

NFJ DIVIDEND, INTEREST & PREMIUM STRATEGY FUND
Form DEF 14A
April 25, 2007

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No.)

- Filed by the Registrant [X]
Filed by a Party other than the Registrant []
Check the appropriate box:
 [] Preliminary Proxy Statement [] Soliciting Material Under Rule
 [] Confidential, For Use of the Commission Only (as permitted 14a-12
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 [X] Definitive Proxy Statement
 [] Definitive Additional Materials

NFJ DIVIDEND, INTEREST & PREMIUM STRATEGY FUND

(Name of Registrant as Specified in its Charter)

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2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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1) Amount previously paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

NOTICE OF THE ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 31, 2007

c/o Allianz Global Investors Fund Management LLC
1345 Avenue of the Americas
New York, New York 10105

To the Shareholders of NFJ Dividend, Interest & Premium Strategy Fund (the "Fund"):

Notice is hereby given that an Annual Meeting of Shareholders (the "Meeting") of the Fund will be held at the offices of Allianz Global Investors Fund Management LLC ("AGIFM" or the "Manager"), 1345 Avenue of the Americas, between West 54th and West 55th Streets, 49th Floor, New York, New York 10105, on Thursday, May 31, 2007 at 9:30 A.M., Eastern Time, for the following purposes, all of which are more fully described in the accompanying Proxy Statement dated April 25, 2007:

1. To elect Trustees of the Fund, each to hold office for the term indicated and until his successor shall have been elected and qualified; and
2. To transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

The Board of Trustees of the Fund has fixed the close of business on April 4, 2007 as the record date for the determination of shareholders entitled to notice of, and to vote at, the Meeting or any postponement or adjournment thereof. The enclosed proxy is being solicited on behalf of the Board of Trustees of the Fund.

By order of the Board of Trustees
of the Fund
Thomas J. Fuccillo
Secretary

New York, New York
April 25, 2007

It is important that your shares be represented at the Meeting in person or by proxy, no matter how many shares you own. If you do not expect to attend the Meeting, please complete, date, sign and return the applicable enclosed proxy or proxies in the accompanying envelope, which requires no postage if mailed in the United States. Please mark and mail your proxy or proxies promptly in order to save the Fund any additional costs of further proxy solicitations and in order for the Meeting to be held as scheduled.

NFJ DIVIDEND, INTEREST & PREMIUM STRATEGY FUND

c/o Allianz Global Investors Fund Management LLC
1345 Avenue of the Americas
New York, New York 10105

PROXY STATEMENT

FOR THE ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 31, 2007

INTRODUCTION

This Proxy Statement is furnished in connection with the solicitation by the Board of Trustees (the “Board”) of NFJ Dividend, Interest & Premium Strategy Fund (the “Fund”) of proxies to be voted at the Annual Meeting of Shareholders of the Fund and any adjournment or postponement thereof (the “Meeting”). The Meeting will be held at the offices of Allianz Global Investors Fund Management LLC (“AGIFM” or the “Manager”), 1345 Avenue of the Americas, between West 54th and West 55th Streets, 49th Floor, New York, New York 10105 on Thursday, May 31, 2007 at 9:30 A.M., Eastern Time.

The Notice of the Annual Meeting of Shareholders (the “Notice”), this Proxy Statement and the enclosed Proxy Card are first being sent to Shareholders on or about April 25 2007.

The Meeting is scheduled as a meeting of the holders of common shares (the “Shareholders”) of the Fund. Shareholders of the Fund will vote on the proposal set forth herein (the “Proposal”) and on any other matters that may arise for the Fund.

The Board of the Fund has fixed the close of business on April 4, 2007 as the record date (the “Record Date”) for the determination of Shareholders of the Fund entitled to notice of, and to vote at, the Meeting, and any postponement or adjournment thereof. Shareholders of the Fund on the Record Date will be entitled to one vote on each matter to which they are entitled to vote and that is to be voted on by Shareholders of the Fund for each share held, and a fractional vote with respect to fractional shares, with no cumulative voting rights. The following table sets forth the number of shares of common stock (“Shares”) issued and outstanding of the Fund at the close of business on the Record Date:

Outstanding Shares
94,524,325

The Shares listed above are the only class of stock currently authorized by the Fund.

