offered an attractive spread relative to the year-end weighted average current yield of 7.16% on the Fund's portfolio. An increase in the cost of the leverage or reduction in the portfolio's yield will reduce the spread and may reduce the income available for the common stock dividend.

**Total Returns for the Periods Ending  
December 31, 2013**

	<b>1 Year</b>	<b>3 Years Cumulative</b>
New America High Income Fund (Stock Price and Dividends)*	.73%	28.38%
New America High Income Fund (NAV and Dividends)	9.31%	37.40%
Lipper Closed-End Fund Leveraged High Yield Average (NAV and Dividends)	11.39%	40.03%
Credit Suisse High Yield Index	7.53%	30.10%
Citigroup 10 Year Treasury Index	(7.85%)	12.37%

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

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

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

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

*Market Review*

High yield bonds produced strong results for the year, outperforming most other fixed income assets against a backdrop that was largely dominated by concerns over rising interest rates. Other external macro developments weighed on the performance for high yield bonds in 2013, including continuing U.S. political discord and looming changes in Fed policy, but each period of elevated volatility was short lived. Recognizing the health of below

investment-grade companies, dedicated high yield investors quickly stepped in to buy during times of weakness, particularly following declines in the second quarter.

With corporate fundamentals remaining stable and yields relatively attractive versus other bond sectors, investors continued to deploy fresh capital into the asset class throughout the year. The market performed well despite the highly anticipated announcement from the Fed regarding the future of its asset purchase program.

The 10-year Treasury yield climbed to 3% in late December, its highest level in more than two years, as the Federal Reserve announced that it would begin to reduce its asset purchase program amid solid economic data. The Fed decided to slow the pace of its Treasury and mortgage-backed securities purchases by \$5 billion each in January. In addition, the central bank provided enhanced guidance on short-term interest rates, saying that it is likely to keep policy rates near 0% "well past" the time when the unemployment rate falls to 6.5%. Bond markets had a relatively muted reaction to the Fed decision, suggesting that much of the impact of tapering had been discounted in prior months.

As U.S. Treasury yields tracked higher for much of the year, high yield was one of the few fixed income sectors to produce positive absolute results in 2013. For context, the Credit Suisse High Yield Index returned 7.53% for the year versus -2.02% for the Barclays U.S. Aggregate Bond Index, which represents the broad, investment-grade fixed income universe. Higher-yielding, lower-duration CCC rated bonds outperformed higher-rated securities by a wide margin during the fourth quarter and the 12-month period. In addition to benefiting from relatively low-duration profiles, lower-rated companies also generally received a boost from ongoing balance sheet repair.

After a busy fourth quarter, high yield bonds and leveraged loans both set new annual records for primary market activity more than \$1 trillion below investment-grade new issues were priced this year. According to J.P. Morgan, \$398.5 billion of new high yield bonds came to the market in 2013, surpassing the previous record of \$368 billion that was set in 2012. More than half of this year's new bond deals were refinancing related, which is positive from a fundamental perspective because it allows companies to lower debt costs and extend maturities.

The average yield-to-worst on the Credit Suisse High Yield Index stood at 5.77% at year end, down from 6.25% at the start of the year. Average credit spreads for the index, represented as the yield premium over Treasuries measured in basis points, declined to 436 at year end, after beginning 2013 at 554. The drop in yield and spread does indicate valuations are becoming stretched for the asset class, but the spread figure is still well above the all-time low of 271 basis points for the index that was set in June 2007.

### *Strategy Review*

Holdings in European and emerging markets credits have been an important and growing allocation in the portfolio. Our focus in the expanding European high yield market is on B-rated credits, and we have added several relatively short-maturity bonds that yield more than comparable-quality U.S. issues. European high yield companies have performed well in recent months, in part because interest rates in the region have increased less than in the U.S. Additionally, most of the portfolio's European holdings traded up following reports that the eurozone economy exited its prolonged recession in the second quarter. At year-end 13.4% of total Fund assets was invested in European issuers and approximately 3.8% of total Fund assets was invested in companies domiciled in emerging market countries.



In terms of casting a wider net outside the U.S., cable operator Altice is an interesting fourth-quarter purchase that has operations in developed Europe as well as emerging markets. While this name is well positioned as the top provider in Israel's duopoly cable market, we are also encouraged by its efforts to diversify globally, with key acquisitions in Europe and the Dominican Republic. Furthermore, Altice recently announced its intentions to launch an IPO, and it plans to use the proceeds to pay down debt and fund future acquisitions. The company's commitment to fund additional acquisitions with equity, rather than debt, is positive for bond investors, and the forthcoming deleveraging is likely to boost the fund's position in the company's subordinated securities.

The Fund's emerging markets bond holdings generally lagged during the fourth quarter. The emerging markets corporate bond asset class has experienced some technical pressure related to capital outflows, although there have also been some credit-specific challenges. For instance, the portfolio has a position in NII Holdings, a Latin American wireless carrier that sold off after reporting disappointing earnings and lowering forward guidance. The larger-than-expected decline in revenues was partly linked to subscriber losses in Mexico. We believe the market has somewhat overreacted to these results as the company has ample liquidity, no significant debt maturities until 2016, and additional assets to sell if needed. Moreover, NII has a competitive advantage in terms of 3G network quality within Brazil, which affirms the company's strategic value.

From a credit quality perspective, our CCC allocation is higher within an historical context given the solid fundamental credit backdrop and low default environment. This allocation benefitted Fund performance; however a relatively equal weight distribution between BB and B rated bonds weighed on results versus peers. BB rated securities underperformed as Treasurys rose and many peers carry a higher concentration to single B issues with lower duration profiles.

Lastly, the portfolio continues to benefit from a number of balance sheet repair stories, such as First Data, Travelport, Rite Aid, and SunEdison. In recent months, each of these companies took advantage of favorable capital market conditions to refinance or extend debt maturities, significantly reducing near-term default risk.

### *Outlook*

While we are encouraged that high yield was one of the few fixed income markets to generate positive results in 2013, we believe that capital appreciation potential may be limited for the coming year, with most bonds at a premium to par value. In our view, the most promising total return opportunities are outside the traditional U.S. BB-rated bond space, but we maintain a positive outlook on the overall asset class. Many of the setbacks that high yield bonds faced over the last few years were related to challenges outside of the asset class that have since diminished, including political wrangling in the U.S. and sovereign debt concerns in Europe.

As we continue to broaden the investment opportunity set, we believe our team is in an advantageous position to leverage various independent insights that arise from the firm's global research platform. In an environment where upside potential is somewhat limited, success generally hinges on an investor's ability to appropriately price risk, which requires a deep assessment of credit fundamentals and relative valuations.

Below investment-grade companies are benefiting from an improving economic environment, leading to healthy cash flows, and corporate fundamentals are generally sound. Following a surge in refinancing activity over the past several years, many companies have pushed out near-term maturities and locked in low debt costs for an extended period. The limited amount of high yield bonds that are set to mature over

the next two years is highly supportive of the low default environment. The potential restructuring of TXU a large, highly leveraged utility



issuer could have a material impact on the default rate in 2014, but market participants are largely anticipating this event, and the contagion effects should be limited. Additionally, as we search for select investments outside the traditional high yield universe, it is worth noting that distressed and restructuring situations can represent compelling investment opportunities if the risks are fully identified.

As always, we aim to deliver high current income while seeking to contain volatility inherent in this market. Our team maintains a commitment to credit research and risk-conscious investing focused on favorable returns over various market cycles.

Sincerely,

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

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

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

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

## The New America High Income Fund, Inc.

<b>Industry Summary December 31, 2013</b>	<b>As a Percent of Total Investments</b>
Broadcasting and Entertainment	12.14%
Oil and Gas	11.08%
Telecommunications	10.75%
Diversified/Conglomerate Service	7.17%
Building and Real Estate	6.78%
Finance	6.14%
Healthcare, Education and Childcare	5.50%
Mining, Steel, Iron and Non-Precious Metals	4.47%
Retail Stores	4.10%
Containers, Packaging and Glass	3.44%
Automobile	3.43%
Electronics	3.37%
Diversified/Conglomerate Manufacturing	3.26%
Hotels, Motels, Inns and Gaming	3.17%
Chemicals, Plastics and Rubber	2.85%
Beverage, Food and Tobacco	2.31%
Utilities	1.86%
Leisure, Amusement and Entertainment	1.29%
Personal Transportation	1.27%
Insurance	1.01%
Personal, Food and Miscellaneous Services	0.93%
Textiles and Leather	0.73%
Printing and Publishing	0.71%
Banking	0.67%
Aerospace and Defense	0.56%
Personal Non-Durable Consumer Products	0.44%
Cargo Transport	0.35%
Furnishings	0.11%
Groceries	0.11%
Total Investments	100.00%
<b>Moody's Investors Service Ratings December 31, 2013 (Unaudited)</b>	<b>As a Percent of Total Investments</b>
Baa1	0.04%
Baa2	0.25%
Baa3	0.54%
Total Baa	0.83%
Ba1	5.26%
Ba2	7.60%
Ba3	14.63%
Total Ba	27.49%
B1	14.66%
B2	12.30%
B3	18.93%
Total B	45.89%
Caa1	12.55%
Caa2	7.65%

Caa3	1.02%
Total Caa	21.22%
Unrated	3.67%
Equity	0.90%
Total Investments	100.00%



## The New America High Income Fund, Inc.

## Schedule of Investments December 31, 2013 (Dollar Amounts in Thousands)

Principal Amount/Units			Moody's Rating (Unaudited)	Value (Note 1)
<b>CORPORATE DEBT SECURITIES 137.52%</b>				
<b>(d)(i)</b>				
<b>Aerospace and Defense .77%</b>				
\$	475	Ducommun, Inc., Senior Notes, 9.75%, 07/15/18	B3	\$ 528
	500	Esterline Technologies, Senior Notes, 7%, 08/01/20	Ba2	540
	775	Kratos Defense and Security Solutions, Inc., Senior Notes, 10%, 06/01/17	B3	835
				1,903
<b>Automobile 4.76%</b>				
	125	Affinia Group, Inc., Senior Notes, 7.75%, 05/01/21	Caa2	131
	725	Allison Transmission, Inc., Senior Notes, 7.125% 05/15/19 (g)	B3	783
	175	American Axle and Manufacturing, Inc., Senior Notes, 5.125%, 02/15/19	B2	180
	350	American Axle and Manufacturing, Inc., Senior	B2	371

	Notes, 6.25%, 03/15/21		
375	American Axle and Manufacturing, Inc., Senior Notes, 6.625%, 10/15/22	B2	397
1,750	Chrysler Group LLC, Senior Notes, 8.25%, 06/15/21	B1	1,999
700	Dana Holding Corporation, Senior Notes, 5.375%, 09/15/21	B2	704
200	Delphi Corporation, Senior Notes, 5%, 02/15/23	Ba1	206
300	Delphi Corporation, Senior Notes, 5.875%, 05/15/19	Ba1	318
375	Delphi Corporation, Senior Notes, 6.125%, 05/15/21	Ba1	416
475	General Motors, Senior Notes, 6.25%, 10/02/43 (g)	Ba1	493
550	Gestamp Fund Lux S.A., Senior Notes, 5.625%, 05/31/20 (g)	B1	560
450	Goodyear Tire & Rubber Company, Senior Notes, 6.50%, 03/01/21	B1	477

Principal Amount/Units		Moody's Rating (Unaudited)	Value (Note 1)
\$ 550	Goodyear Tire & Rubber Company, Senior Notes, 8.25%, 08/15/20	B1	\$ 615
200	Goodyear Tire & Rubber Company, Senior Notes, 8.75%, 08/15/20	B1	235
1,025	Jaguar Land Rover Automotive Plc, Senior Notes, 5.625%, 02/01/23 (g)	Ba2	1,024
600	Milacron LLC, Senior Notes, 7.75%, 02/15/21 (g)	Caa1	629
300	Pittsburgh Glass Works, LLC, Senior Notes, 8%, 11/15/18 (g)	B3	316
800	Schaeffler Finance B.V., Senior Notes, 4.75%, 05/15/21 (g)	Ba2	793
475	Schaeffler Finance B.V., Senior Notes, 6.875%, 08/15/18 (g)	B1	504
325	Sonic Automotive, Inc., Senior Subordinated Notes, 5%, 05/15/23	B3	304
300	Sonic Automotive, Inc., Senior	B3	326

		Subordinated Notes, 7%, 07/15/22		
				11,781
<b>Banking</b>	<b>.93%</b>			
		ABN Amro Bank, N.V., Senior Notes, 4.31%, 12/31/49 (EUR)	Ba2	922
	675			
		Barclays PLC, Junior Subordinated Notes, 8%, 12/31/49 (EUR)	(e)	284
	200			
		Barclays PLC, Junior Subordinated Notes, 8.25%, 12/31/49	(e)	664
	645			
		Credit Suisse Group AG, Senior Notes, 7.50%, 12/31/49 (g)	(e)	423
	400			
				2,293

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



## The New America High Income Fund, Inc.

## Schedule of Investments December 31, 2013 Continued (Dollar Amounts in Thousands)

Principal Amount/Units			Moody's Rating (Unaudited)	Value (Note 1)
<b>CORPORATE DEBT SECURITIES continued</b>				
<b>Beverage, Food and Tobacco 3.20%</b>				
\$	353	Bumble Bee Acquisition Company, Senior Notes, 9%, 12/15/17 (g)	B3	\$ 385
	600	Constellation Brands, Inc., Senior Notes, 6%, 05/01/22	Ba1	637
	325	Darling Escrow Corporation, Senior Notes, 5.375%, 01/15/22 (g)	B1	327
	1,550	Del Monte Foods Company, Senior Notes, 7.625%, 02/15/19	Caa1	1,612
	660	Esal GMBH, Senior Notes, 6.25%, 02/05/23 (g)	(e)	589
	255	JBS Investments GMBH, Senior Notes, 7.75%, 10/28/20 (g)	(e)	257
	550	Land O'Lakes Capital Trust I, 7.45%, 03/15/28 (g)	Ba3	532
	675	Marfrig Holdings (Europe) B.V., Senior Notes, 11.25%, 09/20/21 (g)	B2	642

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	375	Michael Foods, Inc., Senior Notes, 8.50%, 07/15/18 (g)	Caa1	395
	175	Post Holdings, Inc., Senior Notes, 7.375%, 02/15/22	B1	187
	250	Post Holdings, Inc., Senior Notes, 7.375%, 02/15/22 (g)	B1	268
	350	Shearers Food, Inc., Senior Notes, 9%, 11/01/19 (g)	B3	369
	1,575	U.S. Food Service, Inc., Senior Notes, 8.50%, 06/30/19	Caa2	1,723
				7,923
<b>Broadcasting and Entertainment</b>	<b>16.69%</b>			
	1,225	Altice Financing S.A., Senior Notes, 6.50%, 01/15/22 (g)	B1	1,231
	200	Altice Financing S.A., Senior Notes, 8.125%, 01/15/24 (g)	B3	203
	875	Altice Financing S.A., Senior Notes, 9%, 06/15/23 (g)(EUR)	B3	1,318
	675	Altice Financing S.A., Senior Notes, 9.875%, 12/15/20 (g)	B3	758
<b>Principal Amount/Units</b>			<b>Moody's Rating (Unaudited)</b>	<b>Value (Note 1)</b>
\$	1,075		B1	\$ 1,025

	AMC Networks, Inc., Senior Notes, 4.75%, 12/15/22			
475	Block Communications, Inc., Senior Notes, 7.25%, 02/01/20 (g)	Ba3		504
325	Cable Communications Systems NV, Senior Notes, 7.50%, 11/01/20 (g)(EUR)	B1		459
275	Cablevision Systems Corporation, Senior Notes, 8.625%, 09/15/17	B1		319
815	CCO Holdings, LLC, Senior Notes, 5.125%, 02/15/23	B1		756
725	CCO Holdings, LLC, Senior Notes, 5.25%, 09/30/22	B1		676
2,350	CCO Holdings, LLC, Senior Notes, 6.625%, 01/31/22	B1		2,420
850	Central European Media Enterprises Ltd., Senior Notes, 11.625%, 09/15/16 (g)(EUR)	(e)		1,166
1,325	Cequel Communications Holdings I, LLC, Senior Notes, 5.125%, 12/15/21 (g)	B3		1,249
1,750	Cequel Communications Holdings I, LLC, Senior Notes, 6.375%, 09/15/20 (g)	B3		1,789
1,075	Clear Channel Communications, Inc., Senior Notes, 9%, 12/15/19	Caa1		1,099

75	Clear Channel Worldwide Holdings, Inc., Senior Notes, 6.50%, 11/15/22	B1	76
475	Clear Channel Worldwide Holdings, Inc., Senior Notes, 6.50%, 11/15/22	B1	485
75	Clear Channel Worldwide Holdings, Inc., Senior Subordinated Notes, 7.625%, 03/15/20	B3	78
200	Clear Channel Worldwide Holdings, Inc., Senior Subordinated Notes, 7.625%, 03/15/20	B3	210
250	Cogeco Cable, Inc., Senior Notes, 4.875%, 05/01/20 (g)	(e)	244
600	CSC Holdings, LLC, Senior Notes, 6.75%, 11/15/21	Ba3	648

