

Edgar Filing: Small Cap Premium & Dividend Income Fund, Inc. - Form N-CSRS

Small Cap Premium & Dividend Income Fund, Inc.
Form N-CSRS
September 02, 2008
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSRS

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT
INVESTMENT COMPANIES**

Investment Company Act file number 811-21746

Name of Fund: Small Cap Premium & Dividend Income Fund Inc. (RCC)

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

Name and address of agent for service: Mitchell M. Cox, Chief Executive Officer, Small Cap Premium & Dividend Income 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: 01/01/2008 06/30/2008

Item 1 Report to Stockholders

**Small Cap Premium &
Dividend Income Fund Inc.**

Semi-Annual Report

(Unaudited)

June 30, 2008

Small Cap Premium & Dividend Income Fund Inc.

Directors and Officers

William J. Rainer, Director and Chairman of the Board
Paul Glasserman, Director and Chairman of the Audit Committee
Steven W. Kohlhagen, Director and Chairman of the Nominating and Corporate Governance Committee
Laura S. Unger, Director
Mitchell M. Cox, President
James E. Hillman, Vice President and Treasurer
Colleen R. Rusch, Vice President and Secretary
Donald C. Burke, Vice President and Assistant Treasurer
Martin G. Byrne, Chief Legal Officer
Michael J. Fuccile, Chief Compliance Officer
Justin C. Ferri, Vice President
Michael M. Higuchi, Vice President

Custodian

State Street Bank and Trust Company
P.O. Box 351
Boston, MA 02101

Transfer Agent

BNY Mellon Shareowner Services
480 Washington Boulevard
Jersey City, NJ 07310

Fund Summary as of June 30, 2008 (Unaudited)

Fund Information

| | |
|--|---------------|
| Symbol on New York Stock Exchange | RCC |
| Initial Offering Date | July 29, 2005 |
| Yield on Closing Market Price as of June 30, 2008 (\$14.70)* | 13.61% |
| Current Semi-Annual Distribution per share of Common Stock** | \$1.00 |
| Current Annualized Distribution per share of Common Stock** | \$2.00 |

* Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

** The distribution is not constant and is subject to change. A portion of the distribution may be deemed a tax return of capital or net realized gain at fiscal year end.

The table below summarizes the changes in the Fund's market price and net asset value for the six-month period:

| | 6/30/08 (a) | 12/31/07 | Change | High | Low |
|-----------------|-------------|----------|----------|----------|----------|
| Market Price | \$ 14.70 | \$ 15.74 | (6.61%) | \$ 17.07 | \$ 12.81 |
| Net Asset Value | \$ 15.02 | \$ 17.19 | (12.62%) | \$ 17.20 | \$ 14.99 |

(a) For the six-month period, the Common Stock of the Fund had a total investment return of (6.55%) based on net asset value per share and (.11%) based on market price per share, assuming reinvestment of dividends. For the same period, the Fund's unmanaged reference index, the Russell 2000® Index, had a total investment return of (9.37%). The reference index has no expenses associated with performance.

Does not include reinvestment of dividends.

Portfolio Information as of June 30, 2008

| Ten Largest Equity Holdings | Percent of Net Assets |
|--------------------------------------|-----------------------|
| Comstock Resources, Inc. | 0.3% |
| Penn Virginia Corp. | 0.3 |
| Energy Conversion Devices, Inc. | 0.2 |
| W-H Energy Services, Inc. | 0.2 |
| Alexion Pharmaceuticals, Inc. | 0.2 |
| GrafTech International Ltd. | 0.2 |
| EXCO Resources, Inc. | 0.2 |
| Compass Minerals International, Inc. | 0.2 |
| ITC Holdings Corp. | 0.2 |

| Five Largest Industries | Percent of Net Assets |
|---------------------------------------|----------------------------------|
| Computer Services Software & Systems | 5.0% |
| Real Estate Investment Trusts (REITs) | 5.0 |
| Banks: Outside New York City | 4.3 |
| Oil: Crude Producers | 4.0 |
| Services: Commercial | 3.0 |

| Sector Representation | Percent of Long-Term Investments |
|------------------------------|---|
| Financial Services | 19.4% |
| Consumer Discretionary | 15.5 |
| Technology | 13.8 |
| Health Care | 13.0 |
| Materials & Processing | 9.7 |
| Other Energy | 8.4 |
| Producer Durables | 8.1 |
| Utilities | 4.7 |
| Auto & Transportation | 4.1 |
| Consumer Staples | 2.6 |
| Other | 0.4 |
| Integrated Oils | 0.3 |

For Fund portfolio compliance purposes, the Fund's industry and sector classifications refer to any one or more of the industry and sector 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 this report, which may combine industry and sector sub-classifications for reporting ease.

Russell 2000 is a registered trademark of the Frank Russell Company.

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Summary Schedule of Investments as of June 30, 2008 (Unaudited)

This summary schedule of investments is presented to help investors focus on the Fund's principal holdings. It includes the Fund's 50 largest holdings and each investment of any issuer that exceeds 1% of the Fund's net assets. Other Securities represent all issues not required to be disclosed under the rules adopted by the Securities and Exchange Commission. In addition, the summary schedule of investments allows the adviser certain efficiencies. As such, any cost savings in report production or printing are passed on to the Fund and, ultimately to Fund shareholders. A complete schedule of investments is available without charge, upon request, by calling 1-877-449-4742 or on the Securities and Exchange Commission's website at <http://www.sec.gov>.

| Industry | Common Stocks | Shares | Value | Percent of Net Assets |
|--|-----------------------------------|--------|------------|-----------------------|
| Advertising Agencies | Other Securities | | \$ 842,974 | 0.4% |
| Aerospace | Curtiss-Wright Corp. | 7,500 | 335,550 | 0.2 |
| | Other Securities | | 1,331,569 | 0.6 |
| | | | 1,667,119 | 0.8 |
| Agriculture, Fishing & Ranching | Other Securities | | 277,026 | 0.1 |
| Air Transport | Other Securities | | 1,130,282 | 0.6 |
| Aluminum | Other Securities | | 144,531 | 0.1 |
| Auto Parts: After Market | Other Securities | | 188,509 | 0.1 |
| Auto Parts: Original Equipment | Other Securities | | 922,922 | 0.5 |
| Auto, Trucks & Parts | Other Securities | | 207,848 | 0.1 |
| Banks: New York City | Other Securities | | 133,952 | 0.1 |
| Banks: Outside New York City | Other Securities | | 8,817,690 | 4.3 |
| Beverage: Brewers (Wineries) | Other Securities | | 65,088 | 0.0 |
| Beverage: Soft Drinks | Other Securities | | 209,426 | 0.1 |
| Biotechnology Research & Production | Alexion Pharmaceuticals, Inc. (a) | 6,500 | 471,250 | 0.2 |
| | Myriad Genetics, Inc. (a) | 7,600 | 345,952 | 0.2 |
| | OSI Pharmaceuticals, Inc. (a) | 9,800 | 404,936 | 0.2 |
| | Other Securities | | 4,822,552 | 2.3 |
| | | | 6,044,690 | 2.9 |
| Building Materials | Other Securities | | 1,123,622 | 0.5 |
| Building: Cement | Other Securities | | 26,180 | 0.0 |
| Building: Heating & Plumbing | Other Securities | | 127,395 | 0.1 |

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| | | | | |
|---|-------------------------------------|--------|-------------------|------------|
| Building: Miscellaneous | Other Securities | | 259,051 | 0.1 |
| Building: Roofing & Wallboard | Other Securities | | 113,770 | 0.1 |
| Cable Television Services | Other Securities | | 197,477 | 0.1 |
| Casinos & Gambling | Other Securities | | 858,105 | 0.4 |
| Chemicals | Energy Conversion Devices, Inc. (a) | 6,800 | 500,752 | 0.2 |
| | Hercules, Inc. | 19,000 | 321,670 | 0.2 |
| | Other Securities | | 2,794,698 | 1.4 |
| | | | <u>3,617,120</u> | <u>1.8</u> |
| Coal | Other Securities | | 615,239 | 0.3 |
| Commercial Information Services | Other Securities | | 349,999 | 0.2 |
| Communications & Media | Other Securities | | 91,558 | 0.0 |
| Communications Technology | Other Securities | | 5,008,403 | 2.4 |
| Computer Services Software & Systems | Micros Systems, Inc. (a) | 13,800 | 420,762 | 0.2 |
| | Parametric Technology Corp. (a) | 19,320 | 322,064 | 0.1 |
| | Sybase, Inc. (a) | 13,400 | 394,228 | 0.2 |
| | Other Securities | | 9,173,548 | 4.5 |
| | | | <u>10,310,602</u> | <u>5.0</u> |
| Computer Technology | Other Securities | | 2,011,104 | 1.0 |
| Construction | EMCOR Group, Inc. (a) | 11,400 | 325,242 | 0.2 |
| | Other Securities | | 438,047 | 0.2 |
| | | | <u>763,289</u> | <u>0.4</u> |

Summary Schedule of Investments (continued)

| Industry | Common Stocks | Shares | Value | Percent of Net Assets |
|--|---|--------|------------|-----------------------|
| Consumer Electronics | Take-Two Interactive Software, Inc. (a) | 12,900 | \$ 329,853 | 0.2% |
| | Other Securities | | 1,026,168 | 0.5 |
| | | | 1,356,021 | 0.7 |
| Consumer Products | Tupperware Corp. | 10,400 | 355,888 | 0.2 |
| | Other Securities | | 660,673 | 0.3 |
| | | | 1,016,561 | 0.5 |
| Containers & Packaging: Metals & Glass | Other Securities | | 343,718 | 0.2 |
| Containers & Packaging: Paper & Plastic | Other Securities | | 102,223 | 0.0 |
| Copper | Other Securities | | 202,860 | 0.1 |
| Cosmetics | Other Securities | | 338,006 | 0.2 |
| Diversified Financial Services | Other Securities | | 1,054,466 | 0.5 |
| Diversified Materials & Processing | Acuity Brands, Inc. | 6,800 | 326,944 | 0.2 |
| | Olin Corp. | 12,800 | 335,104 | 0.2 |
| | Other Securities | | 1,294,854 | 0.6 |
| | | | 1,956,902 | 1.0 |
| Drug & Grocery Store Chains | Other Securities | | 1,258,864 | 0.6 |
| Drugs & Pharmaceuticals | Onyx Pharmaceuticals, Inc. (a) | 9,420 | 335,352 | 0.1 |
| | United Therapeutics Corp. (a) | 3,900 | 381,225 | 0.2 |
| | Other Securities | | 3,865,551 | 1.9 |
| | | | 4,582,128 | 2.2 |
| Education Services | Other Securities | | 567,102 | 0.3 |
| Electrical & Electronics | Other Securities | | 763,577 | 0.4 |
| Electrical Equipment & Components | Other Securities | | 1,767,798 | 0.9 |
| Electrical: Household Appliance | Other Securities | | 72,134 | 0.0 |
| Electronics | Other Securities | | 940,547 | 0.5 |
| Electronics: Instruments, Gauges & Meters | Other Securities | | 174,474 | 0.1 |

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| | | | | |
|---|---------------------|--------|------------------|-----|
| Electronics: Medical Systems | Other Securities | | 1,899,483 | 0.9 |
| Electronics: Other | Other Securities | | 14,600 | 0.0 |
| Electronics: Semi-Conductors/ Components | Microsemi Corp. (a) | 13,200 | 332,376 | 0.1 |
| | Other Securities | | 3,413,408 | 1.7 |
| | | | <u>3,745,784</u> | 1.8 |
| Electronics: Technology | Other Securities | | 1,175,358 | 0.6 |
| Energy Equipment | Other Securities | | 165,164 | 0.1 |
| Energy Miscellaneous | Penn Virginia Corp. | 7,000 | 527,940 | 0.3 |
| | Other Securities | | 1,696,854 | 0.8 |
| | | | <u>2,224,794</u> | 1.1 |
| Engineering & Contracting Services | Other Securities | | 723,604 | 0.3 |
| Entertainment | Other Securities | | 419,770 | 0.2 |
| Finance Companies | Other Securities | | 253,318 | 0.1 |
| Finance: Small Loan | Other Securities | | 181,593 | 0.1 |
| Financial Data Processing Services & Systems | Other Securities | | 1,473,402 | 0.7 |
| Financial Information Services | Other Securities | | 377,679 | 0.2 |
| Financial Miscellaneous | Other Securities | | 1,366,394 | 0.7 |
| Foods | Flowers Foods, Inc. | 13,000 | 368,420 | 0.2 |
| | Other Securities | | 2,247,681 | 1.1 |
| | | | <u>2,616,101</u> | 1.3 |
| Forest Products | Other Securities | | 326,234 | 0.2 |

SMALL CAP PREMIUM & DIVIDEND INCOME FUND INC.

JUNE 30, 2008

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Summary Schedule of Investments (continued)

| Industry | Common Stocks | Shares | Value | Percent of Net Assets |
|--|---------------------------------|--------|------------|-----------------------|
| Forms & Bulk Printing Services | Other Securities | | \$ 160,053 | 0.1% |
| Funeral Parlors & Cemeteries | Other Securities | | 104,400 | 0.0 |
| Glass | Other Securities | | 79,184 | 0.0 |
| Gold | Other Securities | | 475,823 | 0.2 |
| Health Care Facilities | Psychiatric Solutions, Inc. (a) | 9,400 | 355,696 | 0.2 |
| | Other Securities | | 810,638 | 0.4 |
| | | | 1,166,334 | 0.6 |
| Health Care Management Services | Other Securities | | 1,639,311 | 0.8 |
| Health Care Services | Other Securities | | 1,359,255 | 0.6 |
| Homebuilding | Other Securities | | 385,713 | 0.2 |
| Hotel/Motel | Other Securities | | 122,441 | 0.1 |
| Household Furnishings | Other Securities | | 520,534 | 0.2 |
| Identification Control & Filter Devices | Other Securities | | 1,516,351 | 0.7 |
| Industrial Products | Other Securities | | 56,850 | 0.0 |
| Insurance: Life | Other Securities | | 674,410 | 0.3 |
| Insurance: Multi-Line | Other Securities | | 1,979,305 | 1.0 |
| Insurance: Property-Casualty | Aspen Insurance Holdings Ltd. | 14,600 | 345,582 | 0.2 |
| | Other Securities | | 3,148,310 | 1.5 |
| | | | 3,493,892 | 1.7 |
| Investment Management Companies | Apollo Investment Corp. | 23,876 | 342,143 | 0.2 |
| | Other Securities | | 814,362 | 0.4 |
| | | | 1,156,505 | 0.6 |
| Jewelry, Watches & Gemstones | Other Securities | | 303,170 | 0.1 |
| Leisure Time | Other Securities | | 782,587 | 0.4 |

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| | | | | |
|--|-------------------------------|-------|------------------|------------|
| Machine Tools | Other Securities | | 61,928 | 0.0 |
| Machinery & Engineering | Other Securities | | 175,233 | 0.1 |
| Machinery: Agricultural | Other Securities | | 250,372 | 0.1 |
| Machinery: Construction & Handling | Other Securities | | 163,335 | 0.1 |
| Machinery: Engines | Other Securities | | 186,305 | 0.1 |
| Machinery: Industrial/Specialty | Nordson Corp. | 5,700 | 415,473 | 0.2 |
| | Woodward Governor Co. | 9,900 | 353,034 | 0.2 |
| | Other Securities | | 1,386,673 | 0.7 |
| | | | <u>2,155,180</u> | <u>1.1</u> |
| Machinery: Oil Well Equipment & Services | Dril-Quip, Inc. (a) | 5,200 | 327,600 | 0.2 |
| | W-H Energy Services, Inc. (a) | 5,200 | 497,848 | 0.2 |
| | Other Securities | | 2,923,084 | 1.4 |
| | | | <u>3,748,532</u> | <u>1.8</u> |
| Machinery: Specialty | Other Securities | | 190,627 | 0.1 |
| Manufactured Housing | Other Securities | | 152,959 | 0.1 |
| Manufacturing | Other Securities | | 204,526 | 0.1 |
| Medical & Dental Instruments & Supplies | Owens & Minor, Inc. | 6,900 | 315,261 | 0.1 |
| | Other Securities | | 5,093,384 | 2.5 |
| | | | <u>5,408,645</u> | <u>2.6</u> |
| Medical Services | Other Securities | | 814,893 | 0.4 |
| Metal Fabricating | Other Securities | | 1,530,668 | 0.7 |

Summary Schedule of Investments (continued)

| Industry | Common Stocks | Shares | Value | Percent of Net Assets |
|--|--------------------------------------|--------|------------|-----------------------|
| Metals & Minerals Miscellaneous | Compass Minerals International, Inc. | 5,400 | \$ 435,024 | 0.2% |
| | GrafTech International Ltd. (a) | 17,400 | 466,842 | 0.2 |
| | Other Securities | | 1,008,094 | 0.5 |
| | | | 1,909,960 | 0.9 |
| Miscellaneous Business & Consumer Discretionary | Other Securities | | 41,920 | 0.0 |
| Miscellaneous Consumer Staples | Other Securities | | 41,040 | 0.0 |
| Miscellaneous Health Care | Other Securities | | 35,805 | 0.0 |
| Miscellaneous Materials & Commodities | Other Securities | | 315,832 | 0.2 |
| Miscellaneous Materials & Processing | Other Securities | | 198,741 | 0.1 |
| Miscellaneous Producer Durables | Other Securities | | 96,975 | 0.0 |
| Miscellaneous Technology | Other Securities | | 201,582 | 0.1 |
| Multi-Sector Companies | Other Securities | | 615,956 | 0.3 |
| Office Furniture & Business Equipment | Other Securities | | 635,918 | 0.3 |
| Offshore Drilling | Other Securities | | 77,792 | 0.0 |
| Oil: Crude Producers | Berry Petroleum Co. Class A | 7,200 | 423,936 | 0.2 |
| | Bill Barrett Corp. (a) | 6,100 | 362,401 | 0.2 |
| | Carrizo Oil & Gas, Inc. (a) | 4,600 | 313,214 | 0.2 |
| | Comstock Resources, Inc. (a) | 7,700 | 650,111 | 0.3 |
| | EXCO Resources, Inc. (a) | 12,500 | 461,375 | 0.2 |
| | Stone Energy Corp. (a) | 4,800 | 316,368 | 0.2 |
| | Swift Energy Co. (a) | 5,200 | 343,512 | 0.2 |
| | Other Securities | | 5,204,126 | 2.5 |
| | | | 8,075,043 | 4.0 |
| Oil: Integrated Domestic | Other Securities | | 503,530 | 0.2 |
| Oil: Integrated International | Other Securities | | 85,547 | 0.0 |
| Paints & Coatings | Other Securities | | 338,540 | 0.2 |
| Paper | Other Securities | | 799,337 | 0.4 |

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|---|---|--------|------------|-----|
| Plastics | Other Securities | | 49,036 | 0.0 |
| Pollution Control & Environmental Services | Other Securities | | 791,512 | 0.4 |
| Power Transmission Equipment | Other Securities | | 260,586 | 0.1 |
| Printing & Copying Services | Other Securities | | 379,626 | 0.2 |
| Production Technology Equipment | Other Securities | | 2,202,116 | 1.1 |
| Publishing: Miscellaneous | Other Securities | | 380,006 | 0.2 |
| Publishing: Newspapers | Other Securities | | 363,899 | 0.2 |
| Radio & TV Broadcasters | Other Securities | | 462,240 | 0.2 |
| Railroad Equipment | Westinghouse Air Brake Technologies Corp. | 8,100 | 393,822 | 0.2 |
| | Other Securities | | 149,654 | 0.1 |
| | | | 543,476 | 0.3 |
| Railroads | Other Securities | | 168,399 | 0.1 |
| Real Estate | Other Securities | | 518,089 | 0.2 |
| Real Estate Investment Trusts (REITs) | Anthracite Capital, Inc. (b) | 9,600 | 67,584 | 0.0 |
| | Realty Income Corp. | 17,100 | 389,196 | 0.2 |
| | Senior Housing Properties Trust | 16,300 | 318,339 | 0.2 |
| | Other Securities | | 9,380,658 | 4.6 |
| | | | 10,155,777 | 5.0 |
| Recreational Vehicles & Boats | Other Securities | | 318,196 | 0.2 |
| Rental & Leasing Services: Commercial | Other Securities | | 240,846 | 0.1 |
| Rental & Leasing Services: Consumer | Other Securities | | 586,566 | 0.3 |

SMALL CAP PREMIUM & DIVIDEND INCOME FUND INC.

