

NFJ DIVIDEND, INTEREST & PREMIUM STRATEGY FUND
Form N-Q
June 24, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

OMB APPROVAL
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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, 2009

Date of Reporting Period: April 30, 2008

Form N-Q is to be used by management investment companies, other than small business investment companies 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, 2008 (unaudited)

Shares
(000)

Value*

COMMON STOCK-71.8%**Banking-3.8%**

| | | |
|-------|-----------------------------|---------------|
| 700 | Bank of America Corp. (a) | \$ 26,278,000 |
| 600 | KeyCorp (a) | 14,478,000 |
| 1,000 | Regions Financial Corp. (a) | 21,920,000 |
| 750 | Wachovia Corp. (a) | 21,862,500 |
| | | 84,538,500 |

Beverages-2.4%

| | | |
|-----|-------------------------------|------------|
| 600 | Anheuser-Busch Cos., Inc. (a) | 29,520,000 |
| 400 | Coca-Cola Co. | 23,548,000 |
| | | 53,068,000 |

Chemicals-3.4%

| | | |
|-------|----------------------|------------|
| 1,900 | Dow Chemical Co. (a) | 76,285,000 |
|-------|----------------------|------------|

Commercial Services & Supplies-2.1%

| | | |
|-----|-------------------------------|------------|
| 400 | R.R. Donnelley & Sons Co. (a) | 12,256,000 |
| 979 | Waste Management, Inc. | 35,352,730 |
| | | 47,608,730 |

Computers & Peripherals-1.9%

| | | |
|-------|------------------------------|------------|
| 2,300 | Seagate Technology, Inc. (a) | 43,401,000 |
|-------|------------------------------|------------|

Diversified Financial Services-0.9%

| | | |
|-----|---------------------------|------------|
| 400 | JP Morgan Chase & Co. (a) | 19,060,000 |
|-----|---------------------------|------------|

Diversified Telecommunication Services-6.1%

| | | |
|-------|----------------------------------|-------------|
| 700 | AT&T, Inc. (a) | 27,097,000 |
| 700 | Verizon Communications, Inc. (a) | 26,936,000 |
| 7,000 | Windstream Corp. (a) | 82,180,000 |
| | | 136,213,000 |

Electronic Equipment & Instruments-1.8%

| | | |
|-----|---------------------------------|------------|
| 325 | Diamond Offshore Drilling, Inc. | 40,758,250 |
|-----|---------------------------------|------------|

Energy Equipment & Services-1.8%

| | | |
|-----|-----------------|------------|
| 900 | Halliburton Co. | 41,319,000 |
|-----|-----------------|------------|

Food Products-1.4%

| | | |
|-------|---------------------------|------------|
| 1,000 | Kraft Foods, Inc. Class A | 31,630,000 |
|-------|---------------------------|------------|

Household Durables-2.7%

| | | |
|-----|----------------------|------------|
| 500 | Black & Decker Corp. | 32,815,000 |
| 400 | Whirlpool Corp. | 29,112,000 |
| | | 61,927,000 |

Household Products-1.4%

| | | |
|-----|----------------------|------------|
| 500 | Kimberly-Clark Corp. | 31,995,000 |
|-----|----------------------|------------|

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| | | |
|--|----------------------------|------------|
| Insurance-3.9% | | |
| 700 | Allstate Corp. (a) | 35,252,000 |
| 500 | Lincoln National Corp. (a) | 26,880,000 |
| 500 | Travelers Cos., Inc. | 25,200,000 |
| | | 87,332,000 |
| Leisure Equipment & Products-1.7% | | |
| 2,000 | Mattel, Inc. (a) | 37,500,000 |
| Machinery-1.4% | | |
| 400 | Caterpillar, Inc. (a) | 32,752,000 |
| Media-2.5% | | |
| 1,200 | CBS Corp.□Class B | 27,684,000 |
| 1,000 | Gannett Co. (a) | 28,620,000 |
| | | 56,304,000 |
| Metals & Mining-1.8% | | |
| 1,200 | Alcoa, Inc. | 41,736,000 |
| Multi-Utilities-1.4% | | |
| 683 | Ameren Corp. | 30,962,736 |