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

## The New America High Income Fund, Inc.

## Schedule of Investments December 31, 2013 Continued (Dollar Amounts in Thousands)

Principal Amount/Units			Moody's Rating (Unaudited)	Value (Note 1)
<b>CORPORATE DEBT SECURITIES continued</b>				
\$	750	Dish DBS Corporation, Senior Notes, 4.25%, 04/01/18	Ba3	\$ 763
	800	Dish DBS Corporation, Senior Notes, 5.125%, 05/01/20	Ba3	799
	450	Dish DBS Corporation, Senior Notes, 5.875%, 07/15/22	Ba3	449
	500	DreamWorks Animation SKG, Inc., Senior Notes, 6.875%, 08/15/20 (g)	Ba3	529
	350	Gannett Co., Inc., Senior Notes, 5.125%, 10/15/19 (g)	Ba1	364
	275	Gannett Co., Inc., Senior Notes, 6.375%, 10/15/23 (g)	Ba1	285
	575	GTP Acquisition Partners I, LLC, Senior Notes, 7.628%, 6/15/41 (g)	Ba3	617
	325	Lamar Media Corporation, Senior Subordinated Notes, 5.875%, 02/01/22	B1	333
	350	Lin Television Corporation, Senior Notes, 8.375%, 04/15/18	B3	371
	500		B3	513

		Mediacom Broadband LLC, Senior Notes, 6.375%, 04/01/23		
	500	Midcontinent Communications, Senior Notes, 6.25%, 08/01/21 (g)	B3	505
	475	Nara Cable Funding, Limited, Senior Notes, 8.875%, 12/1/18 (g)	B1	508
	200	Nara Cable Funding, Limited, Senior Notes, 8.875%, 12/1/18 (g)	B1	214
	350	National CineMedia LLC, Senior Notes, 6%, 04/15/22	Ba2	362
	1,675	Netflix, Inc., Senior Notes, 5.375%, 02/01/21 (g)	Ba3	1,700
	460	Norcell Sweden Holding, Senior Notes, 10.75%, 09/29/19 (g)(EUR)	Caa1	702
<b>Principal Amount/Units</b>			<b>Moody's Rating (Unaudited)</b>	<b>Value (Note 1)</b>
\$	439	Numericable Finance & Co. S.C.A., Senior Notes, 12.375%, 02/15/19 (g)(EUR)	B2	\$ 736
	400	Polish Television Holding B.V., Senior Notes, 11%, 01/15/21 (g)(EUR)	(e)	592
	600	Sinclair Television Group, Inc., Senior Notes, 6.125%, 10/01/22	B1	608
	450		B1	426

Sirius XM Radio,  
Inc., Senior Notes,  
4.25%, 05/15/20  
(g)

Sirius XM Radio,  
Inc., Senior Notes,  
4.625%, 05/15/23  
(g)

Sirius XM Radio,  
Inc., Senior Notes,  
5.75%, 08/01/21  
(g)

Starz LLC, Senior  
Notes,  
5%, 09/15/19

Time Warner  
Entertainment  
Company, L.P.,  
Senior Notes,  
8.375%, 03/15/23

Townsquare Radio  
LLC,  
Senior Notes,  
9%, 04/01/19 (g)

TVN Finance  
Corporation,  
Senior Notes  
7.375%, 12/15/20  
(g)(EUR)

Unitymedia  
KabelBW GmbH,  
Senior Notes,  
9.50%, 03/15/21  
(g)(EUR)

Univision  
Communications,  
Inc.,  
Senior Notes,  
5.125%, 05/15/23  
(g)

Univision  
Communications,  
Inc.,  
Senior Notes,  
6.75%, 09/15/22  
(g)

Univision  
Communications,  
Inc.,  
Senior Notes,  
7.875%, 11/01/20

400

B1

360

500

B1

505

725

Ba2

743

450

Baa2

515

375

B3

410

250

B1

370

475

B3

759

1,925

B2

1,923

1,050

B2

1,152

625

B2

691

	(g)		
	Univision		
	Communications,		
	Inc.,		
	Senior Notes,		
	8.50%, 05/15/21		
1,750	(g)	Caa2	1,934
	UPCB Finance		
	Limited,		
	Senior Notes,		
	6.875%, 01/15/22		
475	(g)	Ba3	505

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



## The New America High Income Fund, Inc.

## Schedule of Investments December 31, 2013 Continued (Dollar Amounts in Thousands)

Principal Amount/Units			Moody's Rating (Unaudited)	Value (Note 1)
<b>CORPORATE DEBT SECURITIES continued</b>				
\$	550	UPCB Finance Limited, Senior Notes, 7.25%, 11/15/21 (g)	Ba3	\$ 595
	575	Videotron Ltee., Senior Notes, 5%, 07/15/22	Ba2	562
	125	Vougeot Bidco Plc, Senior Notes, 7.875%, 7/15/20 (g)(GBP)	B2	220
	175	WaveDivision Holdings, LLC, Senior Notes, 8.125%, 09/01/20 (g)	Caa1	185
	500	Wide Open West Finance, LLC, Senior Notes, 10.25%, 07/15/19	Caa1	556
	525	Wide Open West Finance, LLC, Senior Subordinated Notes, 13.375%, 10/15/19	Caa1	608
	247	WMG Acquisition Corporation, Senior Notes, 6%, 01/15/21 (g)	Ba3	256
	300	WMG Acquisition	B3	346

		Corporation, Senior Notes, 11.50%, 10/01/18		41,284
<b>Building and Real Estate</b>	<b>9.41%</b>			
	180	Ainsworth Lumber Company Ltd., Senior Notes, 7.50%, 12/15/17 (g)	B2	194
	1,425	Associated Materials, Inc., Senior Notes, 9.125%, 11/01/17	Caa1	1,518
	275	Aviv Healthcare Properties Ltd. Partnership, Senior Notes, 7.75%, 02/15/19	Ba3	296
	1,075	Building Materials Corporation of America, Senior Notes, 6.75%, 05/01/21 (g)	Ba3	1,166
	650	Building Materials Holding Corporation, Senior Notes, 9%, 09/15/18 (g)	Caa1	692
	1,100	CBRE Services, Inc., Senior Notes, 5%, 03/15/23	Ba1	1,053
	500	CCRE Company, Senior Notes, 7.75%, 02/15/18 (g)	B1	529
<b>Principal Amount/Units</b>			<b>Moody's Rating (Unaudited)</b>	<b>Value (Note 1)</b>
\$	530		(e)	\$ 598

		Cemex Finance LLC, Senior Notes, 9.375%, 10/12/22 (g)		
	1,390	Cemex SAB de CV, Senior Notes, 9%, 01/11/18 (g) (e)		1,520
	450	Corrections Corporation of America, Senior Notes, 4.625%, 05/01/23 Ba1		424
	525	DuPont Fabros Technology L.P., Senior Notes, 5.875%, 09/15/21 Ba1		541
	650	Dycom Investments Inc., Senior Subordinated Notes, 7.125%, 01/15/21 Ba3		697
	650	P.H. Glatfelter Company, Senior Notes, 5.375%, 10/15/20 Ba1		667
	1,175	Howard Hughes Corporation, Senior Notes, 6.875%, 10/01/21 (g) Ba3		1,219
	525	iStar Financial, Inc., Senior Notes, 7.125%, 02/15/18 B3		581
	625	Jefferies LoanCore LLC, Senior Notes, 6.875%, 06/01/20 (g) B2		614
	600	KB Home, Senior Notes, 8%, 03/15/20 B2		664
	400	Ladder Capital Finance Holdings LLLP, Senior Notes, 7.375%, 10/01/17 Ba3		424
	950	Mercer International, Inc., Senior Notes, 9.50%, 12/01/17 B3		1,038

225	Meritage Homes Corporation, Senior Notes, 7%, 04/01/22	B1	238
250	MPT Operating Partnership, L.P., Senior Notes, 6.375%, 02/15/22	Ba1	259
525	MPT Operating Partnership, L.P., Senior Notes, 6.875%, 05/01/21	Ba1	562
575	Nortek, Inc., Senior Notes, 8.50%, 04/15/21	Caa1	634
650	Nortek, Inc., Senior Notes, 10%, 12/01/18	Caa1	713

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

## The New America High Income Fund, Inc.

## Schedule of Investments December 31, 2013 Continued (Dollar Amounts in Thousands)

Principal Amount/Units			Moody's Rating (Unaudited)	Value (Note 1)
<b>CORPORATE DEBT SECURITIES continued</b>				
\$	675	Omega Healthcare Investors, Inc., Senior Notes, 5.875%, 03/15/24	Ba1	\$ 682
	575	Potlach Corporation, Senior Notes, 7.50%, 11/01/19	Baa3	654
	550	RPG Byty s.r.o., Senior Notes, 6.75%, 05/01/20 (g)(EUR)	Ba2	764
	375	RSI Home Products, Inc., Senior Notes, 6.875%, 03/01/18 (g)	B1	392
	900	Shea Homes Limited Partnership, Senior Notes, 8.625%, 05/15/19	B2	997
	550	Summit Materials LLC, Senior Notes, 10.50%, 01/31/20	B3	604
	525	Texas Industries, Senior Notes, 9.25%, 08/15/20	Caa2	585
	175	USG Corporation, Senior Notes, 5.875%,	B2	182

		11/01/21 (g)		
		USG Corporation, Senior Notes, 9.75%, 01/15/18	Caa2	148
	125			
		USG Corporation, Senior Notes, 9.75%, 08/01/14 (g)	B2	469
	450			
		USG Corporation, Senior Notes, 8.375%, 10/15/18 (g)	B2	136
	125			
		William Lyons Homes, Inc., Senior Notes, 8.50%, 11/15/20	B3	542
	500			
		William Lyons Homes, Inc., Senior Notes, 8.50%, 11/15/20 (g)	B3	271
	250			
				23,267
<b>Cargo Transport</b>	<b>.49%</b>			
		Florida East Coast Holdings, Senior Notes, 10.50%, 08/01/17 (h)	Caa3	255
	246			
		Florida East Coast Railway Corporation, Senior Notes, 8.125%, 02/01/17	B3	627
	600			
		Watco Companies, LLC, Senior Notes, 6.375%, 04/01/23 (g)	B3	323
	325			
				1,205
<b>Principal Amount/Units</b>			<b>Moody's Rating (Unaudited)</b>	<b>Value (Note 1)</b>
<b>Chemicals, Plastics and Rubber</b>	<b>3.95%</b>			

\$	875	Celanese US Holdings LLC, Senior Notes, 4.625%, 11/15/22	Ba2	\$ 836
	475	Ciech Group Financing, Senior Notes, 9.50%, 11/30/19 (g)(EUR)	B2	740
	225	Compass Minerals International, Inc., Senior Notes, 8%, 06/01/19	Ba2	239
	1,050	Hexion Specialty Chemicals, Inc., Senior Notes, 6.625%, 04/15/20	Ba3	1,076
	1,075	Hexion Specialty Chemicals, Inc., Senior Notes, 8.875%, 02/01/18	B3	1,117
	250	Huntsman International LLC, Senior Notes, 4.875%, 11/15/20	B1	246
	175	Huntsman International LLC, Senior Subordinated Notes, 8.625%, 03/15/20	B2	193
	350	Ineos Group Holdings S.A., Senior Notes, 6.125%, 08/15/18 (g)	Caa1	352
	375		Caa1	547

	Kerling PLC, Senior Notes, 10.625%, 02/01/17 (g)(EUR)		
	Momentive Performance Materials, Inc., Senior Notes, 8.875%, 10/15/20	B3	289
275			
	Momentive Performance Materials, Inc., Senior Notes, 9%, 01/15/21	Caa2	1,232
1,400			
	PolyOne Corporation, Senior Notes, 5.25%, 03/15/23	Ba3	415
425			
	PolyOne Corporation, Senior Notes, 7.375%, 09/15/20	Ba3	359
325			
	PQ Corporation, Senior Notes, 8.75%, 05/01/18 (g)	Caa1	1,335
1,225			
	Trinseo Materials Operating S.C.A., Senior Notes, 8.75%, 02/01/19 (g)	B2	482
475			
	US Coat Acquisition, Senior Notes, 7.375%, 05/01/21 (g)	Caa1	320
300			
			9,778

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



## The New America High Income Fund, Inc.

## Schedule of Investments December 31, 2013 Continued (Dollar Amounts in Thousands)

Principal Amount/Units			Moody's Rating (Unaudited)	Value (Note 1)
<b>CORPORATE DEBT SECURITIES continued</b>				
<b>Containers, Packaging and Glass 4.77%</b>				
\$	375	AEP Industries, Inc., Senior Notes, 8.25%, 04/15/19	B3	\$ 403
	235	ARD Finance S.A., Senior Notes, 11.125%, 06/01/18 (g)(h)	Caa2	251
	475	Ardagh Packaging Finance plc, Senior Notes, 7%, 11/15/20 (g)	Caa1	477
	875	Ardagh Packaging Finance plc, Senior Notes, 9.25%, 10/15/20 (g)(EUR)	Caa1	1,309
	400	Beverage Paackaging Holdings (Lux) II S.A., Senior Notes 5.625%, 12/15/16 (g)	Caa2	408
	225	Beverage Paackaging Holdings (Lux) II S.A., Senior Notes 6%, 06/15/17 (g)	Caa2	228
	425	Boise Cascade LLC, Senior Notes, 6.375%, 11/01/20	B2	447
	425	Bway Holding Company, Senior Notes, 10%, 06/15/18	Caa1	463

	925	Cascades, Inc., Senior Notes, 7.875%, 01/15/20	Ba3	990
	250	Clearwater Paper Corporation, Senior Notes, 7.125%, 11/01/18	Ba2	269
	400	Exopack Holding Corporation, Senior Notes, 10%, 06/01/18 (g)	Caa2	434
	325	Graphic Packaging International, Inc., Senior Notes, 4.75%, 04/15/21	Ba3	321
	525	Graphic Packaging International, Inc., Senior Notes, 7.875%, 10/01/18	Ba3	567
	350	Greif Inc., Senior Notes, 7.75%, 08/01/19	Ba2	397
	200	Reynolds Group Issuer, Inc., Senior Notes, 5.75%, 10/15/20	B1	204
	175	Reynolds Group Issuer, Inc., Senior Notes, 7.125%, 04/15/19	B1	186
<b>Principal Amount/Units</b>			<b>Moody's Rating (Unaudited)</b>	<b>Value (Note 1)</b>
\$	1,350	Reynolds Group Issuer, Inc., Senior Notes, 9%, 04/15/19	Caa2	\$ 1,445
	425	Reynolds Group Issuer, Inc., Senior Notes, 9.875%, 08/15/19	Caa2	471
	675	Sappi Papier Holding GmbH, Senior Notes, 6.625%,	Ba2	662

	04/15/21 (g)		
	Sappi Papier Holding GmbH, Senior Notes, 7.75%,		
575	07/15/17 (g)	Ba2	627
	Sappi Papier Holding GmbH, Senior Notes, 8.375%,		
275	06/15/19 (g)	Ba2	300
	Sealed Air Corporation, Senior Notes, 5.25%,		
625	04/01/23 (g)	B1	609
	Tekni Plex, Inc., Senior Notes, 9.75%,		
289	06/01/19 (g)	B3	328
			11,796
<b>Diversified/Conglomerate Manufacturing</b>			
<b>4.53%</b>			
	Accudyne Industries Borrower S.C.A., Senior Notes, 7.75%,		
425	12/15/20 (g)	Caa1	449
	BC Mountain LLC, Senior Notes, 7%, 02/01/21 (g)	B3	327
	Builders FirstSource, Inc., Senior Notes, 7.625%,		
450	06/01/21 (g)	Caa2	470
	Capsugel S.A., Senior Notes, 7%, 05/15/19 (g)	Caa1	355
400	CNH Capital LLC, Senior Notes,	Ba1	406

	3.625%, 04/15/18		
	CNH Capital LLC, Senior Notes, 6.25%, 11/01/16	Ba1	993
900			
	Columbus McKinnon Corporation, Senior Subordinated Notes, 7.875%, 02/01/19	B1	268
250			
	Commscope, Inc., Senior Notes, 8.25%, 01/15/19 (g)	B2	1,221
1,118			
	Euramax International, Inc., Senior Notes, 9.50%, 04/01/16	Caa2	622
625			

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

## The New America High Income Fund, Inc.

## Schedule of Investments December 31, 2013 Continued (Dollar Amounts in Thousands)

Principal Amount/Units			Moody's Rating (Unaudited)	Value (Note 1)
<b>CORPORATE DEBT SECURITIES continued</b>				
\$	650	Frigo Glass Finance B.V., Senior Notes, 8.25%, 05/15/18 (g)(EUR)	B1	\$ 934
	625	Gardner Denver Inc., Senior Notes, 6.875%, 08/15/21 (g)	Caa1	622
	100	General Cable Corporation, Senior Notes, 6.50%, 10/01/22 (g)	B2	98
	275	Interline Brands, Inc., Senior Notes, 10%, 11/15/18	Caa2	300
	475	KM Germany Holding GMBH, Senior Notes, 8.75%, 12/15/20 (g)(EUR)	B2	729
	400	Manitowoc Company, Inc., Senior Notes, 5.875%, 10/15/22	B2	404
	300	Manitowoc Company, Inc., Senior Notes, 8.50%, 11/01/20	B2	339
	375	Mcron Finance Sub LLC, Senior Notes, 8.375%, 05/15/19 (g)	B1	418

	350	Navistar International Corporation, Senior Notes, 8.25%, 11/01/21	B3		361
	675	Sensata Technologies BV, Senior Notes, 4.875%, 10/15/23 (g)	Ba3		637
	1,000	Terex Corporation, Senior Notes, 6%, 5/15/21	B2		1,033
	200	Terex Corporation, Senior Notes, 6.50%, 04/01/20	B2		214
					11,200
<b>Diversified/Conglomerate Service</b>	<b>9.94%</b>				
	1,250	Aguila 3 S.A., Senior Notes, 7.875%, 01/31/18 (g)	B2		1,325
	575	Alliance Data Systems Company, Senior Notes, 6.375%, 04/01/20 (g)	(e)		602
	250	American Builders & Contractors Supply Company, Inc., Senior Notes, 5.625%, 04/15/21 (g)	B3		251
<b>Principal Amount/Units</b>			<b>Moody's Rating (Unaudited)</b>		<b>Value (Note 1)</b>
\$	275	Anixter Inc., Senior Notes, 5.625%, 05/01/19	Ba3	\$	289
	350	Aramark Holdings, Senior Notes, 5.75%, 03/15/20 (g)	B3		365

