

NEW AMERICA HIGH INCOME FUND INC
Form DEF 14A
February 22, 2007

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

The New America High Income Fund, Inc.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:
 - (5) Total fee paid:
- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
 - (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
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THE NEW AMERICA HIGH INCOME FUND, INC.
33 Broad Street
Boston, Massachusetts 02109

February 27, 2007

Dear Stockholder:

You are cordially invited to attend the 2007 Annual Meeting of Stockholders (the "Annual Meeting") of The New America High Income Fund, Inc., a Maryland corporation, to be held at the offices of Goodwin Procter LLP, Exchange Place, 53 State Street, Boston, Massachusetts 02109, on Friday, April 27, 2007 at 10:30 a.m. local time.

We hope that you will be able to attend the Annual Meeting. Whether or not you plan to attend the Annual Meeting and regardless of the number of shares you own, it is important that your shares be represented. You are urged to complete, sign and date the enclosed proxy card and return it in the enclosed postage-paid envelope or vote your shares via the Internet or by touch-tone telephone. Please act promptly to assure that your shares are represented at the Annual Meeting.

Sincerely,

Robert F. Birch
President

IMPORTANT

Please give all of this information your careful attention. It is important that your shares be represented at the Annual Meeting. Whether or not you plan to attend the Annual Meeting in person, you are requested to promptly complete, sign and return the enclosed proxy card as soon as possible. Certain holders of the common stock may also vote their shares via the Internet or by telephone as discussed in the proxy statement. Returning a signed proxy card or authorizing a proxy by telephone or over the Internet to vote your shares will not prevent you from voting your shares in person if you subsequently choose to attend the Annual Meeting, but your presence (without further action) at the Annual Meeting will not in itself constitute a revocation of a previously delivered proxy.

THE NEW AMERICA HIGH INCOME FUND, INC.

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held On Friday, April 27, 2007**

To the stockholders of The New America High Income Fund, Inc.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders (the "Annual Meeting") of The New America High Income Fund, Inc., a Maryland corporation (the "Fund"), will be held at the offices of Goodwin Procter LLP, Exchange Place, 53 State Street, Boston, Massachusetts 02109, on Friday, April 27, 2007 at 10:30 a.m. local time, for the following purposes:

1. To elect six Directors of the Fund, two of whom shall be elected by the holders of the Fund's Series A, Series B, Series C and Series D Auction Term Preferred Stock (collectively, the "ATP"), and the remainder of whom shall be elected by the holders of the Fund's Common Stock and the ATP voting together as a single class, to hold office until the next annual meeting of stockholders and until their successors shall have been duly elected and qualified.
2. To transact such other business as may properly come before the Annual Meeting and any adjournment thereof.

The matters referred to above may be acted upon at the Annual Meeting or any adjournment thereof.

The close of business on Friday, February 9, 2007, is the record date for the determination of stockholders entitled to notice of, and to vote at, the Annual Meeting and any adjournment thereof.

YOUR VOTE IS IMPORTANT REGARDLESS OF THE SIZE OF YOUR HOLDINGS IN THE FUND. WHETHER OR NOT YOU EXPECT TO BE PRESENT AT THE ANNUAL MEETING, PLEASE COMPLETE AND SIGN THE ENCLOSED PROXY CARD AND RETURN IT PROMPTLY IN THE ENCLOSED ENVELOPE, WHICH NEEDS NO POSTAGE IF MAILED IN THE UNITED STATES. HOLDERS OF THE FUND'S COMMON STOCK SHOULD SIGN AND RETURN THE WHITE PROXY CARD. HOLDERS OF THE FUND'S AUCTION TERM PREFERRED STOCK SHOULD SIGN AND RETURN THE YELLOW PROXY CARD. CERTAIN HOLDERS OF COMMON STOCK MAY ALSO SUBMIT THEIR PROXIES OVER THE INTERNET OR BY TELEPHONE.

By Order of the Board of Directors

Richard E. Floor
Secretary

February 27, 2007
Boston, Massachusetts

THE NEW AMERICA HIGH INCOME FUND, INC.

**33 Broad Street
Boston, Massachusetts 02109
(617) 263-6400**

**PROXY STATEMENT
ANNUAL MEETING OF STOCKHOLDERS
April 27, 2007**

This proxy statement is furnished in connection with the solicitation of proxies on behalf of the Board of Directors of The New America High Income Fund, Inc., a Maryland corporation (the "Fund"), for use at the Fund's 2007 annual meeting of stockholders (the "Annual Meeting") to be held at the offices of Goodwin Procter LLP, Exchange Place, 53 State Street, Boston, Massachusetts 02109 on Friday, April 27, 2007 at 10:30 a.m. local time, and at any and all adjournments or postponements thereof, for the purposes set forth in the accompanying Notice of Annual Meeting dated February 27, 2007.

