

NFJ DIVIDEND, INTEREST & PREMIUM STRATEGY FUND
Form N-Q
June 15, 2010

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

NFJ Dividend, Interest & Premium Strategy Fund

(Registrant Name)

1345 Avenue of the Americas New York, New York

10105

(Address of Principal Executive Offices)

Lawrence G. Altadonna 1345 Avenue of the Americas New York, New York 10105

(Name and Address of Agent for Service)

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

Date of Fiscal Year End: January 31, 2011

Date of Reporting Period: April 30, 2010

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 30b1-5 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, 100 F Street, NE, Washington, DC 20549-2001. 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, 2010 (unaudited)

| Shares (000) | | Value* |
|---------------------------|--|--------------|
| COMMON STOCK 72.6% | | |
| | Aerospace & Defense 1.4% | |
| 290 | Lockheed Martin Corp. | \$24,652,056 |
| | Capital Markets 1.7% | |
| 200 | Goldman Sachs Group, Inc. | 29,040,000 |
| | Chemicals 0.3% | |
| 65 | Lubrizol Corp. | 5,872,100 |
| | Commercial Services & Supplies 1.3% | |
| 400 | RR Donnelley & Sons Co. (a) | 8,596,000 |
| 400 | Waste Management, Inc. | 13,872,000 |
| | | 22,468,000 |
| | Communications Equipment 0.6% | |
| 200 | Harris Corp. | 10,296,000 |
| | Diversified Financial Services 0.6% | |
| 236 | JP Morgan Chase & Co. | 10,048,327 |
| | Diversified Telecommunication Services 7.6% | |
| 1,200 | AT&T, Inc. (a) | 31,272,000 |
| 500 | CenturyTel, Inc. | 17,055,000 |
| 950 | Verizon Communications, Inc. (a) | 27,445,500 |
| 5,000 | Windstream Corp. (a) | 55,250,000 |
| | | 131,022,500 |
| | Electric Utilities 1.3% | |
| 275 | Edison International (a) | 9,451,750 |
| 152 | Entergy Corp. | 12,336,083 |
| | | 21,787,833 |
| | Energy Equipment & Services 4.0% | |
| 560 | Diamond Offshore Drilling, Inc. (a) | 44,296,000 |
| 810 | Halliburton Co. | 24,826,500 |
| | | 69,122,500 |
| | Food & Staples Retailing 0.5% | |
| 600 | SUPERVALU, Inc. | 8,940,000 |
| | Food Products 1.1% | |
| 633 | Kraft Foods, Inc. Cl. A (a) | 18,748,640 |
| | Health Care Equipment & Supplies 0.5% | |
| 200 | Medtronic, Inc. (a) | 8,738,000 |

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

| | | |
|-------|--|-------------|
| | Household Durables 0.7% | |
| 200 | Stanley Black & Decker, Inc. | 12,430,000 |
| | Household Products 1.6% | |
| 450 | Kimberly-Clark Corp. | 27,567,000 |
| | Industrial Conglomerates 2.4% | |
| 150 | 3M Co. | 13,300,500 |
| 1,439 | General Electric Co. (a) | 27,137,975 |
| | | 40,438,475 |
| | Insurance 6.6% | |
| 700 | Allstate Corp. (a) | 22,869,000 |
| 1,104 | Lincoln National Corp. (a) | 33,759,124 |
| 680 | MetLife, Inc. | 30,992,622 |
| 490 | Travelers Cos, Inc. | 24,862,600 |
| 19 | XL Capital Ltd. Cl. A | 342,294 |
| | | 112,825,640 |
| | Leisure Equipment & Products 1.4% | |
| 1,000 | Mattel, Inc. (a) | 23,050,000 |
| | Machinery 1.6% | |
| 400 | Caterpillar, Inc. | 27,236,000 |
| | Media 1.4% | |
| 1,501 | CBS Corp. Cl. B | 24,324,726 |
| | Metals & Mining 1.4% | |
| 325 | Freeport-McMoRan Copper & Gold, Inc. (a) | 24,547,250 |
| | Multi-Utilities 1.1% | |
| 745 | Ameren Corp. (a) | 19,340,200 |
| | Office Electronics 1.4% | |
| 2,125 | Xerox Corp. (a) | 23,162,500 |
| | Oil, Gas & Consumable Fuels 14.7% | |
| 350 | Cenovus Energy, Inc. | 10,255,000 |
| 1,100 | Chesapeake Energy Corp. | 26,180,000 |
| 361 | Chevron Corp. (a) | 29,424,272 |
| 975 | ConocoPhillips (a) | 57,710,250 |
| 500 | EnCana Corp. | 16,535,000 |
| 900 | Marathon Oil Corp. (a) | 28,935,000 |
| 550 | Royal Dutch Shell PLC Cl. A - ADR (a) | 34,512,500 |
| 900 | Total SA - ADR (a) | 48,942,000 |
| | | 252,494,022 |
| | Pharmaceuticals 6.4% | |
| 1,300 | GlaxoSmithKline PLC - ADR (a) | 48,477,000 |
| 169 | Johnson & Johnson | 10,842,137 |
| 3,000 | Pfizer, Inc. (a) | 50,160,000 |
| | | 109,479,137 |
| | Real Estate Investment Trust 2.7% | |
| 2,700 | Annaly Capital Management, Inc. | 45,765,000 |