NFJ Dividend, Interest & Premium Strategy Fund Schedule of Investments

April 30, 2008 (unaudited)

| Shares (000) | | Value* |
|--|---|---------------|
| Oil & Gas-10.2% | | |
| 400 | Chevron Corp. (a) | \$ 38,460,000 |
| 388 | ConocoPhillips | 33,391,740 |
| 800 | Marathon Oil Corp. | 36,456,000 |
| 416 | Occidental Petroleum Corp. | 34,598,718 |
| 550 | Royal Dutch Shell PLC, ADR | 44,170,500 |
| 500 | Total SA, ADR | 42,000,000 |
| | | 229,076,958 |
| Pharmaceuticals-8.2% | | |
| 1,850 | GlaxoSmithKline PLC, ADR (a) | 81,603,500 |
| 3,600 | Pfizer, Inc. (a) | 72,396,000 |
| 700 | Wyeth (a) | 31,129,000 |
| | | 185,128,500 |
| Real Estate (REIT)-1.5% | | |
| 1,933 | Host Hotels & Resorts, Inc. | 33,251,040 |
| Road & Rail-1.8% | | |
| 700 | Norfolk Southern Corp. (a) | 41,706,000 |
| Semiconductors & Semiconductor Equipment-1.5% | | |
| 1,554 | Intel Corp. | 34,589,815 |
| Specialty Retail-3.2% | | |
| 2,500 | Home Depot, Inc. (a) | 72,000,000 |
| Textiles, Apparel & Luxury Goods-0.8% | | |
| 250 | VF Corp. | 18,595,000 |
| Tobacco-2.2% | | |
| 1,096 | Altria Group, Inc. (a) | 21,910,000 |
| 500 | Reynolds American, Inc. (a) | 26,925,000 |
| | | 48,835,000 |
| | Total Common Stock (cost-\$1,743,220,867) | 1,617,572,529 |

CONVERTIBLE PREFERRED STOCK-17.9%

| | | Credit Rating (Moody's/S&P) | |
|-------------------------|--|--------------------------------|------------|
| Agriculture-0.7% | | | |
| | Bunge Ltd., | | |
| 76 | 4.875%, 12/31/49 | Ba1/BB | 10,514,706 |
| 4 | 5.125%, 12/1/10 | NR/BB | 4,220,000 |
| | | | 14,734,706 |
| Automotive-0.5% | | | |
| 575 | General Motors Corp., 6.25%, 7/15/33, Ser. C | Caa1/B- | 10,686,462 |

Banking-2.5%

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| | | | |
|-----|---|---------|------------|
| 12 | Bank of America Corp., 7.25%, 12/31/49 Wachovia Corp., | A1/A+ | 12,815,100 |
| 386 | 13.15%, 3/30/09, Ser. GE (General Electric Co.) (f) | Aa3/AA- | 12,775,663 |
| 258 | 14.10%, 4/1/09, Ser. JPM (JP Morgan Chase & Co.) (f) | Aa3/AA- | 12,128,218 |
| 129 | Wells Fargo & Co., 8.00%, 6/1/08, Ser. AAPL (Apple, Inc.) (f) | Aa1/AA+ | 17,500,259 |
| | | | 55,219,240 |
| | Commercial Services-0.2% | | |
| 161 | United Rentals, Inc., 6.50%, 8/1/28 | B3/B- | 4,804,583 |
| | Diversified Financial Services-5.2% | | |
| 117 | Citigroup Funding, Inc., 4.583%, 9/27/08, Ser. GNW (Genworth Financial, Inc.) (d) (f) | Aa3/AA- | 2,808,085 |
| 138 | Citigroup, Inc., 6.50%, 12/31/49, Ser. T Credit Suisse Group, | A2/A | 7,173,232 |
| 505 | 11.00%, 3/16/09, Ser. MSFT (Microsoft Corp.) (f) | Aa1/AA- | 13,889,323 |
| 179 | 11.00%, 4/25/09, Ser. KO (Coca-Cola Corp.) (f) Eksportfinans A/S, | Aa1/AA- | 11,463,271 |
| 297 | 10.00%, 3/12/09, Ser. HPQ (Hewlett Packard Co.) (f) | Aaa/AA+ | 13,122,662 |
| 866 | 13.00%, 11/1/08, Ser. TWX (Time Warner, Inc.) (f) Goldman Sachs Group, Inc., 9.75%, 12/19/08, Ser. CSCO (Cisco Systems, Inc.) (f) | Aaa/AA+ | 12,640,776 |
| 597 | | Aa3/NR | 15,094,337 |
| 86 | Lazard Ltd., 6.625%, 5/15/08 | Ba1/NR | 2,777,630 |

