

NFJ DIVIDEND, INTEREST & PREMIUM STRATEGY FUND
Form N-Q
June 15, 2012

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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
(Exact name of registrant as specified in charter)

1633 Broadway, New York, New York
(Address of principal executive offices)

10019
(Zip code)

Lawrence G. Altadonna 1633 Broadway, New York, New York 10019
(Name and address of agent for service)

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

Date of fiscal year January 31, 2013
end:

Date of reporting period: April 30, 2012

Item 1 Schedule of Investments**NFJ Dividend, Interest & Premium Strategy Fund Schedule of Investments**

April 30, 2012 (unaudited)

| Shares | | Value* |
|--|--|--------------|
| COMMON STOCK 69.3% | | |
| Aerospace & Defense 2.5% | | |
| 260,000 | Lockheed Martin Corp. | \$23,540,400 |
| 300,000 | Northrop Grumman Corp. (a) | 18,984,000 |
| | | 42,524,400 |
| Beverages 0.9% | | |
| 220,000 | PepsiCo, Inc. (a) | 14,520,000 |
| Capital Markets 1.3% | | |
| 400,000 | Ameriprise Financial, Inc. (a) | 21,684,000 |
| Chemicals 1.5% | | |
| 492,800 | EI du Pont de Nemours & Co. (a) | 26,345,088 |
| Commercial Banks 3.0% | | |
| 405,900 | PNC Financial Services Group, Inc. (a) | 26,919,288 |
| 700,000 | Wells Fargo & Co. (a) | 23,401,000 |
| | | 50,320,288 |
| Commercial Services & Supplies 2.7% | | |
| 1,600,000 | Pitney Bowes, Inc. | 27,408,000 |
| 1,500,000 | RR Donnelley & Sons Co. (a) | 18,765,000 |
| | | 46,173,000 |
| Communications Equipment 0.5% | | |
| 174,500 | Harris Corp. | 7,946,730 |
| Diversified Financial Services 1.5% | | |
| 600,000 | JP Morgan Chase & Co. | 25,788,000 |
| Diversified Telecommunication Services 1.5% | | |
| 750,200 | AT&T, Inc. (a) | 24,689,082 |
| Electric Utilities 1.6% | | |
| 700,000 | American Electric Power Co., Inc. | 27,188,000 |
| Energy Equipment & Services 3.1% | | |
| 400,000 | Diamond Offshore Drilling, Inc. (a) | 27,420,000 |
| 463,300 | EnscO PLC - ADR | 25,319,345 |
| | | 52,739,345 |
| Food & Staples Retailing 1.0% | | |
| 300,000 | Wal-Mart Stores, Inc. | 17,673,000 |
| Food Products 0.5% | | |
| 220,139 | Archer-Daniels-Midland Co. | 6,786,885 |
| 39,038 | Bunge Ltd. | 2,517,951 |
| | | 9,304,836 |
| Health Care Equipment & Supplies 0.9% | | |

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| | | |
|-----------|--|-------------|
| 389,100 | Medtronic, Inc. (a) | 14,863,620 |
| | Household Durables 0.7% | |
| 175,000 | Whirlpool Corp. (a) | 11,203,500 |
| | Household Products 0.7% | |
| 150,000 | Kimberly-Clark Corp. (a) | 11,770,500 |
| | Industrial Conglomerates 1.7% | |
| 1,443,217 | General Electric Co. (a) | 28,258,189 |
| | Insurance 6.0% | |
| 57,396 | American International Group, Inc. (b) | 1,953,186 |
| 1,103,600 | Lincoln National Corp. (a) | 27,336,172 |
| 500,000 | MetLife, Inc. | 18,015,000 |
| 700,000 | The Allstate Corp. (a) | 23,331,000 |
| 400,000 | The Travelers Cos, Inc. (a) | 25,728,000 |
| 280,505 | XL Group PLC, Class A | 6,033,663 |
| | | 102,397,021 |
| | Media 0.4% | |
| 200,500 | Time Warner, Inc. | 7,510,730 |
| | Metals & Mining 3.3% | |
| 640,000 | Barrick Gold Corp. (a) | 25,875,200 |
| 810,800 | Freeport-McMoRan Copper & Gold, Inc. (a) | 31,053,640 |
| | | 56,928,840 |
| | Multi-Utilities 1.3% | |
| 682,600 | Ameren Corp. (a) | 22,382,454 |
| | Office Electronics 1.4% | |
| 3,104,100 | Xerox Corp. (a) | 24,149,898 |