This proxy statement and the accompanying Notice of Annual Meeting and form of proxy will be first sent to stockholders on or about February 27, 2007. The Board of Directors has fixed the close of business on Friday, February 9, 2007, as the record date for the determination of stockholders entitled to notice of, and to vote at, the Annual Meeting. As of the record date, 95,776,990 shares of the Fund's common stock, par value \$.01 per share (the "Common Stock"), were issued and outstanding and 5,200 shares of the Fund's Auction Term Preferred Stock (the "ATP" or "Preferred Stock"), par value \$1.00 per share, liquidation preference \$25,000 per share, were issued and outstanding, consisting of 1,400 shares of ATP Series A, 1,000 shares of ATP Series B, 1,800 shares of ATP Series C and 1,000 shares of ATP Series D. Each outstanding share of the Common Stock and each outstanding share of the ATP is entitled to one vote on each matter submitted to stockholders at the Annual Meeting of the relevant class or classes as described below.

All stockholders as of the record date, or their duly appointed proxies, may attend the meeting. Each stockholder may be asked to present valid identification. Please note that stockholders who hold their shares in "street name" (that is, through a broker, bank, or other nominee) will need to bring a copy of a brokerage statement reflecting the stockholder's stock ownership as of the record date.

If the accompanying form of proxy is properly executed and returned in time to be voted at the Annual Meeting (either by returning the paper proxy card or, for certain holders of the Common Stock, by submitting a proxy electronically by telephone or over the Internet), the shares represented thereby will be voted in accordance with the instructions indicated thereon by the stockholder. Executed proxies that are unmarked will be voted for the election of the applicable nominees named herein as Directors of the Fund and in the discretion of the persons named as proxies in connection with all other matters which may properly come before the Annual Meeting or any adjournment thereof.

Holders of the Common Stock who tender proxies by mail should sign and return the white proxy card. Holders of the ATP should sign and return the yellow proxy card. The proxy card should be returned in the enclosed postage-paid envelope. Certain holders of the Common Stock also have the option of executing and returning their proxies by telephone or over the Internet. The form of proxy these stockholders receive along with the proxy statement includes an attachment that has instructions both for calling a toll-free number for automated touch-tone voting and for finding a website address that will permit voting over the Internet. Prior to using either of these methods of voting, stockholders should read the proxy statement and have it and the form of proxy ready at hand.

A stockholder voting by telephone or over the Internet represents that the stockholder is authorized to vote the shares of the Common Stock being voted, for example, when a stockholder is acting on behalf of all registered owners of an account or in the capacity of trustee of a trust or officer of an organization that holds Fund shares. In addition, by using the telephone or the Internet to submit voting instructions, the stockholder expressly authorizes American Stock Transfer & Trust Company ("AST"), which is assisting the Fund in gathering and tabulating votes for the Annual Meeting, and its agents, to execute a proxy to vote the stockholder's shares at the Annual Meeting as the stockholder has indicated. The Fund believes that the procedures governing the execution of proxies by telephone or over the Internet are reasonably designed to ensure that the identities of the stockholders executing proxies are accurately determined and that the voting instructions of those stockholders are accurately recorded.

The presence, in person or by proxy, of stockholders of the Fund entitled to cast a majority of the votes entitled to be cast at the Annual Meeting constitutes a quorum for the transaction of business. Abstentions and broker "nonvotes" (that is, proxies from brokers or nominees indicating that such persons have not received instructions from the beneficial owner or other persons entitled to vote shares on a particular matter with respect to which the brokers or nominees do not have discretionary power) will be treated as shares that are present at the meeting for purposes of determining the existence of a quorum but will be disregarded in determining the "votes cast" for the proposal. A stockholder may revoke his or her proxy prior to its use by attending the Annual Meeting and voting in person, by giving written notice of such revocation to the Secretary of the Fund, or by returning a subsequently dated proxy. In addition, certain holders of the Common Stock that may vote by telephone or over the Internet may also revoke their proxies by executing a subsequently dated proxy using either of these methods of voting. Holders of the Common Stock who vote by telephone or over the Internet should not subsequently return a proxy card by mail unless they intend the proxy card to revoke their prior instructions given by telephone or over the Internet.

If shares of the ATP are registered in the name of a New York Stock Exchange ("NYSE") member or the name of the member's nominee on behalf of the shares' beneficial owner, the member will request voting instructions with respect to the shares from the beneficial owner. If the member does not receive voting instructions for those shares in a timely manner, and certain other conditions are met, the member may vote the shares in the same proportion as the member votes shares of the ATP for which beneficial holders have provided voting instructions.

In the event a quorum is not present at the Annual Meeting, the persons named as proxies may propose one or more adjournments of the Annual Meeting to permit further solicitation of proxies, provided that such persons determine such an adjournment and additional solicitation is reasonable and in the interest of stockholders. A stockholder vote may be taken on any proposal in this proxy statement prior to such adjournment if sufficient votes have been received and such vote is otherwise appropriate. Any such adjournment will require the affirmative vote of a majority of those shares present at the Annual Meeting in person or by proxy.

In addition to the solicitation of proxies by mail, Directors and officers of the Fund or other representatives of the Fund may also solicit proxies by telephone, by telegraph or in person. The Fund has also retained a proxy solicitor, The Altman Group, Inc. ("Altman"), to assist in the solicitation of proxies. Pursuant to this arrangement, Altman has agreed to contact banks, brokers and proxy intermediaries to secure votes in favor of the proposal described in this proxy statement. The costs of retaining Altman, which will be fully borne by the Fund, are not expected to exceed \$10,000. The costs of proxy solicitation and expenses incurred in connection with preparing this proxy statement and its enclosures will be paid by the Fund.