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

| | | |
|-------|--|---------------|
| | Semi-conductors & Semi-conductor Equipment 0.5% | |
| 400 | Intel Corp. (a) | 9,132,000 |
| | Specialty Retail 0.3% | |
| 150 | Home Depot, Inc. | 5,287,500 |
| | Textiles, Apparel & Luxury Goods 0.8% | |
| 150 | VF Corp. | 12,963,000 |
| | Thrifts & Mortgage Finance 3.7% | |
| 2,000 | Hudson City Bancorp, Inc. (a) | 26,600,000 |
| 2,200 | New York Community Bancorp, Inc. (a) | 36,234,000 |
| | | 62,834,000 |
| | Tobacco 3.0% | |
| 1,300 | Altria Group, Inc. (a) | 27,547,000 |
| 450 | Reynolds American, Inc. (a) | 24,039,000 |
| | | 51,586,000 |
| | Total Common Stock (cost-\$1,461,265,133) | 1,245,198,406 |

NFJ Dividend, Interest & Premium Strategy Fund Schedule of Investments

April 30, 2010 (unaudited)

| Shares (000) | | Credit Rating (Moody s/S&P) | Value* |
|--|--|--------------------------------|-------------|
| CONVERTIBLE PREFERRED STOCK 14.3% | | | |
| Airlines 0.1% | | | |
| 56 | Continental Airlines Finance Trust II, 6.00%, 11/15/30 | Caa1/CCC | \$1,689,281 |
| Banks 0.5% | | | |
| 147 | Barclays Bank PLC, 10.00%, 3/15/11 (Teva Pharmaceuticals Industries Ltd.) (h) | A1/A+ | 8,672,428 |
| Capital Markets 0.2% | | | |
| 630 | Lehman Brothers Holdings, Inc. (c)(g)(h), 6.00%, 10/12/10, Ser. GIS (General Mills, Inc.) | WR/NR | 2,028,488 |
| 98 | 28.00%, 3/6/09, Ser. RIG (Transocean, Inc.) | WR/NR | 1,331,778 |
| | | | 3,360,266 |
| Commercial Banks 1.0% | | | |
| 47 | Fifth Third Bancorp, 8.50%, 6/30/13, Ser. G (i) | Ba1/BB | 7,042,500 |
| 10 | Wells Fargo & Co., 7.50%, 3/15/13, Ser. L (i) | Ba1/A- | 9,514,900 |
| | | | 16,557,400 |
| Commercial Services & Supplies 0.5% | | | |
| 74 | Avery Dennison Corp., 7.875%, 11/15/20 | NR/BB+ | 2,979,880 |
| 161 | United Rentals, Inc., 6.50%, 8/1/28 | Caa2/CCC | 5,419,005 |
| | | | 8,398,885 |
| Consumer Finance 0.6% | | | |
| 16 | SLM Corp., 7.25%, 12/15/10 | Ba3/BB- | 10,271,196 |
| Diversified Financial Services 4.9% | | | |
| 74 | AMG Capital Trust I, 5.10%, 4/15/36 | NR/BB | 3,619,063 |
| 10 | Bank of America Corp., 7.25%, 1/30/13, Ser. L (i) | Ba3/BB | 9,328,905 |
| 189 | 10.00%, 2/3/11, Ser. GILD (Gilead Sciences Inc.) (h) | A2/A | 7,655,351 |
| 134 | 10.00%, 2/24/11, Ser. SLB (Schlumberger Ltd.) (h) | NR/NR | 9,004,145 |
| 74 | Citigroup, Inc., 7.50%, 12/15/12 | NR/NR | 9,756,657 |
| 367 | Credit Suisse Securities USA LLC (h), 10.00%, 9/1/10 (Bristol-Myers Squibb Co.) | Aa2/A | 8,311,032 |
| 239 | 10.00%, 9/9/10 (Merck & Co., Inc.) | Aa2/A | 7,526,410 |
| 879 | 10.00%, 1/22/11 (Ford Motor Co.) | Aa2/A | 10,297,485 |
| 577 | JP Morgan Chase & Co. (h), 10.00%, 1/14/11 (EMC Corp.) | Aa3/A+ | 10,226,799 |
| 518 | 10.00%, 1/20/11 (Symantec Corp.) | Aa3/A+ | 8,719,977 |
| | | | 84,445,824 |
| Electric Utilities 0.2% | | | |
| 53 | FPL Group, Inc., 8.375%, 6/1/12 | NR/NR | 2,769,250 |
| Food Products 0.8% | | | |

