

NFJ DIVIDEND, INTEREST & PREMIUM STRATEGY FUND  
Form N-Q  
December 26, 2006

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

**Washington, DC 20549**

**FORM N-Q**

OMB APPROVAL

OMB Number: 3235-0578  
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2007  
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**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, 2007

Date of Reporting Period: October 31, 2006

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.

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ITEM 1. Schedule of Investments

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

October 31, 2006 (unaudited)

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| Shares<br>(000)           |                         | Value*        |
|---------------------------|-------------------------|---------------|
| <b>COMMON STOCK-67.8%</b> |                         |               |
|                           | <b>Agriculture-2.2%</b> |               |
| 400                       | Altria Group, Inc. (a)  | \$ 32,532,000 |

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|       |  |             |
|-------|--|-------------|
| 300   | Reynolds American, Inc.                    | 18,948,000  |
|       |  | <hr/>       |
|       |  | 51,480,000  |
|       |  | <hr/>       |
|       | <b>Apparel-0.0%</b>                        |             |
| 10    | VF Corp.                                   | 760,100     |
|       |  | <hr/>       |
|       | <b>Banking-5.3%</b>                        |             |
| 400   | Bank of America Corp. (a)                  | 21,548,000  |
| 600   | Keycorp (a)                                | 22,284,000  |
| 950   | Regions Financial Corp. (a)                | 36,052,500  |
| 217   | Wachovia Corp.                             | 12,065,700  |
| 750   | Washington Mutual, Inc. (a)                | 31,725,000  |
|       |  | <hr/>       |
|       |  | 123,675,200 |
|       |  | <hr/>       |
|       | <b>Beverages-1.8%</b>                      |             |
| 500   | Anheuser-Busch Cos., Inc. (a)              | 23,710,000  |
| 400   | Coca-Cola Co.                              | 18,688,000  |
|       |  | <hr/>       |
|       |  | 42,398,000  |
|       |  | <hr/>       |
|       | <b>Building Materials-1.2%</b>             |             |
| 1,000 | Masco Corp. (a)                            | 27,650,000  |
|       |  | <hr/>       |
|       | <b>Chemicals-7.3%</b>                      |             |
| 2,200 | Dow Chemical Co. (a)                       | 89,738,000  |
| 3,200 | Lyondell Chemical Co. (a)                  | 82,144,000  |
|       |  | <hr/>       |
|       |  | 171,882,000 |
|       |  | <hr/>       |
|       | <b>Commercial Services-2.6%</b>            |             |
| 1,243 | Deluxe Corp. (a)                           | 28,178,810  |
| 964   | RR Donnelley & Sons Co. (a)                | 32,647,812  |
|       |  | <hr/>       |
|       |  | 60,826,622  |
|       |  | <hr/>       |
|       | <b>Computers-0.1%</b>                      |             |
| 12    | International Business Machines Corp.      | 1,117,193   |
| 10    | Seagate Technology, Inc.                   | 225,800     |
|       |  | <hr/>       |
|       |  | 1,342,993   |
|       |  | <hr/>       |
|       | <b>Diversified Financial Services-1.3%</b> |             |
| 150   | Freddie Mac                                | 10,348,500  |
| 400   | JP Morgan Chase & Co. (a)                  | 18,976,000  |
| 10    | Morgan Stanley                             | 764,300     |
|       |  | <hr/>       |
|       |  | 30,088,800  |
|       |  | <hr/>       |