Each stockholder entitled to notice of and to vote at the Annual Meeting has been sent a copy of the Annual Report of the Fund for the year ended December 31, 2006, including financial statements, either with this proxy statement or under separate cover. If you did not receive the Annual Report or if you would like to request another copy, you may call the Fund collect at (617) 263-6400.

**THE INVESTMENT ADVISER
AND ADMINISTRATIVE SERVICES**

T. Rowe Price Associates, Inc., with its principal office at 100 East Pratt Street, Baltimore, Maryland 21202, has served as the investment adviser to the Fund since December 2, 2002. Since February 1992, the Fund has engaged Ellen E. Terry to perform administrative services, and has engaged Paul E. Saidnawey to provide certain related administrative services subject to the supervision of the President of the Fund and Ms. Terry.

**PROPOSAL ONE
ELECTION OF DIRECTORS**

The stockholders of the Fund are being asked to elect the six nominees listed below as Directors of the Fund, to serve as such until the next annual meeting of the Fund's stockholders and until their successors shall have been duly elected and qualified. The six nominees named below are presently serving as Directors of the Fund. All shares represented by valid proxies will be voted in the election of Directors for the applicable nominees named below, unless authority to vote for a particular nominee is withheld. Each nominee has agreed to serve as a Director if elected. If any such nominee is not available for election at the time of the Annual Meeting, the persons named as proxies will vote for such substitute nominee as the Board of Directors may recommend.

Under the terms of the Fund's charter, the holders of the ATP are entitled as a class, to the exclusion of the holders of the Common Stock, to elect two Directors of the Fund. For this purpose, all holders of all series of the ATP vote together as a single class. Joseph L. Bower and Bernard J. Korman have been nominated as the Directors to be elected by the holders of the ATP. The Fund's charter further provides for the election of the other four nominees named below by the holders of the Common Stock and the holders of all series of the ATP, voting together as a single class. A plurality of all the votes cast of the relevant class or classes is sufficient to elect a Director. Election of Directors is non-cumulative; accordingly, holders of a majority of the outstanding shares of the relevant class or classes represented at the Annual Meeting in person or by proxy may elect all of the Directors who are subject to election by such class or classes.

The Board of Directors recommends that stockholders vote FOR the election of the six nominees to the Fund's Board of Directors.

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The nominees for election to the Board of Directors who are not "interested persons" of the Fund within the meaning of Section 2(a)(19) of the Investment Company Act of 1940, as amended (the "1940 Act"), (the "independent Directors") are as follows:

| Name and Age | Position(s) with the Fund(1) and Length of Time Served | Principal Occupation(s) During Past 5 Years | Other Directorships |
|---|--|---|--|
| Preferred Stock Nominees | | | |
| Joseph L. Bower Date of Birth: 9/21/38 | Director since 1988 | Professor, Harvard Business School since 1963 as Donald K. David Professor of Business Administration since 1986, Senior Associate Dean, Chair of the Doctoral Programs, Chair of the General Management Area, and currently, Chair of the General Manager Program. | Director of Anika Therapeutics, Inc., Sonesta International Hotels Corporation, Loews Corporation (a conglomerate), and Brown Shoe Company, Inc.; and Trustee of TH Lee-Putnam Emerging Opportunities Portfolio. |
| Bernard J. Korman Date of Birth: 10/13/31 | Director since 1987 | Chairman of the Board of Directors and CEO of Philadelphia Health Care Trust (non-profit corporation supporting healthcare delivery, education and research). | Director of Omega Healthcare Investors, Inc. (real estate investment trust), Medical Nutrition USA, Inc. (develops and distributes nutritional products) and Nutramax Products, Inc. (a consumer healthcare products company). |

Common Stock and Preferred Stock Nominees

| | | | |
|---|----------------------|--|--------------------------------------|
| Ernest E. Monrad Date of Birth: 5/30/30 | Director since 1988* | Trustee since 1960 and Chairman of the Trustees from 1969 to May 2001 of Northeast Investors Trust; Chairman, Assistant Treasurer and a Director since 1981 of Northeast Investors Growth Fund; Director and Vice President of Northeast Investment Management, Inc. until 12/31/06, and Director of Northeast Management & Research Company, Inc. | |
| Marguerite Piret Date of Birth: 5/10/48 | Director since 2005 | President and Chief Executive Officer of Newbury, Piret & Company, Inc. (an investment bank). | Trustee of Pioneer Funds (91 funds). |

(1) The Fund is not part of any fund complex.

* Includes service as Director Emeritus from April 2005 until July 2005.

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The nominees for election to the Board of Directors who are "interested persons" of the Fund within the meaning of Section 2(a)(19) of the 1940 Act are as follows:

| Name and Age | Position(s) with the Fund(1) and Length of Time Served | Principal Occupation(s) During Past 5 Years | Other Directorships |
|--------------|--|---|---------------------|
|--------------|--|---|---------------------|

Common Stock and Preferred Stock Nominees

| | | |
|---|---|---|
| Robert F. Birch* Director and President since 1992 Date of Birth: 3/12/36 | Mutual fund director. | Director of Hyperion Funds (5 funds), and Director of the Brandywine Funds (3 funds). |
| Richard E. Floor* Director and Secretary since 1987 Date of Birth: 8/3/40 | Partner through his professional corporation with the law firm of Goodwin Procter LLP, Boston, Massachusetts. | Director of Affiliated Managers Group, Inc. |

* Messrs. Birch and Floor are deemed to be "interested persons" of the Fund within the meaning of Section 2(a)(19) of the 1940 Act because, in the case of Mr. Birch, he is the President of the Fund and, in the case of Mr. Floor, he is the Secretary of the Fund and a partner, through his professional corporation, of Goodwin Procter LLP, counsel to the Fund.