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NFJ Dividend, Interest & Premium Strategy Fund Schedule of Investments

April 30, 2012 (unaudited)

| Shares | | Value* |
|--|---|---------------|
| Oil, Gas & Consumable Fuels 11.2% | | |
| 800,000 | Chesapeake Energy Corp. (a) | \$14,752,000 |
| 230,000 | Chevron Corp. (a) | 24,508,800 |
| 650,000 | ConocoPhillips (a) | 46,559,500 |
| 400,000 | EnCana Corp. | 8,376,000 |
| 775,000 | Marathon Oil Corp. (a) | 22,738,500 |
| 500,000 | Royal Dutch Shell PLC, Class A - ADR | 35,770,000 |
| 800,000 | Total SA - ADR (a) | 38,488,000 |
| | | 191,192,800 |
| Paper & Forest Products 2.1% | | |
| 1,075,000 | International Paper Co. (a) | 35,808,250 |
| Pharmaceuticals 11.9% | | |
| 1,180,000 | GlaxoSmithKline PLC - ADR (a) | 54,551,400 |
| 450,000 | Johnson & Johnson (a) | 29,290,500 |
| 645,100 | Merck & Co., Inc. | 25,313,724 |
| 2,500,000 | Pfizer, Inc. (a) | 57,325,000 |
| 770,600 | Sanofi - ADR | 29,421,508 |
| 132,342 | Teva Pharmaceutical Industries Ltd. - ADR | 6,053,323 |
| | | 201,955,455 |
| Real Estate Investment Trust 0.1% | | |
| 100,000 | Annaly Capital Management, Inc. | 1,632,000 |
| Semiconductors & Semiconductor Equipment 1.7% | | |
| 1,000,000 | Intel Corp. (a) | 28,400,000 |
| Software 1.5% | | |
| 800,000 | Microsoft Corp. (a) | 25,616,000 |
| Thriffs & Mortgage Finance 1.8% | | |
| 3,498,500 | Hudson City Bancorp, Inc. (a) | 24,699,410 |
| 500,000 | New York Community Bancorp, Inc. | 6,745,000 |
| | | 31,444,410 |
| Tobacco 1.0% | | |
| 400,000 | Reynolds American, Inc. (a) | 16,332,000 |
| | Total Common Stock (cost-\$1,327,052,693) | 1,178,741,436 |

| Principal Amount (000s) | | |
|--|--|-----------|
| CONVERTIBLE BONDS & NOTES 16.0% | | |
| Aerospace & Defense 0.5% | | |
| \$1,000 | AAR Corp., 1.75%, 2/1/26 | 991,250 |
| 3,895 | GenCorp, Inc., 4.063%, 12/31/39 | 4,094,619 |
| 1,250 | Textron, Inc., 4.50%, 5/1/13 | 2,573,437 |
| | | 7,659,306 |
| Airlines 0.1% | | |
| 1,650 | Continental Airlines, Inc., 4.50%, 1/15/15 | 2,274,937 |