As summarized in the table below, the Shareholders have the right to vote on the election of John J. Dalessandro II, John C. Maney, William B. Ogden, IV and R. Peter Sullivan III, as Trustees of the Fund.

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Summary

Proposal	Shareholders
Election of Trustees/Nominees	
Independent Trustees/Nominees*	
John J. Dalessandro II	x
William B. Ogden, IV	x
R. Peter Sullivan III	x
Interested Trustee/Nominee [†]	
John C. Maney	x

*“Independent Trustees” or “Independent Nominees” are those Trustees or nominees who are not “interested persons,” as defined in the Investment Company Act of 1940, as amended (the “1940 Act”), of the Fund.

Mr. Maney is an “interested person” of the Fund due to his affiliation with Allianz Global Investors of America L.P. (“AGI”). In addition to Mr. Maney’s positions set forth in the table above, he holds the following positions with affiliated persons: Managing Director, Chief Operating Officer and Chief Financial Officer, AGI and Allianz Global Investors of America Holdings Inc.; Chief Financial Officer of Allianz Global Investors Managed Accounts LLC and Allianz Global Investors NY Holdings LLC; Managing Director and Chief Financial Officer of Allianz Hedge Fund Partners Holding L.P. and Allianz-Pac Life Partners LLC; Chief Financial Officer of Allianz Global Investors Advertising Agency Inc.; Managing Director and Chief Financial Officer of Allianz Global Investors U.S. Retail LLC and Allianz Hedge Fund Partners Holding L.P.; Chief Financial Officer of Allianz Hedge Fund Partners L.P.; Chief Financial Officer of Allianz Hedge Fund Partners Inc., Alpha Vision LLC, Alpha Vision Capital Management LLC, NFJ Investment Group L.P., NFJ Management Inc., Nicholas-Applegate Capital Management LLC, Nicholas-Applegate Holdings LLC, Nicholas-Applegate Securities LLC, OpCap Advisors LLC, Oppenheimer Capital LLC, Pacific Investment Management Company LLC, PIMCO Australia Pty Ltd, PIMCO Canada Holding LLC, PIMCO Canada Management Inc., PIMCO Canada Corp., PIMCO Europe Limited, PIMCO Global Advisors LLC, PIMCO Global Advisors (Resources) Limited and StocksPLUS Management, Inc.; and Executive Vice President and Chief Financial Officer of PIMCO Japan Ltd.

You may vote by mailing the enclosed proxy card. Shares represented by duly executed and timely delivered proxies will be voted as instructed on the proxy. If you mail the enclosed proxy and no choice is indicated for the Proposal listed in the attached Notice, your proxy will be voted in favor of the election of all nominees. At any time before it has been voted, your proxy may be revoked in one of the following ways: (i) by delivering a signed, written letter of revocation to the Secretary of the Fund at 1345 Avenue of the Americas, New York, NY 10105, (ii) by properly executing and delivering a later-dated proxy, or (iii) by attending the Meeting, requesting return of any previously delivered proxy and voting in person. If any proposal, other than the Proposal set forth herein, properly comes before the Meeting, Shares represented by the proxies will be voted on all such proposals in the discretion of the person, or

persons, voting the proxies.

The principal executive offices of the Fund are located at 1345 Avenue of the Americas, New York, New York 10105. AGIFM serves as the investment manager of the Fund and retains its affiliates, NFJ Investment Group L.P. (“NFJ L.P.”), Nicholas-Applegate Capital Management LLC (“NACM”) and Oppenheimer Capital LLC (“OpCap”) (each a “Sub-Adviser” and, collectively, the “Sub-Advisers”), to

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serve as the Fund’s sub-advisers. Additional information regarding the Manager and the Sub-Advisers may be found under “Additional Information — Investment Manager and Sub-Advisers” below.

The solicitation will be by mail primarily and the cost of soliciting proxies for the Fund will be borne by the Fund. Certain officers of the Fund and certain officers and employees of the Manager or its affiliates (none of whom will receive additional compensation therefore) may solicit proxies by telephone, mail, e-mail and personal interviews. Any out-of pocket expenses incurred in connection with the solicitation will be borne by the Fund.

As of April 4, 2007, the Trustees and nominees and the officers of the Fund as a group and individually beneficially owned less than one percent (1%) of the Fund’s outstanding Shares and, to the knowledge of the Fund, no person beneficially owned more than five percent (5%) of the outstanding Shares of any class of the Fund.

