

NFJ DIVIDEND, INTEREST & PREMIUM STRATEGY FUND
Form N-Q
December 18, 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: October 31, 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**

October 31, 2007 (unaudited)

Shares (000)		Value*
COMMON STOCK-73.7%		
Banking-6.0%		
900	Bank of America Corp. (a)	\$ 43,452,000
600	KeyCorp (a)	17,070,000
2,000	Regions Financial Corp. (a)	54,240,000
750	Wachovia Corp. (a)	34,297,500
		149,059,500
Beverages-2.9%		
700	Anheuser-Busch Cos., Inc. (a)	35,896,000
600	Coca-Cola Co.	37,056,000
		72,952,000
Capital Markets-0.5%		
200	Merrill Lynch & Co., Inc.	13,204,000
Chemicals-3.6%		
2,000	Dow Chemical Co. (a)	90,080,000
Commercial Services-0.7%		
400	RR Donnelley & Sons Co. (a)	16,116,000
Computers & Peripherals-2.6%		
2,300	Seagate Technology, Inc. (a)	64,032,000
Diversified Financial Services-0.9%		
500	JP Morgan Chase & Co. (a)	23,500,000
Diversified Telecommunication Services-5.7%		
500	AT&T, Inc. (a)	20,895,000
700	Verizon Communications, Inc. (a)	32,249,000
6,600	Windstream Corp. (a)	88,770,000
		141,914,000
Energy Equipment & Services-1.5%		
470	GlobalSantaFe Corp.	38,084,100
Food-1.3%		
1,000	Kraft Foods, Inc. [Class A	33,410,000
Household Durables-2.6%		
393	Black & Decker Corp.	35,334,630
497	Stanley Works	28,579,330
		63,913,960
Household Products-1.1%		
400	Kimberly-Clark Corp.	28,356,000
Insurance-3.8%		

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

700	Allstate Corp. (a)	36,680,000
500	Lincoln National Corp. (a)	31,185,000
500	Travelers Cos., Inc.	26,105,000
		93,970,000
	Leisure Equipment & Products-0.8%	
1,000	Mattel, Inc.	20,890,000
	Media-3.1%	
1,200	CBS Corp. [Class B	34,440,000
1,000	Gannett Co. (a)	42,410,000
		76,850,000
	Metals & Mining-1.9%	
1,200	Alcoa, Inc.	47,508,000
	Multi-Utilities-2.2%	
683	Ameren Corp.	36,901,356
300	Sempra Energy	18,453,000
		55,354,356
	Oil & Gas-15.6%	
1,000	Anadarko Petroleum Corp. (a)	59,020,000
600	Chevron Corp. (a)	54,906,000
600	ConocoPhillips	50,976,000
950	Marathon Oil Corp.	56,173,500
900	Occidental Petroleum Corp.	62,145,000
700	Petroleo Brasileiro SA, ADR	66,941,000
435	Royal Dutch Shell PLC, ADR	38,066,850
		388,228,350

NFJ Dividend, Interest & Premium Strategy Fund Schedule of Investments

October 31, 2007 (unaudited)

Shares

(000)

Pharmaceuticals-8.9%			
1,700	GlaxoSmithKline PLC, ADR (a)	\$	87
600	Merck & Co., Inc. (a)		34
4,000	Pfizer, Inc. (a)		98
			220
Real Estate (REIT)-0.6%			
490	Duke Realty Corp.		15
Road & Rail-1.5%			
700	Norfolk Southern Corp.		36
Specialty Retail-0.3%			
214	Home Depot, Inc.		6
Textiles, Apparel & Luxury Goods-0.4%			
10	VF Corp.		
Thrift & Mortgage Finance-1.5%			
300	Freddie Mac		15
800	Washington Mutual, Inc. (a)		22
			37
Tobacco-3.7%			
700	Altria Group, Inc. (a)		51
650	Reynolds American, Inc. (a)		41
			92
	Total Common Stock (cost-\$1,721,013,178)		1,828

