

NFJ DIVIDEND, INTEREST & PREMIUM STRATEGY FUND  
Form N-Q  
June 19, 2007

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549**

OMB APPROVAL  
OMB Number: 3235-0578  
Expires: April 30, 2010  
Estimated average burden  
hours per response: 10.5

**FORM N-Q  
QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act File Number: 811-21417

Registrant Name: NFJ DIVIDEND, INTEREST & PREMIUM STRATEGY FUND

Address of Principal Executive Offices: 1345 Avenue of the Americas New York, New York 10105

Name and Address of Agent for Service: Lawrence G. Altadonna □ 1345 Avenue of the Americas New York, New York 10105

Registrant's telephone number, including area code: 212-739-3371

Date of Fiscal Year End: January 31, 2008

Date of Reporting Period: April 30, 2007

Form N-Q is to be used by the registered management investment company, other than a small business investment company registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b 1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1 -5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to the collection of information contained in Form N-Q unless the Form displays a currently valid Office of Management and Budget (□OMB□) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

---

**Item 1. Schedule of Investments****NFJ Dividend, Interest & Premium Strategy Fund Schedule of Investments**

April 30, 2007 (unaudited)

Shares (000)		Value*
<b>COMMON STOCK-74.1%</b>		
<b>Agriculture-3.5%</b>		
650	Altria Group, Inc.	\$ 44,798,000
650	Reynolds American, Inc. (a)	41,769,000
		86,567,000
<b>Apparel-0.9%</b>		
250	VF Corp.	21,952,500
<b>Banking-7.6%</b>		
900	Bank of America Corp. (a)	45,810,000
900	KeyCorp (a)	32,112,000
1,200	Regions Financial Corp. (a)	42,108,000
650	Wachovia Corp.	36,101,000
750	Washington Mutual, Inc. (a)	31,485,000
		187,616,000
<b>Beverages-1.8%</b>		
500	Anheuser-Busch Cos., Inc. (a)	24,595,000
400	Coca-Cola Co.	20,876,000
		45,471,000
<b>Chemicals-4.3%</b>		
2,400	Dow Chemical Co. (a)	107,064,000
<b>Commercial Services-0.7%</b>		
36	Deluxe Corp.	1,377,740
400	RR Donnelley & Sons Co. (a)	16,080,000
		17,457,740
<b>Computers-3.3%</b>		
400	International Business Machines Corp.	40,884,000
1,800	Seagate Technology, Inc. (a)	39,870,000
		80,754,000
<b>Diversified Financial Services-2.7%</b>		
350	Freddie Mac	22,673,000
400	JP Morgan Chase & Co. (a)	20,840,000
276	Morgan Stanley	23,211,963
		66,724,963
<b>Electric-1.7%</b>		
625	TXU Corp.	41,007,174
<b>Food-1.9%</b>		
384	HJ Heinz Co.	18,085,529
811	Kraft Foods, Inc.	27,134,450
50	Supervalu, Inc.	2,295,000
		47,514,979
<b>Gas-2.9%</b>		

Edgar Filing: NFJ DIVIDEND, INTEREST & PREMIUM STRATEGY FUND - Form N-Q

1,300	KeySpan Corp. (a)	53,833,000
300	Sempra Energy	19,044,000
		72,877,000
	<b>Hand/Machine Tools-2.1%</b>	
900	Stanley Works	52,452,000
	<b>Home Furnishings-0.0%</b>	
10	Whirlpool Corp.	1,060,300
	<b>Household Products-1.3%</b>	
450	Kimberly-Clark Corp.	32,026,500
	<b>Insurance-3.7%</b>	
700	Allstate Corp. (a)	43,624,000
400	Lincoln National Corp. (a)	28,460,000
350	Travelers Cos., Inc.	18,935,000
		91,019,000
	<b>Machinery-0.7%</b>	
150	Deere & Co.	16,410,000

---

**NFJ Dividend, Interest & Premium Strategy Fund Schedule of Investments**

April 30, 2007 (unaudited)

