

NFJ DIVIDEND, INTEREST & PREMIUM STRATEGY FUND
Form N-Q
December 19, 2005

OMB APPROVAL

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

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: 1/31/06

Date of Reporting Period: 10/31/05

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 (ss.ss. 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. ss. 3507.

ITEM 1. SCHEDULE OF INVESTMENTS

NFJ DIVIDEND, INTEREST & PREMIUM STRATEGY FUND SCHEDULE OF INVESTMENTS
October 31, 2005 (unaudited)

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Shares (000)		Value*

COMMON STOCK-73.4%		
	AEROSPACE/DEFENSE-1.8%	
750	Northrop Grumman Corp.	\$ 40,237,500

	AGRICULTURE-3.2%	
300	Altria Group, Inc. (a)	22,515,000
550	Reynolds American, Inc. (a)	46,750,000

		69,265,000

	APPAREL-1.4%	
600	VF Corp.	31,350,000

	BANKING-8.6%	
1,800	Bank of America Corp. (a)	78,732,000
1,500	Keycorp	48,360,000
950	Regions Financial Corp. (a)	30,922,500
800	Washington Mutual, Inc. (a)	31,680,000

		189,694,500

	BUILDING MATERIALS-0.7%	
544	Masco Corp.	15,509,700

	CHEMICALS-4.6%	
1,100	Lyondell Petrochemical Co.	29,480,000
1,550	The Dow Chemical Co. (a)	71,083,000

		100,563,000

	COMMERCIAL SERVICES-2.6%	
1,706	Deluxe Corp. (a)	56,844,315

	COMPUTERS-1.8%	
11	Hewlett-Packard Co.	308,440
2,700	Seagate Technology, Inc. (a)	39,123,000

		39,431,440

	DIVERSIFIED FINANCIAL SERVICES-2.1%	
900	JP Morgan Chase & Co. (a)	32,958,000
10	MBNA Corp.	255,700
250	Morgan Stanley	13,602,500

		46,816,200

	ELECTRIC-3.0%	
425	DTE Energy Co.	18,360,000
1,100	Progress Energy, Inc.	47,949,000

		66,309,000

	ENERGY-3.5%	

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1,950	KeySpan Corp. (a)	67,411,500
200	Sempra Energy	8,860,000

		76,271,500

	FOOD-2.1%	
2,000	ConAgra Foods, Inc.	46,540,000

	FOOD & BEVERAGE-1.9%	
1,000	Anheuser-Busch Cos., Inc. (a)	41,260,000

NFJ DIVIDEND, INTEREST & PREMIUM STRATEGY FUND SCHEDULE OF INVESTMENTS
October 31, 2005 (unaudited) (continued)

Shares (000)		Value*
	HAND/MACHINE TOOLS-0.9%	
400	The Stanley Works	\$ 19,172,000

	HOME FURNISHINGS-1.1%	
300	Whirlpool Corp.	23,550,000

	HOUSEHOLD PRODUCTS-1.6%	
600	Kimberly-Clark Corp.	34,104,000

	INSURANCE-2.5%	
700	Jefferson-Pilot Corp.	38,416,000
250	Lincoln National Corp. (a)	12,652,500
100	St. Paul Travelers Cos., Inc.	4,503,000

		55,571,500

	METALS & MINING-1.1%	
500	Freeport-McMoRan Copper & Gold, Inc.	24,710,000

	OIL & GAS-11.5%	
600	Chevron Corp. (a)	34,242,000
500	ConocoPhillips (a)	32,690,000
550	Marathon Oil Corp.	33,088,000
550	Occidental Petroleum Corp.	43,384,000
1,000	PetroChina Co. Ltd. ADR (a)	76,730,000
500	Petroleo Brasileiro S.A. ADR	31,950,000

		252,084,000

	PHARMACEUTICALS-7.9%	
250	GlaxoSmithKline PLC ADR	12,997,500
3,200	Merck & Co., Inc. (a)	90,304,000
3,200	Pfizer, Inc. (a)	69,568,000