CONVERTIBLE PREFERRED STOCK-17.8%

		Credit Rating (Moody's/S&P)	
Agriculture-0.7%			
117	Bunge Ltd., 4.875%, 12/31/49	Ba1/BB	16
Automotive-0.6%			
575	General Motors Corp., 6.25%, 7/15/33, Ser. C	Caa1/B-	14
Banking-1.0%			
195	Washington Mutual Capital Trust, 5.375%, 5/1/41, UNIT	A3/BBB	8
129	Wells Fargo & Co., 8.00%, 6/1/08, Ser. AAPL (Apple, Inc.) (f)	Aa1/A+	17
			25
Commercial Services-0.3%			
161	United Rentals, Inc., 6.50%, 8/1/28	Caa1/B-	8
Diversified Financial Services-5.9%			
131	Citigroup Funding, Inc., 4.583%, 9/27/08, Ser. GNW (Genworth Financial, Inc.) (d) (f)	Aa2/AA	3
866	Eksportfinans AS, 13.00%, 11/1/08, Ser. TWX (Time Warner, Inc.) (f)	Aa2/AA	15

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

Goldman Sachs Group, Inc.,		
495	12.00%, 12/12/07, Ser. CSCO (Cisco Systems, Inc.) (f)	Aa3/NR
356	20.00%, 3/6/08, Ser. DISH (EchoStar Communications Corp.) (f)	Aa3/NR
87	Lazard Ltd., 6.625%, 5/15/08	Ba1/NR
Lehman Brothers Holdings, Inc.,		
630	6.00%, 10/12/10, Ser. GIS (General Mills, Inc.) (f)	A1/A+
178	8.50%, 8/25/08, Ser. UTX (United Technologies Corp.) (f)	A1/A+
348	20.00%, 2/24/08, Ser. HPQ (Hewlett-Packard Co.) (f)	A1/A+
Morgan Stanley,		
176	20.00%, 12/15/07, Ser. XOM (Exxon Mobil Corp.) (f)	Aa3/AA-
377	20.00%, 1/31/08, Ser. T (AT&T, Inc.) (f)	Aa3/AA-
26	20.00%, 3/8/08, Ser. GOOG (Google, Inc.) (f)	Aa3/NR
391	20.00%, 3/24/08, Ser. DIS (The Walt Disney Co.) (f)	Aa3/NR
Electric-1.9%		
244	AES Trust III, 6.75%, 10/15/29	B3/B-
230	Entergy Corp., 7.625%, 2/17/09	NR/BBB
48	NRG Energy, Inc., 5.75%, 3/16/09	B2/CCC+
Hand/Machine Tools-0.4%		
10	Stanley Works, 7.145%, 5/17/12 (d)	A2/A

NFJ Dividend, Interest & Premium Strategy Fund Schedule of Investments

October 31, 2007 (unaudited)

Shares
(000)

Credit Rating
(Moody's/S&P)

Insurance-2.0%

12 Fortis Insurance NV, 7.75%, 1/26/08 (b)(c)	Aa3/A+
405 Metlife, Inc., 6.375%, 8/15/08	NR/BBB+
173 Platinum Underwriters Holdings Ltd., 6.00%, 2/15/09, Ser. A	NR/BB+
504 XL Capital Ltd., 7.00%, 2/15/09	A3/A-

Investment Companies-0.7%

Vale Capital Ltd.,	
175 5.50%, 6/15/10, Ser. RIO-P (Companhia Vale ADS) (f)	NR/NR
56 5.50%, 6/15/10, Ser. RIO (Companhia Vale do Rio Doce) (f)	NR/NR