		Ashtead Capital Inc., Senior Notes, 6.50%, 07/15/22		
250	(g)	B1	266	
		CDW Corporation, Senior Secured Notes, 8%, 12/15/18		
16		Ba3	17	
		CDW Escrow Corporation, Senior Subordinate Notes, 8.50%, 04/01/19		
1,600		B3	1,772	
		Ceridian Corporation, Senior Notes, 8.875%, 07/15/19		
275	(g)	B1	316	
		Cerved Technologies, Senior Notes, 6.375%, 01/15/20		
175	(g)(EUR)	B2	254	
		Clean Harbors, Incorporated, Senior Notes, 5.125%, 06/01/21		
325		Ba2	327	
		Clean Harbors, Incorporated, Senior Notes, 5.25%, 08/01/20		
250		Ba2	256	
		Deutsche Raststätten 6.75%, 12/30/20		
175	(g)(EUR)	(e)	251	
		Equiniti Newco plc, Senior Notes, 7.125%, 12/15/18		
100	(g)(GBP)	B3	175	
		Europcar Groupe SA, Senior Notes, 11.50%, 05/15/17		
550	(g)(EUR)	Caa1	882	
		First Data Corporation, Senior Notes, 6.75%, 11/01/20		
1,825	(g)	B1	1,889	
2,675		Caa1	3,136	
		First Data Corporation,		

	Senior Notes, 12.625%, 01/15/21		
175	FTI Consulting Inc., Senior Notes, 6%, 11/15/22	Ba2	178
475	FTI Consulting Inc., Senior Notes, 6.75%, 10/01/20	Ba2	514
125	Gategroup Finance (Luxembourg) S.A., Senior Notes, 6.75%, 03/01/19 (g)(EUR)	B1	182
475	Goodman Networks, Inc., Senior Notes, 13.125%, 07/01/18 (g)	B3	504
125	Goodman Networks, Inc., Senior Notes, 12.125%, 07/01/18 (g)	B3	132

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



## The New America High Income Fund, Inc.

**Schedule of Investments**    **December 31, 2013**    **Continued**    (Dollar Amounts in Thousands)

Principal Amount/Units			<b>Moody's Rating (Unaudited)</b>	<b>Value (Note 1)</b>
<b>CORPORATE DEBT SECURITIES</b> <b>continued</b>				
\$	950	HD Supply, Inc., Senior Notes, 7.50%, 07/15/20	Caa2	\$ 1,024
	200	HD Supply, Inc., Senior Notes, 11.50%, 07/15/20	Caa2	239
	300	H&E Equipment Services, Senior Notes, 7%, 09/01/22	B3	326
	825	Harbinger Group, Inc., Senior Notes, 7.875%, 07/15/19 (g)	B3	885
	400	Healthcare Technology, Inc., Senior Notes, 7.375%, 09/01/18 (g)	Caa1	415
	350	Igloo Holdings Corporation, Senior Notes, 8.25%, 12/15/17 (g)	Caa1	357
	175	Jaguar Holdings, Inc., Senior Notes, 9.375%, 10/15/17 (g)	Caa1	184
	700	Jaguar Holdings, Inc., Senior Notes, 9.50%, 12/01/19 (g)	B3	786
	825	Lender Processing Services, Inc., Senior Notes, 5.75%, 04/15/23	Ba2	854
	950	MDC Partners, Inc., Senior	B3	990

		Notes, 6.75%, 04/01/20 (g)		
		MPH Intermediate Holding Company 2, Senior Notes, 8.375%, 08/01/18 (g)	Caa1	364
350				
		Opal Acquisition, Inc., Senior Note, 8.875%, 12/15/21 (g)	Caa2	620
625				
		Rexel SA, Senior Notes, 5.25%, 06/15/20 (g)	Ba3	427
425				
		Safway Group Holding LLC, Senior Notes, 7%, 05/15/18 (g)	B3	949
900				
		Service Master Company, Senior Notes, 8%, 02/15/20	Caa1	281
275				
		Sungard Data Systems, Inc., Senior Subordinated Notes, 6.625%, 11/01/19	Caa1	526
500				
		Syniverse Holdings, Inc., Senior Notes, 9.125%, 01/15/19	Caa1	737
675				
		Techem GmbH, Senior Notes, 6.125%, 10/01/19 (g)(EUR)	Ba3	149
100				
			<b>Moody's Rating (Unaudited)</b>	<b>Value (Note 1)</b>
		Transunion Holding Company, Inc., Senior Notes, 8.125%, 06/15/18	Caa1	\$ 264
\$	250			
	325	United Rentals of North	B2	\$ 330

		America, Inc., Senior Notes, 6.125%, 06/15/23		24,590
<b>Electronics</b>	<b>4.67%</b>			
	250	ACI Worldwide, Inc., Senior Notes, 6.375%, 08/15/20 (g)	B2	261
	650	BMC Software Finance, Inc., Senior Notes, 8.125%, 07/15/21 (g)	Caa1	668
	700	CoreLogic, Inc., Senior Notes, 7.25%, 06/01/21	B1	760
	150	Dell, Inc., Senior Notes, 4.625%, 04/01/21	B1	135
	375	Dell, Inc., Senior Notes, 5.65%, 04/15/18	B1	383
	500	Dell, Inc., Senior Notes, 5.875%, 06/15/19	B1	504
	450	Dell, Inc., Senior Notes, 7.10%, 04/15/28	B1	395
	875	Denali Borrower, Senior Notes, 5.625%, 10/15/20 (g)	Ba2	862
	800	Eagle Midco Inc., Senior Notes, 9%, 06/15/18 (g)	Caa2	836
	500	Epicor Software	Caa1	543

	Corporation, Senior Notes, 8.625%, 05/01/19		
1,375	iGATE Corporation, Senior Notes, 9%, 05/01/16	B2	1,461
650	Infor US, Inc., Senior Notes, 9.375%, 04/01/19	Caa1	731
225	Infor US, Inc., Senior Notes, 11.50%, 07/15/18	Caa1	259
225	Intralot Finance Luxembourg S.A., Senior Notes, 9.75%, 08/15/18 (g)(EUR)	B1	338
400	NXP B.V., Senior Notes, 5.75%, 02/15/21 (g)	B3	419
450	NXP B.V., Senior Notes, 5.75%, 03/15/23 (g)	B3	457

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

## The New America High Income Fund, Inc.

**Schedule of Investments**    **December 31, 2013**    **Continued**    (Dollar Amounts in Thousands)

Principal Amount/Units			<b>Moody's Rating (Unaudited)</b>	<b>Value (Note 1)</b>
<b>CORPORATE DEBT SECURITIES</b> <b>continued</b>				
\$	850	SunEdison Inc., Senior Notes, 7.75%, 04/01/19	(e)	\$ 912
	500	Travelport LLC, Senior Notes, 11.875%, 09/01/16	Caa3	510
	1,037	Travelport LLC, Senior Notes, 13.875%, 03/01/16 (g)(h)	Caa2	1,107
				11,541
<b>Finance</b> <b>7.71%</b>				
	475	AerCap Aviation Solutions B.V., Senior Notes, 6.375%, 05/30/17	(e)	515
	650	Aircastle Limited, Senior Notes, 6.25%, 12/01/19	Ba3	696
	200	Aircastle Limited, Senior Notes, 6.75%, 04/15/17	Ba3	222
	750	Aircastle Limited, Senior Notes, 7.625%, 04/15/20	Ba3	838
	800	Air Lease Corporation, Senior Notes, 5.625%,	(e)	880

	04/01/17		
	Ally Financial, Inc., Senior Notes, 7.50%, 09/15/20	B1	907
775			
	American Capital Ltd., Senior Notes, 6.50%, 09/15/18 (g)	B3	652
625			
	Ares Capital, Inc., Senior Notes, 4.875%, 11/30/18	(e)	923
900			
	CIT Group, Inc., Senior Notes, 5%, 08/15/22	Ba3	440
450			
	CIT Group, Inc., Senior Notes, 5%, 08/01/23	Ba3	1,997
2,075			
	CIT Group, Inc., Senior Notes, 5.375%, 05/15/20	Ba3	347
325			
	Discover Financial Services, Senior Notes, 10.25%, 07/15/19	Ba1	1,504
1,200			
	E*Trade Financial Corporation, Senior Notes, 6.375%, 11/15/19	B2	968
900			
	E*Trade Financial Corporation, Senior Notes, 6.75%, 06/01/16	B2	677
625			
350	General Motors Financial Company, Inc.,	Ba2	351

		Senior Notes, 3.25%, 05/15/18 (g)		
Principal Amount/Units			Moody's Rating (Unaudited)	Value (Note 1)
\$	200	General Motors Financial Company, Inc., Senior Notes, 6.75%, 06/01/18	Ba2	\$ 227
	450	Icahn Enterprises, Senior Notes, 6%, 08/01/20 (g)	Ba3	465
	300	International Lease Finance Corporation, Senior Notes, 8.875%, 09/01/17	Ba3	358
	500	Nationstar Mortgage LLC, Senior Notes, 6.50%, 07/01/21	B2	475
	525	Nationstar Mortgage LLC, Senior Notes, 6.50%, 06/01/22	B2	496
	400	Neuberger Berman Group LLC, Senior Notes, 5.625%, 03/15/20 (g)	Ba1	420
	425	Neuberger Berman Group LLC, Senior Notes, 5.875%, 03/15/22 (g)	Ba1	438
	550	Provident Funding Associates, L.P., Senior Notes,	Ba3	546

	6.75%, 06/15/21 (g) Provident Funding Associates, L.P., Senior Notes, 10.125%, 02/15/19 (g)	Ba3	245
225			
	Springleaf Finance Corporation, Senior Medium Term Notes, 6.90%, 12/15/17	B3	683
625			
	Synovus Financial Corporation, Subordinate Notes, 5.125%, 06/15/17	B2	1,394
1,350			
	Synovus Financial Corporation, Senior Notes, 7.875%, 02/15/19	B1	591
525			
	Walter Investment Management Corporation, Senior Notes, 7.875%, 12/15/21 (g)	B3	808
800			
			19,063
<b>Furnishings</b>	<b>.15%</b>		
	Tempur-Pedic International, Inc., Senior Notes, 6.875%, 12/15/20	B3	381
350			

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



## The New America High Income Fund, Inc.

**Schedule of Investments**    **December 31, 2013**    **Continued**    (Dollar Amounts in Thousands)

Principal Amount/Units			<b>Moody's Rating (Unaudited)</b>	<b>Value (Note 1)</b>
<b>CORPORATE DEBT SECURITIES</b> <b>continued</b>				
<b>Groceries</b> .15%				
\$	350	BI-LO Holding Finance, LLC, Senior Notes, 8.625%, 09/15/18 (g)	Caa1	\$ 365
<b>Healthcare, Education and Childcare</b> 7.63%				
	1,125	Biomet, Inc., Senior Notes, 6.50%, 08/01/20	B3	1,181
	525	CeramTec Group GMBH, Senior Notes, 8.25%, 08/15/21 (g)(EUR)	Caa1	780
	725	CHS/Community Health Systems, Inc., Senior Notes, 7.125%, 07/15/20	B3	749
	475	CHS/Community Health Systems, Inc., Senior Notes, 8%, 11/15/19	B3	515
	175	Crown Newco 3 plc, Senior Notes, 7%, 02/15/18 (g)(GBP)	B2	305
	525	Davita, Inc., Senior Notes, 6.375%, 11/01/18	B2	550
	975	Fresenius Medical Care US Finance II, Inc., Senior Notes, 5.625%, 07/31/19 (g)	Ba2	1,053
	250	Fresenius Medical Care US Finance II, Inc., Senior Notes,	Ba2	264

5.875%, 01/31/22

(g)

HCA Holdings,  
Inc., Senior  
Notes,

525

6.25%, 02/15/21

B3

551

HCA, Inc., Senior  
Notes,

1,375

7.50%, 02/15/22

B3

1,512

Hologic, Inc.,  
Senior Notes,

375

6.25%, 08/01/20

B2

396

lasis Healthcare  
Capital

475

8.375%, 05/15/19

Caa1

503

Kindred  
Healthcare, Inc.,  
Senior Notes,

525

8.25%, 06/01/19

B3

559

Kinetic Concepts,  
Inc., Senior  
Notes,

625

10.50%, 11/01/18

B3

719

Kinetic Concepts,  
Inc., Senior  
Notes,

275

12.50%, 11/01/19

Caa1

310

MedAssets, Inc.,  
Senior Notes,

475

8%, 11/15/18

B3

513

**Principal  
Amount/Units****Moody's  
Rating  
(Unaudited)****Value  
(Note 1)**Medi  
Partenaires  
SAS, Senior  
Notes,

\$

525

7%, 05/15/20

(g)(EUR)

B3

\$ 741

Multiplan, Inc.,  
Senior Notes,

900

9.875%,

09/01/18 (g)

B3

990

Par  
Pharmaceutical,  
Senior Notes,

300

7.375%,

10/15/20

Caa1

311

600

Select Medical  
Corporation,  
Senior Notes,

B3

587

	6.375%, 06/01/21		
	Tenet Healthcare Corporation, Senior Notes, 4.50%, 04/01/21	Ba3	1,048
1,100			
	Tenet Healthcare Corporation, Senior Notes, 6%, 10/01/20 (g)	Ba3	550
525			
	Truven Health Analytics, Senior Notes, 10.625%, 06/01/20	Caa1	283
250			
	Universal Health Services, Inc., Senior Notes, 7%, 10/01/18	B1	187
175			
	Universal Hospital Services, Inc., Senior Notes, 7.625%, 08/15/20	B3	635
600			
	Valeant Pharmaceuticals International, Senior Notes, 6.375%, 10/15/20 (g)	B1	2,002
1,900			
	Valeant Pharmaceuticals International, Senior Notes, 6.75%, 08/15/18 (g)	B1	909
825			
	Voyage Care BondCo, plc, Senior Notes, 6.50%, 08/01/18 (g)(GBP)	B2	170
100			
			18,873
<b>Hotels, Motels, Inns and Gaming</b>	<b>4.41%</b>		
725		B3	698

	Caesars Entertainment Operating Company, Senior Notes, 8.50%, 02/15/20		
775	Chester Downs and Marina, LLC, Senior Notes, 9.25%, 02/01/20 (g)	B3	779
375	Cirsa Funding Luxembourg S.A., Senior Notes, 8.75%, 05/15/18 (g)(EUR)	B3	549

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

## The New America High Income Fund, Inc.

## Schedule of Investments December 31, 2013 Continued (Dollar Amounts in Thousands)

Principal Amount/Units			Moody's Rating (Unaudited)	Value (Note 1)
<b>CORPORATE DEBT SECURITIES continued</b>				
\$	825	Graton Economic Development Authority, Senior Notes, 9.625%, 09/01/19 (g)	B3	\$ 956
	850	Hilton Worldwide Finance, Senior Notes, 5.625%, 10/15/21 (g)	B3	882
	75	Isle of Capri Casinos, Senior Notes, 5.875%, 03/15/21	B2	73
	1,625	MGM Resorts International, Senior Notes, 6.625%, 12/15/21	B3	1,712
	625	MGM Resorts International, Senior Notes, 6.75%, 10/01/20	B3	673
	375	Peninsula Gaming LLC, Senior Notes, 8.375%, 02/15/18 (g)	Caa1	409
	725	Pinnacle Entertainment, Inc., Senior Notes, 7.50%, 04/15/21	B2	790
	225	Playa Resorts Holding B.V., Senior Notes,	Caa1	239

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		8%, 08/15/20 (g)		
	625	PNK Finance Corporation, Senior Notes, 6.375%, 08/01/21 (g)	B2	639
	325	Quapaw Downstream Development Authority, Senior Notes, 10.50%, 07/01/19 (g)	Caa1	328
	369	Rivers Pittsburgh Borrower, L.P., Senior Notes, 9.50%, 06/15/19 (g)	B3	402
	925	Seneca Gaming Corporation, Senior Notes, 8.25%, 12/01/18 (g)	B1	994
	725	Station Casinos LLC, Senior Notes, 7.50%, 03/01/21	Caa1	770
				10,893
<b>Insurance</b>	<b>1.40%</b>			
	250	Alliant Holdings I, LLC, Senior Notes, 7.875%, 12/15/20 (g)	Caa2	263
	450	Centene Corporation, Senior Notes, 5.75%, 06/01/17	Ba2	479
<b>Principal Amount/Units</b>			<b>Moody's Rating (Unaudited)</b>	<b>Value (Note 1)</b>
\$	475	CNO Financial Group Inc., Senior Notes, 6.375%,	Ba3	\$ 506

	10/01/20 (g)		
	Onex USI Acquisition Corporation, Senior Notes, 7.75%, 01/15/21 (g)	Caa2	434
425			
	Patriot Merger, Senior Notes, 9%, 07/15/21 (g)	Caa2	549
525			
	Towergate Finance plc, Senior Notes, 8.50%, 02/15/18 (g)(GBP)	B1	350
200			
	Towergate Finance plc, Senior Notes, 10.50%, 02/15/19 (g)(GBP)	Caa2	349
200			
	Wellcare Health Plans, Inc., Senior Notes, 5.75%, 11/15/20	Ba2	537
525			
			3,467