PROPOSAL: ELECTION OF TRUSTEES

In accordance with the Fund’s Amended and Restated Agreement and Declaration of Trust (the “Declaration”), the Trustees have been divided into the following three classes (each a “Class”): Class I, Class II and Class III.

The term of office of the Class II Trustees will expire at the Meeting; and the term of office of the Class III Trustees will expire at the 2008 annual meeting of shareholders and the term of office of the Class I Trustees will expire at the 2009 annual meeting of the shareholders. Currently, Messrs. John J. Dalessandro II and R. Peter Sullivan III are the Class II Trustees on the Board of the Fund. In September 2006, William B. Ogden, IV was appointed to fill a Class I vacancy then existing on the Board of the Fund due to an increase in the size of the Board. In December 2006, John C. Maney was appointed to fill a Class III vacancy then existing on the Board due to the resignation of David C. Flattum in October 2006. In accordance with the Fund’s Declaration, Messrs. Ogden and Maney shall serve as Trustees until the Meeting, at which time the interim term of their appointments will expire. The Nominating Committee has recommended to the Board that Messrs. Dalessandro and Sullivan be nominated for re-election as Class II Trustees, Mr. Ogden be nominated for election as a Class I Trustee and Mr. Maney be nominated for election as a Class III Trustee at the Meeting. Consistent with the Declaration, if elected, the nominees shall hold office for terms coinciding with the Class of Trustees to which they have been designated. Therefore, if elected at the Meeting, Messrs. Dalessandro and Sullivan will serve a term consistent with the Class II Trustees, which will expire at the Fund’s 2010 annual meeting, Mr. Ogden will serve a term consistent with the Class I Trustees, which will expire at the Fund’s 2009 annual meeting and Mr. Maney will serve a term consistent with the Class III Trustees, which will expire at the Fund’s 2008 annual meeting.

All members of the Board are or will be, if elected, “Continuing Trustees,” as such term is defined in the Declaration, having either served as Trustee since the inception of the Fund or having been nominated by at least a majority of the Continuing Trustees then members of the Board.

At any annual meeting of shareholders, any Trustee elected to fill a vacancy that has arisen since the preceding annual meeting of shareholders where such vacancy arose other than by an increase in the number of Trustees (whether or not such vacancy has been filled by election of a new Trustee by the Board) shall hold office for a term that coincides with the remaining term of the Class of Trustees to which such office was previously assigned, and until his successor shall be elected and shall qualify.

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The following table summarizes the nominees who will stand for election at the Meeting, the respective Class of Trustees to which they have been designated and the expiration of their respective terms if elected:

Trustee/Nominee	Class	Expiration of Term if Elected*
John J. Dalessandro II	Class II	2010 Annual Meeting
John C. Maney	Class III	2008 Annual Meeting
William B. Ogden, IV	Class I	2009 Annual Meeting
R. Peter Sullivan III	Class II	2010 Annual Meeting

* A Trustee elected at an annual meeting shall hold office until the annual meeting for the year in which his term expires and until his successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office.

Under this classified Board structure, only those Trustees in a single Class may be replaced in any one year, and it would require a minimum of two years to change a majority of the Board under normal circumstances. This structure, which may be regarded as an “anti-takeover” provision, may make it more difficult for the Fund’s Shareholders to change the majority of Trustees of the Fund and, thus, promotes the continuity of management.

Unless authority is withheld, it is the intention of the persons named in the enclosed proxy for the Fund to vote each proxy for the persons listed above. Each of the nominees has indicated he will serve if elected, but if he should be unable to serve, the proxy holders may vote in favor of such substitute nominee as the Board may designate (or the Board may determine to leave a vacancy).

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Information Regarding Trustees and Nominees.

The following table provides information concerning the Trustees/Nominees of the Fund.