(1) The Fund is not part of any fund complex.

The address of each Director is: c/o The New America High Income Fund, Inc., 33 Broad Street, Boston, Massachusetts 02109. Each Director holds office until the Director's successor is duly elected and qualified, until the Director's death or until the Director's resignation or removal.

Executive Officer

Ellen E. Terry (date of birth 4/9/59), Vice President and Treasurer of the Fund since February 18, 1992 and Chief Compliance Officer since 2004, is the only executive officer of the Fund not named in the above table of Directors who are interested persons of the Fund. 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.

Security Ownership of Management

The following table shows the beneficial ownership of the Fund's Common Stock by the Fund's Directors and officers at December 31, 2006, based on information provided to the Fund by the Directors and officers. No officer or Director of the Fund owns shares of the Fund's ATP. All individuals listed in the table have sole voting and investment power over the shares reported as owned unless otherwise indicated. The table also presents the stock-based holdings of First Trust Portfolios L.P., as of February 9, 2007, a person believed by the Fund to be a beneficial owner of more than 5% of the Fund's outstanding Common Stock. First Trust Portfolios L.P.'s stock ownership is based on certain filings made under Section 13 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Fund does not know of any person who beneficially owned more than 5% of the outstanding shares of the ATP as of February 9, 2007.

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| Name of Beneficial Owner | Amount and Nature of Beneficial Ownership | Percent of Shares of Common Stock Beneficially Owned |
|---|---|--|
| Directors and Officers: | | |
| Joseph L. Bower | 26,667 | * |
| Bernard J. Korman | 1,075,447(1) | 1.1% |
| Ernest E. Monrad | 670,346(2) | * |
| Marguerite Piret | 16,908 | * |
| Robert F. Birch | 164,985(3) | * |
| Richard F. Floor | 282,682 | * |
| Ellen E. Terry | 34,086 | * |
| All executive officers and directors as a group | 2,271,121 | 2.4% |
| Beneficial Owner: | | |
| First Trust Portfolios L.P. | 10,202,464(4) | 10.7% |

* Less than 1%

(1) Includes 284,750 shares owned by Mr. Korman's spouse.

(2) Includes 242,278 shares owned by Mr. Monrad's spouse and 11,572 shares held by Mr. Monrad as a fiduciary for unrelated persons. Mr. Monrad disclaims beneficial ownership of the shares he holds as a fiduciary for unrelated persons.

(3) Includes 29,334 shares held by a family limited partnership as to which Mr. Birch has shared voting and investment power.

(4) Based on information set forth in Schedule 13G filed with the Securities and Exchange Commission on June 10, 2005.

The following table shows the dollar value range of the Fund's common stock owned by each Director, each of whom is nominated for re-election, as of January 31, 2007.

| Director/Nominee | Dollar Range of Equity Securities in the Fund |
|-------------------|---|
| Joseph L. Bower | \$50,001-\$100,000 |
| Bernard J. Korman | Over \$100,000 |
| Ernest E. Monrad | Over \$100,000 |
| Marguerite Piret | \$10,001-\$50,000 |
| Robert F. Birch | Over \$100,000 |
| Richard E. Floor | Over \$100,000 |

Committees of the Board of Directors and Meetings

During fiscal year 2006, there were five meetings of the Board of Directors, with each Board member attending 75% or more of the aggregate of the meetings held by the Board as a whole and of the respective committees on which such Director served. The Board of Directors has established two ongoing committees the Audit and Nominating Committee (formerly the Audit Committee) and the Compensation Committee. The functions and other information about these committees are summarized below.

The Board expects that Directors will ordinarily attend in person all annual and special meetings of the Fund's stockholders other than adjourned meetings and if unable to attend in person, will participate by other means, if practical. In recognition of this policy, the Board of Directors typically schedules its second regular quarterly

meeting each year to coincide with the annual meeting of stockholders. Each Director attended the 2006 Annual Meeting of Stockholders held on April 27, 2006.

Audit and Nominating Committee

The Audit and Nominating Committee, which consists of all the independent Directors:

oversees the accounting and financial reporting processes of the Fund and its internal control over financial reporting and, as the Committee deems appropriate, inquires into the internal control over financial reporting of certain third-party service providers;

oversees the quality and integrity of the Fund's financial statements and the independent audit thereof;

oversees, or, as appropriate, assists Board oversight of, the Fund's compliance with legal and regulatory requirements that relate to the Fund's accounting and financial reporting, internal control over financial reporting and independent audits;

approves prior to appointment the engagement of the Fund's independent auditors and, in connection therewith, reviews and evaluates the qualifications, independence and performance of the Fund's independent auditors and the audit partner in charge of leading the audit;

acts as a liaison between the Fund's independent auditors and the full Board;

supervises the nomination and election of directors of the Fund; and

reviews on a periodic basis the governance structures and procedures of the Fund.