JUNE 30, 2008

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Summary Schedule of Investments (continued)

| Industry | Common Stocks | Shares | Value | Percent of Net Assets |
|---|------------------------------|--------|--------------|-----------------------|
| Restaurants | Other Securities | | \$ 2,091,853 | 1.0% |
| Retail | Aéropostale, Inc. (a) | 11,400 | 357,162 | 0.2 |
| | Other Securities | | 5,056,825 | 2.4 |
| | | | 5,413,987 | 2.6 |
| Savings & Loan | Other Securities | | 1,819,796 | 0.9 |
| Scientific Equipment & Suppliers | Other Securities | | 328,196 | 0.2 |
| Securities Brokerage & Services | Other Securities | | 962,835 | 0.5 |
| Services: Commercial | Waste Connections, Inc. (a) | 11,200 | 357,616 | 0.2 |
| | Watson Wyatt Worldwide, Inc. | 7,200 | 380,808 | 0.2 |
| | Other Securities | | 5,314,921 | 2.6 |
| | | | 6,053,345 | 3.0 |
| Shipping | Other Securities | | 1,752,843 | 0.9 |
| Shoes | Other Securities | | 1,283,951 | 0.6 |
| Steel | Other Securities | | 558,152 | 0.3 |
| Sugar | Other Securities | | 29,507 | 0.0 |
| Telecommunications Equipment | Polycom, Inc. (a) | 14,800 | 360,528 | 0.2 |
| | Other Securities | | 914,240 | 0.4 |
| | | | 1,274,768 | 0.6 |
| Textile Products | Other Securities | | 135,198 | 0.1 |
| Textiles Apparel Manufacturers | The Warnaco Group, Inc. (a) | 7,600 | 334,932 | 0.2 |
| | Other Securities | | 1,195,322 | 0.6 |
| | | | 1,530,254 | 0.8 |
| Tires & Rubber | Other Securities | | 241,468 | 0.1 |
| Tobacco | Other Securities | | 445,249 | 0.2 |
| Toys | Other Securities | | 410,650 | 0.2 |

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|--|-----------------------------|--------|--------------------|-------------|
| Transportation Miscellaneous | Other Securities | | 547,508 | 0.3 |
| Truckers | Other Securities | | 1,164,481 | 0.6 |
| Utilities: Cable TV & Radio | Other Securities | | 42,720 | 0.0 |
| Utilities: Electrical | ITC Holdings Corp. | 8,300 | 424,213 | 0.2 |
| | Westar Energy, Inc. | 17,900 | 385,029 | 0.2 |
| | Other Securities | | 2,660,462 | 1.3 |
| | | | 3,469,704 | 1.7 |
| Utilities: Gas Distributors | Nicor, Inc. | 7,700 | 327,943 | 0.2 |
| | Piedmont Natural Gas Co. | 12,300 | 321,768 | 0.1 |
| | Other Securities | | 1,369,395 | 0.7 |
| | | | 2,019,106 | 1.0 |
| Utilities: Miscellaneous | Other Securities | | 237,510 | 0.1 |
| Utilities: Telecommunications | TW Telecom, Inc. (a) | 24,830 | 398,025 | 0.2 |
| | Other Securities | | 1,726,477 | 0.8 |
| | | | 2,124,502 | 1.0 |
| Utilities: Water | Other Securities | | 432,565 | 0.2 |
| Wholesalers | Other Securities | | 425,365 | 0.2 |
| | Total Common Stocks | | | |
| | (Cost \$200,131,506) | | 176,794,352 | 86.3 |

Summary Schedule of Investments (continued)

| Industry | Investment Companies | Shares | Value | Percent of Net Assets |
|----------|---|--------|-----------|-----------------------|
| | BlackRock Kelso Capital Corp. (b) | 1,400 | \$ 13,244 | 0.0% |
| | Other Securities | | 225,567 | 0.1 |
| | Total Investment Companies (Cost \$360,552) | | 238,811 | 0.1 |

| | Short-Term Securities | Face Amount | | |
|----------------------|--|---------------|-------------|------|
| Time Deposits | State Street Bank & Trust Co., 1%, 7/01/08 | \$ 27,559,147 | 27,559,147 | 13.5 |
| | Total Short-Term Securities (Cost \$27,559,147) | | 27,559,147 | 13.5 |
| | Total Investments Before Options Written (Cost \$228,051,205*) | | 204,592,310 | 99.9 |

| | Options Written | Number of Contracts | | |
|---|---|---------------------|----------------|--------|
| Call Options Written | Russell 2000 Index, expiring July 2008 at USD 750 | 1,000 | (82,500) | (0.1) |
| | Russell 2000 Index, expiring July 2008 at USD 760 | 750 | (33,750) | 0.0 |
| | Total Options Written (Premiums Received \$1,627,209) | | (116,250) | (0.1) |
| Total Investments, Net of Options Written (Cost \$226,423,996) | | | 204,476,060 | 99.8 |
| Other Assets Less Liabilities | | | 462,009 | 0.2 |
| Net Assets | | | \$ 204,938,069 | 100.0% |

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

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| | |
|-------------------------------|-----------------|
| Aggregate cost | \$ 217,401,378 |
| Gross unrealized appreciation | \$ 3,215,812 |
| Gross unrealized depreciation | (16,024,880) |
| Net unrealized depreciation | \$ (12,809,068) |

- (a) Non-income producing security.
- (b) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

| Affiliate | Purchase Cost | Sales Cost | Realized Loss | Dividend Income |
|-------------------------------|---------------|------------|---------------|-----------------|
| Anthracite Capital, Inc. | \$ 7,219 | \$ 18,035 | \$ (6,680) | \$ 6,500 |
| BlackRock Kelso Capital Corp. | \$ 3,714 | | | \$ 860 |

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

Financial futures contracts purchased as of June 30, 2008 were as follows:

| Number of Contracts | Issue | Expiration Date | Face Value | Appreciation (Depreciation) |
|---------------------|-----------------------|-------------------|---------------|-----------------------------|
| 400 | Russell 2000 Index | September 2008 | \$ 29,258,540 | \$ (1,590,540) |

Summary Schedule of Investments (concluded)

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:

Level 1 price quotations in active markets/exchanges for identical securities

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)

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 Note 1(a) of the Notes to Financial Statements.

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

| Valuation Inputs | Investments in Securities | Other Financial Instruments |
|------------------|---------------------------|-----------------------------|
| Level 1 | \$ 204,592,310 | \$ (1,706,790) |
| Level 2 | | |
| Level 3 | | |
| Total | \$ 204,592,310 | \$ (1,706,790) |

Other financial instruments are futures and options.

See Notes to Financial Statements.

Statement of Assets, Liabilities and Capital

As of June 30, 2008 (Unaudited)

Assets

| | | | |
|--|----|------------|-------------|
| Investments in unaffiliated securities, at value (identified cost \$227,922,426) | | \$ | 204,511,482 |
| Investments in affiliated securities, at value (identified cost \$128,779) | | | 80,828 |
| Receivables: | | | |
| Securities sold | \$ | 30,160,488 | |
| Dividends | | 191,054 | |
| Interest | | 765 | 30,352,307 |
| Total assets | | | 234,944,617 |

Liabilities

| | | | |
|---|--|------------|------------|
| Options written, at value (premiums received \$1,627,209) | | | 116,250 |
| Payables: | | | |
| Securities purchased | | 28,367,145 | |
| Dividends and distributions to shareholders | | 972,327 | |
| Investment advisory fees | | 170,146 | |
| Variation margin | | 285,442 | 29,795,060 |
| Accrued expenses | | | 95,238 |
| Total liabilities | | | 30,006,548 |

Net Assets

| | | | |
|------------|--|----|-------------|
| Net assets | | \$ | 204,938,069 |
|------------|--|----|-------------|

Capital

| | | | |
|---|----|--------------|--------------|
| Common Stock, par value \$.001 per share, 100,000,000 shares authorized | | \$ | 13,645 |
| Paid-in capital in excess of par | | | 245,512,932 |
| Accumulated distributions in excess of investment income net | \$ | (12,917,100) | |
| Undistributed realized capital losses net | | (4,132,932) | |
| Unrealized appreciation net | | (23,538,476) | |
| Total accumulated losses net | | | (40,588,508) |
| Total capital Equivalent to \$15.02 per share based on 13,644,510 shares of Common Stock outstanding (market price \$14.70) | | \$ | 204,938,069 |

See Notes to Financial Statements.

Statement of Operations

For the Six Months Ended June 30, 2008 (Unaudited)

Investment Income

| | | |
|--|----|------------------|
| Dividends (including \$7,360 from affiliates and net of \$291 foreign withholding tax) | \$ | 912,834 |
| Interest | | 294,380 |
| Total income | | <u>1,207,214</u> |

Expenses

| | | |
|----------------------------------|----|------------------|
| Investment advisory fees | \$ | 986,019 |
| Accounting services | | 47,735 |
| Professional fees | | 42,308 |
| Directors' fees and expenses | | 32,012 |
| Transfer agent fees | | 19,490 |
| Repurchase offer | | 18,592 |
| Printing and shareholder reports | | 16,321 |
| Custodian fees | | 16,199 |
| Listing fees | | 11,879 |
| Licensing fees | | 5,420 |
| Other | | 16,028 |
| Total expenses | | <u>1,212,003</u> |
| Investment income net | | <u>(4,789)</u> |

Realized & Unrealized Gain (Loss) Net

| | | |
|---|--------------|----------------------------|
| Realized gain (loss) on: | | |
| Investments (including \$6,680 loss from affiliates) net | 6,752,526 | |
| Financial futures contracts net | (844,290) | |
| Options written net | 6,205,865 | 12,114,101 |
| Change in unrealized appreciation/depreciation on: | | |
| Investments net | (26,704,661) | |
| Financial futures contracts net | (1,663,701) | |
| Options written net | 289,209 | (28,079,153) |
| Total realized and unrealized loss net | | <u>(15,965,052)</u> |
| Net Increase in Net Assets Resulting from Operations | \$ | <u>(15,969,841)</u> |

See Notes to Financial Statements.

Statement of Changes in Net Assets

| Increase (Decrease) in Net Assets: | For the Six Months Ended June 30, 2008 (Unaudited) | For the Year Ended December 31, 2007 |
|--|--|---|
| Operations | | |
| Investment income (loss) net | \$ (4,789) | \$ 1,245,783 |
| Realized gain net | 12,114,101 | 20,192,200 |
| Unrealized depreciation net | (28,079,153) | (16,220,844) |
| Net increase (decrease) in net assets resulting from operations | (15,969,841) | 5,217,139 |
| Dividends & Distributions to Shareholders | | |
| Investment income net | (13,644,510) | (1,099,977) |
| Realized gain net | | (21,655,076) |
| Tax return of capital | | (4,501,255) |
| Net decrease in net assets resulting from dividends and distributions to shareholders | (13,644,510) | (27,256,308) |
| Common Stock Transactions | | |
| Adjustment of offering costs resulting from the issuance of Common Stock | | 135,048 |
| Net redemption of Common Stock resulting from a repurchase offer (includes \$3,451 of repurchase fees) | | (924,375) |
| Value of shares issued to Common Stock shareholders in reinvestment of dividends and distributions | | 1,527,886 |
| Net increase in net assets resulting from Common Stock transactions | | 738,559 |
| Net Assets | | |
| Total decrease in net assets | (29,614,351) | (21,300,610) |
| Beginning of period | 234,552,420 | 255,853,030 |
| End of period* | \$ 204,938,069 | \$ 234,552,420 |
| * Undistributed (accumulated distributions in excess of) investment income net | \$ (12,917,100) | \$ 732,199 |

A portion of the dividends from net investment income may be deemed a tax return of capital or net realized gain at fiscal year end.

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See Notes to Financial Statements.

SMALL CAP PREMIUM & DIVIDEND INCOME FUND INC.

JUNE 30, 2008

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Financial Highlights

| The following per share data and ratios have been derived from information provided in the financial statements. | For the Six Months Ended June 30, 2008 (Unaudited) | For the Year Ended December 31, | | For the Period July 29, 2005 to December 31, 2005 |
|--|--|---------------------------------|----------|---|
| | | 2007 | 2006 | |
| Per Share Operating Performance | | | | |
| Net asset value, beginning of period | \$ 17.19 | \$ 18.80 | \$ 18.16 | \$ 19.10 |
| Investment income net*** | | .09 | .08 | .04 |
| Realized and unrealized gain (loss) net | (1.17) | .29 | 2.56 | (.12) |
| Total from investment operations | (1.17) | .38 | 2.64 | (.08) |
| Less dividends and distributions: | | | | |
| Investment income net | (1.00) | (.08) | (.23) | (.03) |
| Realized gain net | | (1.59) | (1.67) | |
| Tax return of capital | | (.33) | (.10) | (.80) |
| Total dividends and distributions | (1.00) | (2.00) | (2.00) | (.83) |
| Offering costs resulting from the issuance of Common Stock | | .01 | | (.03) |
| Net asset value, end of period | \$ 15.02 | \$ 17.19 | \$ 18.80 | \$ 18.16 |
| Market price per share, end of period | \$ 14.70 | \$ 15.74 | \$ 19.49 | \$ 16.09 |
| Total Investment Return** | | | | |
| Based on net asset value per share | (6.55%) | 2.63% | 15.40% | (.14%) |
| Based on market price per share | (.11%) | (9.36%) | 35.03% | (15.51%) |
| Ratios to Average Net Assets | | | | |
| Expenses | 1.10%* | 1.05% | 1.09% | 1.07%* |
| Expenses, net of reimbursement | 1.10%* | 1.03% | 1.09% | 1.07%* |
| Investment income (loss) net | .00%* | .49% | .41% | .56%* |

Edgar Filing: Small Cap Premium & Dividend Income Fund, Inc. - Form N-CSRS

Supplemental Data

| | | | | | | | | |
|--|----|---------|----|---------|----|---------|----|---------|
| Net assets, end of period (in thousands) | \$ | 204,938 | \$ | 234,552 | \$ | 255,853 | \$ | 327,008 |
| Portfolio turnover | | 17% | | 15% | | 26% | | 3% |

* Annualized.

** Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Total investment returns exclude the effects of sales charges.

*** Based on average shares outstanding.

Commencement of operations.

Includes repurchase fees, which are less than \$.01 per share.

A portion of the dividends from net investment income may be deemed a tax return of capital or net realized gain at fiscal year end.

Aggregate total investment return.

Amount is less than (.01%).

Amount is less than \$(.01).

See Notes to Financial Statements.

Notes to Financial Statements (Unaudited)

1. Significant Accounting Policies:

Small Cap Premium & Dividend Income Fund Inc. (the Fund) is registered under the Investment Company Act of 1940, as amended (the Investment Company Act), as a diversified, closed-end management investment company with a fixed term of existence of approximately five years. The Fund's financial statements are prepared in conformity with U.S. generally accepted accounting principles, which may require the use of management accruals and estimates. Actual results may differ from these estimates. These unaudited financial statements reflect all adjustments, which are, in the opinion of management, necessary to present a fair statement of the results for the interim period. All such adjustments are of a normal, recurring nature. The Fund determines and makes available for publication the net asset value of its Common Stock on a daily basis. The Fund's Common Stock shares are listed on the New York Stock Exchange (NYSE) under the symbol RCC. The following is a summary of significant accounting policies followed by the Fund.

(a) Valuation of investments Equity securities held by the Fund that are traded on stock exchanges or the NASDAQ Global Market are valued at the last sale price or official close price on the exchange, as of the close of business on the day the securities are being valued or, lacking any sales, at the last available bid price for long positions, and at the last available asked price for short positions. In cases where equity securities are traded on more than one exchange, the securities are valued on the exchange designated as the primary market by or under the authority of the Board of Directors of the Fund. Long positions traded in the over-the-counter (OTC) market, NASDAQ Capital Market or Bulletin Board are valued at the last available bid price or yield equivalent obtained from one or more dealers or pricing services approved by the Board of Directors of the Fund. Short positions traded in the OTC market are valued at the last available asked price. Portfolio securities that are traded both in the OTC market and on a stock exchange are valued according to the broadest and most representative market.