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Name, Address* and Date of Birth Independent Trustees/Nominees	Position(s) Held with the Fund	Term of Office and Length of Time Served	Principal Occupation(s) During the Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee/ Nominee	Other Directorships Held by Trustee/ Nominee
Paul Belica 09/27/1921 Class I	Trustee	Since September 2005	Retired. Formerly Director, Student Loan Finance Corp., Education Loans, Inc., Goal Funding, Inc., Goal Funding II, Inc. and Surety Loan Fund, Inc.; Formerly, Manager of Stratigos Fund LLC, Whistler Fund LLC, Xanthus Fund LLC & Wynstone Fund LLC.	27	None.
Robert E. Connor 09/17/1934 Class III	Trustee	Since inception (February 2005)	Corporate Affairs Consultant. Formerly, Senior Vice President, Corporate Office, Smith Barney Inc.	27	None.
John J. Dalessandro II 07/26/1937 Class II	Trustee	Since inception (February 2005)	Retired. Formerly, President and Director, J.J. Dalessandro II Ltd., registered broker-dealer and member of the New York Stock Exchange.	27	None.
Hans W. Kertess 07/12/1939 Class I	Trustee and Chairman of the Board	Since inception (February 2005)	President, H. Kertess & Co., a financial advisory company. Formerly, Managing Director, Royal Bank of Canada Capital Markets.	27	None.
William B. Ogden, IV 01/11/1945 Class I	Trustee	Since September, 2006	Asset Management Industry Consultant. Formerly, Managing Director, Investment Banking Division of Citigroup Global Markets Inc.	26	None
R. Peter Sullivan III 09/04/1941 Class II	Trustee	Since May 2006	Retired. Formerly, Managing Partner, Bear Wagner Specialists LLC, specialist firm on the New York Stock Exchange.	25	None.
Interested Trustees/Nominees John C. Maney 08/03/1959 Class III	Trustee	Since December, 2006	Chief Financial Officer of AGIFM; Managing Director and Chief Financial Officer of Allianz Global Investors of	63	None.

America L.P. since January 2005 and Chief Operating Officer of AGI since November 2006; Executive Vice President and Chief Financial Officer since 2001; Chief Financial Officer of PIMCO, Oppenheimer Capital LLC, NFJ Investment Group and a number of other affiliated entities; Chief Financial Officer and Executive Vice President of Allianz Global Investors Distributors LLC. Formerly, Executive Vice President and Chief Financial Officer of Apria Healthcare Group, Inc. (1998-2001)

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*Unless otherwise indicated, the business address of the persons listed above is c/o Allianz Global Investors Fund Management LLC, 1345 Avenue of the Americas, New York, New York 10105.

The following table states the dollar range of equity securities beneficially owned as of April 4, 2007 by each Trustee and nominee of the Fund and, on an aggregate basis, of any registered investment companies overseen by the Trustee or nominee in the “family of investment companies,” including the Fund.

Name of Trustee/Nominee	Dollar Range of Equity Securities in the Fund*	Aggregate Dollar Range of Equity Securities in All Registered Investment Companies Overseen by Trustee/Nominee in the Family of Investment Companies*
Independent Trustees/Nominees		
Paul Belica	None.	None.
Robert E. Connor	None.	None.
John J. Dalessandro II	None.	None.
Hans W. Kertess	None.	None.
William B. Ogden, IV	None.	None.
R. Peter Sullivan III	None.	None.
Interested Trustees/Nominees		
John C. Maney	None.	Over \$100,000

* Securities are valued as of April 4, 2007.

To the knowledge of the Fund, as of April 4, 2007, Trustees and nominees who are Independent Trustees or Independent Nominees and their immediate family members did not own securities of an investment adviser or principal underwriter of the Fund or a person (other than a registered investment company) directly or indirectly controlling, controlled by, or under common control with an investment adviser or principal underwriter of the Fund.