The Audit and Nominating Committee acts pursuant to a written Audit and Nominating Committee Charter, which is available on the Fund's website at www.newamerica-hyb.com via the Corporate Governance hyperlink. The Audit and Nominating Committee is presently comprised of Messrs. Korman and Monrad, Ms. Piret and Professor Bower, each of whom is "independent" as defined in the applicable NYSE listing standards. The Board has determined that Ms. Piret qualifies as an "audit committee financial expert" under the Exchange Act. The Audit and Nominating Committee met five times during 2006, with all Committee members attending each meeting.

Selection and Evaluation of Director Candidates. The Audit and Nominating Committee will, when a vacancy on the Board exists or is anticipated, consider any candidate for Director recommended by a stockholder if (a) the recommendation contains sufficient background information concerning the candidate to enable the Committee to make a proper judgment as to the candidate's qualifications and (b) the recommendation is submitted in accordance with applicable procedural requirements set forth in the Fund's By-laws.

The Audit and Nominating Committee has not established specific, minimum qualifications that must be met by an individual for the Audit and Nominating Committee to recommend that individual for nomination as a Director. In seeking candidates to consider for nomination to fill a vacancy on the Board, the Audit and Nominating Committee expects to seek referrals from a variety of sources, including current Directors, management of the Fund and counsel to the Fund. The Committee may also engage a search firm to identify or evaluate or assist in identifying or evaluating candidates. In evaluating candidates for a position on the Board, the Audit and Nominating Committee considers a variety of factors, including, as appropriate: (i) the candidate's knowledge in matters relating to the mutual fund industry; (ii) any experience possessed by the candidate as a director or senior officer of other public companies; (iii) the candidate's educational background; (iv) the candidate's reputation for high ethical standards and personal and professional integrity; (v) any specific financial, technical or other expertise possessed by the candidate, and the extent to which such expertise would complement the Board's existing mix of skills and qualifications; (vi) the candidate's perceived ability to contribute to the ongoing functions of the Board, including the candidate's ability and commitment to attend meetings regularly and work collaboratively with other members

of the Board; (vii) the candidate's ability to qualify as an Independent Director for purposes of the 1940 Act, the candidate's independence from Fund service providers and the existence of any other relationships that might give rise to a conflict of interest or the appearance of a conflict of interest; and (viii) such other factors as the Audit and Nominating Committee determines to be relevant in light of the existing composition of the Board and any anticipated vacancies or other transitions, e.g., whether or not a candidate is an "audit committee financial expert" under the federal securities laws. Prior to making a final recommendation to the Board, the Audit and Nominating Committee conducts personal interviews with the candidates it concludes are the most qualified. Any candidates recommended by stockholders will be evaluated in the same manner.

Candidates Recommended by Stockholders. Stockholder wishing to submit a nomination for Director at an annual or special meeting of stockholders must provide a "timely" notice (as defined in the Fund's By-laws) in writing to the Secretary of the Fund, at The New America High Income Fund, Inc., 33 Broad Street, Boston, Massachusetts 02109. To nominate Directors for election at an annual meeting, the stockholder's notice, to be timely, must be received by the Secretary (i) not earlier than the close of business on the 120th day and (ii) not later than the close of business on the 90th day prior to the date of the annual meeting. In the event that, during the prior year the Fund did not hold an annual meeting or the date of the annual meeting changed by more than 30 days from the first anniversary of the prior year's annual meeting (other than as a result of adjournment), the stockholder's notice must be received by the Secretary (i) not earlier than the close of business on the 120th day prior to such annual meeting and (ii) not later than the close of business on the later of the 90th day prior to the annual meeting or the 10th day following the day on which public announcement of the date of such annual meeting is first made. With respect to election of Directors at a special meeting of stockholders, such notice, to be timely, must be received by the Secretary of the Fund by the close of business on the later of (i) the 90th day prior to such special meeting or (ii) the 10th day following the day on which public announcement of the date of such special meeting is first made.

A stockholder's notice proposing a Director nominee must specify:

as to each stockholder giving the notice:

the name and address; and

the class and number of shares of the Fund that are beneficially owned by the stockholder; and

as to each person whom the stockholder proposes to nominate for election as a Director:

the name, age, business address and residence address of the person;

the principal occupation or employment of the person;

the class and number of shares of stock of the Fund that are beneficially owned by the person; and

any other information relating to the person that is required to be disclosed in solicitations for proxies for election of directors pursuant to the rules and regulations under the Securities Exchange Act of 1934, as amended.

The Fund may also require any proposed nominee to furnish such other information as may reasonably be required by the Fund to determine the eligibility of such proposed nominee to serve as a Director of the Fund. The chairman of a meeting of stockholders may cause a stockholder's nomination that fails to comply with these procedures to be disregarded.

Compensation Committee

The Board's Compensation Committee is responsible for monitoring and revising as appropriate the compensation of Fund employees, subject to review by the Board as a whole. Ms. Terry's compensation as the Fund's Chief Compliance Officer is subject to separate approval by the independent Directors. During fiscal 2006, the

Compensation Committee, which is comprised of Messrs. Monrad and Floor, met once with each member attending. As described above, Mr. Floor is an "interested person" of the Fund.