**Leisure, Amusement and Entertainment**  
1.79%

	Activision Blizzard, Inc., Senior Notes, 5.625%, 09/15/21 (g)	Ba2	1,368
1,325			
	Activision Blizzard, Inc., Senior Notes, 6.125%, 09/15/23 (g)	Ba2	365
350			
	Ancestry.com Inc., Senior Notes, 9.625%, 10/15/18 (g)	Caa1	621
600			
	Ancestry.com Inc., Senior Notes, 11%, 12/15/20	B3	493
425			

525	Cedar Fair LP, Senior Notes, 5.25%, 03/15/21	B1	518
250	NCL Corporation, Ltd., Senior Notes, 5%, 02/15/18	B2	257
100	PortAventura Entertainment Barcelona B.V., Senior Notes, 7.25%, 12/01/20 (g)(EUR)	B3	140
675	Six Flags Entertainment Corporation, Senior Notes, 5.25%, 01/15/21 (g)	B3	665
			4,427

**Mining, Steel, Iron and Non-Precious Metals  
6.20%**

725	AK Steel Corporation, Senior Notes, 7.625%, 05/15/20	Caa1	723
425	Aleris Senior Notes, 7.875%, 11/01/20	B2	452

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



## The New America High Income Fund, Inc.

**Schedule of Investments**    **December 31, 2013**    **Continued**    (Dollar Amounts in Thousands)

Principal Amount/Units			<b>Moody's Rating (Unaudited)</b>	<b>Value (Note 1)</b>
<b>CORPORATE DEBT SECURITIES</b> <b>continued</b>				
\$	575	Alosa Finance S.A., Senior Notes, 7.75%, 11/03/20 (g)	Ba3	\$ 634
	250	ArcelorMittal, Senior Notes, 5.75%, 08/05/20	Ba1	264
	575	ArcelorMittal, Senior Notes, 6%, 03/01/21	Ba1	605
	925	ArcelorMittal, Senior Notes, 6.125%, 06/01/18	Ba1	1,013
	250	ArcelorMittal, Senior Notes, 6.75%, 02/25/22	Ba1	271
	500	ArcelorMittal, Senior Notes, 10.35%, 06/01/19	Ba1	633
	625	BlueScope Steel (Finance) Limited, Senior Notes, 7.125%, 05/01/18 (g)	Ba3	652
	525	Consol Energy, Inc., Senior Notes, 8.25%, 04/01/20	B1	572
	875	Eldorado Gold Corporation, Senior Notes, 6.125%, 12/15/20 (g)	Ba3	849
	525	Essar Steel Algoma Inc., Senior Notes, 9.875%, 06/15/15 (g)	Caa2	315
	631	FMG Resources Pty. Ltd.,	Ba3	655

		Senior Notes, 7%, 11/01/15 (g)		
		Foresight Energy LLC, Senior Notes, 7.875%, 08/15/21 (g)	Caa1	668
	650			
		JMC Steel Group, Inc., Senior Notes, 8.25%, 03/15/18 (g)	Caa1	707
	700			
		Magnetation LLC, Senior Notes, 11%, 05/15/18 (g)	B3	491
	450			
		Murray Energy Corporation, Senior Notes, 8.625%, 06/15/21 (g)	Caa1	750
	725			
		Novelis, Inc., Senior Notes, 8.75%, 12/15/20	B2	473
	425			
		Peabody Energy Corporation, Senior Notes, 6%, 11/15/18	Ba2	667
	625			
		Peabody Energy Corporation, Senior Notes, 6.25%, 11/15/21	Ba2	177
	175			
		Ryerson Inc., Senior Secured Notes, 9%, 10/15/17	Caa2	821
	775			
<b>Principal Amount/Units</b>			<b>Moody's Rating (Unaudited)</b>	<b>Value (Note 1)</b>
		Ryerson Inc., Senior Secured Notes, 11.25%, 10/15/18	Caa3	\$ 1,219
\$	1,150			
		Severstal Columbus LLC, Senior Notes, 10.25%, 02/15/18	B3	820
	775			
	325		Ba2	351

		Steel Dynamics, Senior Notes, 6.125%, 08/15/19		
		United States Steel Corporation, Senior Notes, 6.875%, 04/01/21	B1	555
	525			15,337
<b>Oil and Gas</b>	<b>15.38%</b>			
		AmeriGas Finance LLC, Senior Notes, 7%, 05/20/22	Ba2	574
	525			
		Antero Resources Finance Corporation, Senior Notes, 5.375%, 11/01/21 (g)	B1	607
	600			
		Antero Resources Finance Corporation, Senior Notes, 6%, 12/01/20	B1	1,444
	1,375			
		Antero Resources Finance Corporation, Senior Notes, 7.25%, 08/01/19	B1	767
	715			
		Athlon Holdings L.P., Senior Notes, 7.375%, 04/15/21 (g)	Caa1	1,496
	1,425			
		Bill Barrett Corporation, Senior Notes, 7%, 10/15/22	B1	1,115
	1,075			
		Bill Barrett Corporation, Senior Notes, 7.625%, 10/01/19	B1	1,371
	1,275			

1,725	Chesapeake Energy Corp., Senior Notes, 5.75%, 03/15/23	Ba3	1,785
1,850	Concho Resources, Inc., Senior Notes, 5.50%, 04/01/23	Ba3	1,901
300	Concho Resources, Inc., Senior Notes, 7%, 01/15/21	Ba3	330
450	Continental Resources, Inc., Senior Notes, 5%, 09/15/22	Baa3	467
475	DPL, Inc., Senior Notes, 7.25%, 10/15/21	Ba2	479
800	El Paso Corporation, Senior Notes, 7.75%, 01/15/32	Ba2	807

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

## The New America High Income Fund, Inc.

## Schedule of Investments December 31, 2013 Continued (Dollar Amounts in Thousands)

Principal Amount/Units			Moody's Rating (Unaudited)	Value (Note 1)
<b>CORPORATE DEBT SECURITIES continued</b>				
\$	200	El Paso Corporation, Senior Notes, 7.80%, 08/01/31	Ba2	\$ 202
	775	Energy Transfer Equity L.P., Senior Notes, 5.875%, 01/15/24	Ba2	773
	500	Exterran Holdings, Inc., Senior Notes, 6%, 04/01/21 (g)	B2	496
	1,875	Ferrellgas, L.P., Senior Notes, 6.50%, 05/01/21	B2	1,910
	350	Ferrellgas, Partners L.P., Senior Notes, 6.75%, 01/15/22 (g)	B2	355
	300	Halcon Resources Corporation, Senior Notes, 9.75%, 07/15/20 (g)	Caa1	313
	600	Laredo Petroleum, Inc., Senior Notes, 7.375%, 05/01/22	B3	653
	2,000	MarkWest Energy Partners, L.P., Senior Notes, 4.50%, 07/15/23	Ba3	1,873
	625	Newfield Exploration Company, Senior Subordinated Notes,	Ba1	644

		5.75%, 01/30/22		
		NuStar Logistics, L.P., Senior Notes,		
675		6.75%, 02/01/21	Ba1	700
		Offshore Drilling Holding, Senior Notes,		
500		8.375%, 09/20/20 (g)	(e)	533
		PBF Holding Company LLC, Senior Notes,		
1,100		8.25%, 02/15/20	Ba3	1,194
		PDC Energy, Senior Notes,		
1,400		7.75%, 10/15/22	B3	1,512
		Penn Virginia Corporation, Senior Notes,		
125		6.50%, 05/15/21 (g)	B2	130
		Penn Virginia Corporation, Senior Notes,		
571		8.375%, 06/01/20	B2	630
		Penn Virginia Corporation, Senior Notes,		
800		8.50%, 05/01/20	Caa1	859
			<b>Moody's Rating (Unaudited)</b>	<b>Value (Note 1)</b>
<b>Principal Amount/Units</b>				
		Penn Virginia Resources Partners, L.P., Senior Notes,		
\$	325	8.25%, 04/15/18	B2	\$ 344
		Range Resources Corporaiton, Senior Subordinated Notes,		
	700	5%, 03/15/23	Ba2	686
		Regency Energy Partners, L.P., Senior Notes,		
	350	5.50%, 04/15/23	B1	344
	1,000	Rockies Express Pipeline LLC, Senior Notes,	Ba2	925

	6%, 01/15/19 (g)		
	Rockies Express Pipeline LLC, Senior Notes, 6.85%, 07/15/18 (g)	Ba2	48
50			
	Sabine Pass Liquifaction LLC, Senior Notes, 5.625%, 04/15/23 (g)	Ba3	257
275			
	Sabine Pass LNG, L.P., Senior Notes, 6.50%, 11/01/20	B1	723
700			
	Sabine Pass LNG, L.P., Senior Notes, 7.50%, 11/30/16	B1	254
225			
	Samson Investment Company, Senior Notes, 10.50%, 02/15/20 (g)	B3	981
900			
	SM Energy Company, Senior Notes, 5%, 01/15/24 (g)	Ba2	621
650			
	SM Energy Company, Senior Notes, 6.625%, 02/15/19	Ba2	239
225			
	SM Energy Company, Senior Notes, 6.50%, 11/15/21	Ba2	344
325			
	SM Energy Company, Senior Notes, 6.50%, 01/01/23	Ba2	604
575			
	Swift Energy Company, Senior Notes, 7.875%, 03/01/22	B3	990
1,000			
	Swift Energy Company, Senior Notes, 8.875%, 01/15/20	B3	678
650			
1,525	Targa Resources Partners L.P., Senior Notes, 4.25%, 11/15/23	Ba3	1,373

(g)

Targa Resources  
Partners L.P.,  
Senior Notes,  
5.25%, 05/01/23 Ba3

125

121

Tervita  
Corporation,  
Senior Notes,  
8%, 11/15/18 (g) B3

625

644

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



## The New America High Income Fund, Inc.

## Schedule of Investments December 31, 2013 Continued (Dollar Amounts in Thousands)

Principal Amount/Units			Moody's Rating (Unaudited)	Value (Note 1)
<b>CORPORATE DEBT SECURITIES continued</b>				
\$	300	Tervita Corporation, Senior Notes, 9.75%, 11/01/19 (g)	Caa2	\$ 293
	425	Tervita Corporation, Senior Notes, 10.875%, 02/15/18 (g)	Caa2	430
	475	Western Refining, Inc., Senior Notes, 6.25%, 04/01/21	B3	479
	725	WPX Energy, Inc., Senior Notes, 6%, 01/15/22	Ba1	725
				38,023
<b>Personal, Food and Miscellaneous Services 1.28%</b>				
	125	Elior Finance & Co. SCA, Senior Notes, 6.50%, 05/01/20 (g)(EUR)	B3	187
	950	Laureate Education, Inc., Senior Notes, 9.25%, 09/01/19 (g)	Caa1	1,033
	925	Outerwall, Inc., Senior Notes, 6%, 03/15/19	Ba3	941
	125	Realty Corporation, Senior Notes, 9%, 01/15/20 (g)	B3	144

	250	Seminole Hard Rock Entertainment, Inc., Senior Notes, 5.875%, 05/15/21 (g)	B2	245
	575	Wok Acquisition Corporation, Senior Notes, 10.25%, 06/30/20 (g)	Caa1	624
				3,174
<b>Personal Non-Durable Consumer Products</b>				
<b>.61%</b>				
	160	Avon Products, Inc., Senior Notes 4.60%, 03/15/20	Baa2	160
	425	Boardriders S.A., Senior Notes, 8.875%, 12/15/17 (g)(EUR)	B3	627
	225	Spectrum Brands Escrow, Senior Notes, 6.375%, 11/15/20 (g)	B3	240
	200	Spectrum Brands Escrow, Senior Notes, 6.625%, 11/15/22 (g)	B3	213
	275	Spring Industries, Inc., Senior Notes, 6.25%, 06/01/21 (g)	B2	278
				1,518
<b>Principal Amount/Units</b>			<b>Moody's Rating (Unaudited)</b>	<b>Value (Note 1)</b>
<b>Personal Transportation</b>	<b>1.77%</b>			
\$	135	American Airlines, Senior	(e)	\$ 132

	Notes, 4%, 01/15/27 (g)		
	American Airlines, Senior Notes, 5.625%, 01/15/21 (g)	(e)	140
140			
	Continental Airlines, Inc., Senior Notes, 7.25%, 05/10/21	Baa2	190
165			
	Continental Airlines, Inc., Senior Notes, 9.25%, 11/10/18	Ba2	100
91			
	Northwest Airlines 7.575%, 09/01/20	(e)	154
135			
	United Continental Holdings, Inc., Senior Notes, 6%, 07/15/26	B2	154
175			
	United Continental Holdings, Inc., Senior Notes, 6%, 07/15/28	B2	149
175			
	United Continental Holdings, Inc., Senior Notes, 6%, 12/01/20	B2	674
675			
	United Continental Holdings, Inc., Senior Notes, 6.375%, 06/01/18	B2	604
575			
	United Continental Holdings, Inc., Senior Notes, 8%, 07/15/24	B2	501
500			
1,325	US Airways Group, Inc., Senior Notes,	B3	1,353

	6.125%, 06/01/18		
	US Airways, Inc., Senior Notes, 4.625%, 12/03/26	Baa1	147
145			
	US Airways, Inc., Senior Notes, 6.75%, 12/03/22	Ba2	70
65			
			4,368
<b>Printing and Publishing .99%</b>			
	Bankrate, Inc., Senior Notes, 6.125%, 08/15/18 (g)	B2	625
600			
	Dex Media Inc., Senior Subordinated Notes, 14%, 01/29/17 (h)	(e)	352
665			
	McGraw Hill Global, Senior Notes, 9.75%, 04/01/21 (g)	B2	551
500			

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

## The New America High Income Fund, Inc.

**Schedule of Investments**    **December 31, 2013**    **Continued**    (Dollar Amounts in Thousands)

Principal Amount/Units			<b>Moody's Rating (Unaudited)</b>	<b>Value (Note 1)</b>
<b>CORPORATE DEBT SECURITIES</b> <b>continued</b>				
\$	875	Trader Corporation, Senior Notes, 9.875%, 08/15/18 (g)	B3	\$ 917
				2,445
<b>Retail Stores</b> <b>5.70%</b>				
	525	CDR DB Sub, Inc., Senior Notes, 7.75%, 10/15/20 (g)	Caa2	518
	700	Chinos Intermediate Holdings A, Inc., Senior Notes, 7.75%, 05/01/19 (g)	Caa1	712
	250	Claire's Stores, Inc., Senior Notes, 6.125%, 03/15/20 (g)	B2	240
	625	Claire's Escrow Corporation, Senior Notes, 9%, 03/15/19 (g)	B2	677
	250	CST Brands, Inc., Senior Notes, 5%, 05/01/23	Ba3	240
	1,275	Gymboree Corporation, Senior Notes, 9.125%, 12/01/18	Caa3	1,173
	700	Jo-Ann Stores Holdings Inc., Senior Notes, 8.125%,	Caa1	730

		03/15/19 (g)		
		Jo-Ann Stores Holdings Inc., Senior Notes, 9.75%,		
425		10/15/19 (g)	Caa1	444
		Magnolia S.A., Senior Notes, 9%, 08/01/20 (g)(EUR)	B2	575
400				
		New Academy Finance Company LLC 8%, 06/15/18 (g)	Caa1	562
550				
		New Look Bondco I plc, Senior Notes, 8.375%, 05/14/18 (g)	B1	960
925				
		99 Cents Only Stores, Senior Notes, 11%, 12/15/19	Caa1	453
400				
		Pantry, Inc., Senior Notes, 8.375%, 08/01/20	Caa1	345
325				
		PC Nextco Holdings, LLC, Senior Notes, 8.75%, 08/15/19 (g)	Caa2	666
650				
		J.C. Penney Corporation, Inc., Senior Notes, 7.65%, 08/15/16	Caa2	676
775				
			<b>Moody's Rating (Unaudited)</b>	<b>Value (Note 1)</b>
<b>Principal Amount/Units</b>				
		Penske Automotive Group, Inc., Senior Subordinated Notes, 5.75%, 10/01/22	B2	\$ 408
\$	400		B2	\$ 380
	350			

	Quicksilver Inc., Senior Notes, 7.875%, 08/01/18 (g)		
575	Quicksilver Inc., Senior Notes, 10%, 08/01/20	Caa2	650
850	Rite Aid Corporation, Senior Notes, 6.75%, 06/15/21	Caa2	890
650	Rite Aid Corporation, Senior Notes, 7.70%, 02/15/27	Caa2	668
1,250	Rite Aid Corporation, Senior Notes, 9.25%, 03/15/20	Caa2	1,434
475	Rue 21 Inc., Senior Notes, 9%, 10/15/21 (g)	Caa3	344
375	Sears Holding Corporation, Senior Notes, 6.625%, 10/15/18	B3	338
			14,083
<b>Telecommunications</b>	<b>14.64%</b>		
250	Alcatel Lucent USA, Inc., Senior Notes, 6.75%, 11/15/20 (g)	B3	259
400	Alcatel Lucent USA, Inc., Senior Notes, 8.875%, 01/01/20 (g)	B3	447
775	Arqiva Broadcasting, Senior Notes, 9.50%, 03/31/20 (g)(GBP)	B3	1,428