Compensation. The Fund, PIMCO Municipal Income Fund, PIMCO California Municipal Income, PIMCO New York Municipal Income Fund, PIMCO Municipal Income Fund II, PIMCO California Municipal Income Fund II, PIMCO New York Municipal Income Fund II, PIMCO Municipal Income Fund III, PIMCO California Municipal Income Fund III, PIMCO New York Municipal Income Fund III, PIMCO Corporate Income Fund, PIMCO Corporate Opportunity Fund, Nicholas-Applegate Convertible & Income Fund, Nicolas-Applegate Convertible & Income Fund II, PIMCO High Income Fund, PIMCO Floating Rate Income Fund, PIMCO Floating Rate Strategy Fund, Nicholas-Applegate International & Premium Strategy Fund, PIMCO Global StocksPLUS & Income Fund, PIMCO Municipal Advantage Fund Inc., Allianz RCM Global EcoTrends Fund and Nicholas-Applegate Equity & Convertible Income Fund (collectively, the "AGIFM Closed-End Funds") are expected to hold joint meetings of their Boards of Trustees whenever possible. Each Trustee, other than any Trustee who is a director, officer, partner or employee of the Manager or the Sub-Advisers or any entity controlling, controlled by or under common control with the Manager or the Sub-Advisers, receives compensation for their attendance at joint meetings and for their service on Board committees. Trustees will receive compensation equal to (i) \$1,750 per AGIFM Closed-End Fund for each quarterly joint meeting for the first four joint meetings in each year, (ii) \$5,000 for each additional joint meeting in such year if the meeting is attended in person and (iii) \$1,000 per AGIFM Closed-End Fund for joint meetings attended telephonically. The Independent Chairman of the Boards receives an additional \$2,500 per AGIFM Closed-End Fund per year. In addition, each Trustee who serves as a member of an Audit Oversight Committee will receive \$1,000 per AGIFM

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Closed-End Fund for any results meeting or fund-specific meeting of the Audit Oversight Committee and \$5,000 for any joint audit scope meeting. An Audit Oversight Committee Chairman annually receives an additional \$500 per AGIFM Closed-End Fund for which he serves as Chairman. Each Trustee's compensation and other meeting-related expenses are allocated pro rata among the AGIFM Closed-End Funds, on whose Boards the Trustee serves as Trustee based on each such funds' net assets, including assets attributable to any preferred shares issued by a fund that may be outstanding.

Each Trustee's compensation and other meeting-related expenses are allocated pro rata among the AGIFM Closed-End Funds whose Boards the Trustees serves based on each such fund's net assets, including net assets attributable to any preferred shares issued by a fund that may be outstanding.

The AGIFM Closed-End Funds do not provide any pension or other retirement benefits to their Trustees.

The following table provides information concerning the compensation paid to the Trustees and nominees for serving as trustees of the Fund for the fiscal year ended January 31, 2007. For the calendar year ended December 31, 2006, the Trustees and nominees received the compensation set forth in the table below for serving as trustees of the Fund and other funds in the same "Fund Complex" as the Fund. Each officer and Trustee, who is a director, officer, partner, member or employee of the Manager or the Sub-Advisers, or any entity controlling, controlled by or under common

control with the Manager or the Sub-Advisers, including Messrs. Flattum and Maney served without any compensation from the Fund.

Compensation Table

Name of Trustee	Aggregate Compensation from the Fund for the Fiscal Year Ended January 31, 2007	Total Compensation from the Fund and Fund Complex Paid to Trustees/Nominees for the Calendar Year Ended December 31, 2006*
Independent Trustees/Nominees		
Paul Belica	\$ 21,883	\$ 198,752
Robert E. Connor	\$ 25,774	\$ 234,375
Hans W. Kertess	\$ 21,695	\$ 183,500
R. Peter Sullivan III	\$ 15,526	\$ 168,500
John J. Dalessandro II	\$ 21,195	\$ 180,250
William B. Ogden, IV**	\$ 9,307	\$ 80,500
Interested Trustees/Nominees		
John C. Maney	\$ 0	\$ 0
David C. Flattum+	\$ 0	\$ 0

*In addition to the AGIFM Closed-End Funds, during the most recently completed fiscal year, all of the Trustees served as Trustees of one open-end investment company (comprising four separate investment portfolios) advised by the Manager. This investment company is considered to be in the same "Fund Complex" as the Fund.

** William B. Ogden, IV joined the Board on September 12, 2006.

+ Effective October 10, 2006, David C. Flattum resigned as a Class III Trustee of the Fund.

The Fund has no employees. The Funds' officers and Mr. Maney are compensated by the Manager, the Sub-Advisers or one of their affiliates.

Board Committees and Meetings.