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

| | | | |
|-----|---|-----------|--------------------|
| 99 | Archer-Daniels-Midland Co., 6.25%, 6/1/11 Bunge Ltd., | NR/BBB+ | 3,935,052 |
| 96 | 4.875%, 12/1/11 (i) | Ba1/BB | 8,169,516 |
| 4 | 5.125%, 12/1/10 | NR/BB | 2,132,000 |
| | | | 14,236,568 |
| | Household Durables 0.9% | | |
| 98 | Newell Financial Trust I, 5.25%, 12/1/27 (i) | WR/BB | 3,778,940 |
| 11 | Stanley Works, 5.125%, 5/17/12, FRN | Baa1/BBB+ | 11,011,262 |
| | | | 14,790,202 |
| | Insurance 1.1% | | |
| 460 | American International Group, Inc., 8.50%, 8/1/11 | Ba2/NR | 4,534,448 |
| 66 | Assured Guaranty Ltd., 8.50%, 6/1/12 | NR/NR | 5,886,540 |
| 347 | XL Capital Ltd., 10.75%, 8/15/11 | Baa2/BBB- | 9,289,665 |
| | | | 19,710,653 |
| | Media 0.2% | | |
| 4 | Interpublic Group of Cos, 5.25%, 10/15/10 (i) | NR/CCC+ | 3,843,273 |
| | Metals & Mining 0.5% | | |
| 82 | Freeport-McMoRan Copper & Gold, Inc., 6.75%, 5/1/10 | NR/BB | 8,601,853 |
| | Multi-Utilities 0.6% | | |
| 244 | AES Trust III, 6.75%, 10/15/29 | B3/B | 11,082,140 |
| | Oil, Gas & Consumable Fuels 0.7% | | |
| 45 | ATP Oil & Gas Corp., 8.00%, 10/1/14 (e)(f)(i) | NR/NR | 4,882,075 |
| 85 | Chesapeake Energy Corp., 5.00%, 11/15/10 (a)(i) | NR/B | 7,284,463 |
| | | | 12,166,538 |
| | Pharmaceuticals 0.6% | | |
| 39 | Merck & Co., Inc., 6.00%, 8/13/10 | A2/A- | 9,598,179 |
| | Real Estate Investment Trust 0.9% | | |
| 177 | Alexandria Real Estate Equities, Inc., 7.00%, 4/20/13 (i) | NR/NR | 4,089,384 |
| 602 | FelCor Lodging Trust, Inc., 1.95%, 12/31/49, Ser. A (b) | Caa3/C | 11,897,400 |
| | | | 15,986,784 |
| | Total Convertible Preferred Stock (cost-\$279,958,953) | | 246,180,720 |