Shares (000)		Value*
	<b>Media-2.0%</b>	
1,600	CBS Corp.	\$ 50,825,646
	<b>Oil &amp; Gas-16.1%</b>	
1,300	Anadarko Petroleum Corp. (a)	60,658,000
725	Chevron Corp. (a)	56,397,750
1,000	ConocoPhillips	69,350,000
372	Marathon Oil Corp.	37,725,825
1,500	Occidental Petroleum Corp.	76,050,000
550	PetroChina Co., Ltd. ADR	61,677,000
352	Petroleo Brasileiro SA ADR	35,663,329
		397,521,904
	<b>Pharmaceuticals-8.4%</b>	
1,000	GlaxoSmithKline PLC ADR	57,780,000
1,000	Merck & Co., Inc. (a)	51,440,000
3,700	Pfizer, Inc. (a)	97,902,000
		207,122,000
	<b>Real Estate-0.0%</b>	
10	Duke Realty Corp. REIT	431,100
	<b>Telecommunications-6.1%</b>	
500	AT&T, Inc. (a)	19,360,000
1,500	Verizon Communications, Inc. (a)	57,270,000
5,000	Windstream Corp. (a)	73,100,000
		149,730,000
	<b>Toys, Games &amp; Hobbies-0.5%</b>	
400	Mattel, Inc.	11,320,000
	<b>Transportation-1.9%</b>	
900	Norfolk Southern Corp.	47,916,000
	Total Common Stock (cost-\$1,692,712,196)	1,832,840,806
<b>CONVERTIBLE PREFERRED STOCK-15.4%</b>		
		Credit Rating (Moody's/S&P)
	<b>Agriculture-0.5%</b>	
117	Bunge Ltd., 4.875%, 12/31/49	Ba1/BB 12,928,675
	<b>Automotive-0.5%</b>	
575	General Motors Corp., 6.25%, 7/15/33, Ser. C	Caa1/B- 13,215,802
	<b>Banking-0.4%</b>	
195	Washington Mutual Capital Trust, 5.375%, 5/3/41, Ser. UNIT	A3/BBB 10,781,550
	<b>Commercial Services-0.3%</b>	

Edgar Filing: NFJ DIVIDEND, INTEREST & PREMIUM STRATEGY FUND - Form N-Q

161	United Rentals, Inc., 6.50%, 8/1/28	B3/B-	7,937,130
	<b>Diversified Financial Services-6.5%</b>		
416	E*Trade Financial Corp., 6.125%, 11/18/08	Ba3/NR	12,064,000
	Goldman Sachs Group, Inc.,		
495	12.00%, 12/12/07, Ser. CSCO	Aa3/NR	12,701,516
608	20.00%, 12/31/07, Ser. TWX	Aa3/NR	11,878,146
322	20.00%, 3/6/08, Ser. DISH	Aa3/NR	13,749,318
120	Lazard Ltd., 6.625%, 5/15/08	Ba1/NR	5,541,948
	Lehman Brothers Holdings, Inc.,		
430	6.25%, 10/15/07, Ser. GIS	A1/A+	12,126,000
144	8.00%, 3/9/08, Ser. AAPL	A1/A+	13,627,941
206	20.00%, 8/15/07, Ser. UTX	A1/A+	12,138,885
389	20.00%, 2/24/08, Ser. HPQ	A1/A+	16,056,123
	Morgan Stanley,		
184	20.00%, 12/15/07, Ser. XOM	Aa3/A+	13,368,995
337	20.00%, 1/31/08, Ser. T	Aa3/A+	12,401,938
26	20.00%, 3/8/08, Ser. GOOG	NR/NR	11,760,141
362	20.00%, 3/24/08, Ser. DIS	Aa3/NR	12,487,527
			159,902,478

---

**NFJ Dividend, Interest & Premium Strategy Fund Schedule of Investments**

April 30, 2007 (unaudited)