NFJ Dividend, Interest & Premium Strategy Fund Schedule of Investments

April 30, 2008 (unaudited)

Shares
(000)

Value*

Diversified Financial Services (continued)

Lehman Brothers Holdings, Inc.,

| | | | |
|-----|--|-------|---------------|
| 630 | 6.00%, 10/12/10, Ser. GIS (General Mills, Inc.) (f) | A1/A+ | \$ 14,986,156 |
| 178 | 8.50%, 8/25/08, Ser. UTX (United Technologies Corp.) (f) | A1/A+ | 12,149,616 |
| 97 | 28.00%, 3/6/09, Ser. RIG (Transocean, Inc.) (f) | A1/A+ | 10,633,668 |
| | | | 116,738,756 |

Electric-2.0%

| | | | |
|-----|----------------------------------|---------|------------|
| 244 | AES Trust III, 6.75%, 10/15/29 | B3/B- | 11,570,340 |
| 230 | Entergy Corp., 7.625%, 2/17/09 | NR/BBB | 15,460,600 |
| 48 | NRG Energy, Inc., 5.75%, 3/16/09 | B2/CCC+ | 18,181,203 |
| | | | 45,212,143 |

Hand/Machine Tools-0.6%

| | | | |
|----|------------------------------------|------|------------|
| 16 | Stanley Works, 5.125%, 5/17/12 (d) | A2/A | 13,658,537 |
|----|------------------------------------|------|------------|

Insurance-1.2%

| | | | |
|-----|---|---------|------------|
| 429 | Metlife, Inc., 6.375%, 8/15/08 | NR/BBB+ | 12,666,752 |
| 213 | Platinum Underwriters Holdings Ltd., 6.00%, 2/15/09, Ser. A | NR/BB+ | 6,827,913 |
| 504 | XL Capital Ltd., 7.00%, 2/15/09 | Baa1/A- | 7,084,949 |
| | | | 26,579,614 |

Investment Companies-0.7%

Vale Capital Ltd.,

| | | | |
|-----|---|-------|------------|
| 175 | 5.50%, 6/15/10, Ser. RIO-P (CompanhiaVale ADS) | NR/NR | 12,607,875 |
| 56 | 5.50%, 6/15/10, Ser. RIO (Companhia Vale do Rio Doce) | NR/NR | 4,162,500 |
| | | | 16,770,375 |

Metals & Mining-0.6%

| | | | |
|----|---|-------|------------|
| 89 | Freeport-McMoRan Copper & Gold, Inc., 6.75%, 5/1/10 | NR/BB | 14,440,557 |
|----|---|-------|------------|

Oil & Gas-0.7%

| | | | |
|-----|--|------|------------|
| 107 | Chesapeake Energy Corp., 5.00%, 12/31/49 | NR/B | 15,542,981 |
|-----|--|------|------------|

Pharmaceuticals-0.4%

| | | | |
|----|---------------------------------------|----------|-----------|
| 47 | Schering-Plough Corp., 6.00%, 8/13/10 | Baa3/BBB | 8,555,388 |
|----|---------------------------------------|----------|-----------|