		172,869,500

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1,500	REAL ESTATE-2.3% Duke Realty Corp.-REIT	51,150,000
1,500	RETAIL-1.4% Limited Brands, Inc. (a)	30,015,000
10	TELECOMMUNICATIONS-5.8% Alltel Corp.	618,600
2,000	AT&T Corp. (a)	39,560,000
2,750	Verizon Communications, Inc. (a)	86,652,500
		126,831,100
	Total Common Stock (cost-\$1,699,683,070)	1,610,149,255

 CONVERTIBLE BONDS & NOTES-14.6%

Principal Amount (000)		Credit Rating (Moody's/S&P)	
\$ 6,500	AEROSPACE/DEFENSE-0.4% GenCorp, Inc., 4.00%. 1/16/24	Caa2/B	8,498,750
12,900	AIRLINES-0.5% Continental Airlines, Inc., 4.50%, 2/1/07	Caa2/CCC+	11,126,250

NFJ DIVIDEND, INTEREST & PREMIUM STRATEGY FUND SCHEDULE OF INVESTMENTS
 October 31, 2005 (unaudited) (continued)

Principal Amount (000)		Credit Rating (Moody's/S&P)	Value*
\$ 7,075	AUTO PARTS & EQUIPMENT-0.5% The Goodyear Tire & Rubber Co., 4.00%, 6/15/34 (b) (c)	B3/B-	\$ 10,232,219
3,000	CHEMICALS-0.3% Millennium Chemicals, Inc., 4.00%, 11/15/23	B1/BB-	6,206,250
10,500	COMMERCIAL SERVICES-0.9% Quebecor World USA, Inc., 6.00%, 10/1/07	Ba3/B+	10,578,750
7,500	Vertrue, Inc., 5.50%, 10/1/10	NR/B-	8,465,625
			19,044,375
10,100	COMPUTERS-0.5% Maxtor Corp., 6.80%, 4/30/10	B2/NR	9,834,875

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11,000	DIVERSIFIED FINANCIAL SERVICES-0.5% E*Trade Financial Corp., 6.00%, 2/1/07	NR/B-	11,178,750
3,500	ELECTRIC-0.4% PG&E Corp., 9.50%, 6/30/10	NR/NR	9,537,500
5,750	ELECTRICAL COMPONENTS & EQUIPMENT-0.3% Artesyn Technologies, Inc., 5.50%, 8/15/10	NR/NR	7,216,250
4,900	HOUSEHOLD PRODUCTS-0.4% American Greetings Corp., 7.00%, 07/15/06	Ba2/BB+	9,058,875
7,250	LODGING-0.4% Hilton Hotels Corp., 3.375%, 4/15/23	Baa3/BBB-	7,757,500
11,000	MEDIA-0.5% EchoStar Communications Corp., 5.75%, 5/15/08 GDR	B2/B	10,821,250
8,475	METALS & MINING-0.7% Freeport-McMoRan Copper & Gold, Inc., 7.00%, 2/11/11	NR/B+	14,354,531
5,535	MISCELLANEOUS MANUFACTURING-0.3% Tyco International Group S.A., 3.125%, 1/15/23	Baa3/BBB+	7,105,556
9,675	OIL & GAS-0.5% Devon Energy Corp., 4.95%, 8/15/08	Baa2/BBB	11,210,906
6,000	PHARMACEUTICALS-0.9% Ligand Pharmaceuticals, Inc., 6.00%, 11/16/07	NR/NR	8,482,500
12,000	Sepracor, Inc., 5.00%, 2/15/07	NR/CCC+	11,985,000
			20,467,500
5,000	PRINTING & PUBLISHING-0.2% Bowne & Co., Inc., 5.00%, 10/1/33	B2/B-	5,384,500
500	REAL ESTATE-0.1% Affordable Residential Communities-		
	REIT, 7.50%, 8/15/25 (b) (c)	NR/NR	502,500
2,300	Capital Automotive-REIT, 6.00%, 5/15/24	NR/NR	2,515,625
			3,018,125