NFJ Dividend, Interest & Premium Strategy Fund Schedule of Investments

April 30, 2010 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody s/S&P) | Value* |
|--|--|-----------------------------|-------------|
| CONVERTIBLE BONDS & NOTES 11.5% | | | |
| | Aerospace & Defense 0.1% | | |
| \$1,500 | Triumph Group, Inc., 2.625%, 10/1/26 | NR/NR | \$2,205,000 |
| | Auto Components 0.2% | | |
| 2,200 | BorgWarner, Inc., 3.50%, 4/15/12 | NR/BBB | 3,148,750 |
| | Communications Equipment 0.1% | | |
| 1,300 | Finisar Corp., 5.00%, 10/15/29 | NR/NR | 2,068,625 |
| | Computers & Peripherals 0.6% | | |
| 8,125 | Maxtor Corp., 2.375%, 8/15/12 | NR/B | 9,506,250 |
| | Diversified Consumer Services 0.3% | | |
| 3,435 | Coinstar, Inc., 4.00%, 9/1/14 | NR/BB | 4,547,081 |
| | Diversified Telecommunication Services 0.4% | | |
| 6,495 | tw telecom, Inc., 2.375%, 4/1/26 | B3/B- | 7,347,469 |
| | Electrical Equipment 1.6% | | |
| 9,780 | EnerSys, 3.375%, 6/1/38 (d) | B2/BB | 9,364,350 |
| 7,510 | General Cable Corp., 0.875%, 11/15/13 | Ba3/B+ | 6,787,162 |
| 13,315 | JA Solar Holdings Co., Ltd., 4.50%, 5/15/13 | NR/NR | 11,667,269 |
| 1,000 | SunPower Corp., 4.75%, 4/15/14 | NR/NR | 888,750 |
| | | | 28,707,531 |
| | Energy Equipment & Services 0.3% | | |
| 6,480 | Hornbeck Offshore Services, Inc., 1.625%, 11/15/26 (d) | NR/BB- | 5,710,824 |
| | Food Products 0.3% | | |
| 3,680 | Tyson Foods, Inc., 3.25%, 10/15/13 | NR/BB | 4,793,200 |
| | Health Care Equipment & Supplies 0.2% | | |
| 3,000 | Inverness Medical Innovations, Inc., 3.00%, 5/15/16 | NR/B- | 3,198,750 |
| | Hotels, Restaurants & Leisure 0.9% | | |
| 4,495 | International Game Technology, 3.25%, 5/1/14 (e)(f) | Baa2/BBB | 5,747,981 |
| 1,402 | Mandalay Resort Group, 1.021%, 3/21/33, FRN (c)(g)(j) | Caa1/CCC+ | 1,513,970 |
| 7,955 | MGM Mirage, 4.25%, 4/15/15 (e)(f) | Caa1/CCC+ | 8,700,781 |
| | | | 15,962,732 |
| | Household Durables 0.5% | | |
| 6,820 | Lennar Corp., 2.00%, 12/1/20 (e)(f) | B3/BB- | 6,869,019 |
| 750 | Newell Rubbermaid, Inc., 5.50%, 3/15/14 | NR/BBB- | 1,555,313 |
| | | | 8,424,332 |

