

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, 2017. The Fund’s net asset value (the “NAV”) was \$10.19 as of December 31st. The market price for the Fund’s shares ended the period at \$9.40, representing a market price discount of 7.8%. From earnings during the 12-month period ended December 31, 2017, the Fund paid dividends totaling \$0.707 per share, including a special dividend of \$0.047 per share. The dividend yield for a share of common stock purchased on December 31, 2016 at the market price of \$9.26 was 7.63%.

As of December 31st, the Fund had outstanding borrowings of \$91 million through its credit facility (the “Facility”) with the Bank of Nova Scotia. The borrowings represented approximately 28% of the Fund’s total assets which is unchanged from the prior year end. Amounts borrowed under the Facility bear interest at an adjustable rate based on a margin above LIBOR. The rate the Fund paid on the Facility increased throughout 2017 as LIBOR rose following three increases in the Federal Funds rate. The interest rate on the Facility at the end of the period was 2.27%. The average rate on the Facility in 2016 was 1.40% compared with an average rate of 2.00% in 2017.

Though short-term interest rates rose during the period, longer-term rates on high yield bonds declined slightly. The flattening of the yield curve resulted in a decrease in the spread between the rate the Fund pays on the leverage and the market value-weighted average current yield earned on the portfolio. At year-end 2016, the Fund was paying 1.66% on its borrowings and earning a market value-weighted current yield of 6.94% on the portfolio, for a spread of 5.28 percentage points. At the end of 2017, the Fund was paying 2.27% on the leverage while the portfolio’s market value-weighted current yield had declined to 6.67%, narrowing the spread to 4.40 percentage points. The Fund’s leverage contributed approximately 20% of the net income earned in 2017, compared to 23% of the net income in 2016. These factors, among others, led to a reduction in the income available for the common dividend. In December, the Fund announced that the February 2018 dividend will be \$.055 per share.

The Federal Reserve has indicated that, if economic trends continue, investors should expect further increases in the Fed Funds rate in 2018. While increases in interest rates are one risk that bond investors face, it’s important to remember that bonds react differently to changing rates. Duration is a measure of the sensitivity of a bond’s price to a change in rates. Duration takes into account a bond’s maturity and coupon. A relatively short maturity shortens duration as does a relatively high coupon. A short bond duration indicates less sensitivity to changes in interest rates. High yield bonds have relatively shorter durations compared to investment grade bonds, resulting in less price volatility in changing rate environments, although high yield bonds are more sensitive to credit risk, resulting in greater price volatility than investment grade bonds in changing economic conditions.

We remind our shareholders that there is no certainty that the dividend will remain at the current level. The dividend can be affected by portfolio results, the cost and amount of leverage, market conditions, how fully invested the portfolio is and operating expenses, among other factors. Leverage magnifies the effect of price movements

on the Fund's net asset value per share. The Fund's leverage increases the Fund's total return in periods of positive high yield market performance. Of course the opposite is true in an unfavorable high yield market.

Total Returns for the Periods Ending December 31, 2017

	<u>1 Year</u>	<u>3 Years Cumulative</u>
New America High Income Fund (Stock Price and Dividends)*	9.19%	35.61%
New America High Income Fund (NAV and Dividends)*	10.83%	30.27%
Credit Suisse High Yield Index	7.03%	20.53%

Sources: Credit Suisse and 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 is an unmanaged index. Unlike the Fund, the Index has no trading activity, expenses or leverage.

* Returns are historical and are calculated by determining the percentage change in net asset value or market value with all distributions reinvested. Distributions are assumed to be reinvested at prices obtained under the Fund's dividend reinvestment plan. 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. The variance between the Fund's total return based on stock price and dividends and the total return based on the Fund's NAV and dividends is due to the widening of the stock price discount to the NAV over the last year.

*Commentary by T. Rowe Price Associates, Inc.
Market Review*

High yield bonds returned 7.03% in 2017 according to the Credit Suisse High Yield Index (the "Index"). The Federal Reserve raised short-term interest rates three times during the 12-month period and maintained its forecast for three additional quarter-point moves in 2018. The U.S. Treasury yield curve flattened throughout the year, as the yield on shorter-maturity securities increased while longer-maturity yields slightly declined. In the closing weeks of the year, Congress passed and President Trump signed into law a major tax reform measure. The new law includes a reduction in corporate and marginal tax rates for individuals at most income levels. The tax overhaul is likely to have widely varying impacts on individual companies, and its potential for positive effects on the U.S. economy is being debated. Firmer commodities prices throughout most of the year supported the performance of the below investment-grade market. Oil prices rose after OPEC and other major oil producers agreed to limit output through the end of 2018 and then rallied further amid reports of falling U.S. inventories.

Credit Suisse High Yield Index spreads vs. Treasuries tracked lower throughout the period and ended the year inside 400 basis points compared to the historical average of 577 basis points. Gross high yield new issue activity increased 15% year-over-year, with \$328.1 billion coming to market in 2017 according to J.P. Morgan. However, net issuance registered considerably lower than the gross issuance, with refinancing transactions accounting for 63% of total issuance in 2017. Industry flow activity for the overall year was negative. The J.P. Morgan par-weighted default rate ended December at 1.27%, meaningfully below the historical average of 3.80%.

Portfolio Review

The portfolio's investments in the energy, utilities, and metals/minerals industries generated strong absolute and relative performance amid the rebound in commodity prices and due to solid security selection. West Texas Intermediate oil prices surpassed \$58 per barrel during the period, rising from the mid-\$40-range in April and

May. Our analysts found attractive investment opportunities in the U.S. and in South America, including Petrobras, Republic of Argentina (YPF), and Kosmos Energy. We took profits and trimmed several services and offshore drilling holdings as well as low-quality exploration and production companies that were susceptible to lower commodity prices. The proceeds were redeployed to add to higher-quality, BB-rated issuers in anticipation of industry consolidation and future volatility. Our portfolio was largely neutrally-weighted to energy compared to the Index during the period.

Security selection and a modest overweight allocation in the utilities and metals/minerals industries helped relative performance. NRG Energy, the Fund's second-largest position at the end of the reporting period, was the strongest portfolio contributor. The company is fundamentally sound, is effectively cutting costs, and is deleveraging. Another top contributor was copper miner Freeport McMoRan. Commodity prices have benefited from a positive global growth outlook and, in particular, demand from China. Copper demand and pricing is often viewed as a bellwether for the health of the commodity complex and the global economy.

Several industries typically considered defensive underperformed this past quarter. Cable operators and wireless communications traded lower. The cable/media segment has long been one of our favored industries due to its defensive characteristics; however, this longstanding overweight allocation was a top detractor to performance. We have favored European cable names in recent years based on stable free cash flow, modest growth, and manageable leverage characteristics of these issuers. This thesis came under pressure in November after Altice posted soft third-quarter results. Wireless, another relative industry overweight, saw weakness after the failed merger between Sprint and T-Mobile; both credits are major high yield issuers. Merger and acquisition activity in the greater media and telecommunications sector increased during the year and we believe this trend may continue. Investment grade companies may look to acquire high yield media and telecommunication issuers, which could lead to price appreciation and credit upgrades in the sector.

Security selection within financials was a top contributor to relative performance for the year. The portfolio's exposure to financials was increased throughout the year, notably through the purchase of hybrid securities issued by European banks, including Intesa Sanpaolo and Credit Agricole. Eurozone economic growth continued to improve and bond purchases by the European Central Bank have provided regional support.

Credit selection in the food industry was the top detractor for the year due, in part, to an investment in FAGE, a leading Greek Yogurt company. Higher milk prices weakened the company's fundamentals. Additionally, FAGE has started to lose shelf space and market share to Chobani and other major brands that are more proactive with product innovation and advertising.

Outlook

Global economic growth continues to be positive, largely driven by unprecedented and accommodative central bank policies in recent years. However, the fiscal stimulus of the U.S. tax overhaul may have only a modest effect on U.S. growth next year given that the economy is eight years into an expansion and is operating at full employment. While tax reform has the potential to benefit a number of high yield industries, considerable discussion has centered on the potential for negative impacts specific to the asset class. The tax changes should incent high yield companies to decrease their interest burden because the deduction for interest expense will be less beneficial under the terms of the new law. Corporate fundamentals are largely stable. We do expect an uptick in the default

rate in 2018 based on a few expected bankruptcies, but we believe the default rate will remain below the historical average. In addition, the high yield market has been less forgiving of earnings misses, causing periods of volatility. The current environment re-emphasizes the importance of credit selection.

Investor demand for high yield bonds has driven valuations to fairly rich levels. We do not expect further significant capital appreciation in high yield bond prices. Yield spreads to Treasuries are tight compared with historical levels and high yield investors are receiving less to compensate for the additional credit risk of the asset class compared to history. At current price levels, there is little room for disappointment, so if a company does not meet expectations, bonds are more likely to trade lower. Even industries that have been considered defensive, such as cable and health care, have seen softness. Stretched valuations are a risk as is fiscal and central bank policy implementation.

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 that has led to favorable returns for our high yield clients 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.

Past performance is no guarantee of future results. 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.

Industry Summary December 31, 2017	As a Percent of Total Investments*	Moody's Investors Service Ratings (1) December 31, 2017 (Unaudited)	As a Percent of Total Investments
Energy	14.67%	Baa3	<u>0.61%</u>
Financial	11.32%		
Cable Operators	10.80%	Ba1	6.96%
Healthcare	7.74%	Ba2	5.40%
Metals & Mining	6.86%	Ba3	<u>16.93%</u>
Information Technology	5.18%	Total Ba	<u>29.29%</u>
Services	4.21%		
Container	3.46%	B1	12.69%
Gaming	3.42%	B2	12.03%
Wireless Communications	3.32%	B3	<u>18.57%</u>
Broadcasting	2.93%	Total B	<u>43.29%</u>
Utilities	2.45%		
Chemicals	2.42%	Caa1	12.65%
Automotive	2.38%	Caa2	<u>5.97%</u>
Building & Real Estate	2.34%	Total Caa	<u>18.62%</u>
Other Telecommunications	2.20%		
Satellites	2.01%	Ca	<u>0.14%</u>
Food/Tobacco	1.88%	Unrated	<u>5.48%</u>
Restaurants	1.60%		
Manufacturing	1.55%	Equity	<u>2.57%</u>
Consumer Products	1.33%		
Entertainment & Leisure	1.22%	Total Investments	<u>100.00%</u>
Aerospace & Defense	0.90%		
Forest Products	0.84%		
Building Products	0.69%		
Supermarkets	0.64%		
Retail	0.54%		
Publishing	0.51%		
Real Estate Investment Trust Securities	0.38%		
Transportation	0.14%		
Airlines	<u>0.07%</u>		
Total Investments	<u>100.00%</u>		

(1) SOURCE: Moody's Investors Service, Inc. This table compiles the ratings assigned by Moody's to the Fund's holdings.

* Percentages do not match the industry percentages in the Schedule of Investments because due to the Fund's leverage total investments exceed net assets by 1.36 times.