Exchange-traded options are valued at the mean between the last bid and ask prices at the close of the options market in which the options trade. Options traded in the OTC market are valued at the last asked price (options written) or the last bid price (options purchased). Swap agreements are valued based upon quoted fair valuations received daily by the Fund from a pricing service or counterparty. Financial futures contracts and options thereon, which are traded on exchanges, are valued at their last sale price as of the close of such exchanges. Obligations with remaining maturities of 60 days or less are valued at amortized cost unless the investment adviser believes that this method no longer produces fair valuations.

Repurchase agreements are valued at cost plus accrued interest. The Fund employs pricing services to provide certain securities prices for the Fund. Securities and assets for which market quotations are not readily available are valued at fair value as determined in good faith by or under the direction of the Board of Directors of the Fund, including valuations furnished by the pricing services retained by the Fund, which may use a matrix system for valuations. The procedures of a pricing service and its valuations are reviewed by the officers of the Fund under the general supervision of the Fund's Board of Directors. Such valuations and procedures will be reviewed periodically by the Board of Directors of the Fund.

Generally, trading in foreign securities, as well as U.S. government securities, money market instruments and certain fixed income securities, is substantially completed each day at various times prior to the close of business on the NYSE. The values of such securities used in computing the net asset value of the Fund's shares are determined as of such times. Foreign currency exchange rates generally will be determined as of the close of business on the NYSE. Occasionally, events affecting the values of such securities and such exchange rates may occur between the times at which they are determined and the close of business on the NYSE that may not be reflected in the computation of the Fund's net asset value. If events (for example, a company announcement, market volatility or a natural disaster) occur during such periods that are expected to materially affect the value of such securities, those securities may be valued at their fair value as determined in good faith by the Fund's Board of Directors or by the investment adviser using a pricing service and/or procedures approved by the Fund's Board of Directors.

(b) Derivative financial instruments The Fund will engage in various portfolio investment strategies, both to enhance its returns or as a proxy for a direct investment in securities underlying the Fund's index. Losses may arise due to changes in the value of the contract due to an unfavorable change in the price of the underlying security or index, or if the counterparty does not perform under the contract. The counterparty for certain instruments may pledge cash or securities as collateral.

Options The Fund writes call options. When the Fund writes an option, an amount equal to the premium received by the Fund is reflected as an asset and an equivalent liability. The amount of the liability is subsequently marked-to-market to reflect the current market

Notes to Financial Statements (continued)

value of the option written. When a security is purchased or sold through an exercise of an option, the related premium paid (or received) is added to (or deducted from) the basis of the security acquired or deducted from (or added to) the proceeds of the security sold. When an option expires (or the Fund enters into a closing transaction), the Fund realizes a gain or loss on the option to the extent of the premiums received or paid (or gain or loss to the extent the cost of the closing transaction exceeds the premium paid or received). Written options are non-income producing investments.

Financial futures contracts The Fund may purchase or sell financial futures contracts and options on such financial futures contracts. Financial futures contracts are contracts for delayed delivery of securities at a specific future date and at a specific price or yield. Upon entering into a contract, the Fund deposits, and maintains as collateral, such initial margin as required by the exchange on which the transaction is effected. Pursuant to the contract, the Fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as variation margin and are recorded by the Fund as unrealized gains or losses. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

(c) Income taxes It is the Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no federal income tax provision is required.

(d) Security transactions and investment income Security transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on security transactions are determined on the identified cost basis. Dividend income is recorded on the ex-dividend dates. Interest income is recognized on the accrual basis.

(e) Dividends and distributions Dividends and distributions paid by the Fund are recorded on the ex-dividend dates. For the current period ended, June 30, 2008, Fund management believes it is likely total dividends and distributions may exceed net investment income and accumulated realized capital gains, resulting in a portion of the total distribution treated as a return of capital. Portions of the distributions paid by the Fund during the year ended December 31, 2007 were characterized as a tax return of capital.

(f) Offering expenses Direct expenses relating to the public offering of the Fund's Common Stock were charged to capital at the time of issuance of the shares. Any adjustments to estimates of offering costs were recorded to capital.

(g) Recent accounting pronouncement Effective June 29, 2007, the Fund implemented Financial Accounting Standards Board (FASB) Interpretation No. 48, Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109 (FIN 48). FIN 48 prescribes the minimum recognition threshold a tax position must meet in connection with accounting for uncertainties in income tax positions taken or expected to be taken by an entity, including investment companies, before being measured and recognized in the financial statements. Management has evaluated the application of FIN 48 to the Fund, and has determined that the adoption of FIN 48 does not have a material impact on the Fund's financial statements. The Fund files U.S. and various state tax returns. To the best of our knowledge, no income tax returns are currently under examination. All tax years of the Fund are open at this time.

2. Investment Advisory Agreement and Transactions with Affiliates:

The Fund has entered into an Investment Advisory and Management Agreement with IQ Investment Advisors LLC (IQ Advisors), an indirect, wholly owned subsidiary of Merrill Lynch & Co., Inc. (ML & Co.). IQ Advisors is responsible for the investment advisory, management and administrative services to the Fund. In addition, IQ Advisors provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of the Fund. For such services, the Fund pays a monthly fee at an annual rate equal to .90% of the average daily value of the Fund's net assets plus borrowings for leverage and other investment purposes. In addition, IQ Advisors has entered into a Subadvisory Agreement with BlackRock Investment Management, LLC (the Subadviser), an indirect, wholly owned subsidiary of BlackRock, Inc. (BlackRock), pursuant to which the Subadviser provides certain investment advisory services to IQ Advisors with respect to the Fund. For such services, IQ Advisors pays the Subadviser a monthly fee at an annual rate of .39% of the average daily value of the Fund's net assets plus borrowings for leverage and other investment purposes. There is no increase in the aggregate fees paid by the Fund for these services.

IQ Advisors has entered into an Administration Agreement with Princeton Administrators, LLC (the Administrator). The Administration Agreement provides that IQ Advisors pays the

Notes to Financial Statements (concluded)

Administrator a fee from its investment advisory fee at an annual rate equal to .12% of the average daily value of the Fund's net assets plus borrowings for leverage and other investment purposes for the performance of administrative and other services necessary for the operation of the Fund. There is no increase in the aggregate fees paid by the Fund for these services. The Administrator is an indirect, wholly owned subsidiary of BlackRock. ML & Co. is a principal owner of BlackRock.

Merrill Lynch, Pierce, Fenner & Smith Incorporated, an affiliate of IQ Advisors, received \$4,791 in commissions on the execution of portfolio security transactions for the Fund for the six months ended June 30, 2008.

Certain officers of the Fund are officers and/or directors of IQ Advisors, ML & Co. and/or BlackRock or their affiliates.

3. Investments:

Purchases and sales of investments, excluding short-term securities, for the six months ended June 30, 2008 were \$31,114,314 and \$39,272,731, respectively.

Transactions in options written for the six months ended June 30, 2008 were as follows:

| | Number of Contracts | Premiums Received |
|--|------------------------|----------------------|
| Outstanding call options written, at beginning of period | 1,500 | \$ 3,235,500 |
| Options written | 11,735 | 20,018,903 |
| Options closed | (11,485) | (21,627,194) |
| Outstanding call options written, at end of period | 1,750 | \$ 1,627,209 |

4. Common Stock Transactions:

The Fund is authorized to issue 100,000,000 shares of stock, par value \$.001 per share, all of which were initially classified as Common Stock. The Board of Directors is authorized, however, to classify and reclassify any unissued shares of Common Stock without approval of the holders of Common Stock.

Shares issued and outstanding during the six months ended June 30, 2008 remained constant. Shares issued and outstanding during the year ended December 31, 2007 increased by 82,012 as a result of dividend and distribution reinvestments and decreased by 49,300 as a result of a repurchase offer.

Subject to the approval of the Board of Directors, the Fund will make offers to repurchase its shares at annual (approximately 12-month) intervals. The shares tendered in the repurchase offer will be subject to a repurchase fee retained by the Fund to compensate the Fund for expenses directly related to the repurchase offer.

With regard to repurchase fees, IQ Advisors will reimburse the Fund for the cost of expenses paid in excess of 2% of the value of the shares that are repurchased.

5. Subsequent Event:

On July 18, 2008, 206,725 shares (1.52% of the shares outstanding) were repurchased by the Fund from its shareholders at \$15.08 per share, (subject to a repurchase fee of \$0.3016 per share) for \$3,055,064, pursuant to the Fund's repurchase offer.

Renewal of Current Investment Advisory and Management Agreement

The Board of Directors of each of S&P 500[®] GEAREDSM Fund Inc. (S&P GEARED), Defined Strategy Fund Inc. (Defined Strategy), S&P 500[®] Covered Call Fund Inc. (Covered Call), Dow 30SM Premium & Dividend Income Fund Inc. (Dow 30), Small Cap Premium & Dividend Income Fund Inc. (Small Cap), Enhanced S&P 500[®] Covered Call Fund Inc. (Enhanced Covered Call), Global Income & Currency Fund Inc. (Global Income), NASDAQ Premium Income & Growth Fund Inc. (NASDAQ Premium) and Dow 30SM Enhanced Premium & Income Fund Inc. (Dow 30 Enhanced) (each, a Fund and collectively, the Funds), currently consisting solely of Independent Directors, as defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended (the Investment Company Act), has the responsibility under the Investment Company Act to consider annually the Investment Advisory and Management Agreement of each Fund (each, a Management Agreement and together, the Management Agreements) with IQ Investment Advisors LLC (IQ Advisors).

At a Board meeting held on June 5, 2008, all of the Directors present at the meeting renewed the Management Agreement for each Fund for an additional one-year term. Each Management Agreement was considered separately by the relevant Fund's Directors. In considering whether to approve the continuance of the Management Agreement, the Directors reviewed materials from counsel to the Funds and from IQ Advisors including: (i) information concerning the services rendered to the Funds by IQ Advisors and its affiliates; (ii) information concerning the revenues and expenses incurred by IQ Advisors and its affiliates from the operation of the Funds; (iii) a memorandum outlining the legal duties of the Directors under the Investment Company Act; and (iv) information from Lipper, Inc. (Lipper) comparing each Fund's fee rate for advisory and administrative services to those of other closed-end funds chosen by Lipper. Each Management Agreement was considered separately by the relevant Fund's Directors. The Directors were represented by independent legal counsel who assisted them in their deliberations. In voting to approve the continuation of each Fund's Management Agreement, the Directors considered in particular the following factors:

(a) The nature, extent and quality of services provided by IQ Advisors and its affiliates The Directors reviewed the services that IQ Advisors has provided to the Funds. They considered the size and experience of IQ Advisors' staff, its use of technology, and the degree to which IQ Advisors exercises supervision over the actions of the Fund's subadviser. In connection with the investment advisory services provided, the Directors took into account detailed discussions they had with officers of IQ Advisors regarding the management of each Fund's investments in accordance with each Fund's stated investment objective and policies and the types of transactions entered into on behalf of each Fund. During these discussions, the Directors asked detailed questions of, and received answers from, the officers of IQ Advisors regarding the implementation of each Fund's investment strategy, its efficacy and risks.

In addition to the investment advisory services provided to the Funds, the Directors considered that IQ Advisors and its affiliates also provide administrative services, stockholder services, oversight of Fund accounting, marketing services, assistance in meeting legal and regulatory requirements and other services necessary for the operation of the Funds. In particular, the Directors reviewed the compliance and administrative services provided to the Funds by IQ Advisors, including its oversight of each Fund's day-to-day operations and its oversight of Fund accounting. The Directors noted that IQ Advisors has access to administrative, legal and compliance resources that help ensure a high level of quality in the compliance and administrative services provided to the Funds. The Directors also considered each Fund's compliance history. Following their consideration of this information, and based on the presentations at the Meeting and the Directors' experience as Directors of other investment companies advised by IQ Advisors, the Directors concluded that the services provided to each Fund by IQ Advisors under the respective Management Agreement were of a high quality and benefited the Fund.

(b) Investment performance of each Fund and IQ Advisors The Directors considered the history, experience, resources and strengths of IQ Advisors and its affiliates in developing and implementing the investment strategies used by each Fund. The Directors also considered the innovative nature of each Fund. The Directors noted the specialized nature of each Fund's investment strategy and the inherent limitations in comparing a Fund's investment performance to that of another investment company. The Directors reviewed each Fund's investment performance and, where applicable, compared such performance to the performance of a relevant reference index. The Directors discussed the degree to which each Fund was achieving its investment objective. In particular, the Directors noted that the Funds generally performed as expected and met their respective investment objectives. As a result of their discussions and review, the Directors concluded that each Fund's performance was satisfactory. Based on

Renewal of Current Investment Advisory and Management Agreement (continued)

these factors, the Directors determined that IQ Advisors continued to be an appropriate investment adviser for the Funds.

(c) Cost of services provided and profits realized by IQ Advisors and its affiliates from the relationship with each of the Funds The Directors reviewed and considered a memorandum from IQ Advisors regarding the methodology used by IQ Advisors in allocating its costs regarding the operations of the Funds and calculating each Fund's profitability to IQ Advisors and its affiliates. The Directors also reviewed a report detailing IQ Advisors' profitability. After considering their discussion with IQ Advisors and reviewing its memorandum and report, the Directors concluded that there was a reasonable basis for the allocation of costs and the determination of profitability. The Directors considered the cost of the services provided by IQ Advisors to each Fund and the revenue derived by IQ Advisors and its affiliates. The Directors took into account discussions that they had with representatives of IQ Advisors regarding its general level of profitability (if any), and the profits derived by its affiliate, BlackRock, Inc. (BlackRock) from operating the Funds. The Directors also considered the direct and indirect benefits derived by other IQ Advisors affiliates, including Merrill Lynch, Pierce, Fenner & Smith Incorporated (MLPF&S), from the establishment of the Funds, including the underwriting arrangements relating to the initial distribution of Fund shares. The Directors considered federal court decisions discussing an investment adviser's profitability and profitability levels considered to be reasonable in those decisions. The Directors concluded that any profits made by IQ Advisors and its affiliates (including BlackRock and MLPF&S) are acceptable in relation to the nature, extent and quality of services provided. The Directors also concluded that each Fund benefited from such services provided by IQ Advisors' affiliates.

(d) The extent to which economies of scale would be realized as a Fund grows and whether fee levels would reflect such economies of scale The Directors considered the extent to which economies of scale might be realized if the assets of a Fund were to increase and whether there should be changes in the management fee rate or structure in order to enable a Fund to participate in these economies of scale. The Directors noted that, because each Fund is a closed-end fund, any increase in asset levels generally would have to come from appreciation through investment performance. The Directors also noted that each Fund, other than Dow 30, NASDAQ Premium, Dow 30 Enhanced and Covered Call, is an interval fund that periodically allows stockholders to tender their shares to the Fund and that such tender offers reduce the amount of Fund assets. In consideration of these and other factors, the Directors determined that no changes were currently necessary to each Fund's fee structure. The Directors also discussed the renewal requirements for investment advisory agreements, and determined that they would revisit this issue no later than when they next review the investment advisory fees.

(e) Comparison of services rendered and fees paid to those under other investment advisory contracts, such as contracts of the same and other investment advisers or other clients The Directors compared both the services rendered and the fees paid under the Management Agreements to the contracts of other investment advisers with respect to other closed-end registered investment companies. In particular, the Directors evaluated each Fund's contractual fee rate for advisory and administrative services as compared to the contractual fee rate of other closed-end funds chosen by Lipper. In considering this information, the Directors took into account the nature of the investment strategies of the Funds and the fact that the relevant peer group of funds provided by Lipper for comparison have investment strategies and restrictions different from those of the Funds. The Directors did not consider compensation paid to IQ Advisors with respect to accounts other than registered investment companies because IQ Advisors utilizes each Fund's strategy in connection with only registered funds. In particular, the Directors noted that each Fund's contractual advisory fee rate at a common asset level was equal to or lower than the median fee rate of its Lipper comparison funds. The Directors concluded that the advisory fee rates were reasonable in comparison to the data reflected in the Lipper materials.

(f) Conclusion No single factor was determinative to the decision of the Directors. Based on the foregoing and such other matters as were deemed relevant, all of the Directors concluded that the advisory fee rate of each Fund was reasonable in relation to the services provided by IQ Advisors to the Funds, as well as the costs incurred and benefits gained by IQ Advisors and its affiliates in providing such services, including the investment advisory and administrative components. The Directors also found the investment advisory fees to be reasonable in comparison to the fees charged by advisers to other funds in the Lipper comparison. As a result, the Board of Directors of each Fund approved the continuation of the Management Agreement for each Fund. The Directors were represented by independent legal counsel who assisted them in their deliberations.

Renewal of Current Investment Advisory and Management Agreement (continued)**Continuation of Current Investment Subadvisory Agreements**

In considering whether to approve the continuance of the current Investment Subadvisory Agreement of each Fund (each, a "Subadvisory Agreement" and, collectively, the "Subadvisory Agreements") for an additional annual period, the Directors received, reviewed and evaluated information concerning the services and personnel of: BlackRock Investment Management, LLC, as subadviser to each of S&P GEARED and Small Cap; Oppenheimer Capital LLC, as subadviser to each of Covered Call and Enhanced Covered Call; Nuveen HydePark Group, LLC ("Nuveen HydePark"), as subadviser to Dow 30, Dow 30 Enhanced, NASDAQ Premium and Defined Strategy, and Nuveen Asset Management ("NAM"), as subadviser to Global Income (each, a "Subadviser" and, collectively, the "Subadvisers"). Each Subadvisory Agreement was considered separately by the relevant Fund's Directors. In voting to approve the continuation of each Fund's Subadvisory Agreement, the Directors considered the following:

(a) The nature, extent and quality of services provided by each Subadviser The Directors reviewed the services that each Subadviser provides to each of their respective Funds. The Directors considered their detailed discussions with officers of IQ Advisors and members of each Subadviser's portfolio management team, the management of each Fund's investments in accordance with the Fund's stated investment objective and policies and the types of transactions that have been entered into on behalf of the Funds. The Directors took into account the annual due diligence investment review of each Subadviser and the report that concluded that each such Subadviser has thus far executed its respective Fund's investment strategies in accordance with the Fund's objectives and general expectations. Drawing on their collective industry experience, the Directors noted that they had discussed each Fund's investment strategy with representatives from the respective Subadviser, including discussions regarding the premises underlying the Fund's investment strategy, its efficacy and potential risks. The Directors also considered the favorable history, reputation and background of each Subadviser and its personnel, and the substantial experience of such Subadviser's portfolio management team. The Directors discussed the compliance program of each Subadviser and the report of the chief compliance officer of the Funds. Following consideration of this information, and based on management presentations during the Board meeting and their discussions in Executive Session, the Directors concluded that the nature, extent and quality of services provided to each Fund by the applicable Subadviser under its Subadvisory Agreement were of a high quality and would continue to benefit the respective Fund.