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

| | | | |
|-------|--|-----------|-------------|
| | Internet Software & Services 0.3% | | |
| 4,200 | Equinix, Inc., 2.50%, 4/15/12 | NR/B- | 4,536,000 |
| | IT Services 0.6% | | |
| 7,655 | Alliance Data Systems Corp., 1.75%, 8/1/13 | NR/NR | 8,458,775 |
| 2,540 | DST Systems, Inc., 4.125%, 8/15/23, FRN | NR/NR | 2,635,250 |
| | | | 11,094,025 |
| | Machinery 0.5% | | |
| 6,035 | AGCO Corp., 1.25%, 12/15/36 | NR/BB+ | 6,585,694 |
| 790 | Titan International, Inc., 5.625%, 1/15/17 (e)(f) | NR/NR | 1,115,875 |
| | | | 7,701,569 |
| | Media 0.2% | | |
| 3,765 | Liberty Media LLC, 3.125%, 3/30/23 | B1/BB- | 4,169,738 |
| | Metals & Mining 0.5% | | |
| 4,350 | United States Steel Corp., 4.00%, 5/15/14 | Ba2/BB | 8,096,437 |
| | Oil, Gas & Consumable Fuels 0.6% | | |
| 9,675 | Peabody Energy Corp., 4.75%, 12/15/41 | Ba3/B+ | 10,630,406 |
| | Pharmaceuticals 0.6% | | |
| 5,975 | Biovail Corp., 5.375%, 8/1/14 (e)(f) | NR/NR | 7,752,562 |
| 2,000 | Valeant Pharmaceuticals International, 4.00%, 11/15/13 | NR/B | 2,935,000 |
| | | | 10,687,562 |
| | Real Estate Investment Trust 1.0% | | |
| 2,950 | Boston Properties LP, 3.75%, 5/15/36 | NR/A- | 3,178,625 |
| 4,900 | Digital Realty Trust LP, 4.125%, 8/15/26 (e)(f) | NR/NR | 8,997,625 |
| 5,000 | Health Care REIT, Inc., 4.75%, 12/1/26 | Baa2/BBB- | 5,450,000 |
| | | | 17,626,250 |
| | Road & Rail 0.2% | | |
| 1,500 | Hertz Global Holdings, Inc., 5.25%, 6/1/14 | NR/CCC+ | 2,859,375 |
| | Semiconductors & Semiconductor Equipment 0.4% | | |
| 6,785 | Advanced Micro Devices, Inc., 5.75%, 8/15/12 | NR/B- | 6,852,850 |
| | Software 0.8% | | |
| 5,000 | Lawson Software, Inc., 2.50%, 4/15/12 | NR/NR | 4,987,500 |
| 7,500 | Nuance Communications, Inc., 2.75%, 8/15/27 | NR/B- | 8,568,750 |
| | | | 13,556,250 |
| | Thriffs & Mortgage Finance 0.3% | | |
| 3,000 | MGIC Investment Corp., 5.00%, 5/1/17 | NR/CCC+ | 3,352,500 |
| 1,000 | The PMI Group, Inc., 4.50%, 4/15/20 | NR/CCC+ | 958,750 |
| | | | 4,311,250 |
| | Total Convertible Bonds & Notes (cost-\$179,719,721) | | 197,742,256 |

SHORT-TERM INVESTMENTS 2.7%

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

| | | |
|--------|---|----------------------|
| | Time Deposits 2.7% | |
| 22,195 | BNP Paribas, Paris, 0.03%, 5/3/10, | 22,195,157 |
| 23,356 | Societe Generale, Paris, 0.03%, 5/3/10, | 23,356,466 |
| | Total Short Term Investments (cost-\$45,551,623) | 45,551,623 |
| | Total Investments, before call options written (cost-\$1,966,495,430) 101.1% | 1,734,673,005 |

NFJ Dividend, Interest & Premium Strategy Fund Schedule of Investments

April 30, 2010 (unaudited)