Metals & Mining-0.8%

121 Freeport-McMoRan Copper & Gold, Inc., 6.75%, 5/1/10	NR/B+
---	-------

Oil & Gas-0.6%

113 Chesapeake Energy Corp., 5.00%, 12/31/49	NR/B
--	------

Packaging & Containers-0.2%

106 Owens-Illinois, Inc., 4.75%, 12/31/49	Caa1/B-
---	---------

Pharmaceuticals-0.5%

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

Real Estate (REIT)-0.5%

465 FelCor Lodging Trust, Inc., 1.95%, 12/31/49, Ser. A	B2/B-
---	-------

Sovereign-0.6%

362 Svensk Exportkredit AB, 10.00%, 10/20/08, Ser. TEVA (Teva Pharmaceutical Industries Ltd.) (f)	Aa1/AA+
---	---------

Telecommunications-0.6%

239 Crown Castle International Corp., 6.25%, 8/15/12	NR/NR
--	-------

Waste Disposal-0.5%

40 Allied Waste Industries, Inc., 6.25%, 3/1/08, Ser. D	B3/B
---	------

Total Convertible Preferred Stock (cost-\$402,611,134)

CONVERTIBLE BONDS & NOTES-7.0%

Principal
Amount
(000)

Automotive-0.6%

\$11,760 Ford Motor Co., 4.25%, 12/15/36	Caa1/CCC
--	----------

Commercial Services-1.1%

Quanta Services, Inc.,

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

3,000	3.75%, 4/30/26 (b)(c)	NR/B+
7,930	3.75%, 4/30/26, GDR	NR/B+
7,500	Vertrue, Inc., 5.50%, 10/1/10	NR/B+

Computers-1.4%

9,000	DST Systems, Inc., 4.125%, 8/15/23	NR/NR
5,450	Electronic Data Systems Corp., 3.875%, 7/15/23	Ba1/BBB-
11,485	Maxtor Corp., 6.80%, 4/30/10	Ba1/NR

Electric-0.5%

3,500	PG&E Corp., 9.50%, 6/30/10	NR/NR
-------	----------------------------	-------

Electrical Components & Equipment-0.0%

750	General Cable Corp., 0.875%, 11/15/13	B1/B+
-----	---------------------------------------	-------

Hotel/Gaming-0.1%

1,695	Mandalay Resort Group, 5.9875%, 3/21/33 (d)	Ba2/BB
-------	---	--------

Oil & Gas-0.7%

9,865	Devon Energy Corp., 4.95%, 8/15/08	Baa1/BBB-
-------	------------------------------------	-----------

Real Estate (REIT)-0.5%

9,500	Digital Realty Trust L.P., 4.125%, 8/15/26 (b)(c)	NR/NR
-------	---	-------

Retail-0.5%

12,800	Sonic Automotive, Inc., 5.25%, 5/7/09	B2/B
--------	---------------------------------------	------

NFJ Dividend, Interest & Premium Strategy Fund Schedule of Investments

October 31, 2007 (unaudited)

Principal Amount (000)		Credit Rating (Moody's/S&P)	Val
	Semi-conductors-0.2%		
\$4,500	Intel Corp., 2.95%, 12/15/35	NR/A-	\$ 4,
	Software-0.2%		
5,000	Lawson Software, Inc., 2.50%, 4/15/12 (b)(c)	NR/NR	5,
	Telecommunications-1.2%		
13,300	Level 3 Communications, Inc., 6.00%, 3/15/10	Caa3/CCC	12,
14,000	Nextel Communications, Inc., 5.25%, 1/15/10	Baa3/BBB	14,
2,437	Nortel Networks Corp., 4.25%, 9/1/08, GDR	B3/B-	2, 28,
	Total Convertible Bonds & Notes (cost-\$152,685,609)		173,
	SHORT-TERM INVESTMENT-2.7%		
	Time Deposit-2.7%		
66,740	Royal Bank of Canada □ Grand Cayman, 4.10%, 11/1/07 (cost-\$66,739,831)		66,
	Total Investments, before call options written (cost-\$2,343,049,752)- 101.2%		2,510,
	CALL OPTIONS WRITTEN (e)-(0.8)%		
	Contracts		
	American Stock Exchange Morgan Stanley Cyclical Flex Index,		
300	strike price \$1105, expires 1/4/08		(
250	strike price \$1120, expires 12/14/07		(
	American Stock Exchange Morgan Stanley Cyclical Index,		
150	strike price \$1060, expires 11/17/07		(
150	strike price \$1070, expires 11/17/07		(
300	strike price \$1090, expires 12/22/07		(
600	strike price \$1100, expires 12/22/07		(
	American Stock Exchange Oil Flex Index,		
250	strike price \$1465, expires 11/2/07		(
250	strike price \$1480, expires 11/9/07		(
200	strike price \$1530, expires 11/30/07		(
200	strike price \$1565, expires 12/7/07		(
	American Stock Exchange Oil Index,		
100	strike price \$1500, expires 11/17/07		(
150	strike price \$1510, expires 11/17/07		(
250	strike price \$1520, expires 11/17/07		(
200	strike price \$1530, expires 11/17/07		(
200	strike price \$1540, expires 12/22/07		(
200	strike price \$1550, expires 11/17/07		(