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|       |                                   |            |
|-------|-----------------------------------|------------|
|       | <b>Electric-3.7%</b>              |            |
| 800   | DTE Energy Co.                    | 36,344,000 |
| 1,100 | Progress Energy, Inc. (a)         | 50,600,000 |
|       |                                   | <hr/>      |
|       |                                   | 86,944,000 |
|       | <b>Food-3.1%</b>                  |            |
| 1,800 | ConAgra Foods, Inc. (a)           | 47,070,000 |
| 750   | Supervalu, Inc. (a)               | 25,050,000 |
|       |                                   | <hr/>      |
|       |                                   | 72,120,000 |
|       | <b>Gas-3.8%</b>                   |            |
| 1,914 | KeySpan Corp. (a)                 | 77,649,830 |
| 200   | Sempra Energy                     | 10,608,000 |
|       |                                   | <hr/>      |
|       |                                   | 88,257,830 |
|       | <b>Hand/Machine Tools-0.6%</b>    |            |
| 300   | Stanley Works                     | 14,295,000 |
|       |                                   | <hr/>      |
|       | <b>Home Furnishings-0.7%</b>      |            |
| 200   | Whirlpool Corp.                   | 17,386,000 |
|       |                                   | <hr/>      |
|       | <b>Household Products-1.7%</b>    |            |
| 600   | Kimberly-Clark Corp.              | 39,912,000 |
|       |                                   | <hr/>      |
|       | <b>Insurance-3.8%</b>             |            |
| 600   | Allstate Corp. (a)                | 36,816,000 |
| 250   | Lincoln National Corp. (a)        | 15,827,500 |
| 700   | St. Paul Travelers Cos., Inc. (a) | 35,791,000 |
|       |                                   | <hr/>      |
|       |                                   | 88,434,500 |
|       | <b>Machinery-Diversified-1.2%</b> |            |
| 329   | Deere & Co.                       | 27,990,744 |
|       |                                   | <hr/>      |
|       | <b>Media-0.8%</b>                 |            |
| 626   | CBS Corp.                         | 18,128,016 |
|       |                                   | <hr/>      |

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

October 31, 2006 (unaudited)

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Shares  
(000)

Value\*

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| <b>Oil &amp; Gas-15.6%</b>            |                                  |    |               |
|---------------------------------------|----------------------------------|----|---------------|
| 1,000                                 | Anadarko Petroleum Corp. (a)     | \$ | 46,420,000    |
| 1,000                                 | Chevron Corp. (a)                |    | 67,200,000    |
| 1,600                                 | ConocoPhillips                   |    | 96,384,000    |
| 700                                   | Marathon Oil Corp.               |    | 60,480,000    |
| 1,100                                 | Occidental Petroleum Corp.       |    | 51,634,000    |
| 400                                   | PetroChina Co., Ltd. ADR         |    | 44,156,000    |
|                                       |                                  |    | 366,274,000   |
| <b>Pharmaceuticals-6.2%</b>           |                                  |    |               |
| 600                                   | GlaxoSmithKline PLC ADR          |    | 31,950,000    |
| 1,061                                 | Merck & Co., Inc. (a)            |    | 48,204,246    |
| 2,500                                 | Pfizer, Inc. (a)                 |    | 66,625,000    |
|                                       |                                  |    | 146,779,246   |
| <b>Real Estate-0.0%</b>               |                                  |    |               |
| 10                                    | Duke Realty Corp.-REIT           |    | 400,600       |
| <b>Telecommunications-4.4%</b>        |                                  |    |               |
| 500                                   | AT&T, Inc. (a)                   |    | 17,125,000    |
| 1,700                                 | Verizon Communications, Inc. (a) |    | 62,900,000    |
| 1,800                                 | Windstream Corp.                 |    | 24,696,000    |
|                                       |                                  |    | 104,721,000   |
| <b>Toys, Games &amp; Hobbies-0.4%</b> |                                  |    |               |
| 400                                   | Mattel, Inc.                     |    | 9,052,000     |
|                                       |                                  |    | 1,590,798,651 |

**CONVERTIBLE BONDS & NOTES-13.5%**

| Principal<br>Amount<br>(000)    |   | Credit Rating<br>(Moody's/S&P) |            |
|---------------------------------|---|--------------------------------|------------|
| <b>Airlines-0.9%</b>            |   |                                |            |
| \$12,900                        | Continental Airlines, Inc., 4.50%, 2/1/07 | Caa1/CCC+                      | 13,545,000 |
| 5,000                           | UAL Corp., 4.50%, 6/30/21(b)(c)           | NR/NR                          | 6,355,500  |
|                                 |   |                                | 19,900,500 |
| <b>Commercial Services-1.3%</b> |   |                                |            |
| 5,000                           | Bowne & Co., Inc., 5.00%, 10/1/33         | B2/B-                          | 5,368,000  |