(b) Investment performance of each Fund and each Subadviser The Directors received and considered information about each Fund's investment performance in light of its stated investment objective and made the determinations discussed above under "Continuation of Current Investment Advisory and Management Agreements." Based on these factors, the Directors determined that each Subadviser continued to be appropriate for each of its respective Funds.

(c) Cost of services provided and profits realized by each Subadviser from the relationship with each respective Fund The Directors considered the profitability to BlackRock of serving as investment subadviser to two Funds and from its relationship with IQ Advisors based on the information discussed above under "Continuation of Current Investment Advisory and Management Agreements." Based on such information, the Directors concluded that BlackRock's profits were acceptable in relation to the nature, extent and quality of services provided. The Directors noted that profitability data was not provided with respect to the other Subadvisers of the Funds and concluded that such data was unnecessary because such subadvisory arrangements were entered into at arm's length between IQ Advisors and each such Subadviser (including NAM and Nuveen HydePark, with which subadvisory arrangements were originally negotiated prior to the investment in their parent company by an affiliate of IQ Advisors). The Directors then considered the potential direct and indirect benefits to each Subadviser and its affiliates from their relationship with each of their respective Funds, including the reputational benefits from managing the Funds. The Directors of each Fund concluded that the potential benefits to each Subadviser were consistent with those obtained by other subadvisers in similar types of arrangements.

Renewal of Current Investment Advisory and Management Agreement (concluded)

(d) The extent to which economies of scale would be realized as a Fund grows and whether fee levels would reflect such economies of scale The Directors considered the extent to which economies of scale might be realized if the assets of a Fund were to increase and whether there should be changes in the subadvisory fee rate or structure in order to enable a Fund to participate in these economies of scale. The Directors noted that each Subadviser's fees are paid by IQ Advisors out of its fees and not directly by the Funds. The Directors noted that, because each Fund is a closed-end fund, any increase in asset levels would have to come from appreciation due to investment performance. The Directors also noted that each Fund, other than Dow 30, NASDAQ Premium, Dow 30 Enhanced and Covered Call, is an interval fund that periodically allows stockholders to tender their shares to the Fund and that such tender offers reduce the amount of Fund assets. The Directors also discussed the renewal requirements for subadvisory agreements, and determined that they would revisit this issue no later than when they next review the subadvisory fee.

(e) Comparison of services rendered and fees paid to those under other subadvisory contracts, such as contracts of the same and other investment advisers or other clients The Directors discussed the services rendered by each Subadviser and determined that such services were consistent with those provided by subadvisers generally and sufficient for the management of the Funds. Taking into account the totality of the information and materials provided to the Directors as noted above, including the fact that the subadvisory fee for each Fund was negotiated with IQ Advisors and not payable directly by the Fund, the Directors concluded that the subadvisory fee for each Fund was reasonable for the services being rendered.

Conclusion No single factor was determinative to the decision of the Directors. Based on the foregoing and such other matters as were deemed relevant, all of the Directors concluded that the subadvisory fee rate of each Fund was reasonable in relation to the services provided by the respective Subadviser. As a result, all of the Directors approved the continuation of the Subadvisory Agreement for each Fund. The Directors were represented by independent legal counsel who assisted them in their deliberations.

Fundamental Periodic Repurchase Policy

The Board of Directors approved a fundamental policy whereby the Fund would adopt an interval fund structure pursuant to Rule 23c-3 under the Investment Company Act of 1940, as amended (the Investment Company Act). As an interval fund, the Fund will make annual repurchase offers at net asset value (less repurchase fee not to exceed 2%) to all Fund shareholders. The percentage of outstanding shares that the Fund can repurchase in each offer will be established by the Fund's Board of Directors shortly before the commencement of each offer, and will be between 5% and 25% of the Fund's then outstanding shares.

The Fund has adopted the following fundamental policy regarding periodic repurchases:

- a) The Fund will make offers to repurchase its shares at annual (approximately 12-month) intervals pursuant to Rule 23c-3 under the Investment Company Act (Offers). The Board of Directors may place such conditions and limitations on an Offer, as may be permitted under Rule 23c-3.
- b) The repurchase request deadline for each Offer, by which the Fund must receive repurchase requests submitted by shareholders in response to the most recent Offer, will be on approximately the anniversary of the prior year's repurchase request deadline; and will be the fourteenth day prior to such exercise date; provided, that in the event that such day is not a business day, the repurchase request deadline will be the business day subsequent to the fourteenth day prior to the exercise date of the call spreads and written call options (the Repurchase Request Deadline).
- c) The maximum number of days between a Repurchase Request Deadline and the next repurchase pricing date will be fourteen days; provided that if the fourteenth day after a Repurchase Request Deadline is not a business day, the repurchase pricing date shall be the next business day (the Repurchase Pricing Date).
- d) Offers may be suspended or postponed under certain circumstances, as provided for in Rule 23c-3. (For further details, see Note 4 to the Financial Statements.)

Proxy Results

During the six-month period ended June 30, 2008, the shareholders of Small Cap Premium & Dividend Income Fund Inc. voted on the following proposal, which was approved at the annual meeting of shareholders held on April 25, 2008. A description of the proposal and number of shares voted are as follows:

| | | Shares Voted For | Shares Withheld From Voting |
|---|---------------------|---------------------|--------------------------------|
| To elect the Fund's Board of Directors: | Paul Glasserman | 9,348,420 | 172,082 |
| | Steven W. Kohlhagen | 9,348,049 | 172,453 |
| | William J. Rainer | 9,349,049 | 171,453 |
| | Laura S. Unger | 9,347,910 | 172,592 |

Availability of Quarterly Schedule of Investments

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the SEC's website at <http://www.sec.gov>. The Fund's Forms N-Q may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

Electronic Delivery

The Fund offers electronic delivery of communications to its shareholders. In order to receive this service, you must register your account and provide us with e-mail information. To sign up for this service, simply access this website at <http://www.icsdelivery.com/live> and follow the instructions.

When you visit this site, you will obtain a personal identification number (PIN). You will need this PIN should you wish to update your e-mail address, choose to discontinue this service and/or make any other changes to the service. This service is not available for certain retirement accounts at this time.

Contact Information

For more information regarding the Fund, please visit www.IQIAFunds.com or contact us at 1-877-449-4742.

www.IQIAFunds.com

Small Cap Premium & Dividend Income Fund Inc. seeks to provide shareholders with a high level of income, with a secondary goal of capital appreciation.

This report, including the financial information herein, is transmitted to shareholders of Small Cap Premium & Dividend Income Fund Inc. for their information. It is not a prospectus. Past performance results shown in this report should not be considered a representation of future performance. Statements and other information herein are as dated and are subject to change.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available without charge at www.IQIAFunds.com/proxyvoting.asp; or upon request by calling toll-free 1-877-449-4742 or through the Securities and Exchange Commission's website at <http://www.sec.gov>. Information about how the Fund voted proxies relating to securities held in the Fund's portfolio during the most recent 12-month period ended June 30 is available (1) at www.IQIAFunds.com/proxyvoting.asp; and (2) on the Securities and Exchange Commission's website at <http://www.sec.gov>.

Small Cap Premium & Dividend Income Fund Inc.
P.O. Box 9011
Princeton, NJ 08543-9011

#IQRCC 6/08

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- Item 2 Code of Ethics Not Applicable to this semi-annual report
 Item 3 Audit Committee Financial Expert Not Applicable to this semi-annual report
 Item 4 Principal Accountant Fees and Services Not Applicable to this semi-annual report
 Item 5 Audit Committee of Listed Registrants Not Applicable to this semi-annual report
 Item 6 Investments
 (a) Schedule of Investments Attached hereto

Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|---|--|-------------|-----------|
| Advertising Agencies - 0.4% | DG FastChannel, Inc. (a) | 2,600 | \$ 44,850 |
| | Greenfield Online, Inc. (a) | 4,300 | 64,156 |
| | Harte-Hanks, Inc. | 6,000 | 68,700 |
| | inVentiv Health, Inc. (a) | 5,700 | 158,403 |
| | Marchex, Inc. Class B | 4,000 | 49,280 |
| | National CineMedia, Inc. | 6,800 | 72,488 |
| | R.H. Donnelley Corp. (a) | 12,600 | 37,800 |
| | Valassis Communications, Inc. (a) | 8,100 | 101,412 |
| | ValueClick, Inc. (a) | 16,230 | 245,885 |
| | | | 842,974 |
| Aerospace - 0.8% | AeroVironment, Inc. (a) | 1,600 | 43,488 |
| | Argon ST, Inc. (a) | 2,100 | 52,080 |
| | Ascent Solar Technologies, Inc. (a) | 1,500 | 15,525 |
| | Curtiss-Wright Corp. | 7,500 | 335,550 |
| | Ducommun, Inc. (a) | 1,900 | 43,624 |
| | Heico Corp. | 3,800 | 123,652 |
| | LMI Aerospace, Inc. (a) | 1,600 | 28,112 |
| | Ladish Co., Inc. (a) | 2,500 | 51,475 |
| | Moog, Inc. Class A (a) | 7,100 | 264,404 |
| | Orbital Sciences Corp. (a) | 9,900 | 233,244 |
| | Teledyne Technologies, Inc. (a) | 5,900 | 287,861 |
| | TransDigm Group, Inc. (a) | 5,600 | 188,104 |
| | | | 1,667,119 |
| Agriculture, Fishing & Ranching - 0.1% | AgFeed Industries, Inc. (a) | 3,600 | 53,892 |
| | Alico, Inc. | 600 | 20,796 |
| | The Andersons, Inc. | 3,200 | 130,272 |
| | Cadiz, Inc. (a) | 1,800 | 29,016 |
| | Calavo Growers, Inc. | 2,000 | 24,500 |
| | HQ Sustainable Maritime Industries, Inc. (a) | 1,400 | 18,550 |
| | | | 277,026 |
| Air Transport - 0.6% | AAR Corp. (a)(b) | 6,800 | 92,004 |
| | AirTran Holdings, Inc. (a) | 16,900 | 34,476 |
| | Alaska Air Group, Inc. (a) | 6,200 | 95,108 |

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| | | |
|--|--------|-----------|
| Allegiant Travel Co. (a) | 2,500 | 46,475 |
| Atlas Air Worldwide Holdings, Inc. (a) | 2,200 | 108,812 |
| Bristow Group, Inc. (a) | 3,400 | 168,266 |
| Hawaiian Holdings, Inc. (a) | 7,200 | 50,040 |
| JetBlue Airways Corp. (a) | 29,200 | 108,916 |
| PHI, Inc. (a) | 2,400 | 96,408 |
| Republic Airways Holdings, Inc. (a) | 5,600 | 48,496 |
| SkyWest, Inc. | 9,900 | 125,235 |
| UAL Corp. | 21,800 | 113,796 |
| US Airways Group, Inc. (a) | 16,900 | 42,250 |
| | | 1,130,282 |

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Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|--|---|-------------|------------|
| Aluminum - 0.1% | Kaiser Aluminum Corp. | 2,700 | \$ 144,531 |
| Auto Parts: After Market - 0.1% | ATC Technology Corp. (a) | 3,600 | 83,808 |
| | Commercial Vehicle Group, Inc. (a) | 3,500 | 32,725 |
| | Dorman Products, Inc. (a) | 1,600 | 12,896 |
| | Superior Industries International, Inc. | 3,500 | 59,080 |
| | | | 188,509 |
| Auto Parts: Original Equipment - 0.5% | American Axle & Manufacturing Holdings, Inc. | 7,300 | 58,327 |
| | Amerigon Inc. (a) | 3,100 | 21,979 |
| | ArvinMeritor, Inc. | 12,700 | 158,496 |
| | Dana Holding Corp. (a) | 16,400 | 87,740 |
| | Fuel Systems Solutions, Inc. (a) | 2,100 | 80,850 |
| | Hayes Lemmerz International, Inc. (a) | 17,100 | 48,564 |
| | Lear Corp. (a) | 10,970 | 155,555 |
| | Quantum Fuel Systems Technologies Worldwide, Inc. (a) | 13,100 | 40,348 |
| | Sauer-Danfoss, Inc. | 1,600 | 49,840 |
| | Stoneridge, Inc. (a) | 2,100 | 35,826 |
| | Tenneco, Inc. (a) | 7,900 | 106,887 |
| | Visteon Corp. (a) | 22,100 | 58,123 |
| | Wonder Auto Technology, Inc. (a) | 2,900 | 20,387 |
| | | | 922,922 |
| Auto, Trucks & Parts - 0.1% | Accuride Corp. (a) | 6,600 | 28,050 |
| | Force Protection, Inc. (a) | 11,500 | 38,065 |
| | Modine Manufacturing Co. | 5,200 | 64,324 |
| | Spartan Motors, Inc. | 5,100 | 38,097 |
| | Wabash National Corp. | 5,200 | 39,312 |
| | | | 207,848 |
| Banks: New York City - 0.1% | Signature Bank (a) | 5,200 | 133,952 |
| Banks: Outside New York City - 4.3% | 1st Source Corp. | 2,100 | 33,810 |
| | Abington Bancorp, Inc. | 4,600 | 41,952 |
| | Amcore Financial, Inc. | 3,851 | 21,794 |
| | Ameris Bancorp | 2,200 | 19,140 |
| | Ames National Corp. | 1,000 | 16,580 |
| | Arrow Financial Corp. | 1,800 | 32,634 |
| | Bancfirst Corp. | 1,200 | 51,360 |
| | Banco Latinoamericano de Exportaciones, SA (Class E) | 4,300 | 69,617 |
| | BancTrust Financial Group, Inc. | 3,500 | 23,065 |
| | BankFinancial Corp. | 3,800 | 49,438 |

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| | | |
|---|--------|---------|
| Bank of the Ozarks, Inc. | 2,000 | 29,720 |
| Banner Corp. | 2,400 | 21,264 |
| Beneficial Mutual Bancorp, Inc. (a) | 5,100 | 56,457 |
| Boston Private Financial Holdings, Inc. | 6,500 | 36,855 |
| Bryn Mawr Bank Corp. | 1,100 | 19,250 |
| CVB Financial Corp. | 10,842 | 102,348 |

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Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|----------|-------------------------------------|----------------|-----------|
| | Camden National Corp. | 1,200 | \$ 27,936 |
| | Capital City Bank Group, Inc. | 2,000 | 43,520 |
| | Capitol Bancorp Ltd. | 2,300 | 20,631 |
| | Cardinal Financial Corp. | 4,700 | 29,422 |
| | Cascade Bancorp | 3,800 | 29,146 |
| | Cathay General Bancorp | 8,300 | 90,221 |
| | Centerstate Banks of Florida, Inc. | 1,400 | 15,442 |
| | Central Pacific Financial Corp. | 5,000 | 53,300 |
| | Chemical Financial Corp. | 4,000 | 81,600 |
| | Citizens Banking Corp. | 12,800 | 36,096 |
| | Citizens & Northern Corp. | 1,400 | 23,114 |
| | CityBank | 2,200 | 18,920 |
| | City Holding Co. | 2,800 | 114,156 |
| | Clifton Savings Bancorp, Inc. | 900 | 8,766 |
| | CoBiz Financial, Inc. | 2,600 | 17,108 |
| | The Colonial BancGroup, Inc. | 34,900 | 154,258 |
| | Columbia Banking System, Inc. | 3,100 | 59,923 |
| | Community Bank System, Inc. | 5,100 | 105,162 |
| | Community Trust Bancorp, Inc. | 2,500 | 65,650 |
| | Corus Bankshares, Inc. | 6,300 | 26,208 |
| | East-West Bancorp, Inc. | 11,300 | 79,778 |
| | Encore Bancshares, Inc. (a) | 1,000 | 15,650 |
| | Enterprise Financial Services Corp. | 1,700 | 32,045 |
| | Farmers Capital Bank Corp. | 1,300 | 22,906 |
| | Financial Institutions, Inc. | 2,200 | 35,332 |
| | First BanCorp | 12,400 | 78,616 |
| | First Bancorp | 1,800 | 22,752 |
| | First Bancorp, Inc. | 1,300 | 17,745 |
| | First Busey Corp. | 3,700 | 48,914 |
| | First Commonwealth Financial Corp. | 12,000 | 111,960 |
| | First Community Bancshares, Inc. | 1,500 | 42,300 |
| | First Financial Bancorp | 6,800 | 62,560 |
| | First Financial Bankshares, Inc. | 3,500 | 160,335 |
| | First Financial Corp. | 2,200 | 67,342 |
| | First Merchants Corp. | 3,000 | 54,450 |
| | FirstMerit Corp. | 13,900 | 226,709 |
| | First Midwest Bancorp, Inc. | 8,100 | 151,065 |
| | First South Bancorp, Inc. | 1,350 | 17,388 |
| | Fox Chase Bancorp, Inc. (a) | 900 | 9,234 |
| | Frontier Financial Corp. | 8,450 | 71,994 |
| | Glacier Bancorp, Inc. | 8,950 | 143,110 |
| | Greene County Bancshares, Inc. | 1,700 | 23,834 |
| | Guaranty Bancorp (a) | 8,900 | 32,040 |
| | Hancock Holding Co. | 4,300 | 168,947 |
| | Hanmi Financial Corp. | 6,700 | 34,907 |