Shares (000)		Credit Rating (Moody's/S&P)	Value*
	<b>Electric-1.8%</b>		
244	AES Trust III, 6.75%, 10/15/29	B3/B	\$ 12,197,677
230	Entergy Corp., 7.625%, 2/17/09	NR/BBB	15,939,000
48	NRG Energy, Inc., 5.75%, 3/16/09	B2/CCC+	16,935,750
			45,072,427
	<b>Insurance-1.8%</b>		
300	Genworth Financial, Inc., 6.00%, 5/16/07	A2/A	11,583,000
405	Metlife, Inc., 6.375%, 8/15/08	NR/BBB+	13,310,583
165	Platinum Underwriters Holdings Ltd., 6.00%, 2/15/09, Ser. A XL Capital Ltd.,	NR/BB+	5,341,875
386	6.50%, 5/15/07	A3/A-	9,841,788
136	7.00%, 2/15/09	A3/A-	3,733,250
			43,810,496
	<b>Metals &amp; Mining-0.5%</b>		
121	Freeport-McMoRan Copper & Gold, Inc., 6.75%, 5/1/10	NR/B+	13,165,902
	<b>Oil &amp; Gas-0.5%</b>		
104	Chesapeake Energy Corp., 5.00%, 12/31/49	NR/B	11,605,237
	<b>Pharmaceuticals-0.7%</b>		
239	Schering-Plough Corp., 6.00%, 9/14/07	Baa3/BBB	17,267,922
	<b>Real Estate-0.5%</b>		
465	FelCor Lodging Trust, Inc., 1.95%, 12/31/49, Ser. A, REIT	B2/B-	12,037,050
	<b>Retail-0.3%</b>		
5	Blockbuster, Inc., 7.50%, 12/31/49	NR/NR	6,955,200
	<b>Telecommunications-0.6%</b>		
239	Crown Castle International Corp., 6.25%, 8/15/12	NR/NR	13,736,462
	<b>Waste Disposal-0.5%</b>		
38	Allied Waste Industries, Inc., 6.25%, 3/1/08, Ser. D	B3/B	13,487,400
	Total Convertible Preferred Stock (cost-\$355,665,500)		381,903,731

**CONVERTIBLE BONDS & NOTES-8.9%**

Principal Amount (000)		Credit Rating (Moody's/S&P)	
	<b>Airlines-0.5%</b>		
\$8,945	UAL Corp., 4.50%, 6/30/21 (b)(c)	NR/CCC+	11,985,584
	<b>Banking-0.4%</b>		
10,000	UBS AG Jersey, 22.00%, 8/15/07 (b)(c)	NR/NR	9,900,000

Edgar Filing: NFJ DIVIDEND, INTEREST & PREMIUM STRATEGY FUND - Form N-Q

<b>Commercial Services-1.5%</b>			
3,000	Quanta Services, Inc., 3.75%, 4/30/26 (b)(c)	NR/B	4,170,000
7,930	Quanta Services, Inc., 3.75%, 4/30/26 GDR	NR/B	11,022,700
13,400	Quebecor World USA, Inc., 6.00%, 10/1/07	Caa1/B-	13,366,500
7,500	Vertrue, Inc., 5.50%, 10/1/10	NR/B-	9,328,125
			37,887,325
<b>Computers-1.6%</b>			
10,000	DST Systems, Inc., 4.125%, 8/15/23	NR/NR	16,775,000
11,750	Electronic Data Systems Corp., 3.875%, 7/15/23	Ba1/BBB-	12,278,750
10,100	Maxtor Corp., 6.80%, 4/30/10	Ba1/NR	11,046,875
			40,100,625
<b>Electric-0.5%</b>			
3,500	PG&E Corp., 9.50%, 6/30/10	NR/NR	12,691,875
<b>Electrical Components &amp; Equipment-0.0%</b>			
750	General Cable Corp., 0.875%, 11/15/13	B1/B+	971,250
<b>Hotel/Gaming-0.3%</b>			
2,300	Hilton Hotels Corp., 3.375%, 4/15/23	Ba1/BB+	3,544,875
1,695	Mandalay Resort Group, 6.10%, 3/21/33 (d)	Ba2/BB	2,398,425
			5,943,300

---

**NFJ Dividend, Interest & Premium Strategy Fund Schedule of Investments**

April 30, 2007 (unaudited)