Real Estate (REIT)-0.5%

| | | | |
|-----|---|-------|------------|
| 602 | FelCor Lodging Trust, Inc., 1.95%, 12/31/49, Ser. A | B2/B- | 11,680,536 |
|-----|---|-------|------------|

Savings & Loans-0.2%

| | | | |
|-----|---|----------|-----------|
| 143 | Washington Mutual Capital Trust, 5.375%, 5/3/41 | Ba1/BBB- | 4,753,782 |
|-----|---|----------|-----------|

Sovereign-1.3%

Svensk Exportkredit AB,

| | | | |
|-----|---|---------|------------|
| 362 | 10.00%, 10/20/08, Ser. TEVA (Teva Pharmaceutical Industries Ltd.) (f) | Aa1/AA+ | 15,896,962 |
| 162 | 12.50%, 12/12/08, Ser. XOM (Exxon Mobil Corp.) (f) | Aa1/AA+ | 14,182,392 |
| | | | 30,079,354 |

Telecommunications-0.6%

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| | | | |
|---|--|-----------|-------------|
| 239 | Crown Castle International Corp., 6.25%, 8/15/12 | NR/NR | 13,855,910 |
| | Total Convertible Preferred Stock (cost-\$409,831,086) | | 403,312,924 |
| CONVERTIBLE BONDS & NOTES-5.9% | | | |
| | Principal Amount (000) | | |
| Auto Manufacturers-0.6% | | | |
| \$ 11,760 | Ford Motor Co., 4.25%, 12/15/36 | Caa1/CCC+ | 13,127,100 |
| Commercial Services-0.7% | | | |
| | Quanta Services, Inc., | | |
| 3,000 | 3.75%, 4/30/26 (b) (c) | NR/BB | 4,091,250 |
| 7,930 | 3.75%, 4/30/26 | NR/BB | 10,814,538 |
| | | | 14,905,788 |
| Computers-0.6% | | | |
| 2,000 | EMC Corp., 1.75%, 12/1/13 | NR/BBB+ | 2,405,000 |
| 11,485 | Maxtor Corp., 6.80%, 4/30/10 | Ba1/NR | 12,116,675 |
| | | | 14,521,675 |
| Electrical Components & Equipment-0.0% | | | |
| 750 | General Cable Corp., 0.875%, 11/15/13 | B1/B+ | 1,106,250 |
| Hotel/Gaming-0.1% | | | |
| 1,390 | Mandalay Resort Group, 3.349%, 3/21/33 (d) | Ba2/BB | 1,966,850 |

NFJ Dividend, Interest & Premium Strategy Fund Schedule of Investments

April 30, 2008 (unaudited)

Principal
Amount
(000)