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Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|----------|---|----------------|-----------|
| | Harleysville National Corp. | 5,303 | \$ 59,181 |
| | Heartland Financial USA, Inc. | 2,100 | 38,199 |
| | Heritage Commerce Corp. | 1,900 | 18,810 |
| | Home Bancshares, Inc. | 1,591 | 35,766 |
| | Independent Bank Corp./MA | 2,700 | 64,368 |
| | Integra Bank Corp. | 3,500 | 27,405 |
| | International Bancshares Corp. | 8,526 | 182,201 |
| | Investors Bancorp, Inc. (a) | 7,400 | 96,644 |
| | Lakeland Bancorp, Inc. | 2,866 | 34,908 |
| | Lakeland Financial Corp. | 2,000 | 38,160 |
| | MASSBANK Corp. | 800 | 31,664 |
| | MB Financial, Inc. | 5,777 | 129,809 |
| | MainSource Financial Group, Inc. | 3,080 | 47,740 |
| | Midwest Banc Holdings, Inc. | 3,000 | 14,610 |
| | NBT Bancorp, Inc. | 5,400 | 111,294 |
| | Nara Bancorp, Inc. | 3,800 | 40,774 |
| | National Penn Bancshares, Inc. | 13,786 | 183,078 |
| | Northfield Bancorp, Inc. (a) | 2,400 | 25,800 |
| | Old National Bancorp | 11,500 | 163,990 |
| | Old Second Bancorp, Inc. | 2,353 | 27,342 |
| | Oriental Financial Group | 4,300 | 61,318 |
| | Pacific Capital Bancorp | 7,800 | 107,484 |
| | Pacific Continental Corp. | 1,700 | 18,683 |
| | PacWest Bancorp | 4,129 | 61,439 |
| | Park National Corp. | 1,900 | 102,410 |
| | Peapack-Gladstone Financial Corp. | 1,300 | 28,561 |
| | Pennsylvania Commerce Bancorp, Inc. (a) | 1,100 | 26,455 |
| | Peoples Bancorp, Inc. | 1,700 | 32,266 |
| | Pinnacle Financial Partners, Inc. (a) | 3,800 | 76,342 |
| | Piper Jaffray Cos. (a) | 2,900 | 85,057 |
| | Premierwest Bancorp | 3,900 | 22,815 |
| | PrivateBancorp, Inc. | 3,200 | 97,216 |
| | Prosperity Bancshares, Inc. | 6,800 | 181,764 |
| | Provident Bankshares Corp. | 5,700 | 36,366 |
| | Renasant Corp. | 2,950 | 43,453 |
| | Republic Bancorp, Inc. Class A | 1,511 | 37,171 |
| | S&T Bancorp, Inc. | 4,100 | 119,146 |
| | SCBT Financial Corp. | 1,360 | 38,842 |
| | SVB Financial Group (a) | 5,200 | 250,172 |
| | SY Bancorp, Inc. | 2,485 | 53,080 |
| | Sandy Spring Bancorp, Inc. | 2,800 | 46,424 |
| | Santander BanCorp | 200 | 2,122 |
| | Seacoast Banking Corp. of Florida | 2,500 | 19,400 |
| | Shore Bancshares, Inc. | 1,600 | 29,952 |
| | Sierra Bancorp | 1,000 | 16,500 |
| | Simmons First National Corp. Class A | 2,300 | 64,331 |

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Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|---|--|----------------|-----------|
| | Smithtown Bancorp, Inc. | 1,900 | \$ 30,875 |
| | The South Financial Group, Inc. | 12,300 | 48,216 |
| | Southside Bancshares, Inc. | 1,871 | 34,501 |
| | Southwest Bancorp, Inc. | 2,500 | 28,750 |
| | State Bancorp, Inc. | 2,300 | 28,750 |
| | StellarOne Corp. | 3,700 | 54,020 |
| | Sterling Bancshares, Inc. | 12,400 | 112,716 |
| | Suffolk Bancorp | 1,800 | 52,884 |
| | Sun Bancorp, Inc. (a) | 2,509 | 25,466 |
| | Susquehanna Bancshares, Inc. | 14,874 | 203,625 |
| | Texas Capital Bancshares, Inc. (a) | 4,100 | 65,600 |
| | Tompkins Trustco, Inc. | 1,290 | 47,988 |
| | Towne Bank | 3,400 | 51,204 |
| | Trico Bancshares | 2,300 | 25,185 |
| | TrustCo Bank Corp., NY | 12,800 | 94,976 |
| | Trustmark Corp. | 8,700 | 153,555 |
| | UCBH Holdings, Inc. | 16,300 | 36,675 |
| | UMB Financial Corp. | 5,200 | 266,604 |
| | Umpqua Holdings Corp. | 10,188 | 123,580 |
| | Union Bankshares Corp. | 2,150 | 32,013 |
| | United Bankshares, Inc. | 6,400 | 146,880 |
| | United Community Banks, Inc. | 6,200 | 52,886 |
| | United Financial Bancorp, Inc. | 3,400 | 37,978 |
| | United Security Bancshares | 1,000 | 14,540 |
| | Univest Corp. of Pennsylvania | 2,000 | 39,720 |
| | Washington Trust Bancorp, Inc. | 2,200 | 43,340 |
| | WesBanco, Inc. | 4,800 | 82,320 |
| | Westamerica Bancorp | 4,900 | 257,691 |
| | West Bancorp., Inc. | 3,500 | 30,450 |
| | West Coast Bancorp | 2,600 | 22,542 |
| | Western Alliance Bancorp (a) | 2,300 | 17,848 |
| | Wilshire Bancorp, Inc. | 2,700 | 23,139 |
| | Wintrust Financial Corp. | 4,000 | 95,400 |
| | Yardkin Valley Financial Corp. | 2,300 | 27,485 |
| | | | 8,817,690 |
| Beverage: Brewers (Wineries) - 0.0% | Boston Beer Co., Inc. Class A (a) | 1,600 | 65,088 |
| Beverage: Soft Drinks - 0.1% | Coca-Cola Bottling Co. Consolidated | 700 | 25,886 |
| | Farmer Bros. Co. | 700 | 14,805 |
| | Green Mountain Coffee Roasters, Inc. (a) | 2,900 | 108,953 |
| | National Beverage Corp. | 1,680 | 12,214 |
| | Peet's Coffee & Tea, Inc. (a) | 2,400 | 47,568 |
| | | | 209,426 |
| Biotechnology Research & Production - 2.9% | AMAG Pharmaceuticals, Inc. (a) | 2,890 | 98,549 |

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| | | |
|----------------------------------|-------|---------|
| Acadia Pharmaceuticals, Inc. (a) | 5,600 | 20,664 |
| Accelrys, Inc. (a) | 5,200 | 25,116 |
| Acorda Therapeutics, Inc. (a) | 5,600 | 183,848 |

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Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|----------|--|-------------|-----------|
| | Albany Molecular Research, Inc. (a) | 4,300 | \$ 57,061 |
| | Alexion Pharmaceuticals, Inc. (a) | 6,500 | 471,250 |
| | Allos Therapeutics, Inc. (a) | 8,600 | 59,426 |
| | Alnylam Pharmaceuticals, Inc. (a) | 6,000 | 160,380 |
| | American Oriental Bioengineering, Inc. (a) | 10,200 | 100,674 |
| | Amicus Therapeutics, Inc. (a) | 800 | 8,544 |
| | Applera Corp. - Celera Genomics Group (a) | 13,300 | 151,088 |
| | Arena Pharmaceuticals, Inc. (a) | 12,500 | 64,875 |
| | Ariad Pharmaceuticals, Inc. (a) | 12,700 | 30,480 |
| | Arqule, Inc. (a) | 5,100 | 16,575 |
| | Array Biopharma, Inc. (a) | 7,800 | 36,660 |
| | ArthroCare Corp. (a) | 4,500 | 183,645 |
| | Avant Immunotherapeutics, Inc. (a) | 2,700 | 39,312 |
| | Biodel, Inc. (a) | 1,700 | 22,100 |
| | Caliper Life Sciences, Inc. (a) | 9,200 | 23,828 |
| | Cell Genesys, Inc. (a) | 14,200 | 36,920 |
| | Cougar Biotechnology, Inc. (a) | 2,400 | 57,192 |
| | Cubist Pharmaceuticals, Inc. (a)(b) | 9,800 | 175,028 |
| | Cypress Bioscience, Inc. (a) | 6,400 | 45,632 |
| | Cytokinetics, Inc. (a) | 4,100 | 15,211 |
| | Cytori Therapeutics, Inc. (a) | 3,800 | 24,624 |
| | Discovery Laboratories, Inc. (a) | 16,300 | 26,895 |
| | Dyax Corp. (a) | 8,800 | 27,280 |
| | Enzon Pharmaceuticals, Inc. (a) | 7,600 | 54,112 |
| | Exelixis, Inc. (a) | 17,800 | 89,000 |
| | Genomic Health, Inc. (a) | 2,000 | 38,300 |
| | Geron Corp. (a) | 13,200 | 45,540 |
| | Halozyme Therapeutics, Inc. (a) | 10,300 | 55,414 |
| | Human Genome Sciences, Inc. (a) | 23,500 | 122,435 |
| | Idenix Pharmaceuticals, Inc. (a) | 4,200 | 30,534 |
| | Idera Pharmaceuticals, Inc. (a) | 3,300 | 48,213 |
| | Immunomedics, Inc. (a) | 11,000 | 23,430 |
| | Incyte Corp. (a) | 11,500 | 87,515 |
| | Integra LifeSciences Holdings Corp. (a) | 3,000 | 133,440 |
| | InterMune, Inc. (a) | 5,600 | 73,472 |
| | Kendle International, Inc. (a) | 2,200 | 79,926 |
| | Kensley Nash Corp. (a) | 1,300 | 41,665 |
| | Lexicon Genetics, Inc. (a) | 12,600 | 20,160 |
| | Life Sciences Research, Inc. (a) | 1,300 | 36,712 |
| | MannKind Corp. (a) | 8,700 | 26,100 |
| | Marshall Edwards, Inc. (a) | 2,300 | 5,911 |
| | Martek Biosciences Corp. (a) | 5,700 | 192,147 |
| | Maxygen, Inc. (a) | 4,000 | 13,560 |
| | Medivation, Inc. (a) | 4,100 | 48,503 |
| | Metabolix, Inc. (a) | 3,500 | 34,300 |
| | Momenta Pharmaceuticals, Inc. (a) | 4,000 | 49,200 |

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Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|--|---|-------------|------------|
| | Myriad Genetics, Inc. (a) | 7,600 | \$ 345,952 |
| | NPS Pharmaceuticals, Inc. (a) | 8,700 | 38,715 |
| | Nabi Biopharmaceuticals (a) | 9,700 | 38,218 |
| | Nanosphere, Inc. (a) | 1,900 | 14,934 |
| | Neurocrine Biosciences, Inc. (a) | 6,600 | 27,654 |
| | OMRIX Biopharmaceuticals, Inc. (a) | 2,400 | 37,776 |
| | OSI Pharmaceuticals, Inc. (a) | 9,800 | 404,936 |
| | Opko Health, Inc. (a) | 6,800 | 10,336 |
| | Orexigen Therapeutics, Inc. (a) | 3,800 | 29,982 |
| | Osiris Therapeutics, Inc. (a) | 2,500 | 32,125 |
| | PDL BioPharma, Inc. | 20,400 | 216,648 |
| | PharmaNet Development Group, Inc. (a) | 3,300 | 52,041 |
| | Progenics Pharmaceuticals, Inc. (a) | 4,500 | 71,415 |
| | Protalix BioTherapeutics, Inc. (a) | 1,860 | 5,041 |
| | RTI Biologics, Inc. (a) | 8,800 | 77,000 |
| | Repligen Corp. (a) | 5,900 | 27,848 |
| | Rexahn Pharmaceuticals, Inc. (a) | 4,300 | 13,932 |
| | Rigel Pharmaceuticals, Inc. (a) | 6,200 | 140,492 |
| | Sangamo Biosciences, Inc. (a) | 6,500 | 64,675 |
| | Savient Pharmaceuticals, Inc. (a) | 9,204 | 232,861 |
| | Seattle Genetics, Inc. (a) | 10,000 | 84,600 |
| | Sequenom, Inc. (a) | 7,900 | 126,084 |
| | Sucampo Pharmaceuticals, Inc. Class A (a) | 1,900 | 20,387 |
| | Synta Pharmaceuticals Corp. (a) | 3,300 | 20,130 |
| | Targacept, Inc. (a) | 2,800 | 20,356 |
| | Tercica, Inc. (a) | 3,100 | 27,373 |
| | Third Wave Technologies, Inc. (a) | 7,300 | 81,468 |
| | ViroPharma, Inc. (a) | 11,800 | 130,508 |
| | Vnus Medical Technologies, Inc. (a) | 2,400 | 48,024 |
| | XOMA Ltd. (a) | 22,300 | 37,687 |
| | ZymoGenetics, Inc. (a) | 6,300 | 53,046 |
| | | | 6,044,690 |
| Building Materials - 0.5% | Ameron International Corp. | 1,500 | 179,970 |
| | LSI Industries, Inc. | 3,000 | 24,360 |
| | Lumber Liquidators, Inc. (a) | 1,800 | 23,400 |
| | NCI Building Systems, Inc. (a) | 3,300 | 121,209 |
| | Quanex Building Products Corp. | 6,300 | 93,618 |
| | Simpson Manufacturing Co., Inc. | 6,200 | 147,188 |
| | Texas Industries, Inc. | 3,990 | 223,959 |
| | Trex Co., Inc. (a) | 2,600 | 30,498 |
| | Watsco, Inc. | 3,900 | 163,020 |
| | Zoltek Cos., Inc. (a) | 4,800 | 116,400 |
| | | | 1,123,622 |
| Building: Cement - 0.0% | U.S. Concrete, Inc. (a) | 5,500 | 26,180 |
| Building: Heating & Plumbing - 0.1% | Aaon, Inc. (b) | 1,900 | 36,594 |

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Interline Brands, Inc. (a)

5,700

90,801

127,395

7

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Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|---|---|-------------|-----------|
| Building: Miscellaneous - 0.1% | Builders FirstSource, Inc. (a) | 2,500 | \$ 13,275 |
| | Comfort Systems USA, Inc. | 7,100 | 95,424 |
| | Drew Industries, Inc. (a) | 3,500 | 55,825 |
| | Griffon Corp. (a) | 4,500 | 39,420 |
| | Orion Marine Group, Inc. (a) | 3,900 | 55,107 |
| | | | 259,051 |
| Building: Roofing & Wallboard - 0.1% | Beacon Roofing Supply, Inc. (a) | 7,500 | 79,575 |
| | China Architectural Engineering, Inc. (a) | 3,500 | 34,195 |
| | | | 113,770 |
| Cable Television Services - 0.1% | Charter Communications, Inc. Class A (a) | 70,300 | 73,815 |
| | Crown Media Holdings, Inc. Class A (a) | 3,700 | 17,538 |
| | TiVo, Inc. (a) | 17,200 | 106,124 |
| | | | 197,477 |
| Casinos & Gambling - 0.4% | Ameristar Casinos, Inc. | 4,300 | 59,426 |
| | Bally Technologies, Inc. (a) | 9,200 | 310,960 |
| | Churchill Downs, Inc. | 1,500 | 52,305 |
| | Dover Downs Gaming & Entertainment, Inc. | 2,350 | 15,087 |
| | Elixir Gaming Technologies, Inc. (a) | 13,700 | 16,440 |
| | Isle of Capri Casinos, Inc. (a) | 2,700 | 12,933 |
| | Monarch Casino & Resort, Inc. (a) | 1,600 | 18,880 |
| | Pinnacle Entertainment, Inc. (a) | 10,140 | 106,369 |
| | Riviera Holdings Corp. (a) | 1,700 | 17,255 |
| | Shuffle Master, Inc. (a) | 6,000 | 29,640 |
| WMS Industries, Inc. (a) | 7,350 | 218,810 | |
| | | | 858,105 |
| Chemicals - 1.8% | Aceto Corp. | 4,300 | 32,852 |
| | American Vanguard Corp. | 3,000 | 36,900 |
| | Arch Chemicals, Inc. | 4,100 | 135,915 |
| | Balchem Corp. | 2,900 | 67,077 |
| | Cabot Microelectronics Corp. (a) | 3,900 | 129,285 |
| | Calgon Carbon Corp. (a) | 6,900 | 106,674 |
| | Cambrex Corp. (a) | 4,500 | 26,415 |
| | China BAK Battery, Inc. (a) | 5,800 | 27,318 |
| | Energy Conversion Devices, Inc. (a) | 6,800 | 500,752 |
| | EnerSys (a) | 4,800 | 164,304 |
| | Exide Technologies (a) | 12,600 | 211,176 |
| | Hercules, Inc. | 19,000 | 321,670 |
| | ICO Inc. (a) | 5,200 | 31,304 |
| | Innophos Holdings, Inc. | 1,800 | 57,510 |
| Innospec, Inc. | 3,900 | 73,398 | |

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| | | |
|-----------------------------|-------|---------|
| LSB Industries, Inc. (a) | 3,100 | 61,380 |
| Landec Corp. (a) | 3,000 | 19,410 |
| Medis Technologies Ltd. (a) | 3,600 | 12,132 |
| NL Industries, Inc. | 1,300 | 12,389 |
| NewMarket Corp. | 2,300 | 152,329 |
| OM Group, Inc. (a) | 5,200 | 170,508 |