Principal Amount (000)		Credit Rating (Moody's/S&P)	Value*
	<b>Oil &amp; Gas-0.5%</b>		
\$8,825	Devon Energy Corp., 4.95%, 8/15/08	Baa2/BBB	\$ 12,928,625
	<b>Real Estate-0.5%</b>		
9,500	Digital Realty Trust L.P., 4.125%, 8/15/26, REIT (b)(c)	NR/NR	12,498,295
	<b>Retail-0.5%</b>		
12,800	Sonic Automotive, Inc., 5.25%, 5/7/09	B2/B	12,624,000
	<b>Semi-conductors-0.2%</b>		
4,000	Intel Corp., 2.95%, 12/15/35	NR/A-	3,660,000
	<b>Telecommunications-2.4%</b>		
10,500	CenturyTel, Inc., 4.75%, 8/1/32	Baa2/BBB	12,455,625
5,855	Harris Corp., 3.50%, 8/15/22 GDR	Baa2/BBB+	13,327,444
13,300	Level 3 Communications, Inc., 6.00%, 3/15/10	Caa3/CCC	12,751,375
14,000	Nextel Communications, Inc., 5.25%, 1/15/10	Baa3/BBB	14,017,500
6,500	Nortel Networks Corp., 4.25%, 9/1/08 GDR	B3/B-	6,443,125
			58,995,069
	Total Convertible Bonds & Notes (cost-\$201,201,685)		220,185,948
<b>SHORT-TERM INVESTMENT-4.3%</b>			
	<b>Time Deposits-4.3%</b>		
97,248	Societe Generale Grand Cayman, 4.63%, 5/1/07		97,248,209
8,222	Citbank Nassau, 4.63%, 5/1/07		8,222,448
	Total Time Deposits (cost-\$105,470,657)		105,470,657
	<b>Total Investments, before call options written (cost-\$2,355,050,038)- 102.7%</b>		<b>2,540,401,142</b>

**CALL OPTIONS WRITTEN (e)-(1.8)%**

Contracts		
	American Stock Exchange Morgan Stanley Cyclical Flex Index,	
250	strike price \$975, expires 6/1/07	(863,750)
250	strike price \$977, expires 6/1/07	(823,000)
	American Stock Exchange Morgan Stanley Cyclical Index,	
600	strike price \$970, expires 5/19/07	(2,112,000)
300	strike price \$980, expires 5/19/07	(799,500)
125	strike price \$990, expires 6/16/07	(353,125)
125	strike price \$995, expires 6/16/07	(310,625)
400	strike price \$1015, expires 6/16/07	(522,000)



Edgar Filing: NFJ DIVIDEND, INTEREST & PREMIUM STRATEGY FUND - Form N-Q

100	strike price \$1020, expires 6/16/07	(105,000)
	American Stock Exchange Oil Flex Index,	
200	strike price \$1283, expires 6/1/07	(450,600)
200	strike price \$1295, expires 6/8/07	(416,400)
	American Stock Exchange Oil Index,	
200	strike price \$1190, expires 5/19/07	(1,683,000)
200	strike price \$1200, expires 5/19/07	(1,497,000)
250	strike price \$1210, expires 5/19/07	(1,646,250)
100	strike price \$1220, expires 5/19/07	(570,500)
150	strike price \$1240, expires 5/19/07	(615,750)
150	strike price \$1250, expires 5/19/07	(509,250)
250	strike price \$1265, expires 5/25/07	(683,750)
200	strike price \$1300, expires 6/16/07	(464,000)
250	strike price \$1310, expires 6/16/07	(485,000)
325	strike price \$1320, expires 6/16/07	(523,250)
225	strike price \$1330, expires 6/16/07	(298,125)
	Nasdaq 100 Stock Index,	
100	strike price \$1810, expires 5/19/07	(719,500)
25	strike price \$1850, expires 6/16/07	(152,750)
50	strike price \$1875, expires 6/16/07	(226,500)
100	strike price \$1900, expires 6/16/07	(319,000)

---

**NFJ Dividend, Interest & Premium Strategy Fund Schedule of Investments**

April 30, 2007 (unaudited)