1,300	Century Link, Inc., Senior Notes, 5.625%, 04/01/20	Ba2	1,334
375	Century Link, Inc., Senior Notes, 6.45%, 06/15/21	Ba2	387
1,925	Crown Castle International Corporation, Senior Notes, 5.25%, 01/15/23	B1	1,882
625	Digicel Limited, Senior Notes, 6%, 04/15/21 (g)	B1	608
400	Digicel Limited, Senior Notes, 8.25%, 09/30/20 (g)	Caa1	414
450	Digicel Limited, Senior Notes, 10.50%, 04/15/18 (g)	Caa1	481
175	Earthlink Inc., Senior Notes, 7.375%, 06/01/20	Ba3	175
325	Earthlink Inc., Senior Notes, 8.875%, 05/15/19	B3	320

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



## The New America High Income Fund, Inc.

**Schedule of Investments**    **December 31, 2013**    **Continued** (Dollar Amounts in Thousands)

Principal Amount/Units			<b>Moody's Rating (Unaudited)</b>	<b>Value (Note 1)</b>
<b>CORPORATE DEBT SECURITIES</b> <b>continued</b>				
\$	600	Equinix, Inc., Senior Notes, 5.375%, 04/01/23	Ba3	\$ 585
	1,000	Equinix, Inc., Senior Notes, 7%, 07/15/21	Ba3	1,092
	775	Hughes Satellite Systems, Inc., Senior Notes, 6.50%, 06/15/19	Ba3	837
	775	Hughes Satellite Systems, Inc., Senior Notes, 7.625%, 06/15/21	B3	864
	1,275	Intelsat Jackson Holdings Ltd., Senior Notes, 5.50%, 08/01/23 (g)	B3	1,205
	475	Intelsat Jackson Holdings Ltd., Senior Notes, 6.625%, 12/15/22	Caa1	488
	450	Intelsat Jackson Holdings Ltd., Senior Notes, 6.625%, 12/15/22 (g)	Caa1	460
	1,250	Intelsat (Luxembourg) S.A., Senior Notes, 7.75%, 6/01/21 (g)	Caa2	1,341
	500	Intelsat (Luxembourg) S.A., Senior Notes, 8.125%, 06/01/23 (g)	Caa2	535
	200	Interxion Holding, NV, Senior	B2	290

		Notes, 6%, 07/15/20 (g)(EUR)		
	650	Level 3 Financing, Inc., Senior Notes, 8.625%, 07/15/20	B3	726
	200	Level 3 Communications, Inc., Senior Notes, 8.875%, 06/01/19	Caa2	218
	675	Matterhorn Mobile S.A., Senior Notes, 7.75%, 02/15/20 (g)(EUR)	Caa1	964
	600	Matterhorn Mobile S.A., Senior Notes, 9%, 04/15/19 (g)(EUR)	(e)	848
	1,350	MetroPCS Wireless, Senior Notes, 6.25%, 04/01/21 (g)	Ba3	1,397
	205	Millicom International Cellular S.A., Senior Notes, 6.625%, 10/15/21 (g)	Ba2	212
	625	NII Capital Corporation, Senior Notes, 7.625, 04/01/21	Caa2	258
<b>Principal Amount/Units</b>			<b>Moody's Rating (Unaudited)</b>	<b>Value (Note 1)</b>
\$	1,400	NII Capital Corporation, Senior Notes, 10%, 08/15/16	Caa2	\$ 742
	200	Pacnet Limited, Senior Notes, 9%, 12/12/18 (g)	B2	205
	425	Sable International Finance Limited, Senior Notes, 7.75%, 02/15/17	Ba2	438

	(g)		
	Sable International Finance Limited, Senior Notes, 8.75%, 02/01/20		
200	(g)	Ba2	225
	SBA Telecommunications, Inc., Senior Notes, 8.25%, 08/15/19		
471	(g)	B1	506
	Softbank Corporation, Senior Notes, 4.50%, 04/15/20		
1,350	(g)	Ba1	1,315
	Sprint Corporation, Senior Notes, 7.125%, 06/15/24		
2,900	(g)	B1	2,933
	Sprint Nextel Corporation, Senior Notes, 11.50%, 11/15/21		
1,025	(g)	B1	1,338
	Telecom Italia, Senior Notes, 6.375%, 06/24/19 (GBP)		
700	(g)	Ba1	1,205
	T-Mobile, USA, Inc., Senior Notes, 6.464%, 04/28/19		
725	(g)	Ba3	768
	T-Mobile, USA, Inc., Senior Notes, 6.633%, 04/28/21		
725	(g)	Ba3	758
	T-Mobile, USA, Inc., Senior Notes, 6.731%, 04/28/22		
875	(g)	Ba3	910
	T-Mobile, USA, Inc., Senior Notes, 6.836%, 04/28/23		
350	(g)	Ba3	362
	TW Telecom Holdings, Inc., Senior Notes, 5.375%, 10/01/22		
325	(g)	B1	318
	TW Telecom Holdings, Inc., Senior Notes, 5.375%, 10/01/22		
475	(g)	B1	466
375	ViaSat, Inc., Senior Notes,	B2	398

	6.875%, 06/15/20		
	Vimpelcom		
	Holdings, Senior		
	Notes,		
	5.20%, 02/13/19		
305	(g)	Ba3	305
	Vimpelcom		
	Holdings, Senior		
	Notes,		
	7.504%, 03/01/22		
550	(g)	Ba3	576
	Vimpelcom		
	Holdings, Senior		
	Notes,		
	7.748%, 02/02/21		
300	(g)	Ba3	325
	Wind Acquisition		
	Holdings		
	Finance S.A.,		
	Senior Notes,		
	6.50%, 04/30/20		
475	(g)	Ba3	508

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

## The New America High Income Fund, Inc.

## Schedule of Investments December 31, 2013 Continued (Dollar Amounts in Thousands)

Principal Amount/Units			Moody's Rating (Unaudited)	Value (Note 1)
<b>CORPORATE DEBT SECURITIES continued</b>				
		Wind Acquisition Holdings Finance S.A., Senior Notes, 11.75%, 07/15/17 (g)	B3	\$ 1,542
\$	1,450			\$ 36,198
<b>Textiles and Leather 1.01%</b>				
		Hanesbrands, Inc., Senior Notes, 6.375%, 12/15/20	Ba3	820
	750			
		Levi Strauss & Co., Senior Notes, 6.875%, 05/01/22	B1	302
	275			
		Levi Strauss & Co., Senior Notes, 7.625%, 05/15/20	B1	219
	200			
		William Carter, Senior Notes, 5.25%, 08/15/21 (g)	Ba2	937
	925			
		Wolverine World Wide, Inc., Senior Notes, 6.125%, 10/15/20	B2	215
	200			
				2,493
<b>Utilities 2.59%</b>				
		Calpine Corporation, Senior Notes, 7.50%, 02/15/21 (g)	B1	876
	800			
	2,875		B2	3,263

	GenOn Escrow Corporation, Senior Notes, 9.50%, 10/15/18		
550	Infinis Plc, Senior Notes, 7%, 02/15/19 (g)(GBP)	Ba3	972
700	Israel Electric Corporation Limited, Senior Notes, 5.625%, 06/21/18 (g)	Baa3	731
550	NRG Energy, Inc., Senior Notes, 6.625%, 03/15/23	B1	556
			6,398

**Total  
Corporate  
Debt  
Securities**  
(Total cost of  
\$328,012) 340,067

**Shares****PREFERRED STOCK 1.25% (d)(i)****Broadcasting and Entertainment .16%**

486	Spanish Broadcasting System, Inc., 10.75% (a)	Caa3	389
-----	--	------	-----

**Containers, Packaging and Glass 0%**

1,975	Smurfit-Stone Container Corporation, 7%, (c)(f) ESC	(e)	
-------	--	-----	--

Shares		Moody's Rating (Unaudited)	Value (Note 1)
--------	--	----------------------------------	-------------------

**Finance .81%**

1,125	Ally Financial, Inc., 7% (g)	B3	\$ 1,077
34,475	GMAC Capital Trust I, 8.125%	B3	922
			1,999

**Telecommunications .28%**

	Crown Castle International Corp., 4.50%	(e)	700
7,000	<b>Total Preferred Stock</b> (Total cost of \$3,052)		3,088
	<b>TOTAL INVESTMENTS</b>		
	<b>138.77% (d)</b> (Total cost of \$331,064)		343,155
	<b>CASH AND OTHER ASSETS LESS LIABILITIES</b> <b>(38.77)% (d)</b>		(95,867)
	<b>NET ASSETS</b> <b>100.00%</b>		\$247,288

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

(b) Securities are step interest bonds. Interest on these bonds accrues based on the effective interest method which results in a constant rate of interest being recognized.

(c) Security is valued at fair value using methods determined by the Board of Directors. The total value of these securities at December 31, 2013 was \$0.

(d) Percentages indicated are based on total net assets to common shareholders of \$247,288.

(e) Not rated.

(f) Non-income producing.

(g) Securities are exempt from registration under Rule 144A of the Securities Act of 1933. Such securities may be resold, normally to qualified institutional buyers in transactions exempt from registration. Unless otherwise noted, 144A Securities are deemed to be liquid. See Note 1 of the Note to Schedule of Investments for valuation policy. Total market value of Rule 144A securities amounted to \$154,607 as of December 31, 2013.

(h) Pay-In-Kind

(i) All of the Fund's investments and other assets are pledged as collateral in accordance with the Bank Credit Agreement (Note 4).

(EUR) Euro

(GBP) British Pound

ESC Escrow Cusip. Represents a beneficial interest to account for possible future payments by the company. Interest rate and maturity date are those of the original security.

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





## The New America High Income Fund, Inc.

**Statement of Assets and Liabilities****December 31, 2013**

(Dollars in thousands, except shares and per share amounts)

**Assets:**

INVESTMENTS IN SECURITIES, at value (Identified cost of \$331,064 see Schedule of Investments and Note 1)	\$ 343,155
CASH	2,194
RECEIVABLES:	
Interest and dividends	6,137
PREPAID EXPENSES	99
Total assets	\$ 351,585

**Liabilities:**

CREDIT AGREEMENT (Note 4)	\$ 100,000
PAYABLES:	
Investment securities purchased	325
Dividend on common stock	3,518
Interest on loan (Note 4)	68
ACCRUED EXPENSES (Note 3)	243
UNREALIZED LOSS ON CURRENCY AND FORWARD CURRENCY EXCHANGE CONTRACTS (Notes 1 and 8)	143
Total liabilities	\$ 104,297
<b>Net Assets</b>	<b>\$ 247,288</b>

**Represented By:**

COMMON STOCK:	
\$0.01 par value, 40,000,000 shares authorized, 23,368,918 shares issued and outstanding	\$ 234
CAPITAL IN EXCESS OF PAR VALUE	268,432
UNDISTRIBUTED NET INVESTMENT INCOME (Note 2)	(1,049)
ACCUMULATED NET REALIZED LOSS FROM SECURITIES TRANSACTIONS (Note 2)	(32,277)
NET UNREALIZED APPRECIATION ON INVESTMENTS AND FORWARD CURRENCY EXCHANGE CONTRACTS	11,948
<b>Net Assets Applicable To Common Stock</b> (Equivalent to \$10.58 per share, based on 23,368,918 shares outstanding)	<b>\$ 247,288</b>

**Statement of Operations****For the Year Ended****December 31, 2013** (Dollars in thousands)

<b>Investment Income:</b> (Note 1)	
Interest income	\$ 23,265
Dividend income	175
Other income	173
Total investment income	\$ 23,613
<b>Expenses:</b>	
Cost of leverage:	
Interest expense (Note 4)	\$ 1,075
Loan fees (Note 4)	8
Total cost of leverage	\$ 1,083
Professional services:	
Investment Advisor (Note 3)	\$ 1,180
Legal	381
Custodian and transfer agent	319
Audit	56
Total professional services	\$ 1,936
Administrative:	
General administrative (Note 7)	\$ 472
Directors	395
Insurance	143
Shareholder communications	45
Miscellaneous	35
NYSE	26
Total administrative	\$ 1,116
Total expenses	\$ 4,135
Net investment income	\$ 19,478
<b>Realized and Unrealized Gain (Loss) on Investment Activities:</b>	
Realized gain on investments and currencies, net	\$ 7,454
Change in net unrealized appreciation on investments and other financial instruments	\$ (4,646)
Net gain on investments	\$ 2,808
Net increase in net assets resulting from operations	\$ 22,286

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 shares and per share amounts)

	<b>For the Year Ended December 31, 2013</b>	<b>For the Year Ended December 31, 2012</b>
<b>From Operations:</b>		
Net investment income	\$ 19,478	\$ 21,658
Realized gain on investments and currencies, net	7,454	5,113
Change in net unrealized appreciation on investments and other financial instruments	(4,646)	16,887
Distributions from net investment income related to preferred stock		(168)
Dividends to preferred stockholders		(168)
Net increase in net assets resulting from operations	\$ 22,286	\$ 43,490
<b>From Fund Share Transactions:</b>		
Net asset value of 43,738 and 190,565 shares issued to common stockholders for reinvestment of dividends in 2013 and 2012	468	1,955
<b>Distributions to Common Stockholders:</b>		
From net investment income (\$.86 and \$.97 per share in 2013 and 2012, respectively)	\$ (20,097)	\$ (22,470)
Total net increase in net assets	\$ 2,657	\$ 22,975
<b>Net Assets Applicable to Common Stock:</b>		
Beginning of period	\$ 244,631	\$ 221,656
End of period (Including \$(1,049) and \$249 of undistributed net investment income at December 31, 2013 and December 31, 2012, respectively)	\$ 247,288	\$ 244,631

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 Years Ended December 31,				
	2013	2012	2011	2010	2009
<b>NET ASSET VALUE:</b>					
Beginning of period	\$ 10.49	\$ 9.58	\$ 10.17	\$ 9.44	\$ 5.75
<b>NET INVESTMENT INCOME</b>					
	.83	.93	1.03	1.06	1.06
<b>NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND OTHER FINANCIAL INSTRUMENTS</b>					
	.12	.96	(.57)	.73	3.65
<b>DISTRIBUTIONS FROM NET INVESTMENT INCOME RELATED TO PREFERRED STOCK: (b)</b>					
		(.01)	(.01)	(.03)	(.12)
<b>TOTAL FROM INVESTMENT OPERATIONS</b>					
	.95	1.88	.45	1.76	4.59
<b>DISTRIBUTIONS TO COMMON SHAREHOLDERS:</b>					
From net investment income	(.86)	(.97)	(1.04)	(1.03)	(.90)
<b>TOTAL DISTRIBUTIONS</b>					
	(.86)	(.97)	(1.04)	(1.03)	(.90)
<b>NET ASSET VALUE:</b>					
End of period	\$ 10.58	\$ 10.49	\$ 9.58	\$ 10.17	\$ 9.44
<b>PER SHARE MARKET VALUE:</b>					
End of period	\$ 9.65	\$ 10.45	\$ 10.21	\$ 9.96	\$ 9.05
<b>TOTAL INVESTMENT RETURN†</b>					
	.73%	12.18%	13.61%	22.02%	126.88%

† Total investment return is calculated assuming a purchase of \$1,000 of common stock at the current market value on the first day and a sale at the current market value on the last day of each year reported. Dividends and distributions are assumed for purposes of this calculation to be reinvested at prices obtained under the dividend reinvestment plan. This calculation does not reflect brokerage commissions.

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

## The New America High Income Fund, Inc.

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

	For the Years Ended December 31,				
	2013	2012	2011	2010	2009
NET ASSETS, END OF PERIOD, APPLICABLE TO COMMON STOCK (a)	\$247,288	\$244,631	\$221,656	\$234,624	\$217,224
NET ASSETS, END OF PERIOD, APPLICABLE TO PREFERRED STOCK (a)(b)			\$ 85,425	\$ 85,425	\$ 85,425
TOTAL NET ASSETS APPLICABLE TO COMMON AND PREFERRED STOCK, END OF PERIOD (a)(b)	\$247,288	\$244,631	\$307,081	\$320,049	\$302,649
EXPENSE RATIOS:					
Ratio of interest expense to average net assets*	.43%	.06%			
Ratio of preferred and other leverage expenses to average net assets*		.04%	.04%	.05%	.04%
Ratio of operating expenses to average net assets*	1.23%	1.38%	1.42%	1.92%	1.55%
RATIO OF TOTAL EXPENSES TO AVERAGE NET ASSETS*	1.66%	1.48%	1.46%	1.97%	1.59%
RATIO OF NET INVESTMENT INCOME TO AVERAGE NET ASSETS*	7.82%	9.07%	10.10%	10.66%	13.59%
		1.13%	1.07%	1.43%	1.07%

RATIO OF TOTAL  
EXPENSES TO  
AVERAGE NET  
ASSETS  
APPLICABLE TO  
COMMON AND  
PREFERRED  
STOCK (b)

RATIO OF NET  
INVESTMENT  
INCOME TO  
AVERAGE NET  
ASSETS  
APPLICABLE TO  
COMMON AND  
PREFERRED  
STOCK (b)

PORTFOLIO  
TURNOVER RATE

		6.94%	7.41%	7.76%	9.20%
	63.65%	69.91%	58.91%	79.02%	81.05%

(a) Dollars in thousands.

(b) In November 2012, the preferred stock was redeemed. See Note 5 to the financial statements.

\* 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.