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NFJ DIVIDEND, INTEREST & PREMIUM STRATEGY FUND SCHEDULE OF INVESTMENTS
 October 31, 2005 (unaudited) (continued)

Principal Amount (000)		Credit Rating (Moody's/S&P)	Value*
	RETAIL-0.9%		
\$ 5,650	Guitar Center, Inc., 4.00%, 7/15/13	B1/BB-	\$ 8,764,563
11,800	Sonic Automotive, Inc., 5.25%, 5/7/09	B3/B	11,637,750

			20,402,313
	SEMI-CONDUCTORS-1.1%		
10,500	Advanced Micro Devices, Inc., 4.75%, 2/1/22 GDR (d)	B3/B-	11,550,000
11,850	Amkor Technology, Inc., 5.75%, 6/1/06 GDR	Caa3/CCC	11,464,875

			23,014,875
	TELECOMMUNICATIONS-3.4%		
11,000	American Tower Corp., 5.00%, 2/15/10	B1/BB-	11,000,000
10,500	CenturyTel, Inc., 4.75%, 8/1/32	Baa2/BBB+	10,906,875
6,750	Harris Corp., 3.50%, 8/15/22 GDR	Baa2/BBB	12,487,500
8,600	Lucent Technologies, Inc., 8.00%, 8/1/31	B3/CCC+	8,890,250
11,000	Nextel Communications, Inc., 5.25%, 1/15/10	Baa2/A-	11,151,250
3,225	NII Holdings, Inc., 3.50%, 9/15/33	NR/NR	10,207,125
11,500	Nortel Networks Corp., 4.25%, 9/1/08 GDR	NR/B-	10,795,625

			75,438,625
	TRANSPORTATION-0.4%		
6,450	Yellow Roadway Corp., 5.00%, 8/8/23	Ba1/BBB-	9,626,625
	TRUCKING & LEASING-0.5%		
9,450	GATX Corp., 7.50%, 2/1/07 GDR	Baa3/BBB-	11,375,438

	Total Convertible Bonds & Notes (cost-\$327,024,620)		321,911,838

 CONVERTIBLE PREFERRED STOCK-10.0%

Shares (000)			Value*
	ADVERTISING-0.2%		
4	Interpublic Group of Cos., Inc., 5.25%, 12/31/49 (b) (c)	NR/NR	3,465,000
	AUTOMOTIVE-0.7%		
191	Ford Motor Co. Capital Trust II, 6.50%, 1/15/32	Ba2/B+	6,090,990
460	General Motors Corp., 6.25%, 7/15/33, Ser. C	B1/BB-	8,441,000

			14,531,990

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	BANKING-0.5%		
210	Washington Mutual Capital Trust I, 5.375%, 5/3/41	Baa1/BBB	10,809,750

	CHEMICALS-0.3%		
150	Huntsman Corp., 5.00%, 2/16/08	NR/NR	6,617,205

	COMMERCIAL SERVICES-0.4%		
205	United Rentals Trust I, 6.50%, 8/1/28	Caa2/B	8,328,125

	ELECTRIC-1.5%		
217	AES Trust III, 6.75%, 10/15/29	B3/CCC+	10,065,620
183	FPL Group, Inc., 8.00%, 2/16/06	NR/A-	11,851,080
153	Public Service Enterprise Group, Inc., 10.25%, 11/16/05	Baa3/BBB-	12,174,210

			34,090,910

	FOOD-0.5%		
483	Albertson's, Inc., 7.25%, 5/16/07	Baa3/BBB-	11,695,860

NFJ DIVIDEND, INTEREST & PREMIUM STRATEGY FUND SCHEDULE OF INVESTMENTS
October 31, 2005 (unaudited) (continued)