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Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|---|--|----------------|-----------|
| | Penford Corp. | 2,200 | \$ 32,736 |
| | PolyOne Corp. (a) | 15,100 | 105,247 |
| | Polypore International, Inc. (a) | 2,400 | 60,792 |
| | Quaker Chemical Corp. | 1,900 | 50,654 |
| | Rockwood Holdings, Inc. (a) | 7,000 | 243,600 |
| | Schulman A, Inc. | 4,800 | 110,544 |
| | ShengdaTech, Inc. (a) | 4,400 | 43,692 |
| | Solutia, Inc. (a) | 10,100 | 129,482 |
| | Stepan Co. | 1,000 | 45,620 |
| | Ultralife Batteries, Inc. (a) | 2,400 | 25,656 |
| | Valence Technology, Inc. (a) | 8,000 | 35,280 |
| | W.R. Grace & Co. (a)(b) | 12,100 | 284,229 |
| | Westlake Chemical Corp. | 3,100 | 46,066 |
| | Zep, Inc. | 3,550 | 52,824 |
| | | | 3,617,120 |
| Coal - 0.3% | International Coal Group, Inc. (a) | 21,700 | 283,185 |
| | James River Coal Co. (a) | 4,300 | 252,367 |
| | National Coal Corp. (a) | 4,700 | 41,689 |
| | Westmoreland Coal Co. (a) | 1,800 | 37,998 |
| | | | 615,239 |
| Commercial Information Services - 0.2% | Arbitron, Inc. | 4,600 | 218,500 |
| | HSW International, Inc. (a) | 4,100 | 11,890 |
| | infoGROUP, Inc. | 5,300 | 23,267 |
| | LECG Corp. (a) | 4,300 | 37,582 |
| | LoopNet, Inc. (a) | 5,200 | 58,760 |
| | | | 349,999 |
| Communications & Media - 0.0% | Entravision Communications Corp. Class A (a) | 10,200 | 41,004 |
| | Knology, Inc. (a) | 4,600 | 50,554 |
| | | | 91,558 |
| Communications Technology - 2.4% | 3Com Corp. (a) | 67,200 | 142,464 |
| | Acme Packet, Inc. (a) | 4,600 | 35,696 |
| | Adtran, Inc. | 9,700 | 231,248 |
| | Anaren, Inc. (a) | 3,000 | 31,710 |
| | Anixter International, Inc. (a)(b) | 5,000 | 297,450 |
| | Aruba Networks, Inc. (a) | 9,400 | 49,162 |
| | Atheros Communications, Inc. (a) | 10,000 | 300,000 |
| | Avanex Corp. (a) | 28,800 | 32,544 |
| | Avocent Corp. (a) | 7,580 | 140,988 |
| | Bel Fuse, Inc. | 1,800 | 44,478 |

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| | | |
|--|-------|---------|
| BigBand Networks, Inc. (a) | 6,100 | 28,853 |
| Black Box Corp. | 3,000 | 81,570 |
| CPI International, Inc. (a) | 1,100 | 13,530 |
| CSG Systems International, Inc. (a) | 5,900 | 65,018 |
| Cbeyond Communications, Inc. (a) | 4,200 | 67,284 |
| Cogent Communications Group, Inc. (a)(b) | 8,300 | 111,220 |
| Cogo Group, Inc. (a) | 4,700 | 42,817 |

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Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|--|---|----------------|------------|
| | Comtech Telecommunications Corp. (a) | 4,200 | \$ 205,800 |
| | Digi International, Inc. (a) | 4,100 | 32,185 |
| | EMS Technologies, Inc. (a) | 2,500 | 54,600 |
| | Echelon Corp. (a) | 5,100 | 55,590 |
| | Entrust, Inc. (a) | 11,300 | 33,222 |
| | Extreme Networks, Inc. (a) | 20,500 | 58,220 |
| | Finisar Corp. (a) | 54,700 | 65,093 |
| | Foundry Networks, Inc. (a) | 25,000 | 295,500 |
| | GeoEye, Inc. (a) | 3,000 | 53,130 |
| | Harmonic, Inc. (a) | 16,200 | 154,062 |
| | Harris Stratex Networks, Inc. Class A (a) | 4,100 | 38,909 |
| | Hughes Communications, Inc. (a) | 1,100 | 53,999 |
| | Infinera Corp. (a) | 15,400 | 135,828 |
| | InterDigital, Inc. (a) | 7,700 | 187,264 |
| | InterVoice, Inc. (a) | 6,600 | 37,620 |
| | Ixia (a) | 7,100 | 49,345 |
| | j2 Global Communications, Inc. (a) | 7,500 | 172,500 |
| | Loral Space & Communications Ltd. (a) | 1,900 | 33,478 |
| | NETGEAR, Inc. (a) | 5,800 | 80,388 |
| | Nextwave Wireless, Inc. (a) | 8,000 | 32,320 |
| | Novatel Wireless, Inc. (a) | 5,600 | 62,328 |
| | Oplink Communications, Inc. (a) | 3,428 | 32,909 |
| | Optium Corp. (a) | 2,300 | 16,744 |
| | SeaChange International, Inc. (a) | 4,300 | 30,788 |
| | Secure Computing Corp. (a) | 8,950 | 37,053 |
| | Shoretel, Inc. (a) | 8,000 | 35,360 |
| | Sonus Networks, Inc. (a) | 35,100 | 120,042 |
| | Standard Microsystems Corp. (a) | 3,900 | 105,885 |
| | Starent Networks Corp. (a) | 5,200 | 65,416 |
| | Switch and Data Facilities Co., Inc. (a) | 3,300 | 56,067 |
| | Sycamore Networks, Inc. (a) | 31,700 | 102,074 |
| | Syniverse Holdings, Inc. (a) | 8,600 | 139,320 |
| | TIBCO Software, Inc. (a) | 32,100 | 245,565 |
| | Tekelec (a) | 10,900 | 160,339 |
| | Terremark Worldwide, Inc. (a) | 7,900 | 43,134 |
| | UTStarcom, Inc. (a) | 19,300 | 105,571 |
| | Viasat, Inc. (a) | 4,500 | 90,945 |
| | Vonage Holdings Corp. (a) | 8,300 | 13,778 |
| | | | 5,008,403 |
| Computer Services Software & Systems - 5.0% | 3PAR, Inc. (a) | 4,400 | 34,496 |
| | ACI Worldwide, Inc. (a)(b) | 5,800 | 102,022 |
| | Actuate Corp. (a)(b) | 9,900 | 38,709 |
| | Acxiom Corp. | 10,200 | 117,198 |
| | American Reprographics Co. (a) | 6,000 | 99,900 |
| | American Software Class A | 4,400 | 24,816 |

Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|----------|---|----------------|-----------|
| | Ansoft Corp. (a) | 2,500 | \$ 91,000 |
| | ArcSight, Inc. (a) | 400 | 3,520 |
| | Ariba, Inc. (a) | 14,600 | 214,766 |
| | Art Technology Group, Inc. (a) | 21,600 | 69,120 |
| | AsiaInfo Holdings, Inc. (a) | 5,300 | 62,646 |
| | BearingPoint, Inc. (a) | 35,300 | 28,593 |
| | Blackbaud, Inc. | 7,500 | 160,500 |
| | Blackboard, Inc. (a) | 5,200 | 198,796 |
| | Blue Coat Systems, Inc. (a) | 5,600 | 79,016 |
| | Bottomline Technologies, Inc. (a) | 3,500 | 34,055 |
| | CACI International, Inc. Class A (a) | 5,200 | 238,004 |
| | CMGI, Inc. (a) | 8,300 | 87,980 |
| | COMSYS IT Partners, Inc. (a) | 2,500 | 22,800 |
| | Callidus Software Inc. (a) | 5,700 | 28,500 |
| | China Fire & Security Group, Inc. (a) | 2,100 | 16,884 |
| | China Information Security Technology, Inc. (a) | 3,500 | 19,810 |
| | Chordiant Software, Inc. (a) | 5,060 | 25,300 |
| | Ciber, Inc. (a) | 9,500 | 58,995 |
| | CommVault Systems, Inc. (a) | 7,400 | 123,136 |
| | Compellent Technologies, Inc. (a) | 2,600 | 29,484 |
| | ComScore, Inc. (a) | 2,900 | 63,278 |
| | Comverge, Inc. (a) | 3,900 | 54,522 |
| | Concur Technologies, Inc. (a) | 7,300 | 242,579 |
| | Constant Contact, Inc. (a) | 3,300 | 62,205 |
| | DealerTrack Holdings, Inc. (a) | 7,400 | 104,414 |
| | Deltek, Inc. (a) | 1,400 | 10,612 |
| | DemandTec, Inc. (a) | 3,700 | 27,787 |
| | Digimarc Corp. (a) | 3,300 | 46,728 |
| | Digital River, Inc. (a) | 6,400 | 246,912 |
| | DivX, Inc. (a) | 3,700 | 27,158 |
| | Double-Take Software, Inc. (a) | 3,100 | 42,594 |
| | EPIQ Systems, Inc. (a) | 5,800 | 82,360 |
| | Ebix, Inc. (a) | 300 | 23,316 |
| | Electronics for Imaging, Inc. (a) | 9,000 | 131,400 |
| | Ener1, Inc. (a) | 5,800 | 43,036 |
| | Epicor Software Corp. (a) | 10,000 | 69,100 |
| | Gartner, Inc. Class A (a) | 10,100 | 209,272 |
| | Guidance Software, Inc. (a) | 1,900 | 18,145 |
| | The Hackett Group, Inc. (a) | 7,500 | 43,050 |
| | i2 Technologies, Inc. (a) | 2,500 | 31,075 |
| | iGate Corp. (a) | 2,800 | 22,764 |
| | Informatica Corp. (a) | 14,800 | 222,592 |
| | Integral Systems, Inc. | 1,421 | 54,993 |
| | Interactive Intelligence, Inc. (a) | 1,800 | 20,952 |
| | Internet Brands, Inc. Class A (a) | 4,200 | 27,846 |
| | Internet Capital Group, Inc. (a) | 6,300 | 48,699 |
| | Interwoven, Inc. (a) | 7,900 | 94,879 |

Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|----------|---|-------------|-----------|
| | JDA Software Group, Inc. (a) | 4,500 | \$ 81,450 |
| | Kenexa Corp. (a) | 4,100 | 77,244 |
| | Keynote Systems, Inc. (a) | 2,200 | 28,336 |
| | Lawson Software, Inc. (a) | 21,000 | 152,670 |
| | Limelight Networks, Inc. (a) | 3,200 | 12,224 |
| | MSC.Software Corp. (a) | 7,400 | 81,252 |
| | Macrovision Solutions Corp. (a) | 14,138 | 211,504 |
| | Magma Design Automation, Inc. (a) | 7,100 | 43,097 |
| | Manhattan Associates, Inc. (a) | 4,400 | 104,412 |
| | Mantech International Corp. Class A (a) | 3,400 | 163,608 |
| | Mentor Graphics Corp. (a) | 15,200 | 240,160 |
| | Mercadolibre, Inc. (a) | 4,200 | 144,858 |
| | Mercury Computer Systems, Inc. (a) | 3,800 | 28,614 |
| | MicroStrategy, Inc. Class A (a) | 1,600 | 103,600 |
| | Micros Systems, Inc. (a) | 13,800 | 420,762 |
| | Monotype Imaging Holdings, Inc. (a) | 2,800 | 34,104 |
| | Ness Technologies, Inc. (a) | 7,000 | 70,840 |
| | NetScout Systems, Inc. (a) | 4,800 | 51,264 |
| | NetSuite, Inc. (a) | 900 | 18,423 |
| | Netezza Corp. (a) | 6,500 | 74,620 |
| | Omniure, Inc. (a) | 10,413 | 193,369 |
| | OpenTV Corp. (a) | 11,300 | 14,803 |
| | Opnet Technologies, Inc. (a) | 2,600 | 23,400 |
| | PC-Tel, Inc. | 3,900 | 37,401 |
| | PROS Holdings, Inc. (a) | 2,400 | 26,952 |
| | Parametric Technology Corp. (a) | 19,320 | 322,064 |
| | Pegasystems, Inc. | 1,800 | 24,228 |
| | Progress Software Corp. (a) | 7,000 | 178,990 |
| | QAD, Inc. | 1,200 | 8,124 |
| | Quest Software, Inc. (a) | 12,100 | 179,201 |
| | RealNetworks, Inc. (a) | 15,500 | 102,300 |
| | RightNow Technologies, Inc. (a) | 4,500 | 61,515 |
| | SAVVIS, Inc. (a) | 6,150 | 79,335 |
| | SI International, Inc. (a) | 2,100 | 43,974 |
| | SPSS, Inc. (a) | 3,000 | 109,110 |
| | SRA International, Inc. Class A (a) | 7,100 | 159,466 |
| | SYKES Enterprises, Inc. (a) | 5,500 | 103,730 |
| | SYNNEX Corp. (a) | 3,100 | 77,779 |
| | Sapient Corp. (a) | 14,800 | 95,016 |
| | Sigma Designs, Inc. (a) | 4,600 | 63,894 |
| | Smith Micro Software, Inc. (a) | 5,100 | 29,070 |
| | Solera Holdings, Inc. (a) | 8,600 | 237,876 |
| | SonicWALL, Inc. (a) | 10,000 | 64,500 |
| | Sourcefire, Inc. (a) | 3,800 | 29,374 |
| | Stanley, Inc. (a) | 1,300 | 43,576 |
| | SuccessFactors, Inc. (a) | 3,700 | 40,515 |
| | SupportSoft, Inc. (a) | 8,700 | 28,275 |

Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|-----------------------------------|---|----------------|------------|
| | Sybase, Inc. (a) | 13,400 | \$ 394,228 |
| | Synchronoss Technologies, Inc. (a) | 4,000 | 36,120 |
| | Syntel, Inc. | 1,900 | 64,068 |
| | Taleo Corp. Class A (a) | 4,000 | 78,360 |
| | TechTarget, Inc. (a) | 2,200 | 23,232 |
| | TeleCommunication Systems, Inc. Class A (a) | 6,300 | 29,169 |
| | The TriZetto Group, Inc. (a) | 7,300 | 156,074 |
| | Tyler Technologies, Inc. (a) | 6,900 | 93,633 |
| | Ultimate Software Group, Inc. (a) | 4,200 | 149,646 |
| | Unica Corp. (a) | 1,600 | 12,864 |
| | VASCO Data Security International, Inc. (a) | 4,500 | 47,385 |
| | VeriFone Holdings, Inc. (a) | 11,500 | 137,425 |
| | Vignette Corp. (a) | 4,400 | 52,800 |
| | Virtusa Corp. (a) | 1,800 | 18,234 |
| | Websense, Inc. (a) | 7,800 | 131,352 |
| | Website Pros, Inc. (a) | 5,100 | 42,483 |
| | Wind River Systems, Inc. (a) | 12,400 | 135,036 |
| | Zoran Corp. (a) | 9,000 | 105,300 |
| | | | 10,310,602 |
| Computer Technology - 1.0% | Adaptec, Inc. (a) | 19,700 | 63,040 |
| | Advanced Analogic Technologies, Inc. (a) | 8,400 | 34,692 |
| | Cray, Inc. (a) | 5,600 | 25,984 |
| | Data Domain, Inc. (a) | 5,500 | 128,315 |
| | Emulex Corp. (a) | 14,100 | 164,265 |
| | FalconStor Software, Inc. (a) | 6,800 | 48,144 |
| | Globecomm Systems Inc. (a) | 3,800 | 31,388 |
| | Hutchinson Technology, Inc. (a) | 4,000 | 53,760 |
| | Imation Corp. | 5,100 | 116,892 |
| | Immersion Corp. (a) | 5,200 | 35,412 |
| | Intermec, Inc. (a) | 10,300 | 217,124 |
| | Isilon Systems, Inc. (a) | 4,900 | 21,756 |
| | NCI, Inc. Class A (a) | 1,300 | 29,744 |
| | Palm, Inc. | 18,600 | 100,254 |
| | Perot Systems Corp. Class A (a) | 14,500 | 217,645 |
| | Phoenix Technologies Ltd. (a) | 5,000 | 55,000 |
| | Quantum Corp. (a) | 31,900 | 43,065 |
| | Rackable Systems, Inc. (a) | 5,000 | 67,000 |
| | Radiant Systems, Inc. (a) | 4,400 | 47,212 |
| | Radisys Corp. (a) | 3,800 | 34,428 |
| | Rimage Corp. (a) | 1,600 | 19,824 |
| | Riverbed Technology, Inc. (a) | 9,700 | 133,084 |
| | STEC, Inc. (a) | 4,800 | 49,296 |
| | Safeguard Scientifics, Inc. (a) | 19,700 | 24,428 |
| | Stratasys, Inc. (a) | 3,500 | 64,610 |

Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|--|---|----------------|------------|
| | Synaptics, Inc. (a) | 3,900 | \$ 147,147 |
| | Trident Microsystems, Inc. (a) | 10,300 | 37,595 |
| | | | 2,011,104 |
| Construction - 0.4% | Brookfield Homes Corp. | 2,063 | 25,334 |
| | EMCOR Group, Inc. (a) | 11,400 | 325,242 |
| | Granite Construction, Inc. | 5,600 | 176,568 |
| | Great Lakes Dredge & Dock Corp. | 6,400 | 39,104 |
| | Perini Corp. (a) | 4,700 | 155,335 |
| | Sterling Construction Co., Inc. (a) | 2,100 | 41,706 |
| | | | 763,289 |
| Consumer Electronics - 0.7% | DTS, Inc. (a) | 3,000 | 93,960 |
| | EarthLink, Inc. (a) | 18,900 | 163,485 |
| | InfoSpace, Inc. | 5,800 | 48,314 |
| | Internap Network Services Corp. (a) | 8,510 | 39,827 |
| | Midway Games, Inc. (a) | 5,200 | 11,440 |
| | NIC, Inc. | 6,400 | 43,712 |
| | NetFlix, Inc. (a) | 6,900 | 179,883 |
| | ParkerVision, Inc. (a) | 4,200 | 41,706 |
| | Protection One, Inc. (a) | 400 | 3,360 |
| | THQ, Inc. (a) | 11,400 | 230,964 |
| | Take-Two Interactive Software, Inc. (a) | 12,900 | 329,853 |
| | United Online, Inc. | 11,900 | 119,357 |
| | Universal Electronics, Inc. (a) | 2,400 | 50,160 |
| | | | 1,356,021 |
| Consumer Products - 0.5% | American Greetings Corp. Class A | 8,500 | 104,890 |
| | Blyth, Inc. | 4,200 | 50,526 |
| | CSS Industries, Inc. | 1,300 | 31,486 |
| | Citi Trends, Inc. (a) | 2,500 | 56,650 |
| | Mannatech, Inc. | 2,700 | 14,688 |
| | Mathews International Corp. Class A | 5,200 | 235,352 |
| | Nautilus, Inc. | 5,000 | 25,400 |
| | RC2 Corp. (a) | 3,100 | 57,536 |
| | Smith & Wesson Holding Corp. (a) | 5,700 | 29,697 |
| | Spectrum Brands, Inc. (a) | 6,600 | 16,830 |
| | Tupperware Corp. | 10,400 | 355,888 |
| | USANA Health Sciences, Inc. (a) | 1,400 | 37,618 |
| | | | 1,016,561 |
| Containers & Packaging: Metals & Glass - 0.2% | Bway Holding Co. (a) | 1,000 | 8,610 |