Communications with the Board

Stockholders wishing to communicate with the Board may do so by sending a written communication to any Director at the following address: The New America High Income Fund, Inc., 33 Broad Street, Boston, MA 02109. Any stockholder communication so received will be promptly forwarded to the Director(s) to whom it is addressed.

Independent Public Accountants and Fees

Upon the recommendation of the Audit and Nominating Committee, the Board of Directors has selected Tait, Weller & Baker LLP ("Tait, Weller") as independent public accountants for the Fund for the year ending December 31, 2007. Since October 25, 2005, Tait, Weller has acted as the Fund's independent public accountants, succeeding KPMG LLP ("KPMG"), the Fund's former auditors. The services provided by Tait, Weller consist 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.

Representatives of Tait, Weller are not expected to be represented at the Annual Meeting, but a representative of Tait, Weller is expected to be available via telephone during the Annual Meeting to respond to appropriate questions and will have the opportunity to make a statement if the representative so desires.

Audit Fees. For fiscal 2006, the aggregate fees billed by Tait, Weller for audit of the Fund's financial statements and review of the semi-annual financial statements totaled \$39,500. For the period October 25, 2005 through the end of fiscal 2005, Tait, Weller did not bill any audit fees to the Fund. For the period January 1, 2005 through October 24, 2005, the aggregate fees billed by KPMG for audit of the Fund's annual financial statements and review of the semi-annual financial statements totaled \$50,500.

Audit-Related Fees. For fiscal 2006, the aggregate fees billed by Tait, Weller for assurance and related services that are reasonably 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 \$8,250. For the period October 25, 2005 through the end of fiscal 2005, Tait, Weller did not bill any audit-related fees to the Fund. For the period January 1, 2005 through October 24, 2005 and fiscal 2004, KPMG billed \$4,000 and \$15,000, respectively, for assurance and related services that are reasonably 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.

Tax Fees. For fiscal 2006, 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 \$6,000. For the period October 25, 2005 through the end of fiscal 2005, Tait, Weller did not bill any tax fees to the Fund. For the period January 1, 2005 through October 24, 2005, the aggregate fees billed by KPMG 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 \$7,250.

All Other Fees. Tait, Weller did not bill the Fund for any products or services in 2006 (except as noted above) or during the period October 25, 2005 through the end of fiscal 2005. For the period January 1, 2005 through October 24, 2005, KPMG did not bill the Fund for any products or services other than those noted above.

Tait, Weller did not provide any non-audit services to T. Rowe Price Group, Inc. and its subsidiaries ("Price Group") in 2006 or 2005.

On October 20, 2005, the Board of Directors, upon the recommendation of the Audit and Nominating Committee, voted to replace KPMG as the Fund's independent registered public accountants with Tait, Weller effective as of the tendering of KPMG's resignation letter. KPMG resigned as the Fund's independent registered public accountants as of October 25, 2005. The reports issued by KPMG on the Fund's financial statements for each of the past two fiscal years did not contain an adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope or accounting principles. During the Fund's two most recent fiscal years and through the date hereof, there were no disagreements with KPMG on any matter of accounting principle or practice, financial statement disclosure or auditing scope or procedure, which, if not resolved to KPMG's satisfaction, would have caused them to make reference to the subject matter in connection with their report of the Fund's financial statements for such years; and there were no "reportable events" as defined in Item 304(a)(1)(v) of Regulation S-K. On October 25, 2005, the Fund engaged Tait, Weller to serve as the Company's independent registered public accountants for the year ended December 31, 2005. During the years ended December 31, 2004 and December 31, 2003 and the period from January 1, 2005 to October 25, 2005, the Fund did not consult with Tait, Weller with respect of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Fund's financial statements, or any other matters or reportable events as set forth in Items 304(a)(2)(i) and (ii) of Regulation S-K.

For the fiscal year ended December 31, 2006, the principal accountant's audit report on the Fund's financial statements contained no adverse opinion or disclaimer of opinion; nor was its report qualified or modified as to uncertainty, audit scope, or accounting principles.

Report of the Audit and Nominating Committee of the Board of Directors

The Fund's Audit and Nominating Committee has met and held discussions separately, and jointly with each of management and the Fund's independent public accountants. In addition, the Audit and Nominating Committee has reviewed and discussed the Fund's audited financial statements for fiscal 2006 with management and the independent public accountants. The Audit and Nominating Committee discussed with the Fund's independent public accountants the matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees). The Fund's independent public accountants also provided the Audit and Nominating Committee the written disclosures and the letter required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), and the Audit and Nominating Committee discussed with the independent public accountants that firm's independence. Based on the review and discussions described in this Report, the Audit and Nominating Committee recommended that the Board of Directors include the audited financial statements in the Fund's 2006 annual report to stockholders required by Section 30(e) of the 1940 Act and Rule 30e-1 thereunder for filing with the SEC.