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| | | |
|-------|--|------------|
| | Apparel 0.2% | |
| 4,000 | Iconix Brand Group, Inc., 2.50%, 6/1/16 (c)(d) | 3,760,000 |
| | Automobiles 0.6% | |
| 6,700 | Ford Motor Co., 4.25%, 11/15/16 | 9,983,000 |
| | Biotechnology 0.3% | |
| 2,000 | Medivation, Inc., 2.625%, 4/1/17 | 2,245,000 |
| 2,000 | Vertex Pharmaceuticals, Inc., 3.35%, 10/1/15 | 2,242,500 |
| | | 4,487,500 |
| | Building Products 0.3% | |
| 5,125 | Griffon Corp., 4.00%, 1/15/17 (c)(d) | 5,022,500 |
| | Capital Markets 0.6% | |
| 7,580 | Ares Capital Corp., 5.75%, 2/1/16 (c)(d) | 7,911,625 |
| 3,095 | BGC Partners, Inc., 4.50%, 7/15/16 (c)(d) | 3,064,050 |
| | | 10,975,675 |
| | Communications Equipment 0.8% | |
| | Ciena Corp., | |
| 4,660 | 0.875%, 6/15/17 | 3,972,650 |
| 6,800 | 3.75%, 10/15/18 (c)(d) | 7,310,000 |
| 2,000 | JDS Uniphase Corp., 1.00%, 5/15/26 | 1,995,000 |
| | | 13,277,650 |
| | Computers & Peripherals 0.1% | |
| 1,000 | NetApp, Inc., 1.75%, 6/1/13 | 1,298,750 |
| | Construction & Engineering 0.3% | |
| 3,500 | MasTec, Inc., 4.00%, 6/15/14 | 4,628,750 |
| | Diversified Telecommunication Services 0.6% | |
| 8,295 | Level 3 Communications, Inc., 15.00%, 1/15/13 | 9,756,994 |

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NFJ Dividend, Interest & Premium Strategy Fund Schedule of Investments

April 30, 2012 (unaudited)

| Principal Amount (000s) | | Value* |
|--|--|--------------|
| Electrical Equipment 1.1% | | |
| \$9,005 | EnerSys, 3.375%, 6/1/38 (e) | \$10,479,569 |
| 9,000 | JA Solar Holdings Co., Ltd., 4.50%, 5/15/13 | 7,458,750 |
| | | 17,938,319 |
| Energy Equipment & Services 0.3% | | |
| 4,500 | Newpark Resources, Inc., 4.00%, 10/1/17 | 4,455,000 |
| Health Care Equipment & Supplies 0.4% | | |
| 2,000 | Hologic, Inc., 2.00%, 12/15/37 (e) | 2,165,000 |
| 4,705 | NuVasive, Inc., 2.75%, 7/1/17 | 4,040,419 |
| | | 6,205,419 |
| Health Care Providers & Services 0.2% | | |
| 3,000 | Molina Healthcare, Inc., 3.75%, 10/1/14 | 3,390,000 |
| Healthcare-Products 0.6% | | |
| 9,810 | Alere, Inc., 3.00%, 5/15/16 | 9,564,750 |
| Hotels, Restaurants & Leisure 0.7% | | |
| 9,995 | MGM Resorts International, 4.25%, 4/15/15 | 10,607,194 |
| 1,930 | Morgans Hotel Group Co., 2.375%, 10/15/14 | 1,683,925 |
| | | 12,291,119 |
| Household Durables 0.4% | | |
| 4,900 | Lennar Corp., 3.25%, 11/15/21 (c)(d) | 6,853,875 |
| Insurance 0.1% | | |
| 2,000 | American Equity Investment Life Holding Co., 3.50%, 9/15/15 (c)(d) | 2,330,000 |
| Internet Software & Services 0.2% | | |
| 1,500 | DealerTrack Holdings, Inc., 1.50%, 3/15/17 (c)(d) | 1,597,500 |
| 1,405 | WebMD Health Corp., 2.50%, 1/31/18 | 1,220,594 |
| | | 2,818,094 |
| IT Services 0.7% | | |
| 6,125 | Alliance Data Systems Corp., 1.75%, 8/1/13 | 10,136,875 |
| 1,500 | VeriFone Systems, Inc., 1.375%, 6/15/12 | 1,659,375 |
| | | 11,796,250 |
| Machinery 1.5% | | |
| 3,000 | Chart Industries, Inc., 2.00%, 8/1/18 | 3,960,000 |
| 7,940 | Greenbrier Cos, Inc., 3.50%, 4/1/18 (c)(d) | 7,235,325 |
| 7,000 | Meritor, Inc., 4.625%, 3/1/26 (e) | 6,308,750 |
| 7,000 | Navistar International Corp., 3.00%, 10/15/14 | 7,253,750 |
| 1,000 | Terex Corp., 4.00%, 6/1/15 | 1,587,500 |
| | | 26,345,325 |
| Marine 0.1% | | |
| 3,090 | DryShips, Inc., 5.00%, 12/1/14 | 2,549,250 |
| Media 0.1% | | |
| 1,000 | XM Satellite Radio, Inc., 7.00%, 12/1/14 (c)(d) | 1,458,750 |
| Metals & Mining 0.3% | | |