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| | | | |
|--|-----------------------|-------|---------|
| | Mobile Mini, Inc. (a) | 6,100 | 122,000 |
| | Silgan Holdings, Inc. | 4,200 | 213,108 |
| | | | <hr/> |
| | | | 343,718 |

**Containers & Packaging: Paper
& Plastic - 0.0%**

| | | | |
|--|-----------------------------------|--------|---------|
| | AEP Industries, Inc. (a) | 900 | 15,633 |
| | Graphic Packaging Holding Co. (a) | 23,500 | 47,470 |
| | Myers Industries, Inc. | 4,800 | 39,120 |
| | | | <hr/> |
| | | | 102,223 |

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Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|--|--|----------------|------------|
| Copper - 0.1% | Mueller Industries, Inc. | 6,300 | \$ 202,860 |
| Cosmetics - 0.2% | Elizabeth Arden, Inc. (a) | 4,200 | 63,756 |
| | Helen of Troy Ltd. (a) | 5,100 | 82,212 |
| | Inter Parfums, Inc. | 1,950 | 29,250 |
| | Nu Skin Enterprises, Inc. Class A | 8,500 | 126,820 |
| | Ulta Salon Cosmetics & Fragrance, Inc. (a) | 3,200 | 35,968 |
| | | | 338,006 |
| Diversified Financial Services - 0.5% | BGC Partners, Inc. (a) | 1,400 | 10,570 |
| | Broadpoint Securities Group, Inc. (a) | 3,200 | 6,400 |
| | Cardtronics, Inc. (a) | 1,300 | 11,531 |
| | China Direct, Inc. (a) | 1,600 | 11,744 |
| | Clayton Holdings, Inc. (a) | 800 | 4,776 |
| | Doral Financial Corp. (a) | 800 | 10,832 |
| | Duff & Phelps Corp. (a) | 1,400 | 23,184 |
| | Euronet Worldwide, Inc. (a) | 8,200 | 138,580 |
| | Evercore Partners, Inc. Class A | 1,700 | 16,150 |
| | F.N.B. Corp. | 14,346 | 168,996 |
| | FCStone Group, Inc. (a) | 3,750 | 104,737 |
| | Greenhill & Co., Inc. | 2,900 | 156,194 |
| | Huron Consulting Group, Inc. (a) | 3,200 | 145,088 |
| | Interactive Brokers Group, Inc. Class A (a) | 6,800 | 218,484 |
| | Oritani Financial Corp. (a) | 1,700 | 27,200 |
| | | | 1,054,466 |
| Diversified Materials & Processing - 1.0% | Acuity Brands, Inc. | 6,800 | 326,944 |
| | Barnes Group, Inc. | 8,000 | 184,720 |
| | Brady Corp. | 8,400 | 290,052 |
| | Clarcor, Inc. | 8,500 | 298,350 |
| | Hexcel Corp. (a) | 16,100 | 310,730 |
| | Koppers Holdings, Inc. | 3,600 | 150,732 |
| | Olin Corp. | 12,800 | 335,104 |
| | Tredegar Corp. | 4,100 | 60,270 |
| | | | 1,956,902 |
| Drug & Grocery Store Chains - 0.6% | Arden Group, Inc. Class A | 100 | 12,674 |
| | Casey's General Stores, Inc. | 8,800 | 203,896 |
| | The Great Atlantic & Pacific Tea Co., Inc. (a) | 5,907 | 134,798 |
| | Ingles Markets, Inc. Class A | 2,100 | 48,993 |
| | Longs Drug Stores Corp. | 5,200 | 218,972 |

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| | | |
|------------------------------------|-------|-----------|
| Nash Finch Co. | 2,300 | 78,821 |
| Ruddick Corp. | 7,000 | 240,170 |
| Spartan Stores, Inc. | 3,500 | 80,500 |
| Susser Holdings Corp. (a) | 1,600 | 15,488 |
| Village Super Market, Inc. Class A | 400 | 15,432 |
| Weis Markets, Inc. | 2,000 | 64,940 |
| Winn-Dixie Stores, Inc. (a) | 9,000 | 144,180 |
| | | <hr/> |
| | | 1,258,864 |

Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|---|---|-------------|---------|
| Drugs & Pharmaceuticals - 2.2% | Acura Pharmaceuticals, Inc. (a) | 1,100 | 8,712 |
| | Adolor Corp. (a) | 8,400 | 46,032 |
| | Affymax, Inc. (a) | 2,000 | 31,820 |
| | Akorn, Inc. (a) | 7,900 | 26,149 |
| | Alexza Pharmaceuticals, Inc. (a) | 2,500 | 9,850 |
| | Alkermes, Inc. (a) | 16,100 | 198,996 |
| | Alpharma, Inc. Class A (a) | 7,700 | 173,481 |
| | Ardea Biosciences, Inc. (a) | 1,700 | 21,794 |
| | Auxilium Pharmaceuticals, Inc. (a) | 6,900 | 231,978 |
| | BMP Sunstone Corp. (a) | 3,900 | 22,230 |
| | Bentley Pharmaceuticals, Inc. (a) | 3,100 | 50,065 |
| | BioForm Medical, Inc. (a) | 3,200 | 12,928 |
| | CV Therapeutics, Inc. (a) | 10,300 | 84,769 |
| | Cadence Pharmaceuticals, Inc. (a) | 3,200 | 19,488 |
| | Caraco Pharmaceutical Laboratories Ltd. (a) | 1,300 | 17,160 |
| | Chattem, Inc. (a) | 3,000 | 195,150 |
| | China Sky One Medical, Inc. (a) | 1,100 | 12,243 |
| | Columbia Laboratories, Inc. (a) | 8,800 | 29,040 |
| | Dendreon Corp. (a) | 15,700 | 69,865 |
| | Depomed, Inc. (a) | 9,000 | 28,890 |
| | Durect Corp. (a) | 12,500 | 45,875 |
| | Emergent Biosolutions, Inc. (a) | 2,600 | 25,818 |
| | Enzo Biochem, Inc. (a) | 4,900 | 54,978 |
| | GTx, Inc. (a) | 2,700 | 38,745 |
| | ImmunoGen, Inc. (a) | 8,300 | 25,398 |
| | Indevus Pharmaceuticals, Inc. (a) | 11,000 | 17,270 |
| | Inspire Pharmaceuticals, Inc. (a) | 7,800 | 33,384 |
| | Isis Pharmaceuticals, Inc. (a) | 15,200 | 207,176 |
| | Javelin Pharmaceuticals, Inc. (a) | 8,300 | 19,256 |
| | Jazz Pharmaceuticals, Inc. (a) | 1,100 | 8,151 |
| | K-V Pharmaceutical Co. Class A (a) | 5,600 | 108,248 |
| | Ligand Pharmaceuticals, Inc. Class B (a) | 12,300 | 31,980 |
| | MAP Pharmaceuticals, Inc. (a) | 800 | 8,264 |
| | Medarex, Inc. (a) | 21,300 | 140,793 |
| | Medicines Co. (a) | 9,000 | 178,380 |
| | Medicis Pharmaceutical Corp. Class A | 9,700 | 201,566 |
| | MiddleBrook Pharmaceuticals, Inc. (a) | 7,000 | 23,660 |
| | Molecular Insight Pharmaceuticals, Inc. (a) | 3,400 | 18,734 |
| | Nektar Therapeutics (a) | 15,600 | 52,260 |
| | Novavax, Inc. (a) | 10,100 | 25,149 |
| Noven Pharmaceuticals, Inc. (a) | 4,200 | 44,898 | |
| Obagi Medical Products, Inc. (a) | 3,300 | 28,215 | |
| Onyx Pharmaceuticals, Inc. (a) | 9,420 | 335,352 | |
| Optimer Pharmaceuticals, Inc. (a) | 4,500 | 36,495 | |
| Pain Therapeutics, Inc. (a) | 6,200 | 48,980 | |
| Par Pharmaceutical Cos., Inc. (a) | 5,800 | 94,134 | |

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Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|---|---|----------------|-----------|
| | Pharmasset, Inc. (a) | 2,500 | \$ 47,200 |
| | Pozen, Inc. (a) | 4,100 | 44,608 |
| | Questcor Pharmaceuticals, Inc. (a) | 8,700 | 40,368 |
| | Quidel Corp. (a) | 4,700 | 77,644 |
| | Regeneron Pharmaceuticals, Inc. (a) | 10,000 | 144,400 |
| | Salix Pharmaceuticals Ltd. (a) | 8,200 | 57,646 |
| | Sciele Pharma, Inc. | 5,900 | 114,165 |
| | Theravance, Inc. (a) | 8,600 | 102,082 |
| | United Therapeutics Corp. (a) | 3,900 | 381,225 |
| | Valeant Pharmaceuticals International (a) | 11,900 | 203,609 |
| | Vivus, Inc. (a) | 9,200 | 61,456 |
| | Xenoport, Inc. (a) | 4,200 | 163,926 |
| | | | 4,582,128 |
| Education Services - 0.3% | American Public Education, Inc. (a) | 2,000 | 78,080 |
| | Capella Education Co. (a) | 2,400 | 143,160 |
| | Corinthian Colleges, Inc. (a)(b) | 14,400 | 167,184 |
| | K12, Inc. (a) | 800 | 17,144 |
| | Learning Tree International, Inc. (a) | 1,400 | 23,940 |
| | Lincoln Educational Services Corp. (a) | 100 | 1,163 |
| | The Princeton Review, Inc. (a) | 2,400 | 16,224 |
| | Renaissance Learning, Inc. | 1,200 | 13,452 |
| | Thinkorswim Group, Inc. (a) | 8,780 | 61,899 |
| | Universal Technical Institute, Inc. (a) | 3,600 | 44,856 |
| | | | 567,102 |
| Electrical & Electronics - 0.4% | Benchmark Electronics, Inc. (a) | 11,300 | 184,642 |
| | Coleman Cable, Inc. (a) | 1,300 | 13,416 |
| | OSI Systems, Inc. (a) | 2,600 | 55,692 |
| | Plexus Corp. (a) | 7,200 | 199,296 |
| | Power Integrations, Inc. (a) | 5,100 | 161,211 |
| | TTM Technologies, Inc. (a) | 7,200 | 95,112 |
| | Universal Display Corp. (a) | 4,400 | 54,208 |
| | | | 763,577 |
| Electrical Equipment & Components - 0.9% | A.O. Smith Corp. | 3,400 | 111,622 |
| | AZZ Inc. (a) | 1,900 | 75,810 |
| | American Superconductor Corp. (a) | 7,000 | 250,950 |
| | Axsys Technologies, Inc. (a) | 1,400 | 72,856 |
| | Baldor Electric Co. | 7,770 | 271,795 |
| | CTS Corp. | 5,700 | 57,285 |
| | Cohu, Inc. | 4,000 | 58,720 |
| | Franklin Electric Co., Inc. | 3,800 | 147,364 |
| | Littelfuse, Inc. (a) | 3,700 | 116,735 |
| | MKS Instruments, Inc. (a) | 8,300 | 181,770 |
| | Orion Energy Systems, Inc. (a) | 900 | 9,000 |

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| | | |
|-----------------------------|--------|--------|
| Powell Industries, Inc. (a) | 1,300 | 65,533 |
| Power-One, Inc. (a) | 12,600 | 23,814 |
| Sonic Solutions, Inc. (a) | 3,900 | 23,244 |

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Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|---|-------------------------------------|----------------|-----------|
| | Taser International, Inc. (a) | 10,600 | \$ 52,576 |
| | Technitrol, Inc. | 6,600 | 112,134 |
| | Triumph Group, Inc. | 2,900 | 136,590 |
| | | | 1,767,798 |
| <hr/> | | | |
| Electrical: Household Appliance - 0.0% | National Presto Industries, Inc. | 800 | 51,344 |
| | Rex Stores Corp. (a) | 1,800 | 20,790 |
| | | | 72,134 |
| <hr/> | | | |
| Electronics - 0.5% | Agilysys, Inc. | 4,000 | 45,360 |
| | Avid Technology, Inc. (a) | 5,200 | 88,348 |
| | Daktronics, Inc. | 5,400 | 108,918 |
| | II-VI, Inc. (a) | 4,100 | 143,172 |
| | Kopin Corp. (a) | 11,000 | 31,570 |
| | MRV Communications, Inc. (a) | 22,300 | 26,537 |
| | Methode Electronics, Inc. | 6,400 | 66,880 |
| | Multi-Fineline Electronix, Inc. (a) | 1,400 | 38,738 |
| | Park Electrochemical Corp. | 3,500 | 85,085 |
| | Sanmina-SCI Corp. (a) | 91,900 | 117,632 |
| | Semtech Corp. (a) | 9,900 | 139,293 |
| | Supertex, Inc. (a) | 2,100 | 49,014 |
| | | | 940,547 |
| <hr/> | | | |
| Electronics: Instruments, Gauges & Meters - 0.1% | Faro Technologies, Inc. (a) | 2,600 | 65,442 |
| | Measurement Specialties, Inc. (a) | 2,400 | 42,216 |
| | OYO Geospace Corp. (a) | 700 | 41,258 |
| | Zygo Corp. (a) | 2,600 | 25,558 |
| | | | 174,474 |
| <hr/> | | | |
| Electronics: Medical Systems - 0.9% | Accuray, Inc. (a) | 6,500 | 47,385 |
| | Affymetrix, Inc. (a)(b) | 12,000 | 123,480 |
| | Analogic Corp. | 2,300 | 145,061 |
| | Bruker BioSciences Corp. (a) | 8,700 | 111,795 |
| | Cynosure, Inc. Class A (a) | 1,600 | 31,712 |
| | Datascope Corp. | 2,300 | 108,100 |
| | eResearch Technology, Inc. (a) | 7,300 | 127,312 |
| | Greatbatch, Inc. (a) | 3,900 | 67,470 |
| | Haemonetics Corp. (a) | 4,300 | 238,478 |
| | Luminex Corp. (a) | 6,200 | 127,410 |
| | Masimo Corp. (a) | 7,700 | 264,495 |
| | Natus Medical, Inc. (a) | 4,700 | 98,418 |
| | NxStage Medical, Inc. (a) | 3,300 | 12,672 |

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| | | | |
|----------------------------------|---------------------------------|-------|-----------|
| | Quality Systems, Inc. | 3,000 | 87,840 |
| | Sirona Dental Systems, Inc. (a) | 2,900 | 75,168 |
| | Somanetics Corp. (a) | 2,300 | 48,760 |
| | Tomotherapy, Inc. (a) | 7,400 | 66,082 |
| | Zoll Medical Corp. (a) | 3,500 | 117,845 |
| | | | 1,899,483 |
| Electronics: Other - 0.0% | ICX Technologies, Inc. (a) | 2,000 | 14,600 |

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Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|---|---|-------------|-----------|
| Electronics: Semi-Conductors/Components - 1.8% | Actel Corp. (a) | 4,500 | \$ 75,825 |
| | Advanced Battery Technologies, Inc. (a) | 7,600 | 43,852 |
| | Amkor Technology, Inc. (a) | 18,200 | 189,462 |
| | Anadigics, Inc. (a) | 10,600 | 104,410 |
| | Applied Micro Circuits Corp. (a) | 11,175 | 95,658 |
| | AuthenTec, Inc. (a) | 4,000 | 41,680 |
| | Bookham, Inc. (a) | 18,700 | 31,603 |
| | Cavium Networks, Inc. (a) | 5,000 | 105,000 |
| | Ceva, Inc. (a) | 3,800 | 30,286 |
| | Cirrus Logic, Inc. (a) | 11,400 | 63,384 |
| | DSP Group, Inc. (a) | 4,100 | 28,700 |
| | Diodes, Inc. (a) | 4,800 | 132,672 |
| | Entropic Communications, Inc. (a) | 200 | 950 |
| | Exar Corp. (a) | 6,300 | 47,502 |
| | Excel Technology, Inc. (a) | 2,000 | 44,640 |
| | Formfactor, Inc. (a) | 8,100 | 149,283 |
| | Hittite Microwave Corp. (a) | 3,200 | 113,984 |
| | IPG Photonics Corp. (a) | 3,100 | 58,311 |
| | IXYS Corp. (a) | 4,100 | 48,954 |
| | Lattice Semiconductor Corp. (a) | 19,500 | 61,035 |
| | MIPS Technologies, Inc. (a) | 7,100 | 26,625 |
| | Micrel, Inc. | 9,000 | 82,350 |
| | Microsemi Corp. (a) | 13,200 | 332,376 |
| | Microtune, Inc. (a) | 8,700 | 30,102 |
| | Monolithic Power Systems, Inc. (a) | 4,600 | 99,452 |
| | NVE Corp. (a) | 900 | 28,431 |
| | Netlogic Microsystems, Inc. (a) | 3,000 | 99,600 |
| | Omnivision Technologies, Inc. (a) | 8,600 | 103,974 |
| | PLX Technology, Inc. (a) | 4,400 | 33,572 |
| | PMC-Sierra, Inc. (a) | 36,700 | 280,755 |
| | Pericom Semiconductor Corp. (a) | 4,200 | 62,328 |
| | RF Micro Devices, Inc. (a) | 44,437 | 128,867 |
| | Rubicon Technology, Inc. (a) | 2,400 | 48,768 |
| | SiRF Technology Holdings, Inc. (a) | 10,200 | 44,064 |
| | Silicon Image, Inc. (a) | 13,400 | 97,150 |
| | Silicon Storage Technology, Inc. (a) | 14,500 | 40,165 |
| | Skyworks Solutions, Inc. (a) | 27,300 | 269,451 |
| | Spansion LLC Class A (a) | 20,700 | 46,575 |
| | Techwell, Inc. (a) | 2,600 | 32,032 |
| | Tessera Technologies, Inc. (a) | 8,300 | 135,871 |
| Transmeta Corp. (a) | 2,300 | 31,763 | |
| TriQuint Semiconductor, Inc. (a) | 24,200 | 146,652 | |
| Volterra Semiconductor Corp. (a) | 4,500 | 77,670 | |
| | | | 3,745,784 |
| Electronics: Technology - 0.6% | 3D Systems Corp. (a) | 2,400 | 22,800 |
| | American Science & Engineering, Inc. | 1,500 | 77,295 |