Schedule of Investments — December 31, 2017 (Dollar Amounts in Thousands)

Principal Amount/Units	Moody's Rating (Unaudited)	Value (Note 1)
CORPORATE DEBT SECURITIES — 132.49% (d)(f)		
Aerospace & Defense — 1.23%		
\$ 425		
Huntington Ingalls Industries, Senior Notes, 5%, 11/15/25 (g)	Baa3	\$ 455
1,800		
Standard Aero Aviation Holdings Inc., Senior Notes, 10%, 07/15/23 (g)	Caa2	1,978
465		
Triumph Group Inc., Senior Notes, 7.75%, 08/15/25 (g)	B3	495
		<u>2,928</u>
Airlines — .09%		
110		
American Airlines Group, Senior Notes, 5.625%, 07/15/22 (g)	(e)	114
105		
United Airlines, Senior Notes, 4.625%, 03/03/24	(e)	108
		<u>222</u>
Automotive — 3.24%		
325		
Allison Transmission, Inc., Senior Notes, 5%, 10/01/24 (g)	Ba3	335
1,680		
American Axle and Manufacturing, Inc., Senior Notes, 6.25%, 04/01/25 (g)	B2	1,772
220		
Aston Martin Capital Holdings, Senior Notes, 6.50%, 04/15/22 (g)	B2	232
275		
Group 1 Automotive, Inc., Senior Notes, 5.25%, 12/15/23 (g)	Ba2	284
525		
Sonic Automotive, Inc., Senior Subordinated Notes, 5%, 05/15/23	B2	507
525		
Sonic Automotive, Inc., Senior Subordinated Notes, 6.125%, 03/15/27	B2	522
3,355		
Tesla Inc., Senior Notes, 5.30%, 08/15/25 (g)	B3	3,212
339		
TI Group Auto Systems, L.L.C., Senior Notes, 8.75%, 07/15/23 (g)	B3	363
500		
Titan International, Inc., Senior Notes, 6.50%, 11/30/23 (g)	B3	508
		<u>7,735</u>

Principal Amount/Units	Moody's Rating (Unaudited)	Value (Note 1)
Broadcasting — 4.00%		
\$ 390		
AMC Networks, Inc., Senior Notes, 4.75%, 08/01/25	Ba3	\$ 387
970		
Clear Channel Worldwide Holdings, Inc., Senior Notes, 6.50%, 11/15/22	B2	987
665		
Clear Channel Worldwide Holdings, Inc., Senior Subordinated Notes, 7.625%, 03/15/20	Caa1	650
685		
iHeart Communications, Inc., Senior Notes, 9%, 09/15/22	Caa1	491
375		
iHeart Communications, Inc., Senior Notes, 9%, 12/15/19	Caa1	276
475		
Lin Television Corporation, Senior Notes, 5.875%, 11/15/22	B3	493
1,925		
MDC Partners, Inc., Senior Notes, 6.50%, 05/01/24 (g)	B3	1,932
725		
Outfront Media Capital LLC, Senior Notes, 5.25%, 02/15/22	B1	745
250		
Outfront Media Capital LLC, Senior Notes, 5.625%, 02/15/24	B1	261
275		
E.W. Scripps Company, Senior Notes, 5.125%, 05/15/25 (g)	B1	274
1,305		
Sirius XM Radio, Inc., Senior Notes, 5%, 08/01/27 (g)	Ba3	1,305
700		
Townsquare Media, Inc., Senior Notes, 6.50%, 04/01/23 (g)	B3	686
500		
Univision Communications, Inc., Senior Notes, 5.125%, 05/15/23 (g)	B2	500
550		
Univision Communications, Inc., Senior Notes, 5.125%, 02/15/25 (g)	B2	536
		<u>9,523</u>
Building & Real Estate — 3.02%		
310		
AV Homes, Inc., Senior Notes, 6.625%, 05/15/22	B3	325

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

Schedule of Investments — December 31, 2017 — Continued (Dollar Amounts in Thousands)

Principal Amount/Units	Moody's Rating (Unaudited)	Value (Note 1)
CORPORATE DEBT SECURITIES — continued		
\$ 1,245	Five Point Operating Company, L.P., Senior Notes, 7.875%, 11/15/25 (g)	B3 \$ 1,267
380	Greystar Real Estate Partners, LLC, Senior Notes, 5.75%, 12/01/25 (g)	B2 391
2,360	Howard Hughes Corporation, Senior Notes, 5.375%, 03/15/25 (g)	Ba3 2,414
350	Shea Homes Limited Partnership, Senior Notes, 5.875%, 04/01/23 (g)	B1 363
425	Taylor Morrison Communities, Inc., Senior Notes, 5.875%, 04/15/23 (g)	B1 448
990	Weekley Homes LLC, Senior Notes, 6.625%, 08/15/25 (g)	B3 980
310	William Lyon Homes, Inc., Senior Notes, 5.875%, 01/31/25	B2 316
675	William Lyon Homes, Inc., Senior Notes, 7%, 08/15/22	B2 <u>695</u>
		<u>7,199</u>
Building Products — .94%		
285	Beacon Escrow Corporation, Senior Notes, 4.875%, 11/01/25 (g)	B3 286
280	James Hardie International Financial Designated Activity Company, Senior Notes, 4.75%, 01/15/25 (g)	Ba1 282
295	Jeld-Wen, Inc. Senior Notes, 4.625%, 12/15/25 (g)	B1 298
275	Masonite International Corporation, Senior Notes, 5.625%, 03/15/23 (g)	Ba3 287
750	RSI Home Products, Inc., Senior Notes, 6.50%, 03/15/23 (g)	B1 786
290	Summit Materials LLC, Senior Notes, 5.125%, 06/01/25 (g)	B3 <u>294</u>
		<u>2,233</u>

Principal Amount/Units	Moody's Rating (Unaudited)	Value (Note 1)
Cable Operators — 14.36%		
\$ 375	Altice Financing S.A., Senior Notes, 6.625%, 02/15/23 (g)	B1 \$ 391
2,005	Altice Financing S.A., Senior Notes, 7.50%, 05/15/26 (g)	B1 2,135
2,100	Altice Financing S.A., Senior Notes, 8.125%, 01/15/24 (g)	B3 2,195
4,085	Altice Luxembourg S.A., Senior Notes, 7.625%, 02/15/25 (g)	B3 3,911
160	Block Communications, Inc., Senior Notes, 6.875%, 02/15/25 (g)	Ba3 168
475	C&W Senior Financing Designated Activity, Senior Notes, 6.875%, 09/15/27 (g)	B2 499
2,260	CCO Holdings, LLC, Senior Notes, 5.00%, 02/01/28 (g)	B1 2,201
2,375	CCO Holdings, LLC, Senior Notes, 5.50%, 05/01/26 (g)	B1 2,428
1,593	Cequel Communications Holdings I, LLC, Senior Notes, 6.375%, 09/15/20 (g)	Caa1 1,617
730	Cequel Communications Holdings I, LLC, Senior Notes, 7.75%, 07/15/25 (g)	Caa1 777
1,300	CSC Holdings, LLC, Senior Notes, 6.625%, 10/15/25 (g)	Ba1 1,409
3,740	CSC Holdings, LLC, Senior Notes, 10.875%, 10/15/25 (g)	B2 4,441
310	Dish DBS Corporation, Senior Notes, 5.875%, 07/15/22	Ba3 312
1,125	Dish DBS Corporation, Senior Notes, 6.75%, 06/01/21	Ba3 1,190
1,300	Dish DBS Corporation, Senior Notes, 7.75%, 07/01/26	Ba3 1,368
700	Netflix, Inc., Senior Notes, 4.875%, 04/15/28 (g)	B1 686
360	Netflix, Inc., Senior Notes, 5.75%, 03/01/24	B1 383
900	Unitymedia Hessen GmbH & Company, Senior Notes, 5%, 01/15/25 (g)	Ba3 919
900	Unitymedia Kabel BW GmbH, Senior Notes, 6.125%, 01/15/25 (g)	B3 950

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

Schedule of Investments — December 31, 2017 — Continued (Dollar Amounts in Thousands)

Principal Amount/Units	Moody's Rating (Unaudited)	Value (Note 1)	Principal Amount/Units	Moody's Rating (Unaudited)	Value (Note 1)
CORPORATE DEBT SECURITIES — continued			Platform Specialty Products Corporation, Senior Notes, 6.50%, 02/01/22 (g)		
\$ 950	Ba3	\$ 955	475	Caa1	\$ 492
460	Ba2	481	220	Caa1	224
925	Ba3	937	350	B2	374
950	Ba3	969	40	B1	40
100	Ba3	144	665	B3	695
1,320	B1	1,389			<u>7,851</u>
1,075	B3	1,056	Consumer Products — 1.81%		
300	B1	<u>299</u>	310	B3	335
		<u>34,210</u>	1,475	Ba1	1,497
Chemicals — 3.30%			350	B1	350
745	Ba3	734	1,675	Caa1	1,773
390	B2	397	375	B2	<u>360</u>
420	B2	446			<u>4,315</u>
2,160	B2	2,317	Container — 4.71%		
650	B1	673	1,225	Caa2	1,282
950	B3	961	1,580	B3	1,718
160	B1	170	1,225	B2	1,277
330	Caa1	328	1,650	Caa2	1,708
			100	B1	116

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Schedule of Investments — December 31, 2017 — Continued (Dollar Amounts in Thousands)

Principal Amount/Units	Moody's Rating (Unaudited)	Value (Note 1)
CORPORATE DEBT SECURITIES — continued		
\$ 565	Horizon Parent Holdings, Senior Notes, 8.25%, 02/15/22 (g) (EUR) (e)	\$ 722
970	Kleopatra Holdings 1 S.C.A., Senior Notes, 8.50%, 06/30/23 (EUR) (e)	1,187
325	Pactiv Corporation, Senior Notes, 7.95%, 12/15/25 Caa1	367
412	Reynolds Group Issuer, Inc., Senior Notes, 5.75%, 10/15/20 B1	418
1,500	Reynolds Group Issuer, Inc., Senior Notes, 7%, 07/15/24 (g) Caa1	1,609
650	SIG Combibloc Holdings, Senior Notes, 7.75%, 02/15/23 (g) (EUR) Caa1	814
		<u>11,218</u>

Energy — 18.26%

400	Andeavor Logistics L.P., Senior Notes, 5.25%, 01/15/25 Ba1	421
275	Archrock Partners, Senior Notes, 6%, 04/01/21 B3	275
555	Archrock Partners, Senior Notes, 6%, 10/01/22 B3	555
415	Carrizo Oil & Gas, Inc., Senior Notes, 8.25%, 07/15/25 B3	457
335	Centennial Resource Production, LLC, Senior Notes, 5.375%, 01/15/26 (g) B3	340
105	Cenovus Energy, Inc., Senior Notes, 6.75%, 11/15/39 Ba2	125
525	Cheniere Corpus Christi Holdings, LLC, Senior Notes, 5.875%, 03/31/25 Ba3	569
800	Cheniere Corpus Christi Holdings, LLC, Senior Notes, 7%, 06/30/24 Ba3	908
375	Chesapeake Energy Corp., Senior Notes, 6.125%, 02/15/21 Caa1	383

Principal Amount/Units	Moody's Rating (Unaudited)	Value (Note 1)
\$ 335	Chesapeake Energy Corp., Senior Notes, 8%, 06/15/27 (g) Caa1	\$ 322
575	Continental Resources, Senior Notes, 4.375%, 01/15/28 (g) Ba3	568
485	Covey Park Energy, LLC, Senior Notes, 7.50%, 05/15/25 (g) B3	506
900	Crestwood Midstream Partners, L.P., Senior Notes, 6.25%, 04/01/23 B1	935
670	CrownRock, L.P., Senior Notes, 5.625%, 10/15/25 (g) B3	672
735	CSI Compressco LP, Senior Notes, 7.25%, 08/15/22 Caa1	693
1,105	DCP Midstream, LLC, Senior Notes, 5.85%, 05/21/43 (g) B1	1,028
650	DCP Midstream, LLC, Senior Notes, 7.375%, (h) B1	648
225	DCP Midstream LLC, Senior Notes, 9.75%, 03/15/19 (g) Ba2	243
100	DCP Midstream, LLC, Senior Notes, 8.125%, 08/16/30 Ba2	117
240	Endeavor Energy Resources, L.P., Senior Notes, 5.50%, 01/30/26 (g) B3	244
240	Endeavor Energy Resources, L.P., Senior Notes, 5.75%, 01/30/28 (g) B3	247
515	Energy Transfer Equity, L.P., Senior Notes, 5.50%, 06/01/27 Ba2	525
954	EnSCO PLC, Senior Notes, 8%, 01/31/24 (e)	954
1,090	Exterran NRG Solutions, Senior Notes, 8.125%, 05/01/25 (g) B3	1,172
975	Felix Energy LLC, 7.90%, 08/09/22, Acquisition Date 08/09/17, Cost \$965 (i)(j) (e)	965
635	Ferrellgas, L.P., Senior Notes, 6.50%, 05/01/21 B3	597
390	Ferrellgas, L.P., Senior Notes, 6.75%, 01/15/22 B3	362

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Schedule of Investments — December 31, 2017 — Continued (Dollar Amounts in Thousands)

Principal Amount/Units	Moody's Rating (Unaudited)	Value (Note 1)	Principal Amount/Units	Moody's Rating (Unaudited)	Value (Note 1)
CORPORATE DEBT SECURITIES — continued			CORPORATE DEBT SECURITIES — continued		
\$ 175			\$ 550		
Ferrellgas, L.P., Senior Notes, 6.75%, 06/15/23	B3	\$ 159	Petrobras Global Finance, Senior Notes, 6.75%, 01/27/41	Ba3	\$ 549
930 Frontera Energy Corporation, Senior Notes, 10%, 11/02/21 (g)	(e)	1,054	350 Petrobras Global Finance, Senior Notes, 6.875%, 01/20/40	Ba3	354
270 Frontera Energy Corporation, Senior Notes, 10%, 11/02/21	(e)	307	510 Petrobras Global Finance, Senior Notes, 7.375%, 01/17/27	Ba3	562
25 Frontera Energy Corporation, Senior Notes, 10%, 11/02/21	(e)	28	945 Petrobras Global Finance, Senior Notes, 8.75%, 05/23/26	Ba3	1,129
405 Hess Corporation, Senior Notes, 7.875%, 10/01/29	Ba1	500	445 Plains All American Pipeline L.P., Senior Notes, 6.125%, (h)	Ba3	442
800 Kosmos Energy Ltd., Senior Notes, 7.875%, 08/01/21 (g)	(e)	820	325 Pride International, Inc., Senior Notes, 6.875%, 08/15/20	B2	339
1,310 Kosmos Energy Ltd., Senior Notes, 7.875%, 08/01/21 (g)	(e)	1,343	665 QEP Resources, Inc., Senior Notes, 5.375%, 10/01/22	Ba3	680
500 Laredo Petroleum, Inc., Senior Notes, 6.25%, 03/15/23	B2	518	740 QEP Resources, Inc., Senior Notes, 6.875%, 03/01/21	Ba3	800
940 Matador Resources Company, Senior Notes, 6.875%, 04/15/23	B3	990	175 Rockies Express Pipeline LLC, Senior Notes, 6%, 01/15/19 (g)	Ba2	180
480 MEG Energy Corporation, Senior Notes, 6.50%, 01/15/25 (g)	Caa1	474	360 Rowan Companies, Inc., Senior Notes, 7.375%, 06/15/25	B2	368
730 MEG Energy Corporation, Senior Notes, 7%, 03/31/24 (g)	Caa2	619	560 Sable Permian Resources, LLC, Senior Notes, 7.125%, 11/01/20 (g)	Ca	452
1,110 NGL Energy Partners L.P., Senior Notes, 7.50%, 11/01/23	B2	1,143	515 Seven Generations Energy Ltd., Senior Notes, 5.375%, 09/30/25 (g)	Ba3	518
330 NGPL Pipeco, LLC, Senior Notes, 4.375%, 08/15/22 (g)	Ba1	336	995 Seven Generations Energy Ltd., Senior Notes, 6.75%, 05/01/23 (g)	Ba3	1,056
75 Nustar Logistics, L.P., Senior Notes, 4.80%, 09/01/20	Ba1	76	250 Seven Generations Energy Ltd., Senior Notes, 6.875%, 06/30/23 (g)	Ba3	266
295 Nustar Logistics, L.P., Senior Notes, 5.625%, 04/28/27	Ba1	300	980 Southwestern Energy Company, Senior Notes, 7.50%, 04/01/26	B1	1,034
920 Parsley Energy, LLC, Senior Notes, 5.625%, 10/15/27 (g)	B2	940	200 Suburban Propane Partners, L.P., Senior Notes, 5.50%, 06/01/24	B1	198
460 PDC Energy, Senior Notes, 5.75%, 05/15/26 (g)	B1	471			
446 Petrobras Global Finance, Senior Notes, 6.125%, 01/17/22	Ba3	473			

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

Schedule of Investments — December 31, 2017 — Continued (Dollar Amounts in Thousands)

Principal Amount/Units	Moody's Rating (Unaudited)	Value (Note 1)
CORPORATE DEBT SECURITIES — continued		
\$ 1,150	Tallgrass Energy Partners, L.P., Senior Notes, 5.50%, 09/15/24 (g)	Ba3 \$ 1,179
380	Tapstone Energy, LLC, Senior Notes, 9.75%, 06/01/22 (g)	Caa1 325
575	Targa Resources Partners L.P., Senior Notes, 5.125%, 02/01/25	Ba3 590
800	Targa Resources Partners L.P., Senior Notes, 5.25%, 05/01/23	Ba3 821
190	Terraform Power Operating, Senior Notes, 4.25%, 01/31/23 (g)	(e) 188
290	Terraform Power Operating, Senior Notes, 5%, 01/31/28 (g)	B2 286
455	Transocean, Inc., Senior Notes, 7.50%, 01/15/26 (g)	B1 465
665	Vine Oil & Gas, L.P., Senior Notes, 8.75%, 04/15/23 (g)	Caa2 648
605	Weatherford International Ltd., Senior Notes, 7.75%, 06/15/21	Caa1 622
899	WPX Energy, Inc., Senior Notes, 8.25%, 08/01/23	B3 1,020
1,000	YPF Sociedad Anonima, Senior Notes, 8.50%, 07/28/25 (g)	B2 1,159
1,090	YPF Sociedad Anonima, Senior Notes, 8.50%, 03/23/21 (g)	B2 1,232
575	YPF Sociedad Anonima, Senior Notes, 8.50%, 07/28/25	B2 666
		<u>43,510</u>

Entertainment & Leisure — 1.66%

1,570	AMC Entertainment Holdings, Senior Subordinated Notes, 5.75%, 06/15/25	B2 1,556
225	EMI Music Publishing Group, Senior Notes, 7.625%, 06/15/24 (g)	B3 248

Principal Amount/Units	Moody's Rating (Unaudited)	Value (Note 1)
\$ 20	Live Nation Entertainment, Senior Notes, 4.875%, 11/01/24 (g)	B1 \$ 20
1,000	Regal Entertainment Group, Senior Notes, 5.75%, 03/15/22	B3 1,032
395	Silversea Cruise Finance Ltd., Senior Notes, 7.25%, 02/01/25 (g)	B2 426
645	Six Flags Entertainment Corporation, Senior Notes, 5.50%, 04/15/27 (g)	B2 667
		<u>3,949</u>

Financial — 15.42%

910	Acrisure, LLC, Senior Notes, 7%, 11/15/25 (g)	Caa2 877
450	Aircastle Limited, Senior Notes, 5.50%, 02/15/22	Ba1 482
1,430	Alliant Holdings Intermediate, LLC, 8.25%, 08/01/23 (g)	Caa2 1,502
125	Ally Financial, Inc., Senior Notes, 5.125%, 09/30/24	Ba3 136
1,550	Ally Financial, Inc., Senior Notes, 5.75%, 11/20/25	(e) 1,680
619	Ally Financial, Inc., Senior Notes, 7.50%, 09/15/20	Ba3 684
695	Assured Partners, Inc., Senior Notes, 7%, 08/15/25 (g)	Caa2 691
600	Banco Bilbao Vizcaya Argentaria, S.A., 7%, (h) (EUR)	(e) 757
1,485	Banco Do Brasil S.A. (Cayman), 9% (h)	B2 1,593
700	Barclays PLC, 7.875%, (h) (GBP)	Ba2 1,049
805	BNP Paribas, 7.375% (h)	Ba1 931
300	Cabot Financial (Luxembourg) S.A., Senior Notes, 7.50%, 10/01/23 (g) (GBP)	B2 423
560	CNO Financial Group Inc., Senior Notes, 5.25%, 05/30/25	Ba1 590
1,345	Credit Agricole S.A., Global Notes, 7.875%, (g)(h)	(e) 1,527

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

Schedule of Investments — December 31, 2017 — Continued (Dollar Amounts in Thousands)

Principal Amount/Units	Moody's Rating (Unaudited)	Value (Note 1)	Principal Amount/Units	Moody's Rating (Unaudited)	Value (Note 1)
CORPORATE DEBT SECURITIES — continued					
\$ 545	Credit Suisse Group AG, 6.25%, (g)(h)	(e) \$ 591	\$ 870	NFP Corp., Senior Notes, 6.875%, 07/15/25 (g)	Caa2 \$ 877
655	Credit Suisse Group AG, 7.125%, (h)	Ba2 714	335	Park Aerospace Holdings, Ltd., Senior Notes, 4.50%, 03/15/23 (g)	Ba3 321
500	Credit Suisse Group AG, 7.50%, (g)(h)	(e) 571	85	Park Aerospace Holdings, Ltd., Senior Notes, 5.25%, 08/15/22 (g)	Ba3 84
340	DAE Funding, LLC, Senior Notes, 4%, 08/01/20 (g)	Ba3 343	875	Park Aerospace Holdings, Ltd., Senior Notes, 5.50%, 02/15/24 (g)	Ba3 872
385	DAE Funding, LLC, Senior Notes, 4.50%, 08/01/22 (g)	Ba3 378	150	Quicken Loans, Inc., Senior Notes, 5.75%, 05/01/25 (g)	Ba1 155
405	DAE Funding, LLC, Senior Notes, 5%, 08/01/24 (g)	Ba3 398	400	Royal Bank of Scotland Group plc, Senior Notes, 7.50%, (h)	Ba3 423
1,200	Discover Financial Services, Senior Notes, 10.25%, 07/15/19	Ba1 1,303	395	Royal Bank of Scotland Group plc, Senior Notes, 8.625%, (h)	Ba3 442
775	DNB Bank ASA, Senior Notes, 6.50%, (h)	Baa3 833	825	Societe Generale, 7.375% (g)(h)	Ba2 891
645	Freedom Mortgage Corporation, Senior Notes, 8.125%, 11/15/24 (g)	(e) 656	1,775	Standard Chartered PLC, 7.50%, (g)(h)	Ba1 1,917
2,200	Goldman Sachs Group, Inc. 5.375%, (h)	Ba1 2,263	275	Starwood Property Trust, Senior Notes, 5%, 12/15/21	Ba3 286
750	Hub Holdings LLC, Senior Notes, 8.125%, 07/15/19 (g)	Caa2 750	770	UBS Group AG, Senior Notes, 7.125%, (h)	Ba1 828
450	Icahn Enterprises, Senior Notes, 6%, 08/01/20	Ba3 461	705	UniCredit S.p.A., 8%, (h)	(e) 772
800	ING Groep N.V., Senior Notes, 6.875%, (h)	Ba1 874			<u>36,749</u>
1,555	Intesa San Paolo S.p.A., 7.70%, (g)(h)	Ba3 1,690	Food/Tobacco — 2.56%		
160	iStar Inc., Senior Notes, 4.625%, 09/15/20	B1 162	1,370	Chobani LLC., Senior Notes, 7.50%, 04/15/25 (g)	Caa2 1,452
325	Ladder Capital Finance Holdings LLLP, Senior Notes, 5.875%, 08/01/21 (g)	Ba3 335	820	FAGE International S.A., Senior Notes, 5.625%, 08/15/26 (g)	B1 790
1,270	LPL Holdings, Inc., Senior Notes, 5.75%, 09/15/25 (g)	B2 1,292	425	Lamb Western Holdings, Inc., Senior Notes, 4.625%, 11/01/24 (g)	Ba3 438
210	Navient Corporation, Senior Notes, 6.125%, 03/25/24	Ba3 213	1,330	Minerva Luxembourg S.A., Senior Notes, 6.50%, 09/20/26 (g)	(e) 1,360
1,135	Navient Corporation, Senior Notes, 6.50%, 06/15/22	Ba3 1,189	830	Post Holdings, Inc., Senior Notes, 5.50%, 03/01/25 (g)	B3 857
425	Navient Corporation, Senior Notes, 7.25%, 09/25/23	Ba3 456			
450	Navient Corporation, Senior Notes, 8%, 03/25/20	Ba3 487			

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

Schedule of Investments — December 31, 2017 — Continued (Dollar Amounts in Thousands)

Principal Amount/Units	Moody's Rating (Unaudited)	Value (Note 1)
CORPORATE DEBT SECURITIES — continued		
\$ 485	Post Holdings, Inc., Senior Notes, 5.625%, 01/15/28 (g)	B3 \$ 487
330	Post Holdings, Inc., Senior Notes, 5.75%, 03/01/27 (g)	B3 336
335	Post Holdings, Inc., Senior Notes, 8%, 07/15/25 (g)	B3 374
		<u>6,094</u>
Forest Products — 1.15%		
275	Cascades, Inc., Senior Notes, 5.50%, 07/15/22 (g)	Ba3 283
1,150	Cascades, Inc., Senior Notes, 5.75%, 07/15/23 (g)	Ba3 1,193
455	Mercer International, Inc., Senior Notes, 5.50%, 01/15/26 (g)	B1 462
350	Mercer International, Inc., Senior Notes, 7.75%, 12/01/22	B1 371
400	Norbord, Inc., Senior Notes, 6.25%, 04/15/23 (g)	Ba1 432
		<u>2,741</u>
Gaming — 4.26%		
460	Boyd Gaming Corporation, Senior Notes, 6.375%, 04/01/26	B3 496
830	Codere Finance 2 Luxembourg S.A., Senior Notes, 7.625%, 11/01/21 (g)	B2 843
1,370	CRC Escrow Issuer, LLC, 5.25%, 10/15/25 (g)	B3 1,380
330	Eldorado Resorts, Inc., Senior Notes, 6%, 04/01/25	B3 347
875	Eldorado Resorts, Inc., Senior Notes, 7%, 08/01/23	B3 935
1,185	International Game Technology Plc, Senior Notes, 6.50%, 02/15/25 (g)	Ba2 1,330
600	MGM Resorts International, Senior Notes, 6%, 03/15/23	Ba3 649

Principal Amount/Units	Moody's Rating (Unaudited)	Value (Note 1)
\$ 183	Safari Holding Verwaltungs GmbH, Senior Notes, 8.25%, 02/15/21 (g) (EUR)	B2 \$ 226
3,600	Scientific Games International Inc., Senior Notes, 10%, 12/01/22	Caa1 3,947
		<u>10,153</u>
Healthcare — 10.27%		
1,175	Centene Escrow Corporation, Senior Notes, 6.125%, 02/15/24	Ba2 1,246
1,255	CHS/Community Health Systems, Inc., Senior Notes, 6.25%, 03/31/23	Ba3 1,129
850	DaVita Healthcare Partners, Inc., Senior Notes, 5%, 05/01/25	Ba3 850
1,850	DaVita Healthcare Partners, Inc., Senior Notes, 5.125%, 07/15/24	Ba3 1,882
230	Eagle Holding Company II, LLC, Senior Notes, 7.625%, 05/15/22 (g)	Caa1 233
575	Endo Finance LLC, Senior Notes, 6%, 02/01/25 (g)	B3 444
515	Endo Finance LLC, Senior Notes, 7.25%, 01/15/22 (g)	B3 449
150	HCA, Inc., Senior Notes, 5%, 03/15/24	Ba1 157
3,125	HCA, Inc., Senior Notes, 5.25%, 06/15/26	Ba1 3,309
275	Hill-Rom Holdings, Inc., Senior Notes, 5.75%, 09/01/23 (g)	B1 288
625	Kindred Healthcare, Inc., Senior Notes, 8%, 01/15/20	B3 673
930	Kinetic Concepts, Senior Notes, 12.50%, 11/01/21 (g)	Caa1 1,049
650	MEDNAX, Inc., Senior Notes, 5.25%, 12/01/23 (g)	Ba2 661
450	Molina Healthcare, Inc., Senior Notes, 5.375%, 11/15/22	B2 469

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

Schedule of Investments — December 31, 2017 — Continued (Dollar Amounts in Thousands)

Principal Amount/Units	Moody's Rating (Unaudited)	Value (Note 1)
CORPORATE DEBT SECURITIES — continued		
\$ 225		
MPH Acquisition Holdings, Senior Notes, 7.125%, 06/01/24 (g)	Caa1	\$ 240
590		
MPT Operating Partnership, L.P., Senior Notes, 5%, 10/15/27	Ba1	599
450		
MPT Operating Partnership, L.P., Senior Notes, 6.375%, 03/01/24	Ba1	476
450		
Ortho-Clinical Diagnostics SA, Senior Notes, 6.625%, 05/15/22 (g)	Caa2	451
425		
Polaris Intermediate Corporation, Senior Notes, 8.50%, 12/01/22 (g)	Caa2	441
425		
Surgery Center Holdings, Senior Notes, 8.875%, 04/15/21 (g)	Caa2	440
660		
Team Health Holdings, Inc., Senior Notes, 6.375%, 02/01/25 (g)	Caa2	589
1,332		
Tenet Healthcare Corporation, Senior Notes, 6.75%, 06/15/23	Caa1	1,292
275		
Tenet Healthcare Corporation, Senior Notes, 7.50%, 01/01/22 (g)	Ba3	289
1,400		
Tenet Healthcare Corporation, Senior Notes, 8.125%, 04/01/22	Caa1	1,428
655		
THC Escrow Corporation III, Senior Secured Notes, 5.125%, 05/01/25 (g)	Ba3	644
490		
Valeant Pharmaceuticals International, Senior Notes, 5.50%, 11/01/25 (g)	Ba3	500
470		
Valeant Pharmaceuticals International, Senior Notes, 6.50%, 03/15/22 (g)	Ba3	494
2,095		
Valeant Pharmaceuticals International, Senior Notes, 7%, 3/15/24 (g)	Ba3	2,252
835		
Valeant Pharmaceuticals International, Senior Notes, 7.50%, 07/15/21 (g)	Caa1	854

Principal Amount/Units	Moody's Rating (Unaudited)	Value (Note 1)
\$ 620		
Valeant Pharmaceuticals International, Senior Notes, 9%, 12/15/25 (g)	Caa1	\$ 646
		24,474
Information Technology — 7.06%		
1,100		
Advanced Micro Devices, Inc., Senior Notes, 7%, 07/01/24	Caa1	1,140
620		
CDK Global, Inc., Senior Notes, 4.875%, 06/01/27 (g)	Ba1	627
1,625		
CommScope Technologies LLC, Senior Notes, 6%, 06/15/25 (g)	Ba3	1,727
325		
Dell International LLC, Senior Notes, 5.875%, 06/15/21 (g)	Ba2	337
525		
Dell International LLC, Senior Notes, 7.125%, 06/15/24 (g)	Ba2	573
785		
EIG Investors Corporation, Senior Notes, 10.875%, 02/01/24	Caa1	871
170		
Match Group, Inc., Senior Notes, 5% 12/15/27 (g)	Ba3	172
675		
Microsemi Corporation, Senior Notes, 9.125%, 04/15/23 (g)	B1	759
500		
Riverbed Technology, Inc., Senior Notes, 8.875%, 03/01/23 (g)	Caa1	472
575		
RP Crown Parent LLC, Senior Notes, 7.375%, 10/15/24 (g)	Caa1	602
2,150		
Solera, LLC, Senior Notes, 10.50%, 03/01/24 (g)	Caa1	2,419
350		
SS&C Technologies Holdings, Inc., Senior Notes, 5.875%, 07/15/23	B2	369
55		
Verisign, Inc., Senior Notes, 5.25%, 04/01/25	Ba1	60
1,200		
Veritas Bermuda Ltd., Senior Notes, 7.50%, 02/01/23 (g)	B2	1,257
2,595		
Veritas Bermuda Ltd., Senior Notes, 10.50%, 02/01/24 (g)	Caa2	2,699

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

Schedule of Investments — December 31, 2017 — Continued (Dollar Amounts in Thousands)

Principal Amount/Units	Moody's Rating (Unaudited)	Value (Note 1)	Principal Amount/Units	Moody's Rating (Unaudited)	Value (Note 1)
CORPORATE DEBT SECURITIES — continued					
\$ 510			\$ 400		
Western Digital Corporation, Senior Notes, 7.375%, 04/01/23 (g)	Ba1	\$ 549	First Quantum Minerals, LLC, Senior Notes, 7.25%, 04/01/23 (g)	B3	\$ 428
1,881			200		
Western Digital Corporation, Senior Notes, 10.50%, 04/01/24	Ba2	<u>2,180</u>	First Quantum Minerals, LLC, Senior Notes, 7.50%, 04/01/25 (g)	B3	217
		<u>16,813</u>	420		
			FMG Resources Pty. Ltd., Senior Notes, 4.75%, 05/15/22 (g)	Ba2	425
Manufacturing — 2.11%			610		
1,135			FMG Resources Pty. Ltd., Senior Notes, 5.125%, 05/15/24 (g)	Ba2	619
Apex Tool Group, LLC, Senior Notes, 7%, 02/01/21 (g)	Caa1	1,090	1,265		
180			Freeport McMoran, Inc., Senior Notes, 5.40%, 11/14/34	B1	1,290
Park-Ohio Industries, Inc., Senior Notes, 6.625%, 04/15/27	B3	194	1,225		
1,450			Freeport McMoran, Inc., Senior Notes, 5.45%, 03/15/43	B1	1,223
Sensata Technologies UK Financing Company plc, Senior Notes, 6.25%, 02/15/26 (g)	Ba3	1,571	300		
700			HudBay Minerals, Inc., Senior Notes, 7.25%, 01/15/23 (g)	B3	318
SPX Flow, Inc, Senior Notes, 5.625%, 08/15/24 (g)	B1	737	1,450		
700			HudBay Minerals, Inc., Senior Notes, 7.625%, 01/15/25 (g)	B3	1,581
SPX Flow, Inc, Senior Notes, 5.875%, 08/15/26 (g)	B1	740	1,500		
510			New Gold Inc., Senior Notes, 6.25%, 11/15/22 (g)	B3	1,549
Tennant Company, Senior Notes, 5.625%, 05/01/25 (g)	B2	536	395		
150			New Gold Inc., Senior Notes, 6.375%, 05/15/25 (g)	B3	416
Welbilt, Inc., Senior Notes, 9.50%, 02/15/24	Caa1	<u>170</u>	415		
		<u>5,038</u>	Northwest Acquisitions ULC, Senior Notes, 7.125%, 11/01/22 (g)	Ba3	428
Metals & Mining — 9.23%			325		
670			Novelis, Inc., Senior Notes, 5.875%, 09/30/26 (g)	B2	333
AK Steel Corporation, Senior Notes, 6.375%, 10/15/25	B3	662	1,617		
435			Novelis, Inc., Senior Notes, 6.25%, 08/15/24 (g)	B2	1,686
Alliance Resource Operating Partners, L.P., Senior Notes, 7.50%, 05/01/25 (g)	B1	459	1,550		
140			Ryerson Inc., Senior Secured Notes, 11%, 05/15/22 (g)	Caa1	1,736
ArcelorMittal, Senior Notes, 6.125%, 06/01/25	Ba1	161	300		
40			Teck Resources Limited, Senior Notes, 6%, 08/15/40	Ba3	332
ArcelorMittal, Senior Notes, 7.25%, 03/01/41	Ba1	50	390		
495			Teck Resources Limited, Senior Notes, 7.50%, 10/15/39	Ba1	631
1,745			Big River Steel, LLC, Senior Notes, 7.25%, 09/01/25 (g)	B3	1,845
755			755		
Constellium N.V., Senior Notes, 5.875%, 02/15/26 (g)	B3	769	TMS International Corporation, Senior Notes, 7.25%, 08/15/25 (g)	Caa1	736
1,005					
Constellium N.V., Senior Notes, 6.625%, 03/01/25 (g)	B3	1,057			

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

Schedule of Investments — December 31, 2017 — Continued (Dollar Amounts in Thousands)

Principal Amount/Units	Moody's Rating (Unaudited)	Value (Note 1)
CORPORATE DEBT SECURITIES — continued		
\$ 665	United States Steel Corporation, Senior Notes, 6.875%, 08/15/25	Caa1 \$ 692
1,675	Zekelman Industries, Senior Notes, 9.875%, 06/15/23 (g)	Caa1 1,891
		<u>21,977</u>
Other Telecommunications — 3.00%		
625	Century Link Inc., Senior Notes, 7.50%, 04/01/24	B2 625
475	Equinix, Inc., Senior Notes, 5.375%, 01/01/22	B1 495
485	Equinix, Inc., Senior Notes, 5.375%, 05/15/27	B1 520
250	Equinix, Inc., Senior Notes, 5.75%, 01/01/25	B1 265
425	GTT Communications, Inc., Senior Notes, 7.875%, 12/31/24 (g)	Caa1 448
350	Level 3 Communications, Inc., Senior Notes, 5.75%, 12/01/22	B1 350
225	Level 3 Financing, Inc., Senior Notes, 5.25%, 03/15/26	Ba3 220
1,725	Level 3 Financing, Inc., Senior Notes, 5.375%, 01/15/24	Ba3 1,723
275	Level 3 Financing, Inc., Senior Notes, 5.375%, 05/01/25	Ba3 275
250	Level 3 Financing, Inc., Senior Notes, 5.625%, 02/01/23	Ba3 252
675	Rackspace Hosting, Inc., Senior Notes, 8.625%, 11/15/24 (g)	B3 719
245	Zayo Group, LLC, Global Notes, 5.75%, 01/15/27 (g)	B3 251
950	Zayo Group, LLC, Global Notes, 6.375%, 05/15/25	B3 1,008
		<u>7,151</u>
Publishing — .69%		
250	Harland Clarke Holdings Corporation, Senior Notes, 6.875%, 03/01/20 (g)	B1 255
935	Harland Clarke Holdings Corporation, Senior Notes, 8.375%, 08/15/22 (g)	B1 971

Principal Amount/Units	Moody's Rating (Unaudited)	Value (Note 1)
\$ 420	Harland Clarke Holdings Corporation, Senior Notes, 9.25%, 03/01/21 (g)	Caa1 \$ 426
		<u>1,652</u>
Real Estate Investment Trust Securities — .52%		
645	VEREIT Operating Partnership, L.P., Senior Securities, 4.875%, 06/01/26	Baa3 681
495	VICI Properties, Senior Notes, 8%, 10/15/23	B1 556
		<u>1,237</u>
Restaurants — 2.18%		
425	1011778 B.C. United Liability Company, Senior Notes, 4.625%, 01/15/22 (g)	Ba3 434
485	1011778 B.C. United Liability Company, Senior Notes, 5%, 10/15/25 (g)	B3 490
1,225	KFC Holding Company, Senior Notes, 5%, 06/01/24 (g)	B1 1,268
1,200	KFC Holding Company, Senior Notes, 5.25%, 06/01/26 (g)	B1 1,266
230	P.F. Chang's China Bistro, Inc., Senior Notes, 10.25%, 06/30/20 (g)	Caa1 209
575	Seminole Hard Rock Entertainment Inc., Senior Notes, 5.875%, 05/15/21 (g)	B2 584
723	YUM Brands, Inc., Senior Notes, 5.35%, 11/01/43	B2 696
215	YUM Brands, Inc., Senior Notes, 6.875%, 11/15/37	B2 236
		<u>5,183</u>
Retail — .73%		
1,775	JoAnn Stores Holdings, Inc., Senior Notes, 9.75%, 10/15/19 (g)	Caa1 1,740
Satellites — 2.74%		
810	Hughes Satellite Systems, Inc., Senior Notes, 6.625%, 08/01/26	B3 848

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

Schedule of Investments — December 31, 2017 — Continued (Dollar Amounts in Thousands)

Principal Amount/Units	Moody's Rating (Unaudited)	Value (Note 1)
CORPORATE DEBT SECURITIES — continued		
\$ 775		
Hughes Satellite Systems, Inc., Senior Notes, 7.625%, 06/15/21	B3	\$ 853
1,235		
Intelsat Jackson Holdings Ltd., Senior Notes, 7.25%, 10/15/20	Caa2	1,152
695		
Intelsat Jackson Holdings Ltd., Senior Notes, 7.50%, 04/01/21	Caa2	636
1,810		
Intelsat Jackson Holdings Ltd., Senior Notes, 9.50%, 09/30/22 (g)	B1	2,086
450		
Telesat Canada	B3	503
440		
Viasat, Inc., Senior Notes, 5.625%, 09/15/25 (g)	B3	444
		<u>6,522</u>
Services — 5.74%		
700		
Advanced Disposal Services, Inc., Senior Notes, 5.625%, 11/15/24 (g)	Caa1	714
580		
Alliance Data Systems Company, Senior Notes, 5.875%, 11/01/21 (g)	(e)	594
200		
Ashtead Capital, Inc., Senior Notes, 4.125%, 08/15/25 (g)	Ba2	202
200		
Ashtead Capital, Inc., Senior Notes, 4.375%, 08/15/27 (g)	Ba2	204
440		
Booz Allen Hamilton, Inc., Senior Notes, 5.125%, 05/01/25 (g)	B1	441
550		
Brand Energy & Infrastructure Services, Inc., Senior Notes, 8.50%, 07/15/25 (g)	Caa2	577
835		
Brink's Company, Senior Notes, 4.625%, 10/15/27 (g)	Ba2	819
200		
Carlson Travel Inc., Senior Notes, 6.75%, 12/15/23 (g)	B2	183
250		
CDW LLC, Senior Notes, 5%, 09/01/25	Ba3	259
750		
First Data Corporation, Senior Notes, 5.375%, 08/15/23 (g)	Ba3	781

Principal Amount/Units	Moody's Rating (Unaudited)	Value (Note 1)
\$ 215		
Gartner, Inc., Senior Notes, 5.125%, 04/01/25 (g)	B1	\$ 224
655		
H&E Equipment Services, Senior Notes, 5.625%, 09/01/25 (g)	B2	686
2,020		
Laureate Education, Inc., Senior Notes, 8.25%, 05/01/25 (g)	Caa1	2,141
1,040		
Prime Security Services Borrower, LLC, Senior Notes, 9.25%, 05/15/23 (g)	B3	1,154
950		
Ritchie Bros. Auctioneers Inc., Senior Notes, 5.375%, 01/15/25 (g)	B2	984
225		
Sabre GLBL, Inc., Senior Notes, 5.375%, 04/15/23 (g)	Ba2	231
575		
United Rentals (North America), Inc., Senior Notes, 4.875%, 01/15/28	Ba3	579
1,125		
United Rentals (North America), Inc., Senior Notes, 5.50%, 05/15/27	Ba3	1,185
430		
Vantiv, LLC, Senior Notes, 3.875%, 11/15/25 (g) (GBP)	B1	588
200		
Vantiv, LLC, Senior Notes, 4.375%, 11/15/25 (g)	B1	202
680		
West Corporation, Senior Notes, 8.50%, 10/15/25 (g)	B3	669
250		
Wrangler Buyer Corporation, Senior Notes, 6%, 10/01/25 (g)	Caa1	257
		<u>13,674</u>
Supermarkets — .87%		
450		
Albertsons Companies, LLC, Senior Notes, 5.75%, 03/15/25	B3	406
725		
Albertsons Companies, LLC, Senior Notes, 6.625%, 06/15/24	B3	692
325		
Albertsons Companies, LLC, Senior Notes, 7.45%, 08/01/29	(e)	284
200		
Albertsons Companies, LLC, Senior Notes, 8%, 05/01/31	(e)	179

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

Schedule of Investments — December 31, 2017 — Continued (Dollar Amounts in Thousands)

Principal Amount/Units		Moody's Rating (Unaudited)	Value (Note 1)
CORPORATE DEBT SECURITIES — continued			
\$ 400	Iceland Bondco, plc, Senior Notes, 4.625%, 03/15/25 (GBP)	B2	\$ 509
			<u>2,070</u>
Transportation — .18%			
425	Watco Companies, LLC, Senior Notes, 6.375%, 04/01/23 (g)	B3	<u>440</u>
Utilities — 3.06%			
535	AES Corporation, Senior Notes, 5.125%, 09/01/27	Ba2	565
635	AES Corporation, Senior Notes, 5.50%, 03/15/24	Ba2	660
400	AES Corporation, Senior Notes, 6%, 05/15/26	Ba2	432
775	DPL Inc., Senior Notes, 7.25%, 10/15/21	Ba3	861
1,005	NRG Energy, Inc., Senior Notes, 5.75%, 01/15/28 (g)	B1	1,014
1,340	NRG Energy, Inc., Senior Notes, 6.625%, 01/15/27	B1	1,422
2,145	NRG Energy, Inc., Senior Notes, 7.25%, 05/15/26	B1	<u>2,335</u>
			<u>7,289</u>
Wireless Communications — 4.10%			
1,400	Digicel Group Limited, Senior Notes, 8.25%, 09/30/20 (g)	Caa1	1,381
200	Millicom International Cellular, Senior Notes, 5.125%, 01/15/28 (g)	Ba2	200
1,400	SoftBank Group Corporation, Senior Notes, 5.125%, 09/19/27	Ba1	1,388
455	Sprint Capital Corporation, Senior Notes, 6.875%, 11/15/28	B3	457
835	Sprint Capital Corporation, Senior Notes, 8.75%, 03/15/32	B3	951
1,000	Sprint Communications, Inc., Senior Notes, 7%, 08/15/20	B3	1,060
1,500	Sprint Corporation, Senior Notes, 7.25%, 09/15/21	B3	1,588

Principal Amount/Units		Moody's Rating (Unaudited)	Value (Note 1)
\$ 325	TBG Global Pte. Ltd., Senior Notes, 5.25%, 02/10/22	(e)	\$ 332
885	T-Mobile, USA, Inc., Senior Notes, 4%, 04/15/22	Ba2	907
465	T-Mobile, USA, Inc., Senior Notes, 5.375%, 04/15/27	Ba2	496
760	T-Mobile, USA, Inc., Senior Notes, 6.50%, 01/15/26	Ba2	827
180	VB-S1 Issuer LLC, Senior Notes, 6.901%, 06/15/46 (g)	(e)	<u>183</u>
			<u>9,770</u>
Total Corporate Debt Securities			
(Total cost of \$308,330)			<u>315,660</u>

CONVERTIBLE DEBT SECURITIES — .14% (d)(f)

Gaming — .14%			
170	Caesar's Entertainment Corporation, Senior Convertible Notes, 5%, 10/01/24	(e)	<u>328</u>
Total Convertible Debt Securities			
(Total cost of \$316)			<u>328</u>

BANK DEBT SECURITIES — .07% (d)(f)

Energy — .07%			
228	Hercules Offshore Inc., Bankruptcy Claim, 10.50%, 05/06/20 (a)(b)(i)	(e)	<u>171</u>
Total Bank Debt Securities			
(Total cost of \$178)			<u>171</u>

Shares

PREFERRED STOCK — 1.89% (d)(f)

Energy — 1.33%			
11,325	Hess Corporation, Convertible, 8%	(e)	655
2,250	Targa Resources Corporation, Convertible, 9.50%, Acquisition Date 10/26/17, Cost \$2,520 (j)	(e)	<u>2,526</u>
			<u>3,181</u>
Healthcare — .28%			
11,350	Becton, Dickinson and Company, Convertible, 6.125%	(e)	<u>657</u>

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

Schedule of Investments — December 31, 2017 — Continued (Dollar Amounts in Thousands)

Shares		Moody's Rating (Unaudited)	Value (Note 1)
PREFERRED STOCK — continued			
Utilities — .28%			
11,750	NextEra Energy, Inc., Equity Unit, 6.123%	(e)	\$ 660
	Total Preferred Stock		<u>4,498</u>
	(Total cost of \$4,336)		
COMMON STOCK — 1.62% (d)(f)			
47,597	Caesars Entertainment Corporation, (c)		602
25,800	Constellium N.V., Class A (c)		288
6,750	Frontera Energy Corporation (c) ...		212
17,148	Frontera Energy Corporation (c) (CAD)		540
3,000	Howard Hughes Corporation (c) ...		394
4,150	Liberty Broadband Corporation, Series A (c)		353
5,600	Liberty Broadband Corporation, Series C (c)		477
15,600	T-Mobile US, Inc. (c)		991
			<u>3,857</u>
	Total Common Stock		<u>3,857</u>
	(Total cost of \$4,486)		
	TOTAL INVESTMENTS —		
	136.21% (d)		
	(Total cost of \$317,646)		<u>324,514</u>
	CASH AND OTHER ASSETS		
	LESS LIABILITIES — (36.21)% (d)		<u>(86,270)</u>
	NET ASSETS — 100.00%		<u><u>\$238,244</u></u>

(h) Perpetual security with no stated maturity date.

(i) Level 3 in fair value hierarchy. See Note 1.

(j) Security cannot be offered for public resale without first being registered under the Securities Act of 1933 (restricted security). Total market value of restricted securities (excluding Rule 144A securities) amounted to \$3,491 or 1.47% of total net assets as of December 31, 2017.

(CAD) Canadian Dollar

(EUR) Euro

(GBP) British Pound

(a) Denotes income is not being accrued.

(b) Denotes issuer is in bankruptcy proceedings.

(c) Non-income producing.

(d) Percentages indicated are based on total net assets to common shareholders of \$238,244.

(e) Not rated.

(f) All of the Fund's investments and other assets are pledged as collateral in accordance with a credit agreement with The Bank of Nova Scotia.

(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 \$193,845 as of December 31, 2017.

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

Statement of Assets and Liabilities

December 31, 2017

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

Assets:	
INVESTMENTS IN SECURITIES, at value (Identified cost of \$317,646 see Schedule of Investments and Note 1)	\$324,514
CASH	961
RECEIVABLES:	
Interest and dividends	5,645
PREPAID EXPENSES	93
UNREALIZED GAIN ON CURRENCY AND FORWARD CURRENCY EXCHANGE CONTRACTS (Notes 1 and 7)	<u>55</u>
Total assets	<u>\$331,268</u>
Liabilities:	
CREDIT AGREEMENT (Note 4)	\$ 91,000
PAYABLES:	
Investment securities purchased	322
Dividend on common stock	1,163
Interest on loan (Note 4)	161
ACCRUED EXPENSES (Note 3)	228
UNREALIZED LOSS ON FORWARD CURRENCY EXCHANGE CONTRACTS (Notes 1 and 7)	<u>150</u>
Total liabilities	<u>\$ 93,024</u>
Net Assets	<u>\$238,244</u>
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	239,612
UNDISTRIBUTED NET INVESTMENT LOSS (Note 2)	(660)
ACCUMULATED NET REALIZED LOSS FROM SECURITIES TRANSACTIONS (Note 2)	(7,715)
NET UNREALIZED APPRECIATION ON INVESTMENTS AND FORWARD CURRENCY EXCHANGE CONTRACTS	<u>6,773</u>
Net Assets Applicable To Common Stock (Equivalent to \$10.19 per share, based on 23,368,918 shares outstanding)	<u>\$238,244</u>

Statement of Operations

For the Year Ended

December 31, 2017 (Dollars in thousands)

Investment Income: (Note 1)	
Interest income	\$20,791
Dividend income	202
Other income	<u>108</u>
Total investment income	<u>\$21,101</u>
Expenses:	
Cost of leverage:	
Interest expense (Note 4)	\$ 1,823
Loan fees (Note 4)	<u>14</u>
Total cost of leverage	<u>\$ 1,837</u>
Professional services:	
Investment Advisor (Note 3)	\$ 1,140
Custodian and transfer agent	287
Legal	233
Audit	<u>59</u>
Total professional services	<u>\$ 1,719</u>
Administrative:	
General administrative (Note 6)	\$ 476
Directors	309
Insurance	133
Shareholder communications	37
Miscellaneous	26
NYSE	<u>25</u>
Total administrative	<u>\$ 1,006</u>
Total expenses	<u>\$ 4,562</u>
Net investment income	<u>\$16,539</u>
Realized and Unrealized Gain on Investment Activities:	
Realized gain on investments and currencies, net	<u>\$ 5,350</u>
Change in net unrealized appreciation on investments and other financial instruments	<u>\$ 1,785</u>
Net gain on investments	<u>\$ 7,135</u>
Net increase in net assets resulting from operations	<u>\$23,674</u>

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

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

	For the Year Ended December 31, 2017	For the Year Ended December 31, 2016
From Operations:		
Net investment income	\$ 16,539	\$ 17,409
Realized gain (loss) on investments and currencies, net	5,350	(1,719)
Change in net unrealized appreciation on investments and other financial instruments	<u>1,785</u>	<u>26,581</u>
Net increase in net assets resulting from operations	<u>\$ 23,674</u>	<u>\$ 42,271</u>
Distributions to Common Stockholders:		
From net investment income (\$.71 and \$.76 per share in 2017 and 2016, respectively)	<u>\$ (16,522)</u>	<u>\$ (17,702)</u>
Total net increase in net assets	<u>\$ 7,152</u>	<u>\$ 24,569</u>
Net Assets Applicable to Common Stock:		
Beginning of period	<u>\$231,092</u>	<u>\$206,523</u>
End of period (Including \$(660) and \$444 of undistributed net investment income/(loss) at December 31, 2017 and December 31, 2016, respectively)	<u>\$238,244</u>	<u>\$231,092</u>

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

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

	For the Years Ended December 31,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
NET ASSET VALUE:					
Beginning of period	\$ 9.89	\$ 8.84	\$10.09	\$10.58	\$10.49
NET INVESTMENT INCOME .....	.71	.75	.76	.80	.83
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND OTHER FINANCIAL INSTRUMENTS .....	.30	1.06	(1.20)	(.45)	.12
TOTAL FROM INVESTMENT OPERATIONS	<u>1.01</u>	<u>1.81</u>	<u>(.44)</u>	<u>.35</u>	<u>.95</u>
DISTRIBUTIONS TO COMMON SHAREHOLDERS:					
From net investment income	(.71)	(.76)	(.81)	(.84)	(.86)
TOTAL DISTRIBUTIONS	<u>(.71)</u>	<u>(.76)</u>	<u>(.81)</u>	<u>(.84)</u>	<u>(.86)</u>
NET ASSET VALUE:					
End of period	<u>\$10.19</u>	<u>\$ 9.89</u>	<u>\$ 8.84</u>	<u>\$10.09</u>	<u>\$10.58</u>
PER SHARE MARKET VALUE:					
End of period	<u>\$ 9.40</u>	<u>\$ 9.26</u>	<u>\$ 7.66</u>	<u>\$ 8.94</u>	<u>\$ 9.65</u>
TOTAL INVESTMENT RETURN†	<u>9.19%</u>	<u>31.68%</u>	<u>(5.68)%</u>	<u>1.02%</u>	<u>.73%</u>

† 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.

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,				
	2017	2016	2015	2014	2013
NET ASSETS, END OF PERIOD, APPLICABLE TO COMMON STOCK (a)	<u>\$238,244</u>	<u>\$231,092</u>	<u>\$206,523</u>	<u>\$235,742</u>	<u>\$247,288</u>
EXPENSE RATIOS:					
Ratio of interest expense to average net assets .....	.76%	.55%	.42%	.40%	.43%
Ratio of leverage expenses to average net assets .....	.01%	.01%	.01%	—	—
Ratio of operating expenses to average net assets	1.14%	1.26%	1.20%	1.14%	1.23%
RATIO OF TOTAL EXPENSES TO AVERAGE NET ASSETS	<u>1.91%</u>	<u>1.82%</u>	<u>1.63%</u>	<u>1.54%</u>	<u>1.66%</u>
RATIO OF NET INVESTMENT INCOME TO AVERAGE NET ASSETS	6.92%	7.90%	7.65%	7.41%	7.82%
PORTFOLIO TURNOVER RATE	70.11%	77.10%	71.73%	48.26%	63.65%

(a) Dollars in thousands.

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

**Information Regarding
Senior Securities**

	As of December 31,				
	2017	2016	2015	2014	2013
TOTAL AMOUNT OUTSTANDING:					
Credit Agreement	\$91,000,000	\$91,000,000	\$80,000,000	\$90,000,000	\$100,000,000
ASSET COVERAGE:					
Per \$1,000 borrowed under Credit Agreement (1)	\$ 3,618	\$ 3,539	\$ 3,582	\$ 3,619	\$ 3,473
Credit Agreement Asset Coverage (2)	362%	354%	358%	362%	347%

(1) 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).

(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.

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

Statement of Cash Flows (Dollars in thousands)

	For the Year Ended December 31, 2017
Cash Flows From Operating Activities:	
Purchases of portfolio securities	\$(225,461)
Sales of portfolio securities	224,846
Net purchases, sales and maturities of short-term securities	56
Interest and dividends received	21,483
Operating expenses paid	<u>(4,444)</u>
Net cash provided by operating activities	<u>\$ 16,480</u>
Cash Flows From Financing Activities:	
Common stock dividends	\$ (17,701)
Net cash used by financing activities	<u>\$ (17,701)</u>
Net Decrease in Cash	<u>\$ (1,221)</u>
Cash at Beginning of Period	<u>2,182</u>
Cash at End of Period	<u>\$ 961</u>
Reconciliation of Net Increase in Net Assets Resulting from Operations to Net Cash Provided by Operating Activities:	
Purchases of portfolio securities	\$(225,461)
Sales of portfolio securities	224,846
Net purchases, sales and maturities of short-term securities	56
Net increase in net assets resulting from operations	23,674
Amortization of interest	373
Net realized gain on investments and currencies	(5,350)
Change in net unrealized appreciation on investments and other financial instruments	(1,785)
Decrease in interest and dividend receivable	8
Decrease in prepaid expenses	1
Increase in accrued expenses and other payables	<u>118</u>
Net cash provided by operating activities	<u>\$ 16,480</u>

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

Notes to Financial Statements December 31, 2017

(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 follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standard Codification Topic 946 “Financial Services Investment Companies.” 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*—Except as otherwise described below, the Fund’s investments are valued based on evaluated bid prices provided by an independent pricing service. Independent pricing services provide prices based primarily on quotations from dealers and brokers, market transactions, data accessed from quotations services, offering sheets obtained from dealers and various relationships among similar 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 the fair value of such investments. Following procedures approved by the Board of Directors, investments for which market prices are not yet provided by an independent pricing service (primarily newly issued fixed-income corporate bonds and notes) shall be valued at the most recently quoted bid price provided by a principal market maker for the security. Other investments for which market quotations are not readily available are valued in good faith at fair 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.

Notes to Financial Statements — Continued

December 31, 2017

The Fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss from investments.

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

(c) *Foreign Currency Forward Exchange Contracts*—The Fund may enter into foreign currency forward exchange contracts 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.

Notes to Financial Statements — Continued
December 31, 2017

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, 2017 in valuing the Fund’s investments:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Value</u>
	<u>Quoted Prices</u>	<u>Significant Observable Inputs</u>	<u>Significant Unobservable Inputs</u>	
	<u>(000’s)</u>	<u>(000’s)</u>	<u>(000’s)</u>	<u>(000’s)</u>
Investments				
Debt Securities*	\$ —	\$315,023	\$1,136	\$316,159
Preferred Stock				
Energy	655	2,526	—	3,181
Health Care	657	—	—	657
Utilities	660	—	—	660
Common Stock				
Building & Real Estate	394	—	—	394
Cable	830	—	—	830
Energy	752	—	—	752
Gaming	602	—	—	602
Metals & Mining	288	—	—	288
Wireless Communications	991	—	—	991
Total Investments	\$5,829	\$317,549	\$1,136	\$324,514

Notes to Financial Statements — Continued
December 31, 2017

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Value</u>
	<u>Quoted Prices</u>	<u>Significant Observable Inputs</u>	<u>Significant Unobservable Inputs</u>	
	<u>(000's)</u>	<u>(000's)</u>	<u>(000's)</u>	<u>(000's)</u>

Forward Currency Exchange Contracts	\$ —	\$ (95)	\$ —	\$ (95)
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* Debt Securities — Type of debt and industries are shown on the Schedule of Investments.

The Fund owned two Level 3 securities at December 31, 2017. They are identified on the Schedule of Investments with a footnote (i) and have a value of \$1,136,000. 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 take into account the occurrence of company specific or industry events, liquidity, broker coverage and other market factors.

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

	<u>Securities</u>
	<u>(000's)</u>
Balance, December 31, 2016	\$ —
Net purchases/(sales)	877
Change in unrealized appreciation (depreciation)	3
Realized gain (loss)	19
Transfers to Level 3 from Level 2	237
Balance, December 31, 2017	<u>\$1,136</u>

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, 2017, the Fund recognized no transfers between Levels 1 and 2.

(2) Tax Matters and Distributions

At December 31, 2017, the total cost of securities (including temporary cash investments) for federal income tax purposes was approximately \$318,013,000. Aggregate gross unrealized gain on securities in which there was an excess of value over tax cost was approximately

\$10,379,000. Aggregate gross unrealized loss on securities in which there was an excess of tax cost over value was approximately \$3,879,000. Net unrealized gain on investments for tax purposes at December 31, 2017 was approximately \$6,500,000.

At December 31, 2017, the Fund had approximate capital loss carryforwards available to offset future capital gains, if any, to the extent provided by regulations:

<u>Carryover Available</u>	<u>Character</u>	<u>Expiration Date</u>
\$3,607,000	Short-term	None
<u>4,074,000</u>	Long-term	None
<u>\$7,681,000</u>		

As a result of the passage of the Regulated Investment Company Modernization Act of 2010 (the "Act"), losses incurred in the 2011 fiscal year and beyond retain their character as short-term or long-term, have no expiration date and are utilized before the capital losses incurred prior to the enactment of the Act. At December 31, 2017, the Fund had total capital loss carryforwards of \$7,681,000. For the year ended December 31, 2017, the Fund utilized \$3,061,000 and \$3,406,000 of short-term and long-term capital loss carryforwards. At December 31, 2017, \$26,830,000 of capital loss carryforwards expired.

It is the policy of the Fund to reduce future distributions of realized gains to shareholders to the extent of the unexpired capital loss carryforwards.

The tax character of distributions paid to common shareholders in 2017 and 2016 of approximately \$16,357,000 and \$17,702,000, respectively, was from ordinary income.

As of December 31, 2017, the components of distributable earnings on a tax basis were approximately:

Unrealized Gain Investments	\$ 6,500,000
Capital Loss Carryforwards	(7,681,000)
Other Temporary Differences	<u>(421,000)</u>
	<u>\$(1,602,000)</u>

The difference between components of distributable earnings on a tax basis and the amounts reflected in the

Notes to Financial Statements — Continued

December 31, 2017

Statement of Assets and Liabilities are primarily due to market discount and premium adjustments, wash sales, deferral of late year losses, dividends payable and the recognition of unrealized loss on currency forward contracts. For the year ended December 31, 2017, the Fund incurred \$257,000 of qualified late year 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, 2017, permanent differences between book and tax accounting have been reclassified as follows:

Increase (decrease) in:

Undistributed net investment income	\$ (1,097,000)
Capital in excess of par value	\$(26,830,000)
Accumulated net realized loss from securities transactions	\$ 27,927,000

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 2014-2016, or expected to be taken in the Fund's 2017 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 \$1,140,000 in management fees during the year ended December 31, 2017. 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, 2017, the fee payable to T. Rowe Price was approximately \$97,000, which was included in accrued expenses on the accompanying statement of assets and liabilities.

(4) Bank Credit Agreement

The Fund has 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 December 31, 2017 the total amount outstanding on the loan was \$91,000,000. The term of the facility has been extended to October 2018. 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 2.27% and will be in effect until January 4, 2018 at which time the rate will be reset. For the year ended December 31, 2017 the weighted average rate on the loan was approximately 2.00% and the maximum amount borrowed during the period was \$91,000,000.

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

Notes to Financial Statements — Continued
December 31, 2017

the year ended December 31, 2017 the Fund paid approximately \$14,000 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) Purchases and Sales of Securities

Purchases and proceeds of sales or maturities of long-term securities during the year ended December 31, 2017 were approximately:

Cost of purchases	\$225,782,000
Proceeds of sales or maturities	\$225,869,000

(6) Related Party Transactions

The Fund paid approximately \$223,000 during the year ended December 31, 2017 to the president of the Fund for her services as an officer and employee of the Fund.

(7) Derivative Contracts (Currency Amounts in Thousands)

Forward Currency Exchange Contracts—As of December 31, 2017 the Fund had forward currency exchange contracts outstanding as follows:

Counterparty	Settlement Date		Receive (Deliver)	Asset	Liability	Unrealized Appreciation (Depreciation)
JPMorgan Chase	1/26/18	GBP	117	\$ 158	\$ 154	\$ 4
HSBC Bank	1/26/18	GBP	128	172	168	4
Bank of America	1/26/18	GBP	149	201	195	6
Canadian Imperial Bank of Commerce	1/26/18	GBP	325	439	426	13
Citibank	1/26/18	GBP	115	155	151	4
Citibank	1/26/18	GBP	67	91	91	—
JPMorgan Chase	1/26/18	GBP	(1,081)	1,442	1,461	(19)
JPMorgan Chase	1/26/18	GBP	(1,081)	1,442	1,461	(19)
Citibank	1/26/18	GBP	(96)	129	129	—
HSBC Bank	1/26/18	GBP	(191)	257	258	(1)
Bank of America	1/26/18	GBP	(95)	128	129	(1)
Bank of America	1/26/18	GBP	(416)	558	562	(4)
HSBC Bank	1/26/18	CAD	63	50	51	(1)
JPMorgan Chase	1/26/18	CAD	37	29	29	—
Bank of America	1/26/18	CAD	95	75	76	(1)
HSBC Bank	1/26/18	CAD	72	57	56	1
Bank of America	1/26/18	CAD	(883)	720	703	17
Bank of America	2/23/18	EUR	128	154	151	3
Citibank	2/23/18	EUR	204	245	243	2
Citibank	2/23/18	EUR	(1,681)	1,973	2,023	(50)
Bank of America	2/23/18	EUR	(1,773)	2,080	2,133	(53)
Net unrealized loss on open forward currency exchange contracts						<u>\$(95)</u>

Notes to Financial Statements — Continued
December 31, 2017

Fair Value of Derivative Instruments—The fair value of derivative instruments as of December 31, 2017 was as follows:

	Asset Derivatives	
	December 31, 2017	
	Statement of Assets and Liabilities Location	Fair Value
Forward currency contracts	Unrealized gain on currency and forward currency exchange contracts	\$ 55
	Unrealized loss on currency and forward currency exchange contracts	(150)

The effect of derivative instruments that are included on the Statement of Operations for the year ended December 31, 2017 was as follows:

Amount of Realized Loss on Derivatives

	Realized loss on investments and currencies, net
Forward currency contracts	\$(1,043)

Change in Unrealized Depreciation on Derivatives

	Change in net unrealized depreciation on investments and other financial instruments
Forward currency contracts	\$(128)

(8) Recent Accounting Pronouncement

In August 2016, the FASB issued ASU 2016-15 which amends ASC 230 to clarify guidance on the classification of certain cash receipts and cash payments in the statement of cash flows. The ASU is effective for annual periods beginning after December 15, 2017, and interim periods within those annual periods.

In October 2016, the U.S. Securities and Exchange Commission (“SEC”) adopted new rules and forms, and amendments to certain current rules and forms, to modernize reporting and disclosure of information by registered investment companies. The amendments to Regulation S-X will require standardized, enhanced disclosure about derivatives in investment company financial statements, and will also change the rules governing the form and content of such financial statements. Effective August 2017, the Fund has adopted these amendments to Regulation S-X.

(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, 2017.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of
The New America High Income Fund, Inc.
Boston, Massachusetts

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of The New America High Income Fund, Inc. (the “Fund”), including the schedule of investments, as of December 31, 2017, the related statement of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and financial highlights for each of the five years in the period then ended, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2017, 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.

Basis for Opinion

These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We have served as the Fund’s auditor since 2005.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting, 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.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2017 by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

TAIT, WELLER & BAKER LLP

Philadelphia, Pennsylvania
February 16, 2018

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. 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.

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 the Fund may 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 will not therefor be subject to regulation as a pool operator under the Commodity Exchange Act.

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.

Notes to Financial Statements — Continued

Supplemental Information (Unaudited)

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

The Investment Company Act of 1940, as amended (the “1940 Act”), provides, in substance, that each investment advisory agreement between a registered fund and its investment adviser will continue in effect from year to year only if its continuation is approved at least annually by the fund’s board of directors, including a majority of the directors who are not “interested persons” of the fund within the meaning of the 1940 Act, voting in person at a meeting called for the purpose of considering such approval.

On November 7, 2017, the Board of Directors, including all of the Directors who are not “interested persons” of the Fund (the “Independent Directors”), approved the continuation of the Advisory Agreement with the Adviser. Prior to taking this action, the Directors reviewed information relating to the Fund and the Adviser that was prepared in response to specific inquiries made on behalf of the Board to assist it with its consideration of the Advisory Agreement. This information included, among other things: information about the Adviser’s organization, operations and personnel; the services the Adviser provides to the Fund; the Adviser’s portfolio management practices; and the performance and the expenses of the Fund relative to other high yield debt funds and high yield debt indices, as detailed in a comparative analysis prepared by an independent data provider. The Directors also took into account information regarding the Fund and the Adviser provided throughout the year at meetings of the Board and its committees.

Based on all of the above-mentioned information, and such other factors and conclusions as the Directors deemed relevant, including those described below (but 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.

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: its organizational and management structure; the qualifications, education and experience of the individual investment professionals whose responsibilities include portfolio management and investment research for the Fund; and the portfolio management and trading practices employed in managing the Fund. In the course of their deliberations, the Directors also evaluated, among other things: (a) the nature, extent and quality of services rendered by the Adviser in prior years; (b) the Adviser’s financial condition and its ability to devote the resources necessary to provide the services required under the Advisory Agreement; and (c) the Adviser’s dedication to maintaining appropriate compliance programs with respect to the Fund. 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 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 in managing high yield investments is appropriate for the Fund; (5) the Adviser has demonstrated an appropriate awareness of the special requirements associated with the Fund’s closed-end, leveraged structure; and (6) the Adviser has demonstrated its commitment to the maintenance of appropriate compliance policies and practices.

Notes to Financial Statements — Continued
Supplemental Information (Unaudited)

Fund Performance. The Board evaluated the Fund's performance relative to the performance of: (a) a peer group of comparable leveraged closed-end high yield debt funds identified by an independent data provider; (b) a composite designed to present the aggregate investment results for the other high yield debt account mandates managed by the Adviser; and (c) various third-party indices tracking 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 the asset coverage requirements for the Fund's credit facility. 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 satisfactory given the investment/risk profile the Fund has sought to maintain and conditions in the high yield debt market.

Advisory Fee. In considering the fee payable to the Adviser under the Advisory Agreement, the Directors reviewed comparative information presented in the report of an independent data provider relating to the fees paid by a peer group of comparable leveraged closed-end high yield debt funds selected by an independent data provider. The Directors also considered the fees charged by the Adviser to other registered funds and institutional separate accounts with a high yield debt mandate comparable to the Fund's. The Directors concluded that, in light of the nature, extent and quality of the services provided by the Adviser and the Fund's performance, the Fund's advisory fee is reasonable.

Profitability. In considering the continuation of the Advisory Agreement, the Directors considered information provided by the Adviser with respect to the profitability of its investment advisory business, while acknowledging the Adviser's representations as to the difficulty of measuring the specific profitability to the Adviser of its relationship with the Fund. The Directors took into account that the Adviser's initial selection by the Fund's Board was conducted on an arm's length basis through a competitive process that included other investment management firms, and that each annual continuation of the Advisory Agreement had likewise been conducted on an arm's length basis. In this regard, it was noted that none of the Directors, officers or other Fund personnel serves as a director, officer or employee of the Adviser or any of its affiliates. On the basis of the foregoing, and taking into account the nature extent and quality of the services rendered to the Fund by the Adviser, the Directors concluded that the profits realized by the Adviser are reasonable.

Fallout Benefits. On the basis of information provided by the Adviser and the other factors noted above, the Board concluded that the Adviser did not appear to receive a material benefit from the Fund other than its receipt of the advisory fee. Accordingly, the Directors determined that any fallout or ancillary benefits were not a material factor for consideration in connection with the continuation of the Advisory Agreement.

Economies of Scale. In reviewing the Fund's advisory fee, the Directors considered the extent to which the Adviser, on the one hand, and the Fund, on the other hand, can expect to realize benefits from economies of scale in the event the assets of the Fund increase. Taking into account the Fund's closed-end structure and its current and expected asset levels, the Directors concluded that the structure of the advisory fee, which includes breakpoints at several asset levels, will allow the Fund to continue to benefit from economies of scale in the future.

Directors

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

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, LLC
6201 15th Avenue
Brooklyn, NY 11219
(800) 937-5449
Web site: www.amstock.com

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

Information About the Fund's Directors and Officers — February 16, 2018

Independent Directors

Name, Address¹, and Date of Birth	Term of Office² and Length of Time Served	Principal Occupation(s) During Past 5 Years (and Other Relevant Experience, Attributes and Skills)³	Other Directorships Held by Director
Robert F. Birch DOB: 3/12/36	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).	
Joseph L. Bower DOB: 09/21/38	Director since 1988	Professor, Harvard Business School 1963-2014 – as Donald K. David Professor of Business Administration 1986-2007; Baker Foundation Professor 2007-2014; and Donald K. David Professor Emeritus since July 2014. Senior Associate Dean, Chair of the Doctoral Programs, Chair of the General Management Area, Chair of the General Manager and Corporate Leader Programs, Consultant on leadership, strategy, and organizational development.	Director of Anika Therapeutics since 1992, Brown Shoe 1982-2012, and Loews Corporation since 2002. Life Trustee of New England Conservatory of Music
Bernard J. Korman DOB: 10/13/31	Director since 1987	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 Omega Healthcare Investors, Inc. (real estate investment trust) since 1993 and Chairman from 2004-2017.

Information About the Fund's Directors and Officers — February 16, 2018 — Continued

Name, Address¹, and Date of Birth	Term of Office² and Length of Time Served	Principal Occupation(s) During Past 5 Years (and Other Relevant Experience, Attributes and Skills)³	Other Directorships Held by Director
Stuart A. McFarland DOB: 04/05/47	Lead Director since December 1, 2017; Director since 2013	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 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) (1980-1985); and President and Director, Ticor Mortgage Insurance Company (1972-1980).	Director, Brookfield Funds (7 funds) since 2008; Director, United Guaranty Corporation 2011-2016; Director, New Senior Investment Group (a real estate investment trust) since 2014; Director, Drive Shack (golf course management and entertainment) since 2002 (prior to 2017 operated as Newcastle Investment Corp., a real estate investment trust).
Marguerite A. Piret DOB: 5/10/48	Director since 2004	President and Chief Executive Officer of Newbury Piret Company (an investment bank) since 1981; Member, Board of Governors, Investment Company Institute (1996-2004); Managing Director Kridel Securities Corporation (an investment bank) (1979-1981); Commercial Loan Officer of New England Merchants National Bank (1974-1979).	Trustee of Pioneer Funds (42 funds) since 1980.
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; Trustee since 2000 and Chairman since 2012 of Tekla Healthcare Investors, Tekla Life Sciences Investors, Tekla Healthcare Opportunities Fund since 2014 and Tekla World Healthcare Fund since 2015.

Information About the Fund's Directors and Officers — February 16, 2018 — Continued

Interested Directors and Officers

Name, Address¹, and Date of Birth	Term of Office² and Length of Time Served	Principal Occupation(s) During Past 5 Years (and Other Relevant Experience, Attributes and Skills)³	Other Directorships Held by Director
Ellen E. Terry ⁴ DOB: 4/9/59	Director Since 2014	President of the New America High Income Fund, Inc. 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.	

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 Ms. Terry is an interested person of the Fund on the basis of her positions with the Fund.

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.

The New America High Income Fund, Inc.

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



Annual

Report

December 31, 2017