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| | | |
|--------|--|------------|
| 250 | Alcoa, Inc., 5.25%, 3/15/14 | 406,562 |
| 4,805 | Steel Dynamics, Inc., 5.125%, 6/15/14 | 5,213,425 |
| | | 5,619,987 |
| | Multiline Retail 0.1% | |
| 2,065 | Saks, Inc., 2.00%, 3/15/24 | 2,219,875 |
| | | |
| | Oil, Gas & Consumable Fuels 1.7% | |
| 10,800 | Alpha Natural Resources, Inc., 2.375%, 4/15/15 | 9,909,000 |
| 2,190 | Chesapeake Energy Corp., 2.50%, 5/15/37 | 1,910,775 |
| 7,475 | Peabody Energy Corp., 4.75%, 12/15/41 | 7,166,656 |
| 9,200 | Petroleum Development Corp., 3.25%, 5/15/16 (c)(d) | 9,786,500 |
| | | 28,772,931 |
| | Pharmaceuticals 0.0% | |
| 85 | Valeant Pharmaceuticals International, Inc., 5.375%, 8/1/14 (c)(d) | 333,731 |
| | | |
| | Real Estate Investment Trust 0.2% | |
| 3,000 | Developers Diversified Realty Corp., 1.75%, 11/15/40 | 3,266,250 |
| | | |
| | Road & Rail 0.3% | |
| 3,000 | Hertz Global Holdings, Inc., 5.25%, 6/1/14 | 5,857,500 |
| | | |
| | Semiconductors & Semiconductor Equipment 1.4% | |
| | Micron Technology, Inc., | |
| 9,250 | 1.50%, 8/1/31 (c)(d) | 8,521,563 |
| 5,500 | 1.875%, 6/1/27 | 5,025,625 |
| 8,500 | SunPower Corp., 4.75%, 4/15/14 | 7,841,250 |
| 1,000 | Teradyne, Inc., 4.50%, 3/15/14 | 3,197,500 |
| | | 24,585,938 |
| | Software 0.9% | |
| 1,340 | Concur Technologies, Inc., 2.50%, 4/15/15 (c)(d) | 1,695,100 |
| 5,540 | Electronic Arts, Inc., 0.75%, 7/15/16 (c)(d) | 5,124,500 |
| 5,760 | Nuance Communications, Inc., 2.75%, 8/15/27 | 8,172,000 |
| | | 14,991,600 |

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NFJ Dividend, Interest & Premium Strategy Fund Schedule of Investments

April 30, 2012 (unaudited)