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|        |   |          |            |
|--------|---|----------|------------|
| 3,000  | Quanta Services, Inc., 3.75%, 4/30/26 (b)(c)            | NR/B     | 3,273,750  |
| 13,400 | Quebecor World USA, Inc., 6.00%, 10/1/07                | B3/B-    | 13,215,750 |
| 7,500  | Vertrue Corp. Ltd., 5.50%, 10/1/10                      | NR/B-    | 9,431,250  |
|        |   |          | <hr/>      |
|        |   |          | 31,288,750 |
|        | <b>Computers-1.2%</b>                                   |          |            |
| 15,750 | Electronic Data Systems Corp., 3.875%, 7/15/23          | Ba1/BBB  | 16,183,125 |
| 10,100 | Maxtor Corp., 6.80%, 4/30/10                            | Ba1/NR   | 11,248,875 |
|        |   |          | <hr/>      |
|        |   |          | 27,432,000 |
|        | <b>Electric-0.5%</b>                                    |          |            |
| 3,500  | PG&E Corp., 9.50%, 6/30/10                              | NR/NR    | 10,972,500 |
|        |   |          | <hr/>      |
|        | <b>Electrical Components &amp; Equipment-0.3%</b>       |          |            |
| 5,750  | Artesyn Technologies, Inc., 5.50%, 8/15/10              | NR/NR    | 7,872,325  |
|        |   |          | <hr/>      |
|        | <b>Hotels/Gaming-0.9%</b>                               |          |            |
| 8,500  | Caesars Entertainment, Inc., 5.37375, 4/15/24 (d)       | Baa3/BB+ | 10,415,900 |
| 7,800  | Hilton Hotels Corp., 3.375%, 4/15/23                    | Ba2/BB   | 10,500,750 |
|        |   |          | <hr/>      |
|        |   |          | 20,916,650 |
|        | <b>Media-0.6%</b>                                       |          |            |
| 13,000 | EchoStar Communications Corp., 5.75%, 5/15/08, GDR      | B1/B     | 13,178,750 |
|        |   |          | <hr/>      |
|        | <b>Oil &amp; Gas-0.6%</b>                               |          |            |
| 10,675 | Devon Energy Corp., 4.95%, 8/15/08                      | Baa2/BBB | 13,770,750 |
|        |   |          | <hr/>      |
|        | <b>Pharmaceuticals-0.6%</b>                             |          |            |
| 14,000 | Sepracor, Inc., 5.00%, 2/15/07                          | NR/B-    | 14,000,000 |
|        |   |          | <hr/>      |
|        | <b>Real Estate-0.5%</b>                                 |          |            |
| 6,500  | Digital Realty Trust L.P., 4.125%, 8/15/26, REIT (b)(c) | NR/NR    | 7,250,100  |
| 5,000  | EOP Operating L.P., 4.00%, 7/15/26 (b)(c)               | NR/BBB   | 5,518,750  |
|        |   |          | <hr/>      |
|        |   |          | 12,768,850 |
|        | <b>Retail-0.5%</b>                                      |          |            |
| 12,800 | Sonic Automotive, Inc., 5.25%, 5/7/09                   | B2/B     | 12,224,000 |
|        |   |          | <hr/>      |

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

October 31, 2006 (unaudited)