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

## The New America High Income Fund, Inc.

**Information Regarding  
Senior Securities**

	As of December 31,				
	2013	2012	2011	2010	2009
<b>TOTAL AMOUNT OUTSTANDING:</b>					
Preferred Stock	\$	\$	\$85,425,000	\$85,425,000	\$85,425,000
Credit Agreement	\$100,000,000	\$85,425,000			
<b>ASSET COVERAGE:</b>					
Per Preferred Stock Share (1)	\$	\$	\$ 89,869	\$ 93,664	\$ 88,572
Per \$1,000 borrowed under Credit Agreement (2)	\$ 3,473	\$ 3,864			
Credit Agreement Asset Coverage (3)	347%	386%			
<b>INVOLUNTARY LIQUIDATION PREFERENCE:</b>					
Per Preferred Stock Share (4)(5)	\$	\$	\$ 25,000	\$ 25,000	\$ 25,000
<b>LIQUIDATION VALUE:</b>					
Per Preferred Stock Share (4)(5)	\$	\$	\$ 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) Calculated by subtracting the Fund's total liabilities excluding the amount borrowed under the credit facility, from the Fund's total assets and dividing such amount by the amount borrowed under the credit facility, (per \$1,000 of amount borrowed).

(3) Calculated by subtracting the Fund's total liabilities excluding the amount borrowed under the credit facility, from the Fund's total assets and dividing such amount by the amount borrowed under the credit facility.

(4) Plus accumulated and unpaid dividends.

(5) In January 2008, the Fund repurchased 600 shares of preferred stock at a price of \$25,000 per share. In October 2008, the Fund accepted an unsolicited offer to buy back and retire 1,183 shares of preferred stock at a price of \$16,250 per share. The Fund realized a gain of \$10,351,000 on this transaction. In November 2012, the Fund redeemed all outstanding shares of its preferred stock at the liquidation preference per share of \$25,000. See Note 5 to the financial statements.

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

## The New America High Income Fund, Inc.

**Statement of Cash Flows**

	<b>For the Year Ended December 31, 2013</b>
<b>Cash Flows From Operating Activities:</b> (Dollars in thousands)	
Purchases of portfolio securities	\$ (643,678)
Sales and maturities of portfolio securities	626,779
Interest and dividends received	23,371
Other income	173
Operating expenses paid	(4,325)
Net cash provided by operating activities	\$ 2,320
<b>Cash Flows From Financing Activities:</b>	
Credit facility borrowings	14,575
Common stock dividends	(22,067)
Net cash used by financing activities	\$ (7,492)
<b>Net Decrease in Cash</b>	<b>\$ (5,172)</b>
<b>Cash at Beginning of Period</b>	<b>7,366</b>
<b>Cash at End of Period</b>	<b>\$ 2,194</b>
<b>Reconciliation of Net Increase in Net Assets Resulting from Operations to Net Cash Provided by Operating Activities:</b>	
Purchases of portfolio securities	\$ (643,678)
Sales and maturities of portfolio securities	626,779
Net increase in net assets resulting from operations	22,286
Amortization of interest	416
Net realized gain on investments and currencies	(7,454)
Change in net unrealized appreciation on investments and other financial instruments	4,646
Increase in interest and dividend receivable	(485)
Decrease in prepaid expenses	
Decrease in accrued expenses and other payables	(190)
Net cash provided by operating activities	\$ 2,320
<b>Supplemental Disclosure of Cash Flow Information:</b>	
Non-cash financing activities not included herein consist of reinvestment of dividend distributions	\$ 468

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



The New America High Income Fund, Inc.

**Notes to Financial Statements**  
**December 31, 2013**

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

approved by the Board of Directors. Fair value measurement is further discussed in section (f) of this footnote.

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

The Fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations

The New America High Income Fund, Inc.

**Notes to Financial Statements Continued**  
**December 31, 2013**

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

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

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

(d) *Securities Transactions and Net Investment Income* Securities transactions are recorded on trade date. Realized gains or losses on sales of securities are

calculated on the identified cost basis. Interest income is accrued on a daily basis. Discount on short-term investments is amortized to investment income. Premiums or discounts on corporate debt securities are amortized based on the interest method for financial reporting purposes. All income on original issue discount and step interest bonds is accrued based on the effective interest method. The Fund does not amortize market premiums or discounts for tax purposes. Dividend payments received in the form of additional securities are recorded on the ex-dividend date in an amount equal to the value of the security on such date.

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

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

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

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

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

The New America High Income Fund, Inc.

**Notes to Financial Statements    Continued**  
**December 31, 2013**

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

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

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

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

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

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

be instances where less observable inputs necessitate a level 3 categorization.

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

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

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

The following is a summary of the inputs used as of December 31, 2013 in valuing the Fund's investments:



	<b>Level 1 Quoted Prices</b>	<b>Level 2 Significant Observable Inputs</b>	<b>Level 3 Significant Unobservable Inputs</b>	<b>Total Value</b>
	(000's)	(000's)	(000's)	(000's)
<b>Investments</b>				
Debt Securities*	\$	\$ 340,067	\$	\$ 340,067
Preferred Stock				
Broadcasting and Entertainment Containers, Packaging and Glass		389		389

## The New America High Income Fund, Inc.

**Notes to Financial Statements** Continued  
**December 31, 2013**

	<b>Level 1 Quoted Prices  (000's)</b>	<b>Level 2 Significant Observable Inputs (000's)</b>	<b>Level 3 Significant Unobservable Inputs (000's)</b>	<b>Total Value  (000's)</b>
Finance	\$ 922	\$ 1,077	\$	\$ 1,999
Telecommunications	700			700
<b>Total Investments</b>	<b>\$ 1,622</b>	<b>\$ 341,533</b>	<b>\$</b>	<b>\$ 343,155</b>
Forward Currency Exchange Contracts	\$	\$ (153)	\$	\$ (153)

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

The Fund owns one Level 3 security with a value of zero at December 31, 2013. The value was determined by the Valuation Committee of the Fund's investment Advisor, T. Rowe Price, under procedures approved by the Board of Directors. The techniques used to arrive at this valuation have taken into account litigation involving the security with no settlement expected for the foreseeable future. The security is not trading and there is no guarantee that holders will receive any distribution. The security will continue to be valued at zero until trading commences, the occurrence of company-specific or industry events, or other market factors suggest the value should be changed.

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

	<b>Equity Securities</b>
Balance, December 31, 2012	\$
Sales	
Change in unrealized appreciation (depreciation)	
Realized gain (loss)	
Transfers to Level 3 from Level 2	
Balance, December 31, 2013	\$

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

Transfers between levels are recognized at the value at the end of the reporting period. During the year ended December 31, 2013, the Fund recognized no transfers to Level 1 from Level 2.

**(2) Tax Matters and Distributions**

At December 31, 2013, the total cost of securities (including temporary cash investments) for federal income tax purposes was approximately \$331,645,000. Aggregate gross unrealized gain on securities in which there was an excess of value over tax cost was approximately \$14,508,000. Aggregate gross unrealized loss on securities in which there was an excess of tax cost over value was approximately \$2,998,000. Net unrealized gain on investments for tax purposes at December 31, 2013 was approximately

\$11,510,000.

At December 31, 2013, the Fund had approximate capital loss carryovers available to offset future capital gains, if any, to the extent provided by regulations:

<b>Carryover Available</b>	<b>Expiration Date</b>
\$ 5,110,000	December 31, 2016
26,830,000	December 31, 2017
<b>\$ 31,940,000</b>	

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 shareholders in 2013 and common and preferred shareholders in 2012 of approximately \$20,097,000 and \$22,638,000, respectively, was from ordinary income.

## The New America High Income Fund, Inc.

**Notes to Financial Statements    Continued**  
**December 31, 2013**

As of December 31, 2013, the components of distributable earnings on a tax basis were approximately:

Undistributed Ordinary income	\$
Unrealized Gain	11,367,000
Capital Losses Carry Forward	(31,940,000)
Investments and Currencies	
Loss Deferrals	(804,000)
	\$(21,377,000)

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, wash sales and post-October losses. The Fund has recorded several reclassifications in the capital accounts to present undistributed net investment income and accumulated net realized losses on a tax basis. These reclassifications have no impact on the net asset value of the Fund. For the year ended December 31, 2013, permanent differences between book and tax accounting have been reclassified as follows:

Increase (decrease) in:

Undistributed net investment income	\$ (679,000)
Accumulated net realized loss from securities transactions	\$ 679,000

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

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

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

The Fund recognizes the tax benefits of uncertain tax positions only where the position is "more likely than not" to be sustained assuming examination by tax authorities. Management has analyzed the Fund's tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for open tax years 2010-2012, or expected to be taken in the Fund's 2013 tax returns. The Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next twelve months.

**(3) Investment Advisory Agreement**

T. Rowe Price Associates, Inc. (T. Rowe Price), the Fund's Investment Advisor, earned approximately \$1,180,000 in management fees during the year ended December 31, 2013. Management fees paid by the Fund to T. Rowe Price were calculated at 0.50% on the first \$50,000,000 of the Fund's average weekly net assets, 0.40% on the next \$50 million and 0.30% on average weekly net assets in excess of \$100 million. T. Rowe Price's fee is calculated based on assets attributable to the Fund's common stock and senior

securities. At December 31, 2013, the fee payable to T. Rowe Price was approximately \$102,000, which was included in accrued expenses on the accompanying statement of assets and liabilities.

**(4) Bank Credit Agreement**

On October 10, 2012 the Fund entered into a credit agreement with The Bank of Nova Scotia pursuant to which the Fund may borrow up to an aggregate amount of \$100,000,000. On November 8, 2012 the Fund borrowed \$85,425,000 through this credit facility to finance the scheduled redemption of all outstanding shares of its auction term preferred stock. On May 14, 2013 the

## The New America High Income Fund, Inc.

**Notes to Financial Statements Continued**  
**December 31, 2013**

Fund borrowed an additional \$14,575,000. The credit facility provides for an initial term of one year and may be extended with respect to amounts outstanding at the end of the initial term for an additional year at the option of the Fund. On October 9, 2013 the Fund extended the term of the facility an additional year. Amounts borrowed under the credit facility bear interest at an adjustable rate based on a margin above LIBOR. The rate paid on these borrowings is approximately 1.07% and will be in effect until January 9, 2014 at which time the rate will be reset. For the year ended December 31, 2013 the weighted average rate on the loan was approximately 1.12% and the maximum amount borrowed during the period was \$100,000,000. On December 31, 2013 the total amount outstanding on the loan was \$100,000,000.

The Fund pays a commitment fee to The Bank of Nova Scotia at a rate of .15% per annum for any unused portion of borrowings not to exceed \$100,000,000. For the year ended December 31, 2013 the Fund paid approximately \$8,000 for this commitment.

The Fund has granted to The Bank of Nova Scotia a security interest in the investments and other assets of the Fund in accordance with the Credit Agreement.

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

The Fund announced that on November 9, 2012 it consummated, as provided under the terms of its charter, the scheduled redemption of all outstanding shares of its ATP at the liquidation preference per share of \$25,000, plus all accrued and unpaid dividends to the date of redemption. As discussed in footnote 4, the aggregate amount of the redemption was financed through a credit facility with The Bank of Nova Scotia.

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

Purchases and proceeds of sales or maturities of long-term securities during the year ended December 31, 2013 were approximately:

Cost of purchases	\$229,440,000
Proceeds of sales or maturities	\$213,507,000

**(7) Related Party Transactions**

The Fund paid approximately \$255,000 during the year ended December 31, 2013 to two officers of the Fund for the provision of certain administrative services.

**(8) Derivative Contracts** (Dollar Amounts in Thousands)

**Forward Currency Exchange Contracts** As of December 31, 2013 the Fund had forward currency exchange contracts outstanding as follows:

Counterparty	Settlement Date		Receive (Deliver)	Asset <sup>(1)</sup>	Liability <sup>(1)</sup>	Unrealized Appreciation (Depreciation)
	1/10/14	GBP	\$ (2,715)	\$ 4,367	\$ 4,496	\$ (129)

Royal Bank of Canada							
Deutsche Bank	1/10/14	GBP	(418)	669	693	(24)	
State Street Bank	1/10/14	GBP	(104)	168	172	(4)	
State Street Bank	1/10/14	GBP	(211)	341	350	(9)	
JP Morgan	1/10/14	GBP	(106)	173	175	(2)	
Goldman Sachs	1/10/14	GBP	354	586	579	7	
Goldman Sachs	3/12/14	EUR	(228)	313	314	(1)	
Deutsche Bank	3/12/14	EUR	(15,018)	20,668	20,659	9	
Merrill Lynch	3/12/14	EUR	135	185	185		
<b>Net unrealized loss on open forward currency exchange contracts</b>						\$	(153)

(1) Forward currency exchange contracts are not shown gross on the statement of assets and liabilities. The net exposure is reflected.

## The New America High Income Fund, Inc.

**Notes to Financial Statements Continued**  
**December 31, 2013**

**Fair Value of Derivative Instruments** The fair value of derivative instruments as of December 31, 2013 was as follows:

	<b>Asset Derivatives December 31, 2013</b>	<b>Fair Value</b>
	<b>Statement of Assets and Liabilities Location</b>	
Forward currency contracts	Unrealized loss on currency and forward currency exchange contracts	\$ (153)

The effect of derivative instruments that are included on the Statement of Operations for the year ended December 31, 2013 was as follows:

**Amount of Realized Loss on Derivatives**

	Realized gain on investments and currencies, net
Forward currency contracts	\$ (1,311)

**Change in Unrealized Depreciation on Derivatives**

	Change in net unrealized appreciation on investments and other financial instruments
Forward currency contracts	\$ 77

**(9) Subsequent Events**

The Fund has evaluated the need for additional disclosures and/or adjustments resulting from subsequent events through the date the financial statements were issued. Based on this evaluation, no adjustments were required to the financial statements as of December 31, 2013.





The New America High Income Fund, Inc.

**Report of Independent Registered Public Accounting Firm**

The Board of Directors and Shareholders  
The New America High Income Fund, Inc.

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of The New America High Income Fund, Inc., as of December 31, 2013, and the related statements of operations and cash flows for the year then ended, the statement of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (US). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2013, by correspondence with the custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of The New America High Income Fund, Inc. as of December 31, 2013, the results of its operations and cash flows for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

TAIT, WELLER & BAKER LLP

Philadelphia, Pennsylvania  
February 20, 2014

The New America High Income Fund, Inc.

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

**Availability of Portfolio Holdings**

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

**Compliance with CFTC Regulation of Transactions in Commodity Interests**

The Fund does not currently intend to engage in transactions in commodity interests such as futures contracts, options on futures contracts, and swaps. However, the Fund may in the future enter into interest rate transactions, such as swaps, caps, collars and floors for the purpose or with the effect of hedging its portfolio and/or its payment obligations with respect to senior securities. In addition, the Fund has reserved the right, subject to the approval of the Board of Directors, to purchase and sell financial futures contracts and options on such futures contracts for the purpose of hedging its portfolio securities (or portfolio securities which it expects to acquire) against anticipated changes in prevailing interest rates. To the extent it engages in transactions in commodity interests, the Fund expects their use to be limited such that its investment adviser is able to claim the exclusion from the definition of the term "commodity pool operator" available under Regulation 4.5 of the Commodity Futures Trading Commission under the Commodity Exchange Act, and is therefore not subject to regulation as a pool operator under the Commodity Exchange Act with respect to its management of the Fund.

**Common Stock Transactions**

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

The New America High Income Fund, Inc.

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

**Information About the Review and Approval of the Fund's Investment Advisory Agreement**

On October 24, 2013, the Board of Directors, including all of the Directors who are not "interested persons" of the Fund (the "Independent Directors") within the meaning of the Investment Company Act of 1940, approved the continuation of the Advisory Agreement with the Adviser. In considering this action, the Directors requested and reviewed a variety of materials relating to the Fund and the Adviser, including information on the Adviser's organization, operations and personnel, services the Adviser provides to the Fund, the Adviser's investment management practices, the Adviser's fees and profitability, the Adviser's compliance programs, and the performance of the Fund relative to other closed-end high yield debt funds, the Adviser's other high yield debt clients and various high yield debt market indices, among other matters. The Directors also took into account performance, portfolio management, organizational and other information regarding the Fund and the Adviser provided to them by the Adviser and the Fund's personnel on an ongoing basis in connection with meetings of the Board and otherwise.

*Nature, Extent and Quality of Services.* In considering the nature, extent and quality of the services provided by the Adviser, the Directors reviewed information relating to various aspects of the Adviser's operations and personnel, including financial condition, portfolio management and other professional staff, organizational and management structure, trade placement policies and compliance practices. In the course of their deliberations regarding the Advisory Agreement, the Directors evaluated, among other things: (a) the services rendered by the Adviser in the past; (b) the qualifications and experience of the Adviser's personnel; and (c) the Adviser's compliance programs. The Directors also took into account the financial condition of the Adviser with respect to its ability to provide the services required under the Advisory Agreement. After consideration of the foregoing, the Directors concluded that: (1) the Adviser is a large, well-capitalized organization with substantial resources and personnel; (2) the Adviser has demonstrated that it possesses the capability and resources to perform the duties required of it under the Advisory Agreement; (3) the Adviser's personnel are qualified to manage the Fund's assets in accordance with its investment objectives and policies; (4) the Adviser's disciplined but flexible investment approach is appropriate for the Fund; (5) the Adviser has demonstrated an appropriate awareness of the special requirements associated with the Fund's leveraged structure; and (6) the Adviser maintains appropriate compliance programs.

*Fund Performance.* In evaluating Fund performance, the Directors considered (a) the Fund's performance relative to the performance of other leveraged closed-end high yield debt funds, (b) the Fund's performance relative to the performance of various third-party indices for registered high yield debt funds, (c) the Fund's performance relative to the performance of a composite designed to present the aggregate investment results for the high yield debt mandates managed by the Adviser, and (d) the Fund's performance relative to the performance of various third-party indices for the high yield debt market. The Directors also took note of the conditions in the high yield debt market during the period since the Adviser was retained, the Adviser's responsiveness to the Board's emphasis on maintaining dividend stability, and the limitations imposed on portfolio management by (i) the asset coverage requirements for the Fund's credit facility and (ii) the diversification and asset coverage requirements associated with the credit rating for the Fund's auction term preferred stock during the period when the preferred stock was outstanding. On the basis of the foregoing, among other considerations associated with the Fund's performance, the Directors concluded that the Fund's performance has been reasonable given the investment/risk profile the Fund has sought to maintain and conditions in the high yield debt market.