Audit Oversight Committee. The Board of the Fund has established an Audit Oversight Committee in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Fund's Audit Oversight Committee currently consists of Messrs. Connor, Kertess, Dalessandro Belica, Sullivan and Ogden, each of whom is an Independent Trustee. Mr. Belica is the Chairman of the Fund's Audit Oversight Committee. The Fund's Audit Oversight Committee provides oversight with respect to the internal and external accounting and auditing procedures of the Fund and, among other things, determines the selection of the independent registered public accounting firm for the Fund and considers the scope of the audit, approves all audit and permitted non-audit services proposed to be performed by those auditors on behalf of the Fund, and services to be performed by the auditors for

certain affiliates, including the Manager and the Sub-Advisers and entities in a control relationship with the Manager or the Sub-Advisers that provide services to the Fund where the engagement relates directly to the operations and financial reporting of the Fund. The Committee considers the possible effect of those services on the independence of the Fund's independent registered public accounting firm.

Each member of the Fund's Audit Oversight Committee is "independent," as independence for audit committee members is defined in the currently applicable listing standards of the New York Stock Exchange, on which the Shares of the Fund are listed.

The Board has adopted a written charter for its Audit Oversight Committee. A copy of the written charter for the Fund, dated February 20, 2007, is attached to this Proxy Statement as Exhibit A. A report of the Audit Oversight Committee of the Fund, dated March 21, 2007, is attached to this Proxy Statement as Exhibit B.

Nominating Committee. The Board of the Fund has a Nominating Committee composed solely of Independent Trustees, currently consisting of Messrs. Belica, Connor, Dalessandro, Kertess, Ogden and Sullivan. The Nominating Committee is responsible for reviewing and recommending qualified candidates to the Board in the event that a position is vacated or created or when Trustees are to be re-elected. The Nominating Committee has adopted a charter, which is posted on the following website: <http://www.allianzinvestors.com/closedendfunds/literature>.

Each member of the Nominating Committee is "independent," as independence for nominating committee members is defined in the currently applicable listing standards of the New York Stock Exchange, on which the Shares of the Fund are listed.

Qualifications, Evaluation and Identification of Trustee Nominees. The Nominating Committee requires that Trustee candidates have a college degree or equivalent business experience. When evaluating candidates, the Nominating Committee may take into account a wide variety of factors including, but not limited to: (i) availability and commitment of a candidate to attend meetings and perform his or her responsibilities on the Board, (ii) relevant industry and related experience, (iii) educational background, (iv) financial expertise, (v) an assessment of the candidate's ability, judgment and expertise and (vi) overall Board composition. The process of identifying nominees involves the consideration of candidates recommended by one or more of the following sources: (i) the Fund's current Trustees, (ii) the Fund's officers, (iii) the Fund's Shareholders and (iv) any other source the Committee deems to be appropriate. The Nominating Committee may, but is not required to, retain a third party search firm at the Fund's expense to identify potential candidates.

Consideration of Candidates Recommended by Shareholders. The Nominating Committee will review and consider nominees recommended by Shareholders to serve as Trustee, provided that the recommending Shareholder follows the Procedures for Shareholders to Submit Nominee Candidates,

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which are set forth as Appendix B to the Fund's Nominating Committee Charter. Among other requirements, these procedures provide that the recommending Shareholder must submit any recommendation in writing to the Fund, to the attention of the Fund's Secretary, at the address of the principal executive offices of the Fund and that such submission must be received at such offices not less than 45 days nor more than 75 days prior to the date of the Board or shareholder meeting at which the nominee would be elected. Any recommendation must include certain biographical and other information regarding the candidate and the recommending Shareholder, and must include a

written and signed consent of the candidate to be named as a nominee and to serve as a Trustee if elected. The foregoing description of the requirements is only a summary. Please refer to Appendix B to the Nominating Committee Charter, which is available at <http://www.allianzinvestors.com/closedendfunds/literature>, for details.

The Nominating Committee has full discretion to reject nominees recommended by Shareholders, and there is no assurance that any such person properly recommended and considered by the Committee will be nominated for election to the Board of the Fund.

Valuation Committee. The Board of the Fund has a Valuation Committee consisting of Messrs. Belica, Connor, Dalessandro, Kertess, Ogden and Sullivan. The Board has delegated to the Committee the responsibility to determine or cause to be determined the fair value of the Fund's portfolio securities and other assets when market quotations are not readily available. The Valuation Committee reviews and approves procedures for the fair valuation of the Fund's portfolio securities and periodically reviews information from the Manager and the Sub-Advisers regarding fair value and liquidity determinations made pursuant to Board-approved procedures, and makes related recommendations to the full Board and assists the full Board in resolving particular fair valuation and other valuation matters.