| Principal<br>Amount<br>(000) |  | Credit Rating<br>(Moody's/S&P) | Value*             |
|------------------------------|--|--------------------------------|--------------------|
|                              | <b>Semi-conductors-0.5%</b>                          |                                |                    |
| \$11,500                     | Fairchild Semiconductor Corp., 5.00%, 11/1/08        | NR/B                           | \$ 11,456,875      |
|                              | <b>Telecommunications-4.1%</b>                       |                                |                    |
| 11,000                       | American Tower Corp., 5.00%, 2/15/10                 | Ba3/BB-                        | 11,027,500         |
| 10,500                       | CenturyTel, Inc., 4.75%, 8/1/32                      | Baa2/BBB                       | 11,169,375         |
| 11,510                       | Ciena Corp., 3.75%, 2/1/08                           | B2/B                           | 11,222,250         |
| 5,855                        | Harris Corp., 3.50%, 8/15/22, GDR                    | Baa2/BBB                       | 11,124,500         |
| 13,300                       | Level 3 Communications, Inc., 6.00%, 3/15/10         | Caa3/CCC-                      | 12,103,000         |
| 14,100                       | Lucent Technologies, Inc., 8.00%, 8/1/31             | B3/CCC+                        | 14,223,375         |
| 14,000                       | Nextel Communications, Inc., 5.25%, 1/15/10          | Baa3/BBB+                      | 13,982,500         |
| 11,500                       | Nortel Networks Corp., 4.25%, 9/1/08, GDR            | B3/B-                          | 11,097,500         |
|                              |  |                                | <u>95,950,000</u>  |
|                              | <b>Transportation-0.4%</b>                           |                                |                    |
| 600                          | CSX Corp., 0.00%, 10/30/21                           | Baa2/BBB                       | 773,250            |
| 6,450                        | YRC Worldwide, Inc., 5.00%, 8/8/23                   | Ba1/BBB-                       | 8,320,500          |
|                              |  |                                | <u>9,093,750</u>   |
|                              | <b>Trucking/Leasing-0.6%</b>                         |                                |                    |
| 11,900                       | GATX Corp., 7.50%, 2/1/07                            | Baa3/BBB                       | 15,246,875         |
|                              | Total Convertible Bonds & Notes (cost-\$311,779,897) |                                | <u>316,072,575</u> |
|                              | <b>CONVERTIBLE PREFERRED STOCK-9.6%</b>              |                                |                    |
| Shares<br>(000)              |  |                                |                    |
|                              | <b>Automotive-0.6%</b>                               |                                |                    |
| 575                          | General Motors Corp., 6.25%, 7/15/33                 | Caa1/B-                        | 13,646,939         |
|                              | <b>Banking-0.4%</b>                                  |                                |                    |
| 195                          | Washington Mutual Capital Trust, 5.375%, 5/1/41      | Baa1/BBB                       | 10,689,900         |

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|  |   |          |            |
|--|---|----------|------------|
| <b>Commercial Services-0.3%</b>            |   |          |            |
| 175  | United Rentals, Inc., 6.50%, 8/1/28                 | B3/B-    | 8,540,951  |
| <b>Diversified Financial Services-0.9%</b> |   |          |            |
| 293  | E*Trade Financial Corp., 6.125%, 11/18/08           | Ba3/NR   | 8,826,625  |
| 430  | Lehman Brothers Holdings, Inc., 6.25%, 10/15/07     | A1/A+    | 11,825,000 |
|  |   |          | 20,651,625 |
| <b>Electric-1.6%</b>                       |   |          |            |
| 244  | AES Trust III, 6.75%, 10/15/29                      | B3/B     | 11,802,235 |
| 230  | Entergy Corp., 7.625%, 2/17/09                      | NR/BBB   | 12,995,000 |
| 48   | NRG Energy, Inc., 5.75%, 3/16/09                    | B2/CCC+  | 11,923,781 |
|  |   |          | 36,721,016 |
| <b>Food-0.5%</b>                           |   |          |            |
| 483  | Albertson's, Inc., 7.25%, 5/16/07                   | B1/B     | 12,150,162 |
| <b>Insurance-2.2%</b>                      |   |          |            |
| 300  | Genworth Financial, Inc., 6.00%, 5/16/07            | A2/A     | 10,815,000 |
| 405  | Metlife, Inc., 6.375%, 8/15/08                      | NR/BBB+  | 11,987,214 |
| 165  | Platinum Underwriters Holdings Ltd., 6.00%, 2/15/09 | NR/BB+   | 4,888,125  |
| 450  | PMI Group, Inc., 5.875%, 11/15/06                   | A1/A     | 11,250,000 |
| 535  | XL Capital Ltd., 6.50%, 5/15/07                     | A3/A-    | 12,198,000 |
|  |   |          | 51,138,339 |
| <b>Oil &amp; Gas-0.9%</b>                  |   |          |            |
| 104  | Chesapeake Energy Corp., 5.00%, 12/31/49            | NR/B     | 11,319,650 |
| 90   | Hess Corp., 7.00%, 12/1/06                          | Ba3/BB   | 9,639,525  |
|  |   |          | 20,959,175 |
| <b>Pharmaceuticals-0.7%</b>                |   |          |            |
| 289  | Schering-Plough Corp., 6.00%, 9/14/07               | Baa3/BBB | 15,934,364 |
| <b>Real Estate-0.5%</b>                    |   |          |            |
| 465  | FelCor Lodging Trust, Inc., 1.95%, 12/31/49, Ser. A | B2/B-    | 11,688,150 |
| <b>Telecommunications-0.5%</b>             |   |          |            |
| 204  | Crown Castle International Corp., 6.25%, 8/15/12    | NR/NR    | 11,290,686 |