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Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|------------------------------------|--|----------------|------------|
| | Checkpoint Systems, Inc. (a) | 6,700 | \$ 139,896 |
| | China Security & Surveillance Technology, Inc. (a) | 4,400 | 59,312 |
| | Cogent, Inc. (a) | 6,900 | 78,453 |
| | Coherent, Inc. (a) | 3,900 | 116,571 |
| | Cubic Corp. | 2,500 | 55,700 |
| | Eagle Test Systems, Inc. (a) | 1,600 | 17,920 |
| | Gerber Scientific, Inc. (a) | 3,300 | 37,554 |
| | Herley Industries, Inc. (a) | 2,500 | 33,200 |
| | ION Geophysical Corp. (a) | 14,200 | 247,790 |
| | Kemet Corp. (a) | 14,200 | 46,008 |
| | LaBarge, Inc. (a) | 1,900 | 24,700 |
| | Maxwell Technologies, Inc. (a) | 3,400 | 36,108 |
| | ScanSource, Inc. (a) | 4,600 | 123,096 |
| | Smart Modular Technologies WWH, Inc. (a) | 7,300 | 27,959 |
| | Super Micro Computer, Inc. (a) | 4,200 | 30,996 |
| | | | 1,175,358 |
| Energy Equipment - 0.1% | Capstone Turbine Corp. (a) | 25,400 | 106,426 |
| | Plug Power, Inc. (a) | 14,800 | 34,780 |
| | PowerSecure International, Inc. (a) | 3,300 | 23,958 |
| | | | 165,164 |
| Energy Miscellaneous - 1.1% | Akeena Solar, Inc. (a) | 4,100 | 22,919 |
| | Alon USA Energy, Inc. | 1,800 | 21,528 |
| | Approach Resources, Inc. (a) | 1,200 | 32,148 |
| | Aventine Renewable Energy Holdings, Inc. (a) | 4,930 | 21,692 |
| | CVR Energy, Inc. (a) | 3,800 | 73,150 |
| | Clean Energy Fuels Corp. (a) | 3,500 | 40,215 |
| | Concho Resources, Inc. (a) | 8,300 | 309,590 |
| | Crosstex Energy, Inc. | 6,700 | 232,222 |
| | Dawson Geophysical Co. (a) | 1,400 | 83,244 |
| | EnerNOC, Inc. (a) | 1,800 | 32,310 |
| | Evergreen Energy, Inc. (a) | 14,300 | 24,882 |
| | Evergreen Solar, Inc. (a) | 18,100 | 175,389 |
| | FuelCell Energy, Inc. (a) | 11,600 | 82,360 |
| | GeoMet, Inc. (a) | 2,167 | 20,543 |
| | GreenHunter Energy, Inc. (a) | 600 | 8,196 |
| | Matrix Service Co. (a) | 4,500 | 103,770 |
| | Ormat Technologies, Inc. | 3,000 | 147,540 |
| | Pacific Ethanol, Inc. (a) | 7,500 | 13,500 |
| | Penn Virginia Corp. | 7,000 | 527,940 |
| | Rentech, Inc. (a) | 28,000 | 53,200 |
| | Teekay Tankers Ltd. Class A | 2,000 | 46,420 |
| | USEC, Inc. (a) | 19,300 | 117,344 |
| | US Geothermal, Inc. (a) | 11,800 | 34,692 |
| | | | 2,224,794 |

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| | | | |
|--------------------------------------|----------------------------|-------|---------|
| Engineering & Contracting | | | |
| Services - 0.3% | Clean Harbors, Inc. (a) | 3,300 | 234,498 |
| | Dycom Industries, Inc. (a) | 6,800 | 98,736 |
| | 20 | | |

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Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|--|---|----------------|-----------|
| | ENGlobal Corp. (a) | 4,800 | \$ 68,352 |
| | Furmamite Corp. (a) | 5,900 | 47,082 |
| | Hill International, Inc. (a) | 3,800 | 62,472 |
| | Integrated Electrical Services, Inc. (a) | 1,400 | 24,080 |
| | Layne Christensen Co. (a) | 3,200 | 140,128 |
| | Michael Baker Corp. (a) | 1,200 | 26,256 |
| | VSE Corp. | 800 | 22,000 |
| | | | 723,604 |
| Entertainment - 0.2% | Cinemark Holdings, Inc. | 4,300 | 56,158 |
| | Dover Motorsports, Inc. | 2,200 | 11,198 |
| | Gaylord Entertainment Co. (a) | 7,100 | 170,116 |
| | Live Nation, Inc. (a) | 12,800 | 135,424 |
| | Speedway Motorsports, Inc. | 2,300 | 46,874 |
| | | | 419,770 |
| Finance Companies - 0.1% | Credit Acceptance Corp. (a) | 878 | 22,442 |
| | MVC Capital, Inc. | 3,500 | 47,915 |
| | NewStar Financial, Inc. (a) | 2,900 | 17,139 |
| | Riskmetrics Group, Inc. (a) | 3,300 | 64,812 |
| | World Acceptance Corp. (a) | 3,000 | 101,010 |
| | | | 253,318 |
| Finance: Small Loan - 0.1% | Advance America, Cash Advance Centers, Inc. | 7,500 | 38,100 |
| | Dollar Financial Corp. (a) | 4,300 | 64,973 |
| | Encore Capital Group, Inc. (a) | 2,300 | 20,309 |
| | The First Marblehead Corp. | 12,600 | 32,382 |
| | Nelnet, Inc. Class A | 2,300 | 25,829 |
| | | | 181,593 |
| Financial Data Processing Services & Systems - 0.7% | Advent Software, Inc. (a)(b) | 2,800 | 101,024 |
| | Cass Information Systems, Inc. | 860 | 27,546 |
| | CompuCredit Corp. (a) | 3,300 | 19,800 |
| | CyberSource Corp. (a) | 11,541 | 193,081 |
| | Deluxe Corp. | 8,900 | 158,598 |
| | ExlService Holdings, Inc. (a) | 2,500 | 35,075 |
| | Fair Isaac Corp. | 8,100 | 168,237 |
| | Heartland Payment Systems, Inc. | 4,000 | 94,400 |
| | Hypercom Corp. (a) | 9,400 | 41,360 |
| | Jack Henry & Associates, Inc. | 12,600 | 272,664 |
| | Online Resources Corp. (a) | 4,900 | 40,915 |
| | TNS, Inc. (a) | 4,200 | 100,632 |
| | TradeStation Group, Inc. (a) | 5,800 | 58,870 |
| | Wright Express Corp. (a) | 6,500 | 161,200 |

1,473,402

Financial Information Services -

| | | | |
|-------------|------------------------|--------|---------|
| 0.2% | Bankrate, Inc. (a) | 2,100 | 82,047 |
| | Interactive Data Corp. | 6,100 | 153,293 |
| | Move, Inc. (a) | 21,700 | 50,561 |
| | S1 Corp. (a) | 9,200 | 69,644 |
| | TheStreet.com, Inc. | 3,400 | 22,134 |

377,679

Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|---------------------------------------|---|----------------|-----------|
| Financial Miscellaneous - 0.7% | AMBAC Financial Group, Inc. | 50,200 | \$ 67,268 |
| | Advanta Corp. Class B | 6,200 | 38,998 |
| | Asset Acceptance Capital Corp. | 2,500 | 30,550 |
| | Cash America International, Inc. | 4,900 | 151,900 |
| | Federal Agricultural Mortgage Corp. Class B | 1,800 | 44,604 |
| | Financial Federal Corp. | 4,400 | 96,624 |
| | First Cash Financial Services, Inc. (a) | 3,500 | 52,465 |
| | Global Cash Access, Inc. (a) | 6,000 | 41,160 |
| | Harris & Harris Group, Inc. (a) | 4,500 | 27,000 |
| | LandAmerica Financial Group, Inc. | 2,600 | 57,694 |
| | Medallion Financial Corp. | 2,900 | 27,318 |
| | Portfolio Recovery Associates, Inc. (a) | 2,600 | 97,500 |
| | Radian Group, Inc. | 15,100 | 21,895 |
| | Sanders Morris Harris Group, Inc. | 3,000 | 20,340 |
| | Sotheby's Holdings, Inc. Class A | 11,500 | 303,255 |
| | Sterling Bancorp | 3,260 | 38,957 |
| | Stewart Information Services Corp. | 2,900 | 56,086 |
| | Stifel Financial Corp. (a) | 4,000 | 137,560 |
| | WSFS Financial Corp. | 1,000 | 44,600 |
| | Wauwatosa Holdings, Inc. (a) | 1,000 | 10,620 |
| | | | 1,366,394 |
| Foods - 1.3% | American Dairy, Inc. (a) | 700 | 5,488 |
| | B&G Foods, Inc. Class A | 3,800 | 35,492 |
| | Cal-Maine Foods, Inc. | 2,200 | 72,578 |
| | Chiquita Brands International, Inc. (a) | 7,600 | 115,292 |
| | Diamond Foods, Inc. | 2,900 | 66,816 |
| | Flowers Foods, Inc. | 13,000 | 368,420 |
| | Fresh Del Monte Produce, Inc. (a) | 7,300 | 172,061 |
| | Hain Celestial Group, Inc. (a) | 6,800 | 159,664 |
| | J&J Snack Foods Corp. | 2,300 | 63,043 |
| | Lance, Inc. | 4,700 | 88,219 |
| | Lifeway Foods, Inc. (a) | 600 | 7,134 |
| | M&F Worldwide Corp. (a) | 2,300 | 90,413 |
| | Maui Land & Pineapple Co., Inc. (a) | 700 | 20,615 |
| | Omega Protein Corp. (a) | 3,300 | 49,335 |
| | Pilgrim's Pride Corp. | 7,100 | 92,229 |
| | Ralcorp Holdings, Inc. (a) | 4,400 | 217,536 |
| | Sanderson Farms, Inc. | 3,500 | 120,820 |
| | Schiff Nutrition International, Inc. | 1,200 | 6,720 |
| | Seaboard Corp. | 60 | 93,060 |
| | Sensient Technologies Corp. | 8,100 | 228,096 |
| Smart Balance, Inc. (a) | 10,300 | 74,263 | |
| Synutra International, Inc. (a) | 1,700 | 54,944 | |
| Tootsie Roll Industries, Inc. | 4,118 | 103,485 | |
| TreeHouse Foods, Inc. (a) | 5,100 | 123,726 | |

Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|--|--|----------------|------------|
| | United Natural Foods, Inc. (a) | 7,400 | \$ 144,152 |
| | Zhongpin, Inc. (a) | 3,400 | 42,500 |
| | | | 2,616,101 |
| Forest Products - 0.2% | Deltic Timber Corp. | 1,800 | 96,318 |
| | Louisiana-Pacific Corp. | 17,200 | 146,028 |
| | Universal Forest Products, Inc. | 2,800 | 83,888 |
| | | | 326,234 |
| Forms & Bulk Printing Services - 0.1% | Ennis, Inc. | 4,200 | 65,730 |
| | Innerworkings, Inc. (a) | 5,600 | 66,976 |
| | The Standard Register Co. | 2,900 | 27,347 |
| | | | 160,053 |
| Funeral Parlors & Cemeteries - 0.0% | Stewart Enterprises, Inc. Class A | 14,500 | 104,400 |
| Glass - 0.0% | Apogee Enterprises, Inc. | 4,900 | 79,184 |
| Gold - 0.2% | Allied Nevada Gold Corp. (a) | 7,300 | 42,997 |
| | Coeur d'Alene Mines Corp. (a)(b) | 94,100 | 272,890 |
| | Royal Gold, Inc. | 5,100 | 159,936 |
| | | | 475,823 |
| Health Care Facilities - 0.6% | Assisted Living Concepts, Inc. (a) | 8,600 | 47,300 |
| | Capital Senior Living Corp. (a) | 3,800 | 28,652 |
| | Emeritus Corp. (a) | 3,200 | 46,784 |
| | The Ensign Group, Inc. | 1,700 | 19,550 |
| | Five Star Quality Care, Inc. (a) | 6,000 | 28,380 |
| | IPC The Hospitalist Co., Inc. (a) | 600 | 11,292 |
| | Kindred Healthcare, Inc. (a) | 4,480 | 128,845 |
| | MedCath Corp. (a) | 2,900 | 52,142 |
| | National Healthcare Corp. | 1,400 | 64,162 |
| | Psychiatric Solutions, Inc. (a) | 9,400 | 355,696 |
| | Res-Care, Inc. (a) | 4,200 | 74,676 |
| | Skilled Healthcare Group, Inc. Class A (a) | 3,000 | 40,260 |
| | Sun Healthcare Group, Inc. (a) | 7,300 | 97,747 |
| | Sunrise Senior Living, Inc. (a) | 7,600 | 170,848 |
| | | | 1,166,334 |

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| Health Care Management | | | |
|-------------------------------|---|-------|---------|
| Services - 0.8% | AMERIGROUP Corp. (a) | 9,200 | 191,360 |
| | Allscripts Healthcare Solutions, Inc. (a) | 9,900 | 122,859 |
| | Amsurg Corp. (a) | 5,300 | 129,055 |
| | athenahealth, Inc. (a) | 3,400 | 104,584 |
| | Centene Corp. (a) | 7,300 | 122,567 |
| | Computer Programs & Systems, Inc. | 1,600 | 27,728 |
| | Corvel Corp. (a) | 1,350 | 45,724 |
| | Eclipsys Corp. (a) | 9,100 | 167,076 |
| | HMS Holdings Corp. (a) | 4,400 | 94,468 |
| | HealthExtras, Inc. (a) | 5,500 | 165,770 |
| | HealthSpring, Inc. (a) | 8,200 | 138,416 |
| | Molina Healthcare, Inc. (a) | 2,500 | 60,850 |
| | National Research Corp. | 200 | 5,294 |
| | Omnicell, Inc. (a) | 5,600 | 73,808 |
| | Phase Forward, Inc. (a) | 7,100 | 127,587 |

Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|-------------------------------------|---|----------------|-----------|
| | Triple-S Management Corp. (a) | 1,900 | \$ 31,065 |
| | Vital Images, Inc. (a) | 2,500 | 31,100 |
| | | | 1,639,311 |
| Health Care Services - 0.6% | Alliance Imaging, Inc. (a) | 4,300 | 37,281 |
| | Amedisys, Inc. (a) | 4,533 | 228,554 |
| | Apria Healthcare Group, Inc. (a)(b) | 7,400 | 143,486 |
| | Bio-Reference Labs, Inc. (a) | 1,900 | 42,389 |
| | CardioNet, Inc. (a) | 700 | 18,641 |
| | Emergency Medical Services Corp. (a) | 1,300 | 29,419 |
| | Gentiva Health Services, Inc. (a) | 4,700 | 89,535 |
| | Healthcare Services Group, Inc. | 7,200 | 109,512 |
| | HealthSouth Corp. (a) | 13,200 | 219,516 |
| | Healthways, Inc. (a) | 6,000 | 177,600 |
| | LHC Group, Inc. (a) | 2,200 | 51,150 |
| | Nighthawk Radiology Holdings, Inc. (a) | 3,400 | 24,072 |
| | Odyssey HealthCare, Inc. (a) | 6,100 | 59,414 |
| | PharMerica Corp. (a) | 5,286 | 119,411 |
| | Virtual Radiologic Corp. (a) | 700 | 9,275 |
| | | | 1,359,255 |
| Homebuilding - 0.2% | Beazer Homes USA, Inc. | 5,800 | 32,306 |
| | Hovnanian Enterprises, Inc. Class A (a) | 7,800 | 42,744 |
| | M/I Homes, Inc. | 2,400 | 37,752 |
| | Meritage Homes Corp. (a) | 5,200 | 78,884 |
| | Ryland Group, Inc. | 7,300 | 159,213 |
| | Standard-Pacific Corp. | 10,300 | 34,814 |
| | | | 385,713 |
| Hotel/Motel - 0.1% | Lodgian, Inc. (a) | 2,700 | 21,141 |
| | Marcus Corp. | 3,400 | 50,830 |
| | Morgans Hotel Group Co. (a) | 4,900 | 50,470 |
| | | | 122,441 |
| Household Furnishings - 0.2% | American Woodmark Corp. | 1,900 | 40,147 |
| | Ethan Allen Interiors, Inc. | 4,200 | 103,320 |
| | Furniture Brands International, Inc. | 7,100 | 94,856 |
| | Haverty Furniture Cos., Inc. | 3,100 | 31,124 |
| | hhgregg, Inc. (a) | 1,400 | 14,000 |
| | Hooker Furniture Corp. | 1,700 | 29,444 |
| | La-Z-Boy, Inc. | 8,400 | 64,260 |
| | Libbey, Inc. | 1,800 | 13,392 |
| | Sealy Corp. | 6,300 | 36,162 |

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| | | | |
|--|--------------------------------------|--------|---------|
| | Tempur-Pedic International, Inc. | 12,014 | 93,829 |
| | | | 520,534 |
| Identification Control & Filter | | | |
| Devices - 0.7% | Advanced Energy Industries, Inc. (a) | 5,800 | 79,460 |
| | Asyst Technologies, Inc. (a) | 8,400 | 29,988 |
| | Badger Meter, Inc. | 2,400 | 121,272 |
| | 24 | | |

Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|-------------------------------------|---|----------------|-----------|
| | Beacon Power Corp. (a) | 16,800 | \$ 35,280 |
| | ESCO Technologies, Inc. (a) | 4,400 | 206,448 |
| | Flanders Corp. (a) | 2,400 | 14,520 |
| | The Gorman-Rupp Co. | 2,218 | 88,365 |
| | L-1 Identity Solutions, Inc. (a) | 10,998 | 146,493 |