Value*

| | | | |
|--|--|-----------|----------------------|
| Internet-0.5% | | | |
| \$ 10,605 | Amazon.com, Inc., 4.75%, 2/1/09 | Ba2/B+ | \$ 11,625,731 |
| Oil & Gas-0.5% | | | |
| 6,035 | Devon Energy Corp., 4.95%, 8/15/08 | Baa1/BBB+ | 10,885,631 |
| Real Estate (REIT)-0.7% | | | |
| 5,045 | Developers Diversified Realty Corp., 3.00%, 3/15/12 | NR/BBB | 4,426,987 |
| 9,500 | Digital Realty Trust L.P., 4.125%, 8/15/26 (b) (c) | NR/NR | 12,232,200 |
| | | | 16,659,187 |
| Retail-0.6% | | | |
| 12,800 | Sonic Automotive, Inc., 5.25%, 5/7/09 | B2/B | 12,608,000 |
| Semiconductors-0.3% | | | |
| 4,000 | Cypress Semiconductor Corp., 1.00%, 9/15/09 | NR/NR | 5,175,000 |
| 1,500 | Intel Corp., 2.95%, 12/15/35 | NR/A- | 1,496,250 |
| | | | 6,671,250 |
| Software-0.2% | | | |
| 5,000 | Lawson Software, Inc., 2.50%, 4/15/12 (b) (c) | NR/NR | 4,812,500 |
| Telecommunications-1.1% | | | |
| 13,300 | Level 3 Communications, Inc., 6.00%, 3/15/10 | Caa3/CCC | 11,371,500 |
| 14,000 | Nextel Communications, Inc., 5.25%, 1/15/10 | Baa3/BBB- | 13,090,000 |
| | | | 24,461,500 |
| | Total Convertible Bonds & Notes (cost-\$128,274,848) | | 133,351,462 |
| SHORT-TERM INVESTMENTS-4.7% | | | |
| Time Deposits-4.7% | | | |
| 84,784 | Citibank[]London, 1.69%, 5/1/08 | | 84,783,611 |
| 18,665 | Royal Bank of Canada[]London, 1.69%, 5/1/08 | | 18,665,094 |
| 2,832 | Societe Generale[]London, 1.69%, 5/1/08 | | 2,832,230 |
| | (cost-\$106,280,935) | | 106,280,935 |
| | Total Investments, before call options written | | 2,260,517,850 |
| | (cost-\$2,387,607,736)-100.3% | | |
| CALL OPTIONS WRITTEN (e)-(0.5)% | | | |
| Contracts | | | |
| | American Stock Exchange Morgan Stanley Cyclical Index, | | |
| 200 | strike price \$980, expires 5/17/08 | | (272,000) |
| 800 | strike price \$990, expires 5/17/08 | | (748,000) |
| 150 | strike price \$1010, expires 5/17/08 | | (54,750) |
| 300 | strike price \$1015, expires 5/23/08 | | (174,900) |
| 320 | strike price \$1020, expires 5/17/08 | | (65,600) |
| 330 | strike price \$1030, expires 6/21/08 | | (310,200) |

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| | | |
|-------|--|-----------|
| 300 | strike price \$1050, expires 6/21/08 | (156,000) |
| | American Stock Exchange Oil Flex Index, | |
| 250 | strike price \$1500, expires 5/30/08 | (888,750) |
| 300 | strike price \$1550, expires 6/6/08 | (662,100) |
| | American Stock Exchange Oil Index, | |
| 250 | strike price \$1480, expires 5/17/08 | (817,500) |
| 300 | strike price \$1580, expires 6/21/08 | (592,500) |
| 35 | strike price \$1590, expires 6/21/08 | (63,000) |
| 250 | strike price \$1600, expires 6/21/08 | (380,000) |
| | American Stock Exchange Pharmaceutical Flex Index, | |
| 1,000 | strike price \$304, expires 5/2/08 | (7,000) |
| 1,000 | strike price \$314, expires 5/2/08 | - |
| | American Stock Exchange Pharmaceutical Index, | |
| 600 | strike price \$300, expires 5/17/08 | (264,000) |
| 400 | strike price \$310, expires 5/17/08 | (22,000) |
| | Nasdaq 100 Stock Index, | |
| 150 | strike price \$2025, expires 6/21/08 | (345,000) |
| | Philadelphia Stock Exchange KBW Bank Index, | |
| 3,500 | strike price \$90, expires 6/21/08 | (516,250) |
| 3,000 | strike price \$92.50, expires 5/17/08 | (67,500) |
| 5,000 | strike price \$95, expires 5/17/08 | (62,500) |
| 4,500 | strike price \$95, expires 6/21/08 | (270,000) |