Compensation Committee. The Board of the Fund has a Compensation Committee consisting of Messrs. Belica, Connor, Dalessandro, Kertess, Ogden and Sullivan. The Compensation Committee meets as the Board deems necessary to review and make recommendations regarding compensation payable to the Trustees of the Fund who are not directors, officers, partners or employees of the Manager, the Sub-Advisers or any entity controlling, controlled by or under common control with the Manager or the Sub-Advisers.

Meetings. During the fiscal year ended January 31, 2007, the Board of Trustees of the Fund held four regular meetings and three special meetings. The Audit Oversight Committee met in separate session twice, the Nominating Committee met in separate session three times and the Valuation Committee and the Compensation Committee did not meet in separate sessions. Each Trustee attended at least 75% of the regular meetings of the Board and meetings of the committees on which such Trustee served for this Fund that were held during the fiscal year ended January 31, 2007, except Messrs. Ogden and Maney, who were not appointed to the Board of the Fund until September 2006 and December 2006, respectively.

Shareholder Communications with the Board of Trustees. The Board has adopted procedures by which Fund Shareholders may send communications to the Board. Shareholders may mail written communications to the Board to the attention of the Board of Trustees, NFJ Dividend, Interest & Premium Strategy Fund, c/o Brian Shlissel, Executive Vice President, Allianz Global Investors Fund Management LLC, 1345 Avenue of the Americas, New York, NY 10105. Shareholder communications must (i) be in writing and be signed by the Shareholder and (ii) identify the class and number of Shares held by the Shareholder. The President of the Fund is responsible for reviewing properly submitted shareholder communications. The President shall either (i) provide a copy of each properly submitted shareholder communication to the Board at its next regularly scheduled Board meeting or (ii) if the President determines that the communication requires more immediate attention, forward the

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communication to the Trustees promptly after receipt. The President may, in good faith, determine that a shareholder communication should not be provided to the Board because it does not reasonably relate to the Fund or its operations, management, activities, policies, service providers, Board, officers, shareholders or other matters relating to an investment in the Fund or is otherwise ministerial in nature. These procedures do not apply to (i) any communication

from an officer or Trustee of the Fund, (ii) any communication from an employee or agent of the Fund, unless such communication is made solely in such employee's or agent's capacity as a shareholder, or (iii) any shareholder proposal submitted pursuant to Rule 14a-8 under the Exchange Act or any communication made in connection with such a proposal. A Fund's Trustees are not required to attend the Fund's annual shareholder meetings or to otherwise make themselves available to shareholders for communications, other than by the aforementioned procedures.

Section 16(a) Beneficial Ownership Reporting Compliance. The Fund's Trustees and certain officers, investment advisers, certain affiliated persons of the investment advisers and persons who own more than 10% of any class of outstanding securities of the Fund (i.e., the Fund's Shares) are required to file forms reporting their affiliation with the Fund and reports of ownership and changes in ownership of the Fund's securities with the Securities and Exchange Commission (the "SEC") and the New York Stock Exchange. These persons and entities are required by SEC regulation to furnish the Fund with copies of all such forms they file. Based solely on a review of these forms furnished to the Fund, the Fund believes that each of the Trustees and relevant officers, investment advisers and relevant affiliated persons of the investment advisers has complied with all applicable filing requirements during the Fund's respective fiscal year ended January 31, 2007.

Required Vote. With respect to the Fund, the election of Messrs. Dalessandro, Maney, Ogden and Sullivan to the Board will require the affirmative vote of a plurality of the votes of Common Shareholders cast in the election of Trustees at the Meeting, in person or by proxy.

The Board of Trustees of the Fund Unanimously Recommends that You Vote FOR this Proposal.

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ADDITIONAL INFORMATION

Executive and Other Officers of the Fund. The table below provides certain information concerning the executive officers of the Fund and certain other officers who perform similar duties. Officers hold office at the pleasure of the Board and until their successors are appointed and qualified or until their earlier resignation or removal. Officers and employees of the Fund who are principals, officers, members or employees of the Manager or the Sub-Advisers are not compensated by the Fund.