Joseph L. Bower

Bernard J. Korman

Ernest E. Monrad

Marguerite Piret

Remuneration of Directors and Officers

During fiscal 2006, the Directors' compensation was based on a fee of \$27,000 and a fee of \$2,000 per Directors' meeting (generally excluding brief telephonic meetings). Mr. Birch's compensation for services rendered to the Fund in his capacity as President for the calendar year ended December 31, 2006 was \$117,300, and he currently receives an annual retainer of \$110,000 plus an allowance of \$7,400 for health insurance for his services to the Fund as President. Each member of the Fund's Audit and Nominating Committee, which consists of the Fund's non-interested Directors, receives \$2,000 for each Audit and Nominating Committee meeting attended, other than meetings held on days on which there is also a Directors' meeting. Directors of the Fund received for the fiscal year ended December 31, 2006 aggregate remuneration of \$210,000 exclusive of compensation paid to Mr. Birch for his services rendered to the Fund in his capacity as President. The following table summarizes the compensation paid

to the Directors and officers of the Fund for the fiscal year ended December 31, 2006. The Fund does not provide remuneration in the form of pension or retirement benefits to any of its Directors or officers.

| Name of Director or Officer | Aggregate Compensation from Fund | Pension or Retirement Benefits Accrued as Part of Fund Expenses | Estimated Annual Benefits upon Retirement | Total Compensation from Fund |
|-----------------------------|----------------------------------|---|---|------------------------------|
| Robert F. Birch | \$ 152,300(1) | none | none | \$ 152,300(1) |
| Joseph L. Bower | \$ 35,000 | none | none | \$ 35,000 |
| Richard E. Floor | \$ 35,000 | none | none | \$ 35,000 |
| Bernard J. Korman | \$ 35,000 | none | none | \$ 35,000 |
| Ernest E. Monrad | \$ 35,000 | none | none | \$ 35,000 |
| Marguerite Piret | \$ 35,000 | none | none | \$ 35,000 |
| Ellen E. Terry | \$ 182,000 | none | none | \$ 182,000 |

(1) Of this amount, \$117,300 was compensation for service as President and \$35,000 was compensation for service as a Director.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities and Exchange Act of 1934, as amended, requires the Fund's directors and certain other persons to file initial reports of ownership and reports of changes in ownership with the SEC. A copy of these Section 16(a) forms are required by SEC rules to be furnished to the Fund. Based solely on the Fund's review of the copies of such forms received, the amendments thereto, and certain written representations related thereto, the Fund believes that Mr. Ernest E. Monrad did not timely file a Form 4, Statement of Changes in Beneficial Ownership, with respect to an acquisition of common stock in 2006. The Fund understands that an administrative error caused the report to be filed five days late.

OTHER MATTERS

The Directors do not intend to present any other business at the Annual Meeting nor are they aware of any stockholder's intention to do so. If, however, any other matters are properly brought before the Annual Meeting, the persons named in the accompanying proxy will vote thereon in accordance with their judgment.

STOCKHOLDER PROPOSALS FOR ANNUAL MEETING

Stockholder proposals intended to be included in the proxy statement and form of proxy to be presented at the Fund's next annual meeting of stockholders must be received at the Fund's principal offices, 33 Broad Street, Boston, Massachusetts 02109, no later than December 29, 2007. Such proposals must also comply with all other legal requirements in order to be included in the Fund's proxy statement and form of proxy for that meeting. Proxies solicited by the Board of Directors for the Fund's 2008 Annual Meeting will confer discretionary voting authority with respect to stockholder proposals received not later than the close of business on January 11, 2008, subject to the SEC rules governing the exercise of this authority. Such proposals must be received in writing by the Secretary of the Fund at the Fund's principal offices. Notice of a stockholder proposal for the 2006 Annual Meeting received after January 11, 2008, will be considered untimely.

Boston, Massachusetts
February 27, 2007

THE NEW AMERICA HIGH INCOME FUND, INC.

33 Broad Street, Boston, Massachusetts 02109

Annual Meeting of Stockholders

April 27, 2007

Proxy Solicited on Behalf of The Board of Directors

The undersigned holder(s) of shares of Series A, Series B, Series C and/or Series D Auction Term Preferred Stock (collectively, Auction Term Preferred Stock) of The New America High Income Fund, Inc., a Maryland corporation (the Fund), hereby constitute(s) and appoint(s) ROBERT F. BIRCH and RICHARD E. FLOOR, and each of them, as proxies for the undersigned, each with full power of substitution and revocation, to represent the undersigned at the Annual Meeting of Stockholders of the Fund (the Annual Meeting or Meeting) to be held at the offices of Goodwin Procter LLP, Exchange Place, 53 State Street, Boston, Massachusetts 02109 on Friday, April 27, 2007 at 10:30 a.m. local time, and at any and all adjournments and postponements thereof, and thereat to vote all shares of the Auction Term Preferred Stock of the Fund held of record by the undersigned on Friday, February 9, 2007, with all powers the undersigned would possess if personally present, in accordance with the instructions on this proxy.

WHEN THIS PROXY IS PROPERLY EXECUTED, THE SHARES REPRESENTED HEREBY WILL BE VOTED AS SPECIFIED. IF NO SPECIFICATION IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF ALL NOMINEES AS DIRECTORS AND IN THE DISCRETION OF THE PROXIES WITH RESPECT TO ALL OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING AND ANY ADJOURNMENTS OR POSTPONEMENTS THEREOF. THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH OF THE NOMINEES FOR DIRECTOR SET FORTH ON THE REVERSE SIDE.

PLEASE MARK, SIGN, DATE AND RETURN THIS PROXY CARD PROMPTLY IN THE ENCLOSED ENVELOPE.