The New America High Income Fund, Inc.

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

*Costs of Services/Adviser Profitability.* The Directors determined that information relating to the cost to the Adviser of the services it provides under the Advisory Agreement and the profitability to the Adviser of its relationship with the Fund were not relevant to their consideration of the Advisory Agreement's continuation. During all relevant time periods there has been no affiliation or other relationship between Fund personnel or the Directors on one hand and the Adviser on the other hand, that would compromise the independence of Fund personnel and the Directors from the Adviser in negotiating the terms of, and the fee rate to be paid under, the Advisory Agreement. Fallout benefits to the Adviser from its relationship with the Fund were not a consideration in the Directors' deliberations as the Adviser did not appear to receive any material benefit from the Fund other than its advisory fees.

*Economies of Scale.* Given the Fund's advisory fee structure under the Advisory Agreement (which provides for breakpoints), and the Fund's current and anticipated size, the Directors concluded that the Fund's advisory fee adequately reflects any economies of scale the Adviser might enjoy in managing the Fund.

*Advisory Fee.* In considering the fee payable to the Adviser under the Advisory Agreement, the Directors reviewed information relating to the fees paid by the other registered fund with a high-yield debt mandate comparable to the Fund's that is managed by the Adviser (an open-end fund offered as part of the Adviser's family of funds), the Adviser's other fee schedules for client accounts focused on high yield debt, and data from Lipper Inc. on advisory fees paid by other funds in the Lipper CEFHY Leveraged Index. The Directors concluded that, in light of the nature, extent and quality of the services provided by the Adviser, the Fund's performance, and the other considerations noted above with respect to the Adviser, the Fund's advisory fee is reasonable.

Based on the above-mentioned factors and their related conclusions, with no single factor or conclusion being determinative and with each Director not necessarily attributing the same weight to each factor, the Directors concluded that approval of the Advisory Agreement would be in the interests of the Fund and its shareholders. Accordingly, on October 24, 2013, the Directors, including all of the Independent Directors, voted to approve continuation of the Advisory Agreement.

The New America High Income Fund, Inc.

**Directors**

Robert F. Birch  
Joseph L. Bower  
Bernard J. Korman  
Stuart A. McFarland  
Marguerite A. Piret  
Oleg M. Pohotsky

**Officer**

Ellen E. Terry President, Treasurer, Secretary

**Investment Advisor**

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

**Administrator**

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

**Custodian**

State Street Corporation  
One Lincoln Street  
Boston, MA 02111

**Independent Registered Public Accountants**

Tait, Weller & Baker LLP  
1818 Market Street  
Philadelphia, PA 19103

**Transfer Agent**

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

Listed: NYSE  
Symbol: HYB

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



The New America High Income Fund, Inc.

**Information About the Fund's Directors and Officers February 12, 2014**

**Independent Directors**

<b>Name, Office<sup>2</sup> Address<sup>1</sup> and and Length Date of of Time Birth Served</b>	<b>Principal Occupation(s) During Past 5 Years (and Other Relevant Experience, Attributes and Skills)<sup>3</sup></b>	<b>Other Directorships Held by Director</b>
Joseph L. Bower DOB: 09/21/38	Professor, Harvard Business School since 1963 as Donald K. David Professor of Business Administration (1986-2007), Baker Foundation Professor since 2007, Senior Associate Dean, Chair of the Doctoral Programs, Chair of the General Management Area, Chair of the General Manager Program, and Chair of The Corporate Leader; Consultant on corporate strategy and organizational development since 1966.	Director of Anika Therapeutics, Inc. since 1992 and Loews Corporation (a conglomerate) since 2002.
Bernard J. Korman DOB: 10/13/31	Chairman of the Board of Directors of Philadelphia Health Care Trust (non-profit corporation supporting healthcare delivery, education and research) (1995-2010); Director of Medical Nutrition USA, INC (develops and distributes nutritional products) (2004-2010); Director of NutraMax Products, Inc. (consumer health care products) (1995-2008); President, Chief Executive Officer and Director of MEDIQ Incorporated (healthcare services) (1977-1995); Trustee of Kramont Realty Trust (a real estate investment trust) (June 2000-April 2005); Director of Pep Boys, Inc. (automotive aftermarket service and retail chain) (1988-2004) and Chairman (2003-2004).	Director of Omega Healthcare Investors, Inc. (real estate investment trust) since 1993.
Stuart A. McFarland DOB: 04/05/47	Managing Partner, Federal City Capital Advisors, LLC since 1997; Chairman, Federal City Bancorp (2004-2007); Director, Brandywine Funds (2001-2013); President and CEO, Pedestal Inc. (internet enabled mortgage securities exchange) (1999-2003); EVP and General Manager, GE Capital Mortgage Services (1990-1996); President and CEO, GE Capital Asset Management Corporation (1990-1996); President and	Trustee, Brookfield Funds (7 funds) since 2013; Director, United Guaranty Corporation since 2011; Director, Brookfield Helios Funds (6 funds) since 2008; Director, Newcastle Investment Corp. (real estate investment trust) since 2002.

CEO, Skyline Financial Services Corp.  
(1988-1990) President and CEO, National  
Permanent Federal Savings Bank  
(1986-1988). Executive Vice President  
Operations and Chief Financial Officer with  
Federal National Mortgage Association  
Fannie Mae (Fannie Mae) (1980-1985); and  
President and Director, Ticor Mortgage  
Insurance Company (1972-1980).

Director since 2004  
A. since Newbury, Piret & Company, Inc. (an  
Piret 2004 investment bank) (1981-Present); Member,  
DOB: Board of Governors, Investment Company  
5/10/48 Institute (1996-2004).

Trustee of Pioneer Funds (57 funds) since  
1980.

The New America High Income Fund, Inc.

**Information About the Fund's Directors and Officers February 12, 2014 Continued**

<b>Name, Office<sup>2</sup> Address<sup>1</sup> and and Length Date of of Time Birth Served</b>	<b>Term of</b>	<b>Principal Occupation(s) During Past 5 Years (and Other Relevant Experience, Attributes and Skills)<sup>3</sup></b>	<b>Other Directorships Held by Director</b>
Oleg M. Pohotsky DOB: 3/28/47	Director since 2013	Consultant and Managing Partner, Right Bank Partners (corporate governance and strategy consultancy) since 2002; SVP and Director of Mergers and Acquisitions, First Albany Bank (1991-2002); General Partner, Strategic Capital Associates (1989-1991).	Director, Avangardco Investments Public Holdings (agricultural production) since 2011; Advisor, Board of Advisors, Kaufman & Co. LLC (investment banking) since 2007; Senior Advisor, GovernanceMetrics International (governance research and ratings firm) since 2007; Trustee since 2000 and Chairman since 2012 of Hambrecht & Quist Healthcare Investors and Hambrecht & Quist Life Sciences Investors.

**Interested Directors and Officers**

<b>Name, Office<sup>2</sup> Address<sup>1</sup> and and Length Date of of Time Birth Served</b>	<b>Term of</b>	<b>Principal Occupation(s) During Past 5 Years (and Other Relevant Experience, Attributes and Skills)<sup>3</sup></b>	<b>Other Directorships Held by Director</b>
Robert F. Birch DOB: 2013 3/12/36	Lead Director since 1992	President of The New America High Income Fund, Inc. (1992-April 2013), Director of Brookfield/Helios Funds (1998-2011); Director of Brandywine Funds (2001-2008); Chairman of Board and Co-Founder of The China Business Group, Inc. (strategic management consulting firm) (1995-2008); Director and Strategic Planning Consultant at Dewe Rogerson, Ltd. (1992-1998) (public relations firm); Director and Chief Executive Officer of Memtek Corporation (manufacturer of capital equipment to treat liquid toxic waste) (1989-1992); President and Chief Executive Officer of Gardner and Preston Moss, Inc. (investment management firm) (1969-1987); Manager at Arthur Andersen and Company (audit and management consulting) (1960-1968).	

1 The address for each Director is c/o The New America High Income Fund, Inc., 33 Broad Street, Boston, MA 02109.

2 Each Director serves as such until the next annual meeting of the Fund's stockholders and until the Director's successor shall have been duly elected and qualified.

3 The information reported includes the principal occupation during the last five years for each Director and other information relating to the professional experiences, attributes and skills relevant to each Director's qualifications to serve as a Director.

4 The Fund has elected to treat Mr. Birch as an interested person of the Fund within the meaning of the Investment Company Act of 1940, as amended (the "1940 Act") on the basis of his past service as President of the Fund, which ended April 2013.

The New America High Income Fund, Inc.

**Information About the Fund's Directors and Officers February 12, 2014 Continued**

Ellen E. Terry (D.O.B. 4/9/59) is the Fund's sole executive officer. She has served as the Fund's President since April 2013; Treasurer of the Fund since 1991; and Chief Compliance Officer of the Fund since 2004. She served as Vice President of the Fund from 1992 to April 2013. Ms. Terry's address is: c/o The New America High Income Fund, Inc., 33 Broad Street, Boston, Massachusetts 02109. A Fund officer holds office until the officer's successor is duly elected and qualified, until the officer's death or until the officer's resignation or removal.

The New America High Income Fund, Inc.

**PRIVACY POLICY**

The New America High Income Fund Inc., (the "Fund") receives nonpublic personal information about individuals from the following sources:

- Information the Fund receives from an individual who chooses to register Fund shares in the individual's own name (a "registered holder") as provided on applications, forms, and otherwise;
- Information generated by a registered holder's Fund transaction and other account activity; and
- Information provided by individuals who make inquiries to the Fund via letter, E-mail or phone call ("correspondents")

The Fund does not disclose any nonpublic personal information about registered holders, former registered holders or correspondents to anyone, except as required by law or allowed under certain limited federal privacy law exceptions that relate, for example, to the maintenance and servicing of the Fund relationship. The Fund limits access to nonpublic personal information about these individuals to those Fund employees and third-party service providers who need the information in connection with Fund-related activities the Fund has asked them to perform. The Fund also maintains physical, electronic, and procedural safeguards that comply with federal standards to protect the security of registered holders' and correspondents' nonpublic personal information.



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

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

**Annual**

**Report**

**December 31, 2013**

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ITEM 2. CODE OF ETHICS.

As of December 31, 2003, the Fund has adopted a code of ethics, as defined in Item 2 of Form N-CSR, that applies to its Principal Executive Officer, Principal Financial Officer/Chief Financial Officer, Principal Accounting Officer, Vice President, Treasurer and Manager of Accounting and Compliance. During the period covered by this report, there were no amendments to or waivers granted under the Code of Ethics. The code of ethics is attached as an exhibit to this report and posted on the Fund's web site at [www.newamerica-hyb.com](http://www.newamerica-hyb.com).

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

The Fund's Audit Committee is comprised solely of Directors who are independent as such term has been defined by the Securities and Exchange Commission in regulations implementing Section 407 of the Sarbanes-Oxley Act. The Board of Directors (a) has determined that each member of the Audit Committee is financially literate and has accounting or related financial management experience as these terms are used in the corporate governance standards of the New York Stock Exchange and (b) believes that each has substantial experience relating to the review of financial statements and the operations of audit committees. In addition, the Board of Directors has determined that based upon their review of her experience and education, Ms. Piret qualifies as an audit committee financial expert, as that term has been defined by the instructions to this Item.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Tait, Weller & Baker LLP ( Tait, Weller ) served as independent public accountants for the Fund for the years ended December 31, 2013 and December 31, 2012. The services provided by Tait, Weller consisted of the examination of the Fund's annual financial statements, assistance and consultation in connection with SEC filings, and review of tax and certain compliance matters on behalf of the Fund.

*Audit Fees.* For fiscal 2013, the aggregate fees billed by Tait, Weller in connection with the audit of the Fund's 2013 financial statements and review of the 2013 semi-annual financial statements totaled \$48,260. Those fees for fiscal 2012 were \$47,100.

*Audit-Related Fees.* For fiscal 2013, the aggregate fees billed by Tait, Weller for assurance and related services that are reasonable related to the performance of the audit and review of the Fund's financial statements, including annual agreed-upon procedures related to requirements of the Fund's articles supplementary totaled \$0. Those fees for fiscal 2012 were \$6,250.

*Tax Fees.* For fiscal 2013, the aggregate fees billed by Tait, Weller for its professional services related to preparation of the Fund's federal and state tax returns, review of excise distributions, and testing of quarterly asset diversification totaled \$7,300. For fiscal 2012 those fees were \$7,200.

*All Other Fees.* Tait Weller did not bill for any products or services except as noted above, in fiscal 2013 or 2012.

Tait, Weller did not provide any non-audit services to T. Rowe Price Group, Inc. ( Price Group ), the parent company of the Fund's investment adviser, or any of Price Group's subsidiaries in 2013 or 2012.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

The Board of Directors has an Audit Committee, which consists of all the independent Directors. The Audit Committee is presently comprised of Mr. Bernard J. Korman, Mr. Stuart Mc Farland, Ms. Marguerite Piret, Mr. Oleg Pohotsky and Professor Joseph L. Bower.

ITEM 6.

This schedule is included as part of the Report to Shareholders filed under Item 1 of this Form.

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**T. ROWE PRICE ASSOCIATES, INC.**

**T. ROWE PRICE INTERNATIONAL LTD**

**T. ROWE PRICE (CANADA), INC**

**T. ROWE PRICE HONG KONG LIMITED**

**T. ROWE PRICE SINGAPORE PRIVATE LTD.**

**PROXY VOTING POLICIES AND PROCEDURES**

**RESPONSIBILITY TO VOTE PROXIES**

T. Rowe Price Associates, Inc., T. Rowe Price International Ltd, T. Rowe Price (Canada), Inc., T. Rowe Price Hong Kong Limited, and T. Rowe Price Singapore Private Ltd. ( **T. Rowe Price** ) recognize and adhere to the principle that one of the privileges of owning stock in a company is the right to vote in the election of the company's directors and on matters affecting certain important aspects of the company's structure and operations that are submitted to shareholder vote. As an investment adviser with a fiduciary responsibility to its clients, T. Rowe Price analyzes the proxy statements of issuers whose stock is owned by the U.S.-registered investment companies which it sponsors and serves as investment adviser ( **T. Rowe Price Funds** ) and by common trust funds, offshore funds, institutional and private counsel clients who have requested that T. Rowe Price be involved in the proxy process. T. Rowe Price has assumed the responsibility for voting proxies on behalf of the T. Rowe Price Funds and certain counsel clients who have delegated such responsibility to T. Rowe Price. In addition, T. Rowe Price makes recommendations regarding proxy voting to counsel clients who have not delegated the voting responsibility but who have requested voting advice. T. Rowe Price reserves the right to decline to vote proxies in accordance with client-specific voting guidelines.

T. Rowe Price has adopted these Proxy Voting Policies and Procedures ( **Policies and Procedures** ) for the purpose of establishing formal policies and procedures for performing and documenting its fiduciary duty with regard to the voting of client proxies. This document is updated annually.

**Fiduciary Considerations.** It is the policy of T. Rowe Price that decisions with respect to proxy issues will be made in light of the anticipated impact of the issue on the desirability of investing in the portfolio company from the viewpoint of the particular client or Price Fund. Proxies are voted solely in the interests of the client, Price Fund shareholders or, where employee benefit plan assets are involved, in the interests of plan participants and beneficiaries. Our intent has always been to vote proxies, where possible to do so, in a manner consistent with our fiduciary obligations and responsibilities. Practicalities and costs involved with international investing may make it impossible at times, and at other times disadvantageous, to vote proxies in every instance.

**Other Considerations.** One of the primary factors T. Rowe Price considers when determining the desirability of investing in a particular company is the quality and depth of its



management. We recognize that a company's management is entrusted with the day-to-day operations of the company, as well as its long-term direction and strategic planning, subject to the oversight of the company's board of directors. Accordingly, our proxy voting guidelines are not intended to substitute our judgment for management's with respect to the company's day-to-day operations. Rather, our voting guidelines are designed to promote accountability of a company's management and board of directors to its shareholders; to align the interests of management with those of shareholders; and to encourage companies to adopt best practices in terms of their corporate governance. In addition to our voting guidelines, we rely on a company's disclosures, its board's recommendations, a company's track record, country-specific best practices codes, our research providers and, most importantly, our investment professionals' views, in making voting decisions.

## ADMINISTRATION OF POLICIES AND PROCEDURES

**Proxy Committee.** T. Rowe Price's Proxy Committee ( **Proxy Committee** ) is responsible for establishing positions with respect to corporate governance and other proxy issues, including those involving corporate social responsibility issues. Certain delegated members of the Proxy Committee also review questions and respond to inquiries from clients and mutual fund shareholders pertaining to proxy issues. While the Proxy Committee sets voting guidelines and serves as a resource for T. Rowe Price portfolio management, it does not have proxy voting authority for any Price Fund or counsel client. Rather, this responsibility is held by the Chairperson of the Fund's Investment Advisory Committee or counsel client's portfolio manager.

**Global Proxy Services Group.** The Global Proxy Services Group is responsible for administering the proxy voting process as set forth in the Policies and Procedures.

**Proxy Administrator.** The Global Proxy Services Group will assign a Proxy Administrator who will be responsible for ensuring that all meeting notices are reviewed and important proxy matters are communicated to the portfolio managers for consideration.