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

100 strike price \$1550, expires 12/22/07

100 strike price \$1560, expires 12/22/07

200 strike price \$1570, expires 12/22/07

American Stock Exchange Pharmaceutical Index,

1,450 strike price \$350, expires 11/17/07

1,650 strike price \$350, expires 12/22/07

750 strike price \$355, expires 11/23/07

200 strike price \$360, expires 11/17/07

350 strike price \$360, expires 12/22/07

Nasdaq 100 Stock Index,

30 strike price \$2125, expires 11/17/07

70 strike price \$2150, expires 11/17/07

Philadelphia Stock Exchange KBW Bank Flex Index,

3,000 strike price \$112.50, expires 11/23/07

3,000 strike price \$114, expires 11/30/07

3,000 strike price \$115.50, expires 11/2/07

Philadelphia Stock Exchange KBW Bank Index,

1,500 strike price \$107.50, expires 12/22/07

1,500 strike price \$110, expires 11/17/07

4,000 strike price \$110, expires 12/22/07

3,000 strike price \$112.50, expires 11/17/07

500 strike price \$112.50, expires 12/22/07

4,500 strike price \$115, expires 11/17/07

2,000 strike price \$117.50, expires 11/17/07

NFJ Dividend, Interest & Premium Strategy Fund Schedule of Investments

October 31, 2007 (unaudited)

Contracts	Value*
Standard & Poors 500 Flex Index,	
200 strike price \$1545, expires 11/2/07	\$ (178,800)
200 strike price \$1585, expires 11/23/07	(238,600)
200 strike price \$1590, expires 12/7/07	(339,200)
200 strike price \$1590, expires 12/14/07	(403,200)
Standard & Poors 500 Index,	
100 strike price \$1550, expires 11/17/07	(207,000)
100 strike price \$1560, expires 11/17/07	(149,500)
200 strike price \$1560, expires 12/22/07	(680,000)
300 strike price \$1565, expires 11/17/07	(363,000)
400 strike price \$1565, expires 12/22/07	(1,278,000)
250 strike price \$1575, expires 11/17/07	(178,750)
200 strike price \$1575, expires 12/22/07	(528,000)
Telecom HOLDRs Trust,	
5,000 strike price \$104.40, expires 11/30/07	(30,000)
5,000 strike price \$104.80, expires 11/9/07	(21,605)
Total Call Options Written (premium received-\$21,256,900)	(19,552,305)
Total Investments, net of call options written(cost-\$2,321,792,852)-100.4%	2,491,162,391
Liabilities in excess of other assets-(0.4%)	(10,196,827)
Net Assets-100.0%	\$ 2,480,965,564

Notes to Schedule 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. 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 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 normally 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)

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

Private Placement. Restricted as to resale and may not have a readily available market. Securities with an aggregate market value of \$40,403,900, representing 1.63% of net assets, are restricted.

- (d) Variable rate security. Interest rate disclosed reflects the rate in effect on October 31, 2007.
- (e) Non-income producing.
- (f) Securities exchangeable or convertible into securities of an entity different than the issuer. Such entity is identified in the parenthetical.

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 Act (17CFR270.30a-3(c)), 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 (17CFR270.30a-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. of 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: December 18, 2007

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

Date: December 18, 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: December 18, 2007

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

Date: December 18, 2007