Contracts	Value*
5,000 Pharmaceutical HOLDERS, strike price \$100.80, expires 5/4/07	\$ (3,735,000)
5,000 strike price \$101, expires 5/25/07	(4,320,000)
5,000 strike price \$101, expires 6/22/07	(1,395,000)
Philadelphia Stock Exchange KBW Bank Sector Flex Index,	
2,000 strike price \$116, expires 6/8/07	(478,000)
1,500 strike price \$116.20, expires 5/11/07	(160,500)
2,000 strike price \$116.50, expires 5/25/07	(332,000)
2,000 strike price \$117.50, expires 5/4/07	(20,000)
Philadelphia Stock Exchange KBW Bank Sector Index,	
400 strike price \$112.50, expires 5/19/07	(168,000)
6,050 strike price \$115, expires 5/19/07	(1,331,000)
2,000 strike price \$115, expires 6/16/07	(620,000)
4,050 strike price \$117.50, expires 5/19/07	(344,250)
400 strike price \$117.50, expires 6/16/07	(70,000)
1,500 strike price \$120, expires 5/19/07	(37,500)
1,100 strike price \$120, expires 6/16/07	(93,500)
Standard & Poors 500 Flex Index,	
250 strike price \$1418, expires 5/11/07	(1,998,250)
200 strike price \$1432, expires 5/4/07	(1,296,800)
200 strike price \$1443, expires 6/1/07	(1,258,200)
200 strike price \$1463, expires 6/8/07	(973,600)
250 strike price \$1465, expires 5/4/07	(518,750)
Standard & Poors 500 Index,	
200 strike price \$1425, expires 5/19/07	(1,269,000)
100 strike price \$1450, expires 5/19/07	(418,000)
300 strike price \$1455, expires 5/19/07	(1,131,000)
300 strike price \$1480, expires 6/16/07	(933,000)
550 strike price \$1500, expires 6/16/07	(1,053,250)
100 strike price \$1505, expires 6/16/07	(168,000)
200 strike price \$1511, expires 7/6/07	(411,200)
Telecommunication Basket Index,	
4,000 strike price \$102.30, expires 5/11/07	(1,280,000)
Utilities HOLDERS,	
5,000 strike price \$101, expires 6/22/07	(495,000)
Total Call Options Written (premium received-\$22,890,975)	(43,458,425)
<b>Total Investments, net of call options written (cost-\$2,332,159,063) -100.9%</b>	<b>2,496,942,717</b>
Liabilities in excess of other assets-(0.9%)	(23,425,360)
<b>Net Assets-100.0%</b>	<b>\$ 2,473,517,357</b>

**Notes to Schedule of Investments:**

\*

## Edgar Filing: NFJ DIVIDEND, INTEREST & PREMIUM STRATEGY FUND - Form N-Q

Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. Portfolio securities and other financial instruments for which market quotations are not readily available or if a development/event occurs that may significantly impact the value of a security, are fair-valued, in good faith, pursuant to guidelines established by the Board of Trustees. The Fund's investments including over-the-counter options, are valued daily using prices supplied by an independent pricing service or dealer quotations, or the last sale price on the exchange that is the primary market for such securities, or the mean between the last quoted bid and ask price for those securities for which the over-the-counter market is the primary market or for listed securities in which there were no sales. Independent pricing services use information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics. Exchange traded options are valued at the settlement price determined by the relevant exchange. Short-term securities maturing in 60 days or less are valued at amortized cost, if their original maturity was 60 days or less, or by amortizing their value on the 61st day prior to maturity, if the original term to maturity exceeded 60 days. The prices used by the Fund to value securities may differ from the value that would be realized if the securities were sold. The Fund's net asset value is determined daily as of the close of regular trading (normally, 4:00 p.m. Eastern time) on the New York Stock Exchange (□NYSE□) on each day the (□NYSE□) is open for business.

- (a) All or partial amount segregated as collateral for call options written.
- (b) 144A Security-Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, typically only to qualified institutional buyers. Unless otherwise indicated, these securities are not considered to be illiquid.
- (c) Private Placement. Restricted as to resale and may not have a readily available market. Securities with an aggregate market value of \$38,553,879, representing 1.56% of net assets are restricted.
- (d) Variable rate security. Interest rate disclosed reflects the rate in effect on April 30, 2007.
- (e) Non-income producing.

**Glossary:**

ADR-American Depositary Receipt

GDR-Global Depositary Receipt

NR-Not Rated

REIT-Real Estate Investment Trust

---

**Item 2. Controls and Procedures**

a) The registrant's President and Chief Executive Officer and Principal Financial Officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-2(c)) under the Investment Company Act of 1940, as amended are effective based on their evaluation of these controls and procedures as of a date within 90 days of the filing date of this document.

(b) There were no significant changes in the registrant's internal controls over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR 270.3a-3(d)) that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Item 3. Exhibits**

(a) Exhibit 99.302 Cert.  Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

---

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant: NFJ Dividend, Interest & Premium Strategy Fund

By /s/ Brian S. Shlissel  
President & Chief Executive Officer

Date: June 19, 2007

By /s/ Lawrence G. Altadonna  
Treasurer, Principal Financial & Accounting Officer

Date: June 19, 2007

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dated indicated.

By /s/ Brian S. Shlissel  
President & Chief Executive Officer

Date: June 19, 2007

By /s/ Lawrence G. Altadonna  
Treasurer, Principal Financial & Accounting Officer

Date: June 19, 2007

---