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| <b>Waste Disposal-0.5%</b>                             |  |        |             |
|--|--|--------|-------------|
| 38   | Allied Waste Industries, Inc., 6.25%, 3/1/08 | Caa1/B | 12,625,388  |
|  |  |        | <hr/>       |
| Total Convertible Preferred Stock (cost-\$217,061,987) |  |        | 226,036,695 |
|  |  |        | <hr/>       |

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

October 31, 2006 (unaudited)

| Principal<br>Amount<br>(000)  |   | Value*               |
|---|---|----------------------|
| <b>SHORT-TERM INVESTMENTS-10.9%</b>   |   |                      |
| <b>Time Deposits-10.9%</b>  |   |                      |
| \$36,675  | BNP Paribas Grand Cayman, 4.61%, 11/1/06          | \$ 36,675,476        |
| 12,202  | Royal Bank of Canada Grand Cayman, 4.61%, 11/1/06 | 12,202,376           |
| 207,092   | Societe Generale, 4.61%, 11/1/06                  | 207,092,183          |
|   |   | <hr/>                |
| Total Time Deposits (cost-\$255,970,035)  |   | 255,970,035          |
|   |   | <hr/>                |
| <b>Total Investments, before call options written</b> (cost-\$2,320,812,446)- <b>101.8%</b> |   | <b>2,388,877,956</b> |
|   |   | <hr/>                |

**CALL OPTIONS WRITTEN (e)-(1.5)%**

| <b>Contracts</b>  |  |             |
|---|--|-------------|
| <hr/>   |  |             |
| American Stock Exchange Morgan Stanley Cyclical Flex Index, |  |             |
| 200   | strike price \$817, expires 11/3/06      | (756,600)   |
| 200   | strike price \$875, expires 12/22/06     | (148,000)   |
| American Stock Exchange Morgan Stanley Cyclical Index,      |  |             |
| 250   | strike price \$840, expires 11/18/06     | (531,250)   |
| 250   | strike price \$870, expires 12/16/06     | (322,500)   |
| 600   | strike price \$880, expires 12/16/06     | (546,000)   |
| 200   | strike price \$890, expires 12/16/06     | (123,000)   |
| American Stock Exchange Oil Flex Index,                     |  |             |
| 200   | strike price \$1112, expires 11/10/06    | (622,200)   |
| 200   | strike price \$1119.50, expires 11/10/06 | (519,200)   |
| 200   | strike price \$1175, expires 1/5/06      | (549,200)   |
| 200   | strike price \$1248, expires 11/3/06     | -           |
| American Stock Exchange Oil Index,                          |  |             |
| 200   | strike price \$1105.50, expires 11/10/06 | (718,200)   |
| 100   | strike price \$1110, expires 11/18/06    | (366,500)   |
| 500   | strike price \$1120, expires 11/18/06    | (1,507,500) |