| Principal Amount (000s) | | Value* |
|-------------------------|--|-------------|
| | Thriffs & Mortgage Finance 0.3% | |
| \$8,020 | MGIC Investment Corp., 5.00%, 5/1/17 | \$5,724,275 |
| | Total Convertible Bonds & Notes (cost-\$295,471,291) | 272,493,300 |
| | Shares | |
| | CONVERTIBLE PREFERRED STOCK 9.9% | |
| | Airlines 0.4% | |
| 178,685 | Continental Airlines Finance Trust II, 6.00%, 11/15/30 | 6,242,807 |
| | Auto Components 0.5% | |
| 218,060 | Goodyear Tire & Rubber Co., 5.875%, 4/1/14 | 9,053,851 |
| | Automobiles 0.6% | |
| 273,705 | General Motors Co., 4.75%, 12/1/13, Ser. B | 10,685,443 |
| | Capital Markets 0.6% | |
| 192,820 | AMG Capital Trust I, 5.10%, 4/15/36 | 9,606,292 |
| | Commercial Services & Supplies 0.2% | |
| 51,592 | United Rentals, Inc., 6.50%, 8/1/28 | 2,963,316 |
| | Diversified Financial Services 1.1% | |
| 11,715 | Bank of America Corp., 7.25%, 1/30/13, Ser. L (f) | 11,398,695 |
| 74,015 | Citigroup, Inc., 7.50%, 12/15/12 | 7,214,242 |
| | | 18,612,937 |
| | Electric Utilities 0.4% | |
| | NextEra Energy, Inc., | |
| 50,000 | 7.00%, 9/1/13 | 2,695,000 |
| 87,800 | 8.375%, 6/1/12 | 4,454,094 |
| | | 7,149,094 |
| | Food Products 0.6% | |
| 113,830 | Bunge Ltd., 4.875%, 12/31/49 (f) | 10,870,765 |
| | Health Care Providers & Services 0.1% | |
| 2,500 | HealthSouth Corp., 6.50%, 12/31/49, Ser. A (f) | 2,569,375 |
| | Household Durables 0.8% | |
| 97,900 | Newell Financial Trust I, 5.25%, 12/1/27 | 4,674,725 |
| 67,760 | Stanley Black & Decker, Inc., 4.75%, 11/17/15 | 8,131,200 |
| | | 12,805,925 |
| | Insurance 0.9% | |
| 78,645 | Assured Guaranty Ltd., 8.50%, 6/1/12 | 4,462,318 |
| 154,180 | MetLife, Inc., 5.00%, 9/11/13 | 10,606,042 |
| | | 15,068,360 |
| | IT Services 0.1% | |
| 31,360 | Unisys Corp., 6.25%, 3/1/14 | 1,881,286 |
| | Multi-Utilities 0.7% | |

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| | | |
|---|--|-------------|
| 229,100 | AES Trust III, 6.75%, 10/15/29 | 11,367,942 |
| Oil, Gas & Consumable Fuels 1.1% | | |
| 140,100 | Apache Corp., 6.00%, 8/1/13 | 7,442,112 |
| 45,100 | ATP Oil & Gas Corp., 8.00%, 10/1/14 (c)(d)(f) | 2,260,638 |
| 114,950 | Chesapeake Energy Corp., 5.00%, 12/31/49 (f) | 8,333,875 |
| | | 18,036,625 |
| Real Estate Investment Trust 1.3% | | |
| 176,800 | Alexandria Real Estate Equities, Inc., 7.00%, 4/20/13 (f) | 4,609,176 |
| 602,400 | FelCor Lodging Trust, Inc., 1.95%, 12/31/49, Ser. A (f) | 15,632,280 |
| 35,385 | Health Care, Inc., 6.50%, 4/20/18, Ser. I (f) | 1,888,851 |
| | | 22,130,307 |
| Road & Rail 0.5% | | |
| 897,975 | 2010 Swift Mandatory Common Exchange Security Trust, 6.00%, 12/31/13 (d) | 9,324,303 |
| | Total Convertible Preferred Stock (cost-\$188,058,942) | 168,368,628 |

Principal
Amount
(000s)

SHORT-TERM INVESTMENTS 4.7%

| | | |
|---|--|------------|
| Time Deposits 4.7% | | |
| \$16,577 | Bank of America-London, 0.03%, 5/1/12 | 16,577,380 |
| 1,386 | Citibank-Nassau, 0.03%, 5/1/12 | 1,385,626 |
| 62,809 | Wells Fargo-Grand Cayman, 0.03%, 5/1/12 | 62,809,172 |
| | Total Short Term Investments (cost-\$80,772,178) | 80,772,178 |
| Total Investments, before call options written | | |