| Contracts | Value* |
|--|------------------------|
| CALL OPTIONS WRITTEN (b) (1.0)% | |
| 6,000 iShares Dow Jones U.S. Real Estate Index, strike price \$52, expires 5/21/10 | \$(1,239,000) |
| 350 Morgan Stanley Cyclical Flex Index, strike price \$925, expires 5/7/10 | (659,855) |
| 350 strike price \$955, expires 5/28/10 | (548,730) |
| 350 strike price \$975, expires 6/11/10 | (472,080) |
| 350 Morgan Stanley Cyclical Index, strike price \$940, expires 5/21/10 | (742,000) |
| 50 NASDAQ 100 Index, strike price \$1975, expires 5/21/10 | (268,500) |
| 50 strike price \$2000, expires 5/21/10 | (190,750) |
| 6,000 New York Stock Exchange Arca Mini Oil Flex Index, strike price \$56, expires 5/7/10 | (106,200) |
| 6,000 strike price \$57, expires 5/28/10 | (279,600) |
| 6,000 strike price \$57, expires 6/4/10 | (279,600) |
| 6,000 strike price \$57, expires 6/11/10 | (279,600) |
| 6,000 New York Stock Exchange Arca Mini Oil Index, strike price \$55, expires 5/21/10 | (660,000) |
| 17,000 strike price \$57.50, expires 6/18/10 | (1,232,500) |
| 1,000 strike price \$60, expires 6/18/10 | (25,000) |
| 6,000 Philadelphia Stock Exchange KBW Bank Flex Index, strike price \$54, expires 5/14/10 | (1,387,200) |
| 3,500 strike price \$59, expires 6/4/10 | (199,500) |
| 5,000 strike price \$60.50, expires 6/11/10 | (202,500) |
| 12,000 Philadelphia Stock Exchange KBW Bank Index, strike price \$55, expires 5/21/10 | (2,520,000) |
| 300 Standard & Poor's 500 Flex Index, strike price \$1175, expires 5/14/10 | (1,247,115) |
| 300 strike price \$1207, expires 6/4/10 | (487,080) |
| 300 strike price \$1210, expires 5/28/10 | (532,638) |
| 300 strike price \$1215, expires 6/11/10 | (456,420) |
| 300 strike price \$1217, expires 6/4/10 | (501,123) |
| 650 Standard & Poor's 500 Index, strike price \$1185, expires 5/21/10 | (1,355,250) |
| 250 strike price \$1205, expires 5/21/10 | (272,500) |
| 300 strike price \$1220, expires 6/18/10 | (453,000) |
| 600 strike price \$1225, expires 6/18/10 | (798,000) |
| Total Call Options Written (premiums received-\$15,334,263) | (17,395,741) |
| Total Investments, net of call options written (cost-\$1,951,161,167) 100.1% | 1,717,277,264 |
| Other liabilities in excess of other assets (0.1)% | (1,872,416) |
| Net Assets 100.0% | \$1,715,404,848 |

NFJ Dividend, Interest & Premium Strategy Fund Schedule of Investments

April 30, 2010 (unaudited)

Notes to Schedule of Investments:

* Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. Market value is generally determined on the basis of last reported sales prices, or if no sales are reported, on the basis of quotes obtained from a quotation reporting system, established market makers, or independent pricing services.

Portfolio securities and other financial instruments for which market quotations are not readily available or for which a development/event occurs that may significantly impact the value of a security, are fair-valued, in good faith, pursuant to procedures established by the Board of Trustees or persons acting at their discretion pursuant to procedures established by the Board of Trustees. The Fund's investments are valued daily using prices supplied by an independent pricing service or dealer quotations, or by using 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. Synthetic convertible securities are valued based on quotations obtained from unaffiliated brokers who are the principal market-makers in such securities. Such valuations are derived by the brokers from proprietary models which are generally based on readily available market information including valuations of the common stock underlying the synthetic security. Short-term securities maturing in 60 days or less are valued at amortized cost, if their original term to maturity was 60 days 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 and these differences could be material. The Fund's net asset value (NAV) 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) Non-income producing.
- (c) In default.
- (d) Step Bond: Coupon is a fixed rate for an initial period then resets at a specific date and rate.
- (e) Private Placement. Restricted as to resale and may not have a readily available market. Securities with an aggregate market value of \$44,065,918, representing 2.57% of net assets.
- (f) 144A 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.
- (g) Fair-valued Securities with an aggregate value of \$4,874,236 representing 0.28% of net assets.
- (h) Securities exchangeable or convertible into securities of an entity different than the issuer or structured by the issuer to provide exposure to securities of an entity different than the issuer. Such entity is identified in the parenthetical.
- (i) Perpetual maturity: Maturity date shown is the first call date.
- (j) Variable rate security. Interest rate disclosed reflects the rate in effect on April 30, 2010.

Glossary:

ADR American Depositary Receipt

FRN Floating Rate Note. The interest rate disclosed reflects the rate in effect on April 30, 2010.