NFJ Dividend, Interest & Premium Strategy Fund Schedule of Investments

April 30, 2008 (unaudited)

| Contracts | Value* |
|---|--------------|
| Standard & Poors 500 Flex Index, | |
| 250strike price \$1375, expires 5/2/08 | \$ (370,500) |
| 250strike price \$1385, expires 5/9/08 | (408,750) |
| 250strike price \$1385, expires 5/30/08 | (759,000) |
| 250strike price \$1400, expires 5/2/08 | (48,500) |
| 300strike price \$1400, expires 6/6/08 Standard & Poors 500 Index, | (771,900) |
| 100strike price \$1375, expires 5/17/08 | (269,500) |
| 250strike price \$1390, expires 5/17/08 | (463,750) |
| 650strike price \$1400, expires 5/17/08 | (910,000) |
| strike price \$1425, expires 5/17/08 | (151,500) |

300

| | |
|--|-------------------------|
| 850strike price \$1440, expires 6/21/08 | (1,262,250) |
| Telecommunication Basket Index, strike price \$108.10, expires 5/23/08 | (20,000) |
| Total Call Options Written (premium received-\$16,170,847) | (12,175,200) |
| Total Investments, net of call options written (cost-\$2,371,436,889)- 99.8% | 2,248,342,650 |
| Other assets less liabilities □ 0.2% | 3,763,844 |
| Net Assets-100.0% | \$ 2,252,106,494 |

Notes to Schedules of Investments:

* 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 or persons acting at their discretion pursuant to guidelines approved 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 term to maturity was 60 days or less, or by amortizing their value on the 61st day prior to maturity, if the original term 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 normally

determined 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 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 \$21,135,950, representing 0.94% of net assets are restricted. Variable rate security. Interest rate disclosed reflects the rate in effect on April 30, 2008.
- (d)
- (e) Non-income producing Securities exchangeable or convertible into securities of an entity different than the issuer. Such entity is identified in the parenthetical.
- (f)

Glossary:

ADR□American Depositary Receipt
GDR□Global Depositary Receipt
NR□Not Rated
REIT□Real Estate Investment Trust

NFJ Dividend, Interest & Premium Strategy Fund Schedule of Investments

April 30, 2008 (unaudited)

Other Investments:

Transactions in call options written for the three months ended April 30, 2008 were:

| | Contracts | Premiums |
|---|------------------|---------------------|
| Options outstanding, January 31, 2008 | 37,100 | \$19,411,700 |
| Options written | 55,085 | 27,901,168 |
| Options terminated in closing purchase transactions | (350) | (891,450) |
| Options expired | (60,450) | (30,250,571) |
| Options outstanding, April 30, 2008 | 31,385 | \$16,170,847 |

Fair Value Measurements—Effective February 1, 2008, the Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements ("FAS 157"). This standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value and requires additional disclosures about the use of the fair value measurements. The three levels of the fair value hierarchy under FAS 157 are described below:

- Level 1 □ quoted prices in active markets for identical investments
- Level 2 □ other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 □ significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

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

The following is a summary of the inputs used as of April 30, 2008 in valuing the Fund's investments carried at value:

| Valuation Inputs | Investments in Securities |
|---|----------------------------------|
| Level 1 □ Quoted Prices | \$1,715,657,661 |
| Level 2 □ Other Significant Observable Inputs | 530,718,139 |
| Level 3 □ Significant Unobservable Inputs | 1,966,850 |
| Total | \$2,248,342,650 |

A roll forward of fair value measurements using significant unobservable inputs (Level 3) as of April 30, 2008, were as follows:

| | Investments in Securities |
|---|----------------------------------|
| Beginning balance, January 31, 2008 | \$2,398,425 |
| Net purchases (sales) and settlements | (431,766) |
| Accrued discounts (premiums) | - |
| Total realized and unrealized gain (loss) | 191 |
| Transfers in and/or out of Level 3 | - |
| Ending balance, April 30, 2008 | \$1,966,850 |

Item 2. Controls and Procedures

(a) The registrant's President & Chief Executive Officer and Treasurer, Principal Financial & Accounting Officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Act (17 CFR 270.30a-3(c))), as 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 270.30a-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 24, 2008

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

Date: June 24, 2008

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

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

Date: June 24, 2008

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

Date: June 24, 2008