Shares (000)		Credit Rating (Moody's/S&P)	Value*

	INSURANCE-2.3%		
300	Genworth Financial, Inc., 6.00%, 5/16/07	A2/A	\$ 10,509,000
337	Metlife Capital Trust I, 6.375%, 8/15/08	NR/BBB+	9,214,215
360	Platinum Underwriters Holdings Ltd., 7.00%, 11/16/05	NR/BBB	9,632,675
450	PMI Group, Inc., 5.875%, 11/15/06	A1/A	10,917,000
495	XL Capital Ltd., 6.50%, 5/15/07	A2/A	10,637,550

			50,910,440

	IRON/STEEL-0.4%		
71	U.S. Steel Corp., 7.00%, 6/15/06, Ser. B	NR/B	8,310,187

	OFFICE/BUSINESS EQUIPMENT-0.5%		
95	Xerox Corp., 6.25%, 7/1/06	B1/B-	11,013,930

	OIL & GAS-1.6%		
113	Amerada Hess Corp., 7.00%, 12/1/06	Ba3/BB	12,073,248
69	Chesapeake Energy Corp., 5.00%, 12/31/49	B2/B	13,693,875
259	Oneok, Inc., 8.50%, 2/16/06	Baa2/BBB	8,938,930

			34,706,053

	PHARMACEUTICALS-0.5%		
205	Schering-Plough Corp., 6.00%, 9/14/07	Baa3/BBB	10,828,688

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110	PUBLIC RELATIONS-0.5% Williams Cos., Inc., 5.50%, 6/1/33	NR/B-	11,577,500

50	TELECOMMUNICATIONS-0.1% Crown Castle International Corp., 6.25%, 8/15/12	NR/NR	2,575,000

	Total Convertible Preferred Stock (cost-\$227,655,697)		219,460,638

Principal Amount (000)			

\$ 10,729	TIME DEPOSITS-1.7% BNP Paribas, 3.48%, due 11/1/2005		10,728,773
2,851	Citibank, 3.48%, due 11/1/2005		2,851,453
24,067	Rabobank, 3.48%, due 11/1/2005		24,066,535

	Total Time Deposits (cost-\$37,646,761)		37,646,761

	TOTAL INVESTMENTS, BEFORE CALL OPTIONS WRITTEN (cost-\$2,292,010,148)-99.7%		2,189,168,492

CALL OPTIONS WRITTEN (e)-(0.9)%

Contracts

	American Stock Exchange Morgan Stanley Cyclical Index,	
300	strike price \$710, expires 1/21/06	(798,000)
200	strike price \$720, expires 12/17/05	(278,000)
300	strike price \$720, expires 1/21/06	(624,000)
300	strike price \$730, expires 1/21/06	(477,000)
200	strike price \$730, expires 11/19/05	(62,000)
100	strike price \$730, expires 12/17/05	(97,000)

NFJ DIVIDEND, INTEREST & PREMIUM STRATEGY FUND SCHEDULE OF INVESTMENTS
October 31, 2005 (unaudited)

Contracts		Value*
=====	=====	=====
300	strike price \$740, expires 12/17/05	\$ (180,000)
300	strike price \$745, expires 11/3/05	(1,323)
450	strike price \$750, expires 11/19/05	(18,000)
50	strike price \$760, expires 11/19/05	(2,000)
	American Stock Exchange Oil Index,	
600	strike price \$1020, expires 12/17/05	(1,596,000)
100	strike price \$1030, expires 12/17/05	(227,000)
100	strike price \$1030, expires 1/21/06	(337,000)
200	strike price \$1040, expires 12/17/05	(394,000)