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|       |   |             |
|-------|---|-------------|
| 75    | strike price \$1130, expires 12/16/06                   | (291,750)   |
| 100   | strike price \$1130, expires 11/18/06                   | (242,500)   |
| 200   | strike price \$1134, expires 12/01/06                   | (622,200)   |
| 175   | strike price \$1140, expires 12/16/06                   | (590,625)   |
| 150   | strike price \$1180, expires 12/16/06                   | (264,000)   |
| 200   | strike price \$1190, expires 12/16/06                   | (293,000)   |
| 150   | strike price \$1200, expires 12/16/06                   | (182,250)   |
| 150   | strike price \$1210, expires 12/16/06                   | (150,000)   |
|       | Pharmaceutical HOLDRS,                                  |             |
| 5,000 | strike price \$100.60, expires 1/5/07                   | (770,000)   |
| 5,000 | strike price \$101.25, expires 11/24/06                 | (510,000)   |
|       | Philadelphia Stock Exchange KBW Bank Sector Flex Index, |             |
| 2,000 | strike price \$112, expires 11/3/06                     | (380,000)   |
| 1,300 | strike price \$112.50, expires 11/3/06                  | (189,800)   |
| 1,500 | strike price \$114.38, expires 11/10/06                 | (102,000)   |
| 2,000 | strike price \$115, expires 12/22/06                    | (362,000)   |
|       | Philadelphia Stock Exchange KBW Bank Sector Index,      |             |
| 4,000 | strike price \$115, expires 11/18/06                    | (240,000)   |
| 4,000 | strike price \$115, expires 12/16/06                    | (580,000)   |
| 1,500 | strike price \$115, expires 12/1/06                     | (183,000)   |
|       | Philadelphia Stock Exchange Utility Flex Index,         |             |
| 450   | strike price \$466, expires 11/3/06                     | (706,950)   |
|       | Philadelphia Stock Exchange Utility Index,              |             |
| 1,100 | strike price \$455, expires 11/18/06                    | (2,893,000) |
| 875   | strike price \$460, expires 11/18/06                    | (1,881,250) |
| 150   | strike price \$465, expires 11/18/06                    | (250,500)   |
| 400   | strike price \$480, expires 12/16/06                    | (320,000)   |
| 100   | strike price \$485, expires 12/16/06                    | (53,000)    |
|       | Standard & Poors 500 Flex Index,                        |             |
| 200   | strike price \$1323, expires 11/03/06                   | (1,086,600) |
| 200   | strike price \$1344, expires 12/1/06                    | (849,200)   |
| 200   | strike price \$1347, expires 12/1/06                    | (799,800)   |
| 200   | strike price \$1355, expires 12/1/06                    | (672,200)   |
| 250   | strike price \$1389, expires 12/22/06                   | (467,725)   |

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

October 31, 2006 (unaudited)

| Contracts | Value*                                |
|-----------|---------------------------------------|
|           |                                       |
|           | Standard & Poors 500 Index,           |
| 150       | strike price \$1320, expires 11/18/06 |
| 250       | strike price \$1325, expires 11/18/06 |
| 250       | strike price \$1330, expires 11/18/06 |
| 550       | strike price \$1335, expires 11/18/06 |
| 550       | strike price \$1340, expires 11/18/06 |

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|       |   |                         |
|-------|---|-------------------------|
| 200   | strike price \$1360, expires 12/16/06   | (686,000)               |
| 100   | strike price \$1380, expires 12/16/06   | (212,000)               |
| 250   | strike price \$1385, expires 12/16/06   | (457,500)               |
| 350   | strike price \$1390, expires 12/16/06   | (549,500)               |
| 50    | strike price \$1395, expires 12/16/06   | (67,000)                |
| 150   | strike price \$1400, expires 12/16/06   | (168,000)               |
|       | Telecommunication Basket Index,   |                         |
| 5,000 | strike price \$102, expires 12/8/06   | (1,185,000)             |
| 5,000 | strike price \$102.50, expires 12/8/06  | (820,000)               |
|       |   | <hr/>                   |
|       | Total Call Options Written (premiums received-\$21,863,824)                                 | (35,109,500)            |
|       |   | <hr/>                   |
|       | <b>Total Investments, net of call options written</b> (cost-\$2,298,948,622) <b>-100.3%</b> | 2,353,768,456           |
|       |   |                         |
|       | Liabilities in excess of other assets-(0.3)%  | (6,444,547)             |
|       |   | <hr/>                   |
|       | <b>Net Assets-100.0%</b>  | <b>\$ 2,347,323,909</b> |
|       |   | <hr/>                   |

**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 are valued daily using prices supplied by an independent pricing service or dealer quotations or using the last sale price on the exchange that is the primary market for such securities, or the quoted mean 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 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.
- (d) Variable rate security. Interest rate disclosed reflects the rate in effect on October 31, 2006.
- (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 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

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**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 26, 2006

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

Date: December 26, 2006

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 26, 2006

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

Date: December 26, 2006

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