NFJ Dividend, Interest & Premium Strategy Fund Schedule of Investments

April 30, 2012 (unaudited)

| Contracts | Value* |
|--|------------------------|
| CALL OPTIONS WRITTEN (b) (0.6)% | |
| 400 Morgan Stanley Cyclical Flex Index, strike price \$1055, expires 5/25/12 | \$(37,273) |
| 400 strike price \$1065, expires 5/11/12 | (1,233) |
| 400 Morgan Stanley Cyclical Index, strike price \$1010, expires 6/16/12 | (484,000) |
| 190 NASDAQ 100 Index, strike price \$2775, expires 6/16/12 | (725,800) |
| 100 strike price \$2825, expires 5/19/12 | (53,000) |
| 1,500 Philadelphia Oil Service Sector Flex Index, strike price \$250, expires 6/22/12 | (78,564) |
| 1,200 strike price \$255, expires 6/1/12 | (4,518) |
| 1,500 strike price \$260, expires 5/4/12 | |
| 4,000 Philadelphia Oil Service Sector Index, strike price \$245, expires 6/16/12 | (1,520,000) |
| 1,500 strike price \$255, expires 5/19/12 | (75,000) |
| 7,000 Philadelphia Stock Exchange KBW Bank Flex Index, strike price \$47, expires 5/4/12 | (984,018) |
| 9,000 strike price \$52, expires 6/1/12 | (240,595) |
| 9,000 strike price \$52.50, expires 5/25/12 | (125,144) |
| 8,000 strike price \$53, expires 5/11/12 | (9,076) |
| 6,000 Philadelphia Stock Exchange KBW Bank Index, strike price \$50, expires 6/16/12 | (555,000) |
| 5,000 strike price \$51, expires 6/16/12 | (312,500) |
| 250 Standard & Poor's 500 Flex Index, strike price \$1385, expires 5/4/12 | (408,310) |
| 300 strike price \$1410, expires 6/22/12 | (725,032) |
| 300 strike price \$1415, expires 6/8/12 | (504,553) |
| 300 strike price \$1425, expires 5/11/12 | (95,205) |
| 300 Standard & Poor's 500 Index, strike price \$1395, expires 6/16/12 | (877,500) |
| 300 strike price \$1405, expires 6/16/12 | (709,500) |
| 300 strike price \$1410, expires 6/16/12 | (634,500) |
| 300 strike price \$1425, expires 5/19/12 | (162,000) |
| 300 strike price \$1430, expires 5/19/12 | (123,000) |
| 300 strike price \$1435, expires 5/19/12 | (93,000) |
| Total Call Options Written (premiums received-\$15,117,980) | (9,538,321) |
| Total Investments, net of call options written (cost-\$1,876,237,124) 99.3% | 1,690,837,221 |
| Net Assets 100.0% | \$1,702,624,508 |

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

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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 approved by the Board of Trustees, or persons acting at their discretion pursuant to procedures approved 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. 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 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, 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.

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- (a) All or partial amount segregated for the benefit of the counterparty as collateral for call options written.
- (b) Non-income producing.
- (c) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate market value of \$74,265,657, representing 4.4% of net assets.
- (d) 144A 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.
- (e) Step Bond Coupon is a fixed rate for an initial period then resets at a specific date and rate.
- (f) Perpetual maturity. Maturity date shown is the next call date.
- (g) At April 30, 2012, the cost basis of portfolio securities (before call options written) for federal income tax purposes was \$1,892,236,739. Gross unrealized appreciation was \$85,024,792, gross unrealized depreciation was \$276,885,989 and net unrealized depreciation was \$191,861,197. The difference between book and tax cost basis was attributable to wash sale loss deferrals.

Glossary:

ADR American Depositary Receipt

Other Investments:

Transactions in call options written for the three months ended April 30, 2012:

| | Contracts | Premiums |
|---|-----------|--------------|
| Options outstanding, January 31, 2012 | 62,685 | \$14,705,028 |
| Options written | 88,255 | 24,675,435 |
| Options terminated in closing purchase transactions | (76,075) | (17,468,658) |
| Options expired | (16,725) | (6,793,825) |
| Options outstanding, April 30, 2012 | 58,140 | \$15,117,980 |

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 has 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 quotes from inactive exchanges
- Level 3 valuations based on significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

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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 techniques used.

