

Edgar Filing: NASDAQ Premium Income & Growth Fund Inc. - Form N-Q

NASDAQ Premium Income & Growth Fund Inc.  
Form N-Q  
November 25, 2008

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 811-21983

Name of Fund: NASDAQ Premium Income & Growth Fund Inc. (QQQX)

Fund Address: P.O. Box 9011  
Princeton, NJ 08543-9011

Name and address of agent for service: Mitchell M. Cox, Chief Executive Officer,  
NASDAQ Premium Income & Growth Fund Inc., 4 World Financial Center, 6th  
Floor, New York, New York 10080.

Registrant's telephone number, including area code: (877) 449-4742

Date of fiscal year end: 12/31/2008

Date of reporting period: 07/01/2008 - 09/30/2008

Item 1 - Schedule of Investments

NASDAQ Premium Income & Growth Fund Inc.

Schedule of Investments as of September 30, 2008 (Unaudited)

Industry	Common Stocks
Aerospace & Defense - 3.0%	Boeing Co. Ceradyne, Inc. (a) General Dynamics Corp. L-3 Communications Holdings, Inc. Lockheed Martin Corp. Precision Castparts Corp. United Technologies Corp.
Airlines - 0.4%	SkyWest, Inc.
Biotechnology - 12.3%	Amgen, Inc. (a) Biogen Idec, Inc. (a) Celgene Corp. (a) Crucell NV (a) (b) Genzyme Corp. (a) Gilead Sciences, Inc. (a)

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OSI Pharmaceuticals, Inc. (a)

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Capital Markets - 0.7%

Affiliated Managers Group, Inc. (a)  
Northern Trust Corp.

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Commercial Banks - 0.6%

East-West Bancorp, Inc.  
SVB Financial Group (a)

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Communications Equipment - 14.1%

ADC Telecommunications, Inc. (a)  
Cisco Systems, Inc. (a)  
Comtech Telecommunications Corp. (a)  
JDS Uniphase Corp. (a)  
QUALCOMM, Inc.  
Research In Motion Ltd. (a)

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Computers & Peripherals - 12.0%

Apple, Inc. (a)  
Dell, Inc. (a)  
International Business Machines Corp.  
NCR Corp. (a)  
Teradata Corp. (a)

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Diversified Consumer Services - 0.2%

ITT Educational Services, Inc. (a)

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Diversified Financial Services - 0.5%

The NASDAQ Stock Market, Inc. (a)

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Electronic Equipment & Instruments - 1.3%

Electro Scientific Industries, Inc. (a)  
Flir Systems, Inc. (a)  
National Instruments Corp.  
Smart Modular Technologies WWH, Inc. (a)  
Trimble Navigation Ltd. (a)

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NASDAQ Premium Income & Growth Fund Inc.

Schedule of Investments as of September 30, 2008 (Unaudited)

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Industry

Common Stocks

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Energy Equipment & Services - 0.5%

Hercules Offshore, Inc. (a)

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Food & Staples Retailing - 0.5%

The Kroger Co.

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Walgreen Co.

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Health Care Equipment & Supplies - 0.9%

ArthroCare Corp. (a)  
Intuitive Surgical, Inc. (a)  
Kinetic Concepts, Inc. (a)

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Health Care Providers & Services - 1.6%

Express Scripts, Inc. (a)  
Lincare Holdings, Inc. (a)

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Hotels, Restaurants & Leisure - 0.3%

Darden Restaurants, Inc.  
McDonald's Corp.

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Household Durables - 0.6%

Garmin Ltd.  
Mohawk Industries, Inc. (a)

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IT Services - 1.2%

Affiliated Computer Services, Inc. Class A (a)  
CSG Systems International, Inc. (a)  
Computer Sciences Corp. (a)

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Insurance - 1.2%

Arch Capital Group Ltd. (a)  
CNA Financial Corp.

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Internet & Catalog Retail - 1.5%

Amazon.com, Inc. (a)

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Internet Software & Services - 6.5%

Baidu.com, Inc. (a) (b)  
eBay, Inc. (a)  
Google, Inc. Class A (a)  
Sohu.com, Inc. (a)

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Life Sciences Tools & Services - 1.2%

Invitrogen Corp. (a)

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Machinery - 1.1%

Eaton Corp.  
Middleby Corp. (a)  
Terex Corp. (a)

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Media - 1.4%

Cablevision Systems Corp. Class A  
Central European Media Enterprises Ltd.  
Class A (a)  
Liberty Media Corp. - Entertainment Class A (a)  
Liberty Media Holding Corp. - Capital (a)  
Omnicom Group Inc.  
Scholastic Corp.

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NASDAQ Premium Income & Growth Fund Inc.