**Global Corporate Governance Analyst.** Our Global Corporate Governance Analyst is responsible for reviewing the proxy agendas for all upcoming meetings and making company-specific recommendations to our global industry analysts and portfolio managers with regard to the voting decisions in their portfolios.

## HOW PROXIES ARE REVIEWED, PROCESSED AND VOTED

In order to facilitate the proxy voting process, T. Rowe Price has retained ISS as an expert in the proxy voting and corporate governance area. ISS specializes in providing a variety of fiduciary-level proxy advisory and voting services. These services include voting recommendations as well as vote execution, reporting, auditing and consulting assistance for the handling of proxy voting responsibility. In order to reflect T. Rowe Price's issue-by-issue voting guidelines as approved each year by the Proxy Committee, ISS maintains and implements a custom voting policy for the Price Funds and other client accounts.

### **Meeting Notification**

T. Rowe Price utilizes ISS's voting agent services to notify us of upcoming shareholder meetings for portfolio companies held in client accounts and to transmit votes to the various custodian banks of our clients. ISS tracks and reconciles T. Rowe Price holdings against incoming proxy ballots. If ballots do not arrive on time, ISS procures them from the appropriate custodian or proxy distribution agent. Meeting and record date information is updated daily, and transmitted to T. Rowe Price through Proxy Exchange, ISS's web-based application.

### **Vote Determination**

Each day, ISS delivers into T. Rowe Price's proprietary proxy research platform a comprehensive summary of upcoming meetings, proxy proposals, publications discussing key proxy voting issues, and custom vote recommendations to assist us with proxy research and processing. The final authority and responsibility for proxy voting decisions remains with T. Rowe Price. Decisions with respect to proxy matters are made primarily in light of the anticipated impact of the issue on the desirability of investing in the company from the perspective of our clients.

Portfolio managers may decide to vote their proxies consistent with T. Rowe Price's policies as set by the Proxy Committee and instruct our Proxy Administrator to vote all proxies accordingly. Alternatively, portfolio managers may request to review the vote recommendations and sign off on all proxies before the votes are cast, or they may choose only to sign off on those votes cast against management. The portfolio managers are also given the option of reviewing and determining the votes on all proxies without utilizing the vote guidelines of the Proxy Committee. In all cases, the portfolio managers may elect to receive current reports summarizing all proxy votes in their client accounts. Portfolio managers who vote their proxies inconsistent with T. Rowe Price guidelines are required to document the rationale for their votes. The Proxy Administrator is responsible for maintaining this documentation and assuring that it adequately reflects the basis for any vote which is cast contrary to T. Rowe Price guidelines.

### **T. Rowe Price Voting Policies**

Specific voting guidelines have been adopted by the Proxy Committee for all regularly occurring categories of management and shareholder proposals. A detailed set of voting guidelines is available on the T. Rowe Price web site, [www.troweprice.com](http://www.troweprice.com). The following is a summary of our guidelines on the most significant proxy voting topics:

*Election of Directors* For U.S. companies, T. Rowe Price generally supports slates with a majority of independent directors. However, T. Rowe Price may vote against outside directors who do not meet our criteria relating to their independence, particularly when they serve on key board committees, such as compensation and nominating committees, for which we believe that all directors should be independent. Outside the U.S., we expect companies to adhere to the

minimum independence standard established by regional corporate governance codes. At a minimum, however, we believe boards in all regions should include a blend of executive and non-executive members, and we are likely to vote against senior executives at companies without any independent directors. We also vote against directors who are unable to dedicate sufficient time to their board duties due to their commitments to other boards. We may vote against certain directors who have served on company boards where we believe there has been a gross failure in governance or oversight. Additionally, we may vote against compensation committee members who approve excessive executive compensation or severance arrangements. We support efforts to elect all board members annually because boards with staggered terms lessen directors' accountability to shareholders and act as deterrents to takeover proposals. To strengthen boards' accountability, T. Rowe Price supports proposals calling for a majority vote threshold for the election of directors and we may withhold votes from an entire board if they fail to implement shareholder proposals that receive majority support.

*Anti-takeover, Capital Structure and Corporate Governance Issues* T. Rowe Price generally opposes anti-takeover measures since they adversely impact shareholder rights and limit the ability of shareholders to act on potential value-enhancing transactions. Such anti-takeover mechanisms include classified boards, supermajority voting requirements, dual share classes, and poison pills. When voting on capital structure proposals, T. Rowe Price will consider the dilutive impact to shareholders and the effect on shareholder rights. We may support shareholder proposals that call for the separation of the Chairman and CEO positions if we determine that insufficient governance safeguards are in place at the company.

*Executive Compensation Issues* T. Rowe Price's goal is to assure that a company's equity-based compensation plan is aligned with shareholders' long-term interests. We evaluate plans on a case-by-case basis, using a proprietary, scorecard-based approach that employs a number of factors, including dilution to shareholders, problematic plan features, burn rate, and the equity compensation mix. Plans that are constructed to effectively and fairly align executives' and shareholders' incentives generally earn our approval. Conversely, we oppose compensation packages that provide what we view as excessive awards to few senior executives, contain the potential for excessive dilution relative to the company's peers, or rely on an inappropriate mix of options and full-value awards. We also may oppose equity plans at any company where we deem the overall compensation practices to be problematic. We generally oppose efforts to reprice options in the event of a decline in value of the underlying stock unless such plans appropriately balance shareholder and employee interests. For companies with particularly egregious pay practices such as excessive severance packages, executives with outsized pledged/hedged stock positions, executive perks, and bonuses that are not adequately linked to performance, we may vote against compensation committee members. We analyze management proposals requesting ratification of a company's executive compensation practices ( Say-on-Pay proposals) on a case-by-case basis, using a proprietary scorecard-based approach that assesses the long-term linkage between executive compensation and company performance as well as the presence of objectionable structural features in compensation plans. With respect to the frequency in which companies should seek advisory votes on compensation, we believe shareholders should be offered the opportunity to vote annually. Finally, we may withhold votes from compensation committee members or even the entire board if we have cast votes against a company's Say-on-Pay vote in consecutive years.



*Mergers and Acquisitions* T. Rowe Price considers takeover offers, mergers, and other extraordinary corporate transactions on a case-by-case basis to determine if they are beneficial to shareholders' current and future earnings stream and to ensure that our Price Funds and clients are receiving fair consideration for their securities. We generally oppose proposals for the ratification of executive severance packages ( Say on Golden Parachute proposals) in conjunction with merger transactions because we believe these arrangements are, by and large, unnecessary, and they reduce the alignment of executives' incentives with shareholders' interests.

*Corporate Social Responsibility Issues* Vote recommendations for corporate responsibility issues are generated by the Global Corporate Governance Analyst using ISS' s proxy research and company reports. T. Rowe Price generally votes with a company' s management on social, environmental and corporate responsibility issues unless the issue has substantial investment implications for the company' s business or operations which have not been adequately addressed by management. T. Rowe Price supports well-targeted shareholder proposals on environmental and other public policy issues that are particularly relevant to a company' s businesses.

*Global Portfolio Companies* ISS applies a two-tier approach to determining and applying global proxy voting policies. The first tier establishes baseline policy guidelines for the most fundamental issues, which span the corporate governance spectrum without regard to a company' s domicile. The second tier takes into account various idiosyncrasies of different countries, making allowances for standard market practices, as long as they do not violate the fundamental goals of good corporate governance. The goal is to enhance shareholder value through effective use of the shareholder franchise, recognizing that application of policies developed for U.S. corporate governance issues are not appropriate for all markets. The Proxy Committee has reviewed ISS' s general global policies and has developed international proxy voting guidelines which in most instances are consistent with ISS recommendations.

*Fixed Income, Index and Passively Managed Accounts* Proxy voting for fixed income, index and other passively-managed portfolios is administered by the Proxy Services Group using T. Rowe Price' s policies as set by the Proxy Committee. If a portfolio company is held in both an actively managed account and an index account, the index account will default to the vote as determined by the actively managed proxy voting process. In addition, fixed income accounts will generally follow the proxy vote determinations on security holdings held by our equity accounts unless the matter is specific to a particular fixed income security (i.e., consents, restructurings, reorganization proposals).

*Divided Votes* In situations where a decision is made which is contrary to the policies established by the Proxy Committee, or differs from the vote for any other client or T. Rowe Price Fund, the Proxy Services Group advises the portfolio managers involved of the divided vote. The persons representing opposing views may wish to confer to discuss their positions. In such instances, it is the normal practice for the portfolio manager to document the reasons for the vote if it is against T. Rowe Price policy. The Proxy Administrator is responsible for assuring that adequate documentation is maintained to reflect the basis for any vote which is cast in opposition to T. Rowe Price policy.

*Shareblocking* Shareblocking is the practice in certain foreign countries of freezing shares for trading purposes in order to vote proxies relating to those shares. In markets where shareblocking applies, the custodian or sub-custodian automatically freezes shares prior to a shareholder meeting once a proxy has been voted. Shareblocking typically takes place between one and fifteen (15) days before the shareholder meeting, depending on the market. In markets where shareblocking applies, there is a potential for a pending trade to fail if trade settlement takes place during the blocking period. T. Rowe Price's policy is generally to abstain from voting shares in shareblocking countries unless the matter has compelling economic consequences that outweigh the loss of liquidity in the blocked shares.

*Securities on Loan* The T. Rowe Price Funds and our institutional clients may participate in securities lending programs to generate income. Generally, the voting rights pass with the securities on loan; however, lending agreements give the lender the right to terminate the loan and pull back the loaned shares provided sufficient notice is given to the custodian bank in advance of the voting deadline. T. Rowe Price's policy is generally not to vote securities on loan unless the portfolio manager has knowledge of a material voting event that could affect the value of the loaned securities. In this event, the portfolio manager has the discretion to instruct the Proxy Administrator to pull back the loaned securities in order to cast a vote at an upcoming shareholder meeting.

### **Monitoring and Resolving Conflicts of Interest**

The Proxy Committee is also responsible for monitoring and resolving potential conflicts between the interests of T. Rowe Price and those of its clients with respect to proxy voting. We have adopted safeguards to ensure that our proxy voting is not influenced by interests other than those of our fund shareholders. While membership on the Proxy Committee is diverse, it does not include individuals whose primary duties relate to client relationship management, marketing, or sales. Since T. Rowe Price's voting guidelines are pre-determined by the Proxy Committee, application of the guidelines by fund portfolio managers to vote fund proxies should in most instances adequately address any potential conflicts of interest. However, the Proxy Committee conducts a post-vote review of all proxy votes that are inconsistent with the guidelines to determine whether the portfolio manager's voting rationale appears reasonable. The Proxy Committee also assesses whether any business or other material relationships between T. Rowe Price and a portfolio company (unrelated to the ownership of the portfolio company's securities) could have influenced an inconsistent vote on that company's proxy. Issues raising potential conflicts of interest are referred to designated members of the Proxy Committee for immediate resolution prior to the time T. Rowe Price casts its vote. With respect to personal conflicts of interest, T. Rowe Price's Code of Ethics and Conduct requires all employees to avoid placing themselves in a compromising position in which their interests may conflict with those of our clients and restrict their ability to engage in certain outside business activities. Portfolio managers or Proxy Committee members with a personal conflict of interest regarding a particular proxy vote must recuse themselves and not participate in the voting decisions with respect to that proxy.

*Specific Conflict of Interest Situations* - Voting of T. Rowe Price Group, Inc. common stock (sym: TROW) by certain T. Rowe Price Index Funds will be done in all instances in accordance with T. Rowe Price policy, and votes inconsistent with policy will not be permitted. In addition, T. Rowe Price has voting authority for proxies of the holdings of certain T. Rowe Price funds that invest in other T. Rowe Price funds. In cases where the underlying fund of an investing T. Rowe Price fund, including a fund-of-funds, holds a proxy vote, T. Rowe Price will mirror vote the fund shares held by the upper-tier fund in the same proportion as the votes cast by the shareholders of the underlying funds (other than the TRP Reserve Investment Funds).

## **REPORTING AND RECORD RETENTION**

Vote Summary Reports will be generated for each client that requests T. Rowe Price to furnish proxy voting records. The report specifies the portfolio companies, meeting dates, proxy proposals, and votes which have been cast for the client during the period and the position taken with respect to each issue. Reports normally cover quarterly or annual periods and are provided to clients upon request.

T. Rowe Price retains proxy solicitation materials, memoranda regarding votes cast in opposition to the position of a company's management, and documentation on shares voted differently. In addition, any document which is material to a proxy voting decision such as the T. Rowe Price voting guidelines, Proxy Committee meeting materials, and other internal research relating to voting decisions will be kept. All proxy voting materials and supporting documentation are retained for six years (except for proxy statements available on the SEC's EDGAR database).

**Item 8. Portfolio Managers of Closed-End Management Investment Companies**

**Item 8(a)(1)**

The New America High Income Fund (the Fund) is managed by an Investment Advisory Committee co-chaired by Mark J. Vaselkiv and Paul A. Karpers. Messrs. Vaselkiv and Karpers share day-to-day responsibility for managing the Fund and work with the Committee in developing and executing the Fund's investment program. Mr. Vaselkiv has been a chairman of the Committee since 2002. He has served as a portfolio manager throughout the past five years. Mr. Karpers has been a chairman of the Committee since 2005. He has served as a portfolio manager throughout the past five years. Their biographies are as follows:

**Mark J. Vaselkiv**

Mark Vaselkiv is a vice president of T. Rowe Price Group, Inc., T. Rowe Price Associates, Inc. and T. Rowe Price Trust Company. He is a portfolio manager in the Fixed Income Division and head of the high yield team. Mark is a member of the Fixed Income Steering Committee and the firm's Allocation Committee. He is president and chairman of the Investment Advisory Committee of the High Yield Fund. Prior to joining T. Rowe Price in 1988, Mark was employed as a vice president for Shenkman Capital Management, Inc., New York, analyzing and trading high yield debt securities, and as a private placement credit analyst in the Capital Markets Group of Prudential Insurance Company. He earned a B.A. in political science from Wheaton College, Illinois, and an M.B.A. in finance from New York University, Leonard N. Stern School of Business.

**Paul A. Karpers, CFA**

Paul Karpers is a vice president of T. Rowe Price Group, Inc., and T. Rowe Price Associates, Inc., and a high yield portfolio manager in the Fixed Income Division. He is chairman of the Investment Advisory Committee of the T. Rowe Price Institutional High Yield Fund. Prior to joining the firm in 1994, Paul was with the Vanguard Group in Philadelphia. He earned a B.S. in finance from LaSalle University and an M.B.A. with concentrations in finance and information systems from New York University. Paul also has earned his Chartered Financial Analyst designation and is a member of the CFA Institute and the Baltimore CFA Society.

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**Item 8(a)(2)****Other Accounts:****Mark Vaselkiv:**

	Number of Accounts		TOTAL Assets
• registered investment companies:	4	\$	10,283.3 million
• other pooled investment vehicles:	3	\$	1,098.3 million
• other accounts:	8	\$	2,150.0 million

As of 12/31/2013.

**Paul Karpers:**

	Number of Accounts		TOTAL Assets
• registered investment companies:	3	\$	3,654.5 million
• other pooled investment vehicles:	2	\$	2,017.2 million
• other accounts:	6	\$	1,603.0 million

As of 12/31/2013.

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

**Conflicts of Interest**

Portfolio managers at T. Rowe Price typically manage multiple accounts. These accounts may include, among others, mutual funds, separate accounts (assets managed on behalf of institutions such as pension funds, colleges and universities, foundations), offshore funds, and commingled trust accounts. Portfolio managers make investment decisions for each portfolio based on the investment objectives, policies, practices and other relevant investment considerations that the managers believe are applicable to that portfolio. Consequently, portfolio managers may purchase (or sell) securities for one portfolio and not another portfolio. T. Rowe Price has adopted brokerage and trade allocation policies and procedures which it believes are reasonably designed to address any potential conflicts associated with managing multiple

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accounts for multiple clients. Also, as disclosed under the Portfolio Manager's Compensation section, our portfolio managers' compensation is determined in the same manner with respect to all portfolios managed by the portfolio manager.

T. Rowe Price funds may, from time to time, own shares of Morningstar, Inc. Morningstar is a provider of investment research to individual and institutional investors, and publishes ratings on mutual funds, including the Price Funds. T.

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Rowe Price manages the Morningstar retirement plan and T. Rowe Price and its affiliates pay Morningstar for a variety of products and services. In addition, Morningstar may provide investment consulting and investment management services to clients of T. Rowe Price or its affiliates.

**Item 8(a)(3)**

**Compensation:**

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

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

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

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

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

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

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**Item 8(a)(4)**

**Ownership of Securities**

<b>Portfolio Manager</b>	<b>Fund</b>	<b>Dollar Range of Equity Securities Beneficially Owned*</b>
Mark J. Vaselkiv	New America High Income Fund	None
Paul A. Karpers	New America High Income Fund	\$100,001 - \$500,000

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\* As of 12/31/2013.

**Item 8(b) Not applicable.**

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ITEM 9. PURCHASE 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 of the period that has materially affected, or is reasonably likely to materially affect, the Fund's internal control over financial reporting.

ITEM 12. EXHIBITS.

- (a)(1) The Code of Ethics.
  - (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.
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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/ Ellen E. Terry  
Name: Ellen E. Terry  
Title: President  
Date: March 5, 2014

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/ Ellen E. Terry  
Name: Ellen E. Terry  
Title: President  
Date: March 5, 2014

By: /s/ Ellen E. Terry  
Name: Ellen E. Terry  
Title: Treasurer  
Date: March 5, 2014

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