Please sign this proxy exactly as your name appears on the reverse side. Joint owners should each sign personally. Trustees and other fiduciaries should indicate the capacity in which they sign, and where more than one name appears, a majority must sign. If a corporation, this signature should be that of an authorized officer who should state his or her title.

HAS YOUR ADDRESS CHANGED?

PLEASE PROVIDE NEW ADDRESS BELOW:

DO YOU HAVE ANY COMMENTS?

THE NEW AMERICA HIGH INCOME FUND, INC.

PLEASE MARK BOXES IN BLUE OR BLACK INK AS IN THIS EXAMPLE x

1. A. Authority to vote for the election as Directors of all the Auction Term Preferred Stock nominees listed below. GRANTING WITHHOLDING

Joseph L. Bower and Bernard J. Korman

B. Authority to vote for the election as Directors of all the nominees listed below. GRANTING WITHHOLDING

Robert F. Birch, Richard E. Floor, Ernest E. Monrad and Marguerite Piret

(Instructions: To withhold authority to vote for any individual nominee, strike a line through the nominee's name.)

WHEN THIS PROXY IS PROPERLY EXECUTED, THE SHARES REPRESENTED HEREBY WILL BE VOTED AS SPECIFIED. IF NO SPECIFICATION IS MADE, THIS PROXY SHALL BE VOTED FOR THE ELECTION OF ALL NOMINEES AS DIRECTORS AND IN THE DISCRETION OF THE PROXIES WITH RESPECT TO ALL OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING AND ANY ADJOURNMENTS THEREOF. THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH NOMINEE. THE UNDERSIGNED HEREBY ACKNOWLEDGE(S) RECEIPT OF THE ACCOMPANYING NOTICE OF ANNUAL MEETING AND PROXY STATEMENT.

Please be sure to sign and date this Proxy.

Date

Stockholder sign here

Co-owner sign here

Mark box at right if an address change or comment has been noted on the reverse side of the card.

SHARES ON RECORD

DATE:

THE NEW AMERICA HIGH INCOME FUND, INC.

33 Broad Street, Boston, Massachusetts 02109

Annual Meeting of Stockholders

April 27, 2007

Proxy Solicited on Behalf of the Board of Directors

The undersigned holder(s) of shares of Common Stock of The New America High Income Fund, Inc., a Maryland corporation (the Fund), hereby constitute(s) and appoint(s) ROBERT F. BIRCH and RICHARD E. FLOOR, and each of them, as proxies for the undersigned, each with full power of substitution and revocation, to represent the undersigned at the Annual Meeting of Stockholders of the Fund (the Annual Meeting or Meeting) to be held at the offices of Goodwin Procter LLP, Exchange Place, 53 State Street, Boston, Massachusetts 02109 on Friday, April 27, 2007 at 10:30 a.m. local time, and at any and all adjournments or postponements thereof, and thereat to vote all shares of the Common Stock of the Fund held of record by the undersigned on Friday, February 9, 2007, with all powers the undersigned would possess if personally present, in accordance with the instructions on this proxy.

WHEN THIS PROXY IS PROPERLY EXECUTED, THE SHARES REPRESENTED HEREBY WILL BE VOTED AS SPECIFIED. IF NO SPECIFICATION IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF ALL NOMINEES AS DIRECTORS AND IN THE DISCRETION OF THE PROXIES WITH RESPECT TO ALL OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING AND ANY ADJOURNMENTS OR POSTPONEMENTS THEREOF. THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH OF THE NOMINEES FOR DIRECTOR SET FORTH ON THE REVERSE SIDE.

PLEASE MARK, SIGN, DATE AND RETURN THIS PROXY CARD PROMPTLY IN THE ENCLOSED ENVELOPE.

Please sign this proxy exactly as your name appears on the reverse side. Joint owners should each sign personally. Trustees and other fiduciaries should indicate the capacity in which they sign, and where more than one name appears, a majority must sign. If a corporation, this signature should be that of an authorized officer who should state his or her title.

HAS YOUR ADDRESS CHANGED?

DO YOU HAVE ANY COMMENTS?

THE NEW AMERICA HIGH INCOME FUND, INC.

Please mark boxes in blue or black ink as in this example **X**

1. Election as Directors of all the nominees below.

GRANTING o **WITHHOLDING** o authority to vote for the election as Directors of all the nominees listed below.

Robert F. Birch, Richard E. Floor, Ernest E. Monrad and Marguerite Piret

(Instructions: To withhold authority to vote for any individual nominee, strike a line through the nominee's name.)

WHEN THIS PROXY IS PROPERLY EXECUTED, THE SHARES REPRESENTED HEREBY WILL BE VOTED AS SPECIFIED. IF NO SPECIFICATION IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF ALL NOMINEES AS DIRECTORS AND IN THE DISCRETION OF THE PROXIES WITH RESPECT TO ALL OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING AND ANY ADJOURNMENTS OR POSTPONEMENTS THEREOF. THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH NOMINEE. THE UNDERSIGNED HEREBY ACKNOWLEDGE(S) RECEIPT OF THE ACCOMPANYING NOTICE OF ANNUAL MEETING AND PROXY STATEMENT.

Please be sure to sign and date this Proxy.

Signature

Date

Signature

Date

Mark box at right if an address change or O

comment has been noted on the reverse

side of this card.

SHARES ON RECORD DATE:
