

NEW AMERICA HIGH INCOME FUND INC  
Form N-2  
May 14, 2007

As filed with the Securities and Exchange Commission on May 14, 2007

1933 Act File No. 333-

1940 Act File No. 811-5399

## U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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### FORM N-2

(Check appropriate box or boxes)

- REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933**
- Pre-Effective Amendment No.**
- Post-Effective Amendment No.**  
**and/or**
- REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940**
- Amendment No. 31**
- 

### THE NEW AMERICA HIGH INCOME FUND, INC.

Exact Name of Registrant as Specified in Charter

**33 Broad Street, Boston, Massachusetts 02109**

Address of Principal Executive Offices (Number, Street, City, State, Zip Code)

**(617) 263-6400**

Registrant's Telephone Number, Including Area Code

**Ellen E. Terry, Vice President & Treasurer**  
**The New America High Income Fund, Inc.**  
**33 Broad Street**

**Boston, Massachusetts 02109**

Name and Address (Number, Street, City, State, Zip Code) of Agent for Service

With a copy to:

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David C. Mahaffey, Esq.  
Sullivan & Worcester LLP  
1666 K Street, NW  
Washington, DC 20006

Approximate Date of Proposed Public Offering: As soon as practicable after the effective date of this Registration Statement.

If any securities being registered on this form will be offered on a delayed or continuous basis in reliance on Rule 415 under the Securities Act of 1933, as amended ( Securities Act ), other than securities offered in connection with a dividend reinvestment plan, check the following box.

CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT

Title of Securities Being Registered	Amount Being Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, \$0.01 par value	32,106,000 shares	\$ 2.37	(1) \$ 76,091,220	(1) \$ 2,336.00
Subscription Rights	32,106,000 rights			

(1) Estimated pursuant to Rule 457(c) under the Securities Act solely for the purpose of determining the amount of the registration fee. The registration fee is based upon the average of the high and low prices reported for a share of Common Stock on May 11, 2007, as reported on the New York Stock Exchange.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

## The New America High Income Fund, Inc.

Subject To Completion

Dated \_\_\_\_\_, 2007

32,106,000 Shares of Common Stock  
Issuable Upon Exercise of Rights to Subscribe  
for Such Shares

The New America High Income Fund, Inc. (the "Fund") is issuing transferable rights ("Rights") to its stockholders (the "Offer"). You will receive one Right for each three shares of common stock, par value \$0.01, ("Common Stock") you own on the record date, which is \_\_\_\_\_, 2007 (the "Record Date"). These Rights entitle you to subscribe for new shares of Common Stock to be issued by the Fund ("Shares"). You may purchase one new Common Share for every Right you receive. Stockholders on the record date who hold less than three shares will receive one Right. Also, stockholders on the record date may purchase the new Common Shares not acquired by other stockholders in this rights offering, subject to the limitations as discussed in this prospectus (the "Prospectus").

The Rights are transferable and will be listed for trading on the New York Stock Exchange (the "Exchange") under the symbol "HYB.RT" during the course of the offering. The Fund's Common Stock is listed, and the Shares issued in this Offer will be listed, on the Exchange under the symbol "HYB." On \_\_\_\_\_, 2007, the last reported net asset value per share of the Fund's Common Stock was \$\_\_\_\_ and the last reported sales price of a share on the Exchange on that date was \$\_\_\_\_.

The subscription price per share will be the lower of: (i) \_\_% of the average of the last reported sales price of a share on the Exchange on the expiration date of the Offer and on the previous \_\_ business days, and (ii) \_\_% of the net asset value ("NAV") per share as of the close of business on the expiration date of the Offer (the "Subscription Price"). You will not know the actual subscription price at the time you exercise your Rights. Once you subscribe for shares and the Fund receives payment or a guarantee of payment, you will not be able to change your decision. **The Offer will expire At 5:00 p.m., Eastern Time, on \_\_\_\_\_, 2007 (the "Expiration Date"), unless the Fund extends the Offer as described in this Prospectus.**

The Fund is a non-diversified, closed-end management investment company with a leveraged capital structure. The Fund's investment objective 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 (commonly referred to as "junk bonds"). No assurance can be given that the Fund will achieve its investment objective. **In determining whether to invest in Common Stock, you should carefully consider the significant risks described in the following sections of this Prospectus: "Financial Information Summary Capitalization and Information Regarding Senior Securities" on page \_\_, "The Fund" on page \_\_, "Investment Objective and Policies" on page \_\_ and "Risk Factors and Special Considerations" on page \_\_.**

**The Subscription Price per share will be less than the then NAV per share and, under those circumstances, the Offer may result in a substantial dilution to stockholders who do not fully exercise their Rights.** If you do not exercise your Rights, you will, upon the completion of the Offer, own a smaller proportional interest in the Fund than you do now. The Fund cannot state precisely the extent of this dilution because the Fund does not know what the NAV will be when the Offer expires, how many Rights will be exercised or the exact expenses of the Offer. **For further information on the effects of dilution, see "Risk Factors and Special Considerations" on page \_\_\_\_.**

**NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

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	Per Share	Total(4)
Estimated Subscription Price <sup>1</sup>	\$[ ]	\$[ ]
Sales Load	None	None
Estimated Proceeds to the Fund <sup>2,3</sup>	\$[ ]	\$[ ]

(1) *This is an estimated price. The actual Subscription Price will be determined as set forth above on the Expiration Date.*

(2) *Reflects deduction of offering expenses incurred by the Fund, estimated at [\$\_\_\_\_\_], and is based on the Estimated Subscription Price (as defined below).*

(3) *Funds received by check prior to the final due date of this Offer will be deposited into a segregated interest-bearing account (which interest will accrue to the benefit of the Fund) pending allocation and distribution of Shares. Interest on subscription moneys will be paid to the Fund regardless of whether shares are issued by the Funds. This interest is not reflected in the Estimated Proceeds to the Fund.*

(4) *Assumes all Rights are exercised at the Estimated Subscription Price.*

This Prospectus sets forth concisely the information about the Fund that a prospective investor should know before investing and should be retained for future reference.

**The date of this Prospectus is \_\_\_\_\_, 2007**

**The Fund's principal executive offices are located at 33 Broad Street, Boston, Massachusetts 02109, and our telephone number is 1-617-263-6400.**

**All questions and inquiries related to the Offer should be directed to the Information Agent, The Altman Group, Inc. toll free at 1-800-467-0609.**

## SUMMARY

This summary highlights some information from this Prospectus. It may not contain all of the information that is important to you. To understand the Offer fully, you should read the entire Prospectus carefully, including the risk factors and the financial highlights.

### **Purpose of the Offer**

The Fund is offering its existing stockholders the opportunity to purchase additional Shares at a price that will be below market value without paying a brokerage commission. The Fund's Board of Directors has determined the Offer would be in the best interest of the Fund and its stockholders. The Board of Directors noted that an increase in the assets of the Fund would enable the Fund to take advantage of attractive investment opportunities and that the Offer may lower the Fund's expense ratio slightly by spreading the Fund's fixed costs over a larger asset base. In addition, the Board noted that an increase in the number of outstanding Shares could increase liquidity on the Exchange, where the Fund's shares of Common Stock are traded.

The Board considered that the Offer will reduce the NAV of the Fund's Common Stock and will have a negative impact on any stockholder who fails or is unable to exercise his or her Rights. The Board also took note of the fact that the possible benefits of the Offer would be reduced if expenses of the Offer were high and few Shares were sold. Reflecting these concerns, the Board has structured the Offer in a way that is intended to provide all stockholders with an equal opportunity to exercise Rights and for the Fund to sell a substantial number of Shares. In particular, the Rights will be transferable so that non-exercising rightholders will have a chance to partially offset the dilution they will suffer. In addition, the Board has established the Subscription Price and the exchange ratio with a view toward providing both an incentive to exercise Rights and an active trading market for the Rights.

### **The Offer**

The Fund is issuing Rights to its stockholders. The Rights entitle you to subscribe for Shares at the rate of one Share for every Right held by you (the "Primary Subscription"). You will receive one Right for each three shares of Common Stock you hold on the Record Date. For example, if you own 300 shares, you will receive 100 Rights entitling you to purchase up to 100 additional Shares at the Subscription Price. You may exercise Rights at any time from the date of this Prospectus until 5:00 p.m., Eastern time, on \_\_\_\_\_, 2007, unless extended by the Fund.

If you subscribe for the maximum number of Shares to which you are entitled, you also may subscribe for Shares that were not otherwise subscribed for through the Primary Subscription by other stockholders (the "Over-Subscription Privilege"). Shares acquired pursuant to the Over-Subscription Privilege are subject to allotment, which is more fully discussed below under "The Offer Over-Subscription Privilege" on page [ ].

The subscription price per share will be the lower of: (i) \_\_\_% of the average of the last reported sales price of a share on the Exchange on the expiration date of the Offer and on the previous \_\_\_ business days, and (ii) \_\_\_% of the NAV per share as of the close of business on the expiration date of the Offer. You will not know the actual subscription price at the time you exercise your Rights. Once you subscribe for shares and the Fund receives payment or a guarantee of payment, you will not be able to change your decision.

You may also elect to sell your Rights. The Rights are transferable until the Expiration Date of the Offer. The Rights will be listed for trading on the Exchange. The Fund will use its best efforts to ensure that an adequate trading market for the Rights will exist but there is no assurance that a market for the Rights will develop. Trading in the Rights on the Exchange may be conducted until the close of trading on the Exchange on the last Business Day prior to the Expiration Date of the Offer.

If you do not exercise your Rights, you will suffer dilution as a result of the Offer. You should take steps to sell your Rights to avoid losing any market value represented by your Rights. See "The Offer Sale of Rights"

and "Risk Factors and Special Considerations Dilution." A business day is a day on which the Exchange is open for trading and which is not a Saturday, Sunday or other day on which banks in the City of New York, New York are authorized or obligated by law to close.

**Key Terms of the Offer**

[_____], 2007 market price per share	[\$_____]
[_____], 2007 net asset value per share	[\$_____]
Estimated Subscription Price <sup>(1)</sup>	[\$_____]
Shares outstanding at [_____], 2007	[_____]
Transferable Rights issued	[_____]
Subscription ratio	[_____]
Maximum number of Shares to be issued	[_____]

(1) Calculated as the lower of (i) \_\_\_% of the average of the last reported sales price of a share on the Exchange on \_\_\_\_\_, 2007 and on the previous \_\_\_\_\_ business days, and (ii) \_\_\_% of the NAV per share as of the close of business on \_\_\_\_\_, 2007.

**How to Exercise Rights**

Complete, sign and date the enclosed Subscription Certificate.

Make your check or money order for [\$\_\_\_\_\_] for each Share subscribed for, including any Shares you wish to buy using the over-subscription privilege. This payment may be more or less than the actual Subscription Price. Additional payment may be required for the Primary Subscription Shares, and any Over-Subscription Privilege Shares, when the actual Subscription Price is determined.

Registered stockholders should mail their completed Subscription Certificates and payments in the enclosed envelopes to the Subscription Agent, Colbent Corporation ("Colbent") in a manner that will ensure receipt prior to 5:00 p.m., Eastern time, on [\_\_\_\_\_], 2007, unless extended.

If shares are held in a brokerage account or by a custodian bank, contact your broker or financial adviser.

**Important Dates to Remember**

Event	Date
Record Date	[_____], 2007
Expiration Date (Payment for Shares and Notices of Guaranteed Delivery Due)	[_____], 2007 (unless extended)
Due Date for Delivery of Subscription Certificates to Subscription Agent pursuant to Notice of Guaranteed Delivery	[_____], 2007 (unless extended)
Mailing of Shares	Not later than [_____], 2007 (unless extended)

**Stockholder inquiries should be directed to the Information Agent:  
 The Altman Group, Inc.  
 1275 Valley Brook Avenue  
 Lyndhurst, New Jersey 07071  
 Toll Free: 1-800-467-0609**

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You may exercise your Rights by completing and executing the enclosed Subscription Certificate and mailing it, together with payment to Colbent, the Subscription Agent. Alternatively, you may exercise Rights by using a Notice of Guaranteed Delivery. This form may be obtained from the Information Agent. The Notice of Guaranteed

Delivery must be signed by a qualified financial institution and must meet certain other requirements that are described in this Prospectus. If you choose to exercise your Rights, you will not know the final Subscription Price at the time of exercise. You will be required initially to pay the estimated Subscription Price (the "Estimated Subscription Price") of [\$\_\_\_\_\_]. See "The Offer Exercise of Rights" and "The Offer Payment for Shares."

### **The Fund**

The Fund is a diversified, closed-end management investment company with a leveraged capital structure. The Fund's investment objective 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, commonly known as "junk bonds." The Fund will generally invest in securities that are rated below investment grade by recognized rating agencies or that are non-rated. See "Investment Objective and Policies" and "Management of the Fund The Investment Adviser." Securities rated below investment grade are considered by rating agencies, on balance, as predominantly speculative with respect to their capacity to pay interest and repay principal in accordance with the terms of the obligation and thus are generally considered to involve greater credit risk than securities in the higher-rating categories. The market values of the lower-quality securities tend to reflect individual corporate developments or negative economic changes to a greater extent than higher-quality securities. Credit ratings do not reflect this market risk. An investment in the Fund involves a number of significant risks, which are magnified due to the Fund's leveraged capital structure. No assurance can be given that the Fund will achieve its investment objective. See "Risk Factors and Special Considerations."

The Fund has had a leveraged capital structure since it began operation. The Fund is subject to various portfolio diversification and related asset coverage requirements under guidelines established by Moody's Investors Service, Inc. ("Moody's") and Fitch Ratings, Inc. ("Fitch") in connection with such rating agencies' issuance of ratings of Aaa and AAA, respectively, with respect to the Fund's Auction Term Preferred Stock (the "ATP"). Compliance with these guidelines limits the Fund's flexibility to invest in certain types of securities that might otherwise be attractive investments, including private placements. See "The Fund," "Investment Objective and Policies" and "Rating Agency Guidelines."

If all of the Common Stock covered by the Rights is sold, the Fund expects that the Board of Directors will authorize the Fund to issue more ATP, so that the percentage of the Fund's assets representing leverage will be approximately the same as prior to the sale of that Common Stock. However, there is no assurance that it will do so. As of March 31, 2007, the Fund's leverage ratio (the ratio of the Fund's senior securities to the sum of its net assets and its senior securities) was approximately 38%, which would be reduced to approximately [\_\_\_]% in the event all Rights are exercised and no additional leverage is incurred. Incurring additional leverage will reduce any investment flexibility gained by the Fund as a result of the availability of additional assets from the exercise of Rights pursuant to the Offer. See "The Fund" and "Risk Factors and Special Considerations Leverage" for discussion of the risks and possible benefits associated with a leveraged capital structure.

### **The Investment Adviser**

T. Rowe Price Associates, Inc. ("T. Rowe Price" or "Investment Adviser"), was selected by the Fund's Board of Directors to serve as the Fund's investment adviser starting December 2, 2002. The Investment Adviser's principal offices are located at 100 East Pratt Street, Baltimore, Maryland 21202. As of March 31, 2007, T. Rowe Price and its affiliates managed approximately \$350 billion of assets, including approximately \$69 billion of fixed income securities. "High-yield" investments represented approximately \$10.6 billion of these totals. T. Rowe Price has provided investment advisory services to investment companies since 1937.

### **Risk Factors**

An investment in the Fund is subject to a number of significant risks, which are magnified due to the Fund's leveraged capital structure. The Fund cannot give any assurance that it will achieve its investment objective. The NAV and market price of the Fund's Common Stock have declined sharply at times and may do so in the future.



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Before exercising the Rights pursuant to the Offer, you should consider all of the factors described in this Prospectus. These factors include, among others, potential dilution of the NAV of your Shares caused by the Offer, the effects of the Fund's leveraged capital structure, the risks involved in investing lower-quality securities, the negative consequences for the Fund if it fails to meet certain asset coverage requirements, and the fact that Shares may trade at either a discount from or a premium to NAV.

### FEE TABLE

#### Stockholder Transaction Expenses

Sales Load (as a percentage of offering price) <sup>1</sup>	None
Dividend Reinvestment and Cash Purchase Plan Fees <sup>2</sup>	None
<b>Annual Expenses</b> (as a percentage of net assets attributable to Common Stock) <sup>3</sup>	
Investment Advisory Fee	[____]%
Leverage Related Expenses	[____]%
Other Expenses	[____]%
Total Other Expenses <sup>1</sup>	[____]%
Total Annual Expenses	[____]%

(1) Does not include expenses of the Fund incurred in connection with the Offer. Such expenses are estimated at \$[\_\_\_\_\_] and will be borne by the Fund and indirectly by all of the holders of the Fund's Common Stock, including those who do not exercise their Rights and will reduce the Fund's NAV per share. The reduction in NAV per share caused by expenses associated with the Offer will be increased to the extent that a substantial number of Rightholders do not exercise their Rights.

(2) Each participant will pay a pro rata share of brokerage commissions if shares of Common Stock are purchased by the Fund's dividend paying agent in the open market, which occurs only when the NAV of shares of Common Stock exceeds the market price. There is a [\$0.75] fee for each cash purchase under the Fund's Cash Purchase Plan. See "Dividends and Distributions; Dividend Reinvestment Plan."

(3) Fund expense ratios have been calculated using Fund net assets attributable to Common Stock after giving effect to the anticipated proceeds of the Offer. See "Management of the Fund The Investment Adviser" for additional information.

#### Example:

	Cumulative Expenses Paid for the Period of:			
	1 Year	3 Years	5 Years	10 Years
An investor would pay the following expenses on a \$1,000 investment assuming a 5% annual return throughout the periods	[\$__]	[\$__]	[\$__]	[\$__]

The purpose of the foregoing table is to assist investors in understanding the various costs and expenses that investors in the Fund will bear directly or indirectly.

The Example and Fee Table should not be considered a representation of past or future expenses or annual rates of return. Actual expenses or annual rates of return may be greater or lesser than those assumed for purposes of the Example and Fee Table. In addition, while the example assumes reinvestment of all dividends and distributions at NAV, participants in the Fund's Dividend Reinvestment Plan may receive shares purchased or issued at a price or value different from NAV. See "Dividends and Distributions; Dividend Reinvestment Plan."

The Example above assumes reinvestment of all dividends and other distributions at NAV and an expense ratio based on net assets attributable to Common Stock of \_\_% of which \_\_% is attributable to preferred stock payments and related expenses. The tables above and the assumption in the Example of a 5% annual return are required by Securities and Exchange Commission (the "Commission" or the "SEC") regulations applicable to all investment companies. Other Expenses are based on estimated amounts for the current fiscal year.



## FINANCIAL INFORMATION SUMMARY

## Financial Highlights

The following data with respect to a share of Common Stock of the Fund outstanding during the periods indicated has been audited by the Fund's current independent public accountants, , for the fiscal years ended December 31, 2006 and 2005, and by the Fund's former independent public accountants, KPMG LLP, for the fiscal years ended December 31, 2004, 2003, and 2002, and by Arthur Andersen LLP, for the fiscal years ended December 31, 2001, 2000, 1999, 1998, and 1997, as indicated in their respective reports thereto included with the Fund's audited financial statements herein and incorporated by reference, and should be read in conjunction with the audited financial statements and related notes included therein.

	For Years Ended December 31,									
	2006	2005	2004	2003(b)	2002	2001(c)	2000	1999	1998(b)	1997(b)
NET ASSET VALUE:	(For Each Share of Common Stock Outstanding Throughout the Period)									
Beginning of Period	\$ 2.13	\$ 2.26	\$ 2.19	\$ 1.89	\$ 2.61	\$ 2.85	\$ 3.86	\$ 4.16	\$ 5.03	\$ 4.94
NET INVESTMENT INCOME	.25	.25	.26	.26#	.37	.48	.60	.66	.71#	.70#
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND OTHER FINANCIAL INSTRUMENTS	.07	(.011)	.09	.34	(.72)	(.24)	(1.00)	(.30)	(.81)#	.25#
DISTRIBUTIONS FROM NET INVESTMENT INCOME RELATED TO PREFERRED STOCK	(.05)	(.05)	(.05)	(.06)	(.08)	(.12)	(.18)	(.18)	(.17)	(.16)
TOTAL FROM INVESTMENT OPERATIONS	.27	.09	.30	.54	(.43)	.12	(.58)	.18	(.27)	.79
DISTRIBUTIONS FROM NET INVESTMENT INCOME:										
To common stockholders	(.21)	(.22)	(.23)	(.22)	(.29)	(.36)	(.43)	(.48)	(.54)	(.53)
DIVIDENDS IN EXCESS OF NET INVESTMENT										(.01)

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INCOME:  
To  
Common  
Stockholders

TOTAL										
DISTRIBUTIONS	(.22)	(.23)	(.22)	(.29)	(.36)	(.43)	(.48)	(.54)	(.54)	(.54)

Effect  
of  
rights  
offering  
and  
related  
expenses  
and  
Auction  
Term

Preferred  
Stock  
offering  
costs  
and  
sales  
load

			(.02)					(.06)	(.16)	
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NET ASSET VALUE:

End of Period	\$ 2.19	\$ 2.13	\$ 2.26	\$ 2.19	\$ 1.89	\$ 2.61	\$ 2.85	\$ 3.86	\$ 4.16	\$ 5.03
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PER  
SHARE  
MARKET  
VALUE:

End of Period	\$ 2.26	\$ 2.03	\$ 2.19	\$ 2.16	\$ 2.01	\$ 2.64	\$ 2.63	\$ 3.13	\$ 4.25	
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