The valuation techniques used by the Fund to measure fair value during the three months ended April 30, 2012 maximized the use of observable inputs and minimized the use of unobservable inputs.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following are certain inputs and techniques that the Fund generally uses to evaluate how to classify each major category of assets and liabilities for Level 2 and Level 3, in accordance with Generally Accepted Accounting Principles.

Equity Securities (Common and Preferred Stock) Equity securities traded in inactive markets are valued using inputs which include broker-dealer quotes, recently executed transactions adjusted for changes in the benchmark index, or evaluated price quotes received from independent pricing services that take into account the integrity of the market sector and issuer, the individual characteristics of the security, and information received from broker-dealers and other market sources pertaining to the issuer or security. To the extent that these inputs are observable, the values of equity securities are categorized as Level 2. To the extent that these inputs are unobservable the values are categorized as Level 3.

Convertible Bonds & Notes Convertible bonds & notes are valued by independent pricing services using various inputs and techniques, which include broker-dealer quotations from relevant market makers and recently executed transactions in securities of the issuer or comparable issuers. The broker-dealer quotations received are supported by credit analysis of the issuer that takes into consideration credit quality assessments, daily trading activity, and the activity of the underlying equities, listed bonds and sector-specific trends. To the extent that these inputs are observable, the values of convertible bonds & notes are categorized as Level 2. To the extent that these inputs are unobservable the values are categorized as Level 3.

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Option Contracts Option contracts traded over the counter (OTC) are valued by independent pricing services based on pricing models that incorporate various inputs such as interest rates, credit spreads, currency exchange rates and volatility measurements for in-the-money, at-the-money, and out-of-the-money contracts based on a given strike price. To the extent that these inputs are observable, the values of OTC option contracts are categorized as Level 2. To the extent that these inputs are unobservable the values are categorized as Level 3.

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, 2012 in valuing the Fund's assets and liabilities is listed below (refer to the Schedule of Investments for more detailed information on Investments in Securities):

| | Level 1 - Quoted Prices | Level 2 - Other Significant Observable Inputs | Level 3 - Significant Unobservable Inputs | Value at 4/30/12 |
|---|----------------------------|--|--|------------------------|
| Investments in Securities - Assets | | | | |
| Common Stock | \$1,178,741,436 | | | \$1,178,741,436 |
| Convertible Bonds & Notes | | \$272,493,300 | | 272,493,300 |
| Convertible Preferred Stock: | | | | |
| Airlines | | 6,242,807 | | 6,242,807 |
| Capital Markets | | 9,606,292 | | 9,606,292 |
| Commercial Services & Supplies | | 2,963,316 | | 2,963,316 |
| Health Care Providers & Services | | 2,569,375 | | 2,569,375 |
| Household Durables | 8,131,200 | 4,674,725 | | 12,805,925 |
| Insurance | 10,606,042 | 4,462,318 | | 15,068,360 |
| Oil, Gas & Consumable Fuels | 7,442,112 | 10,594,513 | | 18,036,625 |
| Road & Rail | | 9,324,303 | | 9,324,303 |
| All Other | 91,751,625 | | | 91,751,625 |
| Short-Term Investments | | 80,772,178 | | 80,772,178 |
| Total Investments in Securities - Assets | \$1,296,672,415 | \$403,703,127 | \$ | \$1,700,375,542 |
| Investments in Securities - Liabilities | | | | |
| Call Options Written, at value: | | | | |
| Market price | \$(6,324,800) | (3,213,521) | | \$(9,538,321) |
| Total Investments | \$1,290,347,615 | \$400,489,606 | \$ | \$1,690,837,221 |

There were no significant transfers between Levels 1 and 2 during the three months ended April 30, 2012.

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
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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: June 15, 2012

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

Date: June 15, 2012

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, 2012

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

Date: June 15, 2012