Name, Address and Date of Birth	Position(s) Held with Funds	Term of Office and Length of Time Served	Principal Occupation(s) During the Past 5 Years
Brian S. Shlissel 1345 Avenue of the Americas, 47 th Floor New York, NY 10105 11/14/1964	President & Chief Executive Officer	Since inception (February 2005)	Executive Vice President, Allianz Global Investors Fund Management LLC; Director of 8 funds in the Fund Complex; President and Chief Executive Officer of 35 funds in the Fund Complex; Treasurer, Principal Financial and Accounting Officer of 36 funds in the Fund Complex since 2005.

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<p>Lawrence G. Altadonna 1345 Avenue of the Americas, 47th Floor New York, NY 10105 03/10/1966</p>	<p>Treasurer, Principal Financial and Accounting Officer</p>	<p>Since inception (February 2005)</p>	<p>Senior Vice President, Allianz Global Investors Fund Management LLC; Treasurer, Principal Financial and Accounting Officer of 35 funds in the Fund Complex; Assistant Treasurer of 36 funds in the Fund Complex.</p>
<p>Thomas J. Fuccillo 1345 Avenue of the Americas, 50th Floor New York, NY 10105 03/22/1968</p>	<p>Vice President, Secretary and Chief Legal Officer</p>	<p>Since inception (February 2005)</p>	<p>Senior Vice President, Senior Counsel, Allianz Global Investors of America L.P., Vice President, Secretary and Chief Legal Officer of 71 funds in the Fund Complex; Formerly, Vice President and Associate General Counsel, Neuberger Berman, LLC (1991-2004).</p>
<p>Youse Guia 680 Newport Center Drive Suite 250 Newport Beach, CA 92660 09/03/1972</p>	<p>Chief Compliance Officer</p>	<p>Since inception (February 2005)</p>	<p>Senior Vice President, Group Compliance Manager, Allianz Global Investors of America L.P.; Chief Compliance Officer of 71 funds in the Fund Complex; Formerly, Vice President, Group Compliance Manager, Allianz Global Investors of America L.P. (2002-2004). Audit Manager, PricewaterhouseCoopers LLP (1996-2002).</p>
<p>William V. Healey 1345 Avenue of the Americas, 50th Floor New York, NY 10105 07/28/1953</p>	<p>Assistant Secretary</p>	<p>Since December 2006</p>	<p>Executive Vice President and Chief Legal Officer, Allianz Global Investors of America L.P., Executive Vice President, Chief Legal Officer and Secretary, Allianz Global Investors Fund Management LLC, Allianz Global Investors Distributors LLC, Allianz Global Investors Advertising Agency Inc., Allianz Global Investors Managed Accounts LLC, Allianz Global Investors U.S. Retail LLC and OpCap Advisors LLC. Assistant Secretary of 71 funds in the Fund Complex; formerly, Chief Legal Officer, Vice President and Associate General Counsel of The Prudential Insurance Company of America (1998-2005).</p>
<p>Richard H. Kirk 2187 Atlantic Street, Stamford, CT 06902 04/06/1961</p>	<p>Assistant Secretary</p>	<p>Since December 2006</p>	<p>Senior Vice President, Allianz Global Investors of America L.P. (since 2004). Senior Vice President, Associate General Counsel, Allianz Global Investors Distributors LLC. Assistant Secretary of 71 funds in the Fund Complex; formerly, Vice President, Counsel, The Prudential Insurance Company of America/American Skandia (2002-2004).</p>

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Name, Address and Date of Birth	Position(s) Held with Funds	Term of Office and Length of Time Served	Principal Occupation(s) During the Past 5 Years
Kathleen A. Chapman 2187 Atlantic Street, Stamford, CT 06902 11/11/1954	Assistant Secretary	Since December 2006	Assistant Secretary of 71 funds in the Fund Complex; Manager — IIG Advisory Law, Morgan Stanley (2004-2005); Paralegal, The Prudential Insurance Company of America; and Assistant Corporate Secretary of affiliated American Skandia companies (1996-2004).
Lagan Srivastava 1345 Avenue of the Americas, 50 th Floor New York, NY 10105 09/20/1977	Assistant Secretary	Since December 2006	Assistant Secretary of 71 funds in the Fund Complex; formerly, Research Assistant, Dechert LLP (2004-2005); Research Assistant, Swidler Berlin Shereff Friedman LLP (2002-2004).
Scott Whisten 1345 Avenue of the Americas, 47 th Floor New York, NY 10105 03/13/1971	Assistant Treasurer	Since January 2007	