Schedule of Investments as of September 30, 2008 (Unaudited)

Industry	Common Stocks
Metals & Mining - 0.7%	Freeport-McMoRan Copper & Gold, Inc. Class B Nucor Corp. Steel Dynamics, Inc.
Oil, Gas & Consumable Fuels - 0.2%	Chevron Corp.
Personal Products - 0.7%	Chattem, Inc. (a) USANA Health Sciences, Inc. (a)
Pharmaceuticals - 2.9%	Forest Laboratories, Inc. (a) GlaxoSmithKline Plc (b) Teva Pharmaceutical Industries Ltd. (b)
Real Estate Investment Trusts (REITs) - 0.5%	Boston Properties, Inc. ProLogis
Road & Rail - 0.2%	CSX Corp.
Semiconductors & Semiconductor Equipment - 9.7%	ASML Holding NV (b) Cabot Microelectronics Corp. (a) Diodes, Inc. (a) Integrated Device Technology, Inc. (a) Intel Corp. International Rectifier Corp. (a) Intersil Corp. Class A MEMC Electronic Materials, Inc. (a) Microsemi Corp. (a) Nvidia Corp. (a) Texas Instruments, Inc. Varian Semiconductor Equipment Associates, Inc. (a) Xilinx, Inc. Zoran Corp. (a)
Software - 18.6%	Adobe Systems, Inc. (a)

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Ansys, Inc. (a)  
 Factset Research Systems, Inc.  
 McAfee, Inc. (a)  
 Microsoft Corp.  
 Oracle Corp. (a)  
 Quality Systems, Inc.  
 SAP AG (b)  
 SPSS, Inc. (a)  
 Symantec Corp. (a)  
 Synopsys, Inc. (a)

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 Specialty Retail - 2.5%

Charlotte Russe Holding, Inc. (a)  
 Jos. A. Bank Clothiers, Inc. (a)  
 Ross Stores, Inc.

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NASDAQ Premium Income & Growth Fund Inc.

Schedule of Investments as of September 30, 2008 (Unaudited)

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 Industry

Common Stocks

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 Staples, Inc.  
 Tiffany & Co.

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 Textiles, Apparel & Luxury Goods - 0.7%

Nike, Inc. Class B  
 Phillips-Van Heusen Corp.

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 Trading Companies & Distributors - 0.2%

Houston Wire & Cable Co.

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 Total Common Stocks  
 (Cost - \$289,312,942) - 100.5%

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 Short-Term Securities

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 Time Deposits - 0.5%

State Street Bank & Trust Co., 1%, 10/01/08

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 Total Short-Term Securities  
 (Cost - \$1,244,232) - 0.5%

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 Total Investments Before Options Written  
 (Cost - \$290,557,174\*) - 101.0%

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Options Written

Call Options Written	NASDAQ Index 100, expiring December 2008 at USD 1,800
	NASDAQ Index 100, expiring December 2008 at USD 1,825
	NASDAQ Index 100, expiring December 2008 at USD 1,950
	NASDAQ Index 100, expiring December 2008 at USD 1,975
	NASDAQ Index 100, expiring November 2008 at USD 1,775
	NASDAQ Index 100, expiring November 2008 at USD 1,800
	NASDAQ Index 100, expiring October 2008 at USD 1,750
	NASDAQ Index 100, expiring October 2008 at USD 1,775
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	Total Options Written (Premiums Received - \$4,995,685) - (0.4%)
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	Total Investments, Net of Options Written (Cost - \$285,561,489) - 100.6%
	Liabilities in Excess of Other Assets - (0.6%)
	Net Assets - 100.0%

\* The cost and unrealized appreciation (depreciation) of investments as of September 30, 2008, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 290,655,498
	=====
Gross unrealized appreciation	\$ 27,277,682
Gross unrealized depreciation	(39,149,045)
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Net unrealized depreciation	\$ (11,871,363)
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- (a) Non-income producing security.
- (b) Depositary receipts.

NASDAQ Premium Income & Growth Fund Inc.

Schedule of Investments as of September 30, 2008 (Unaudited)

- o For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of

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this report, which may combine industry sub-classifications for reporting ease. Industries are shown as a percent of net assets.

- o Effective January 1, 2008, the Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("FAS 157"). FAS 157 clarifies the definition of fair value, establishes a framework for measuring fair values and requires additional disclosures about the use of fair value measurements. Various inputs are used in determining the fair value of investments, which are as follows:
  - o Level 1 - price quotations in active markets/exchanges for identical securities
  - o Level 2 - other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks, and default rates) or other market-corroborated inputs)
  - o Level 3 - unobservable inputs based on the best information available in the circumstance, to the extent observable inputs are not available (including the Fund's own assumption used in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to the Fund's most recent financial statements as contained in its semi-annual report.

The following table summarizes the inputs used as of September 30, 2008 in determining the fair valuation of the Fund's investments:

Valuation Inputs	Investments in Securities	Other Financial Instruments*
Level 1	\$ 278,784,135	\$ (1,139,125)
Level 2	--	--
Level 3	--	--
Total	\$ 278,784,135	\$ (1,139,125)

\* Other financial instruments are options.

### Item 2 - Controls and Procedures

- 2(a) - The registrant's principal executive and principal financial officers or persons performing similar functions have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule

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13a-15(b) under the Securities Exchange Act of 1934, as amended.

- 2(b) - There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3 - Exhibits

Certifications - Attached hereto

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.

NASDAQ Premium Income & Growth Fund Inc.

By: /s/ Mitchell M. Cox

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Mitchell M. Cox

Chief Executive Officer (principal executive officer) of  
NASDAQ Premium Income & Growth Fund Inc.

Date: November 24, 2008

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/ Mitchell M. Cox

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Mitchell M. Cox

Chief Executive Officer (principal executive officer) of  
NASDAQ Premium Income & Growth Fund Inc.

Date: November 24, 2008

By: /s/ James E. Hillman

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James E. Hillman

Chief Financial Officer (principal financial officer) of  
NASDAQ Premium Income & Growth Fund Inc.

Date: November 24, 2008