NR Not Rated

WR Withdrawn Rating

Other Investments:

Transactions in call options written for the three months ended April 30, 2010

| | Contracts | Premiums |
|---|------------------|-----------------|
| Options outstanding, January 31, 2010 | 105,650 | \$15,703,026 |
| Options written | 144,350 | 26,205,614 |
| Options terminated in closing purchase transactions | (103,850) | (15,128,617) |
| Options expired | (60,850) | (11,445,760) |
| | | |
| Options outstanding, April 30, 2010 | 85,300 | \$15,334,263 |

NFJ Dividend, Interest & Premium Strategy Fund Schedule of Investments

April 30, 2010 (unaudited)

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the exit price) in an orderly transaction between market participants. The three levels of the fair value hierarchy are described below:

Level 1 quoted prices in active markets for identical investments that the Fund have the ability to access

Level 2 valuations based on other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.) or quoted prices for similar assets or liabilities in inactive markets

Level 3 valuations based on significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

An investment asset's or liability's level within the fair value hierarchy is based on the lowest level input, individually or in the aggregate, that is significant to fair value measurement. The objective of fair value measurement remains the same even when there is a significant decrease in the volume and level of activity for an asset or liability and regardless of the valuation technique used.

The valuation techniques used by the Fund to measure fair value during the three months ended April 30, 2010 maximized the use of observable inputs and minimized the use of unobservable inputs. When fair-valuing securities, the Fund utilized multi-dimensional relational pricing models.

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

The Fund's policy is to recognize transfers between levels at the end of the reporting period.

A summary of the inputs used at April 30, 2010 in valuing the Fund's assets and liabilities were:

| | Level 1- Quoted Prices | Level 2- Other Significant Observable Inputs | Level 3- Significant Unobservable Inputs | Value at 4/30/2010 |
|---|---------------------------|---|---|------------------------|
| Investments in Securities - Assets | | | | |
| Common Stock | \$1,245,198,406 | | | \$1,245,198,406 |
| Convertible Preferred Stock: | | | | |
| Banks | | \$8,672,428 | | 8,672,428 |
| Capital Markets | | | \$3,360,266 | 3,360,266 |
| Commercial Services & Supplies | 5,419,005 | 2,979,880 | | 8,398,885 |
| Diversified Financial Services | 22,704,625 | 61,741,199 | | 84,445,824 |
| All Other | 141,303,317 | | | 141,303,317 |
| Convertible Bonds & Notes: | | | | |
| Hotels, Restaurants & Leisure | | 14,448,762 | 1,513,970 | 15,962,732 |
| Household Durables | 6,869,019 | 1,555,313 | | 8,424,332 |
| All Other | | 173,355,192 | | 173,355,192 |
| Short-Term Investments | | 45,551,623 | | 45,551,623 |
| Total Investments in Securities - Assets | \$1,421,494,372 | \$308,304,397 | \$4,874,236 | \$1,734,673,005 |
| Investments in Securities - Liabilities | | | | |
| Call Options Written, at Value: | | | | |
| Market price | \$(9,756,500) | \$(7,639,241) | | \$(17,395,741) |
| Total Investments | \$1,411,737,872 | \$300,665,156 | \$4,874,236 | \$1,717,277,264 |

There were no significant transfers into and out of Levels 1 and 2 during the three months ended April 30, 2010.

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

A roll forward of fair value measurements using significant unobservable inputs (Level 3) for the three months ended April 30, 2010, were as follows:

| | Beginning Balance 1/31/10 | Net Purchases (Sales) and Settlements | Total Change in Unrealized Appreciation / Depreciation | Ending Balance 4/30/10 |
|---|---------------------------------|---|---|------------------------------|
| Investments in Securities - Assets | | | | |
| Convertible Preferred Stock | | | | |
| Capital Markets | \$3,360,266 | | | \$3,360,266 |
| Convertible Bonds & Notes | | | | |
| Hotels, Restaurants & Leisure | 1,513,970 | | | 1,513,970 |
| Total Investments | \$4,874,236 | | | \$4,874,236 |

There was no change in unrealized appreciation/depreciation of investments which the Fund held at April 30, 2010.

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))), 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 15, 2010

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

Date: June 15, 2010

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 15, 2010

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

Date: June 15, 2010