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300	strike price \$1060, expires 12/17/05	(432,000)
100	strike price \$1060, expires 1/21/06	(238,000)
100	strike price \$1090, expires 11/19/05	(16,500)
100	strike price \$1100, expires 11/19/05	(12,000)
200	strike price \$1120, expires 11/19/05	(20,000)
100	strike price \$1120, expires 12/17/05	(47,000)
200	strike price \$1140, expires 12/17/05	(58,000)
	American Stock Exchange Pharmaceutical Index,	
700	strike price \$310, expires 12/17/05	(413,000)
500	strike price \$315, expires 1/21/05	(305,000)
300	strike price \$320, expires 12/17/05	(63,000)
500	strike price \$325, expires 12/17/05	(67,500)
500	strike price \$330, expires 12/17/05	(35,000)
	Financial Basket Index,	
5,000	strike price \$100.70, expires 11/25/05	(1,285,000)
5,000	strike price \$100.75, expires 11/04/05	(1,865,000)
	Health Basket Index,	
5,000	strike price \$100, expires 11/04/05	(90,000)
	Ishares DJ U.S. Real Estate Index,	
2,000	strike price \$63, expires 12/17/05	(300,000)
2,000	strike price \$64, expires 12/17/05	(210,000)
	Nasdaq 100 Stock Index,	
60	strike price \$1625, expires 11/19/05	(23,700)
50	strike price \$1625, expires 12/17/05	(71,750)
40	strike price \$1650, expires 11/19/05	(6,200)
	Philadelphia Stock Exchange KBW Bank Sector Index,	
6,500	strike price \$97.50, expires 12/17/05	(2,112,500)
8,000	strike price \$100, expires 11/19/05	(720,000)
2,000	strike price \$100.50, expires 11/03/05	(20,000)
	Philadelphia Stock Exchange Utility Index,	
200	strike price \$425, expires 1/21/06	(286,000)
1,050	strike price \$430, expires 1/21/06	(1,260,000)
350	strike price \$435, expires 1/21/06	(346,500)
300	strike price \$445, expires 12/17/05	(105,000)
500	strike price \$450, expires 11/19/05	(17,500)
500	strike price \$460, expires 11/19/05	(12,500)
	Standard & Poors 500 Index,	
200	strike price \$1200, expires 1/21/06	(734,000)
200	strike price \$1205, expires 1/21/06	(672,000)
300	strike price \$1210, expires 12/17/05	(651,000)
200	strike price \$1210, expires 1/21/06	(612,000)
300	strike price \$1220, expires 1/21/06	(663,000)

NFJ DIVIDEND, INTEREST & PREMIUM STRATEGY FUND SCHEDULE OF INVESTMENTS
October 31, 2005 (unaudited)

Contracts		Value*
300	strike price \$1225, expires 11/3/05	\$ (17,934)
300	strike price \$1230, expires 12/2/05	(243,273)
500	strike price \$1230, expires 12/17/05	(595,000)
200	strike price \$1235, expires 11/19/05	(60,000)
400	strike price \$1235, expires 12/17/05	(396,000)
300	strike price \$1245, expires 11/19/05	(42,000)
200	strike price \$1255, expires 11/19/05	(12,000)
	Telecommunication Basket Index,	
5,000	strike price \$100.60, expires 11/04/05	(95,000)
5,000	strike price \$100.75, expires 11/25/05	(355,000)

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Total Call Options Written	
(premiums received-\$25,100,328)	(20,678,180)

TOTAL INVESTMENTS, NET OF CALL OPTIONS WRITTEN	
(cost-\$2,266,909,820)-98.8%	2,168,490,312
Other assets less liabilities-1.2%	25,397,941

NET ASSETS-100.0%	\$2,193,888,253
=====	

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 may be fair-valued, in good faith, pursuant to guidelines established by the Board of Trustees. The Fund's investments are valued daily by an independent pricing service, dealer quotations (such in the case for the Fund's investments in over-the-counter written call options), or are valued at the last sale price on the exchange that is the primary market for such securities, or the last quoted bid 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. Short-term investments 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 determined daily at the close of regular trading (normally, 4:00 p.m. Eastern time) on the New York Stock Exchange.

- (a) All or a portion of security is pledged 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.
- (d) Variable rate security. Interest rate disclosed reflects the rate in effect on October 31, 2005.
- (e) Non-income producing.

GLOSSARY:

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

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 or in factors that could affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

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: December 19, 2005

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

Date: December 19, 2005

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: December 19, 2005

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

Date: December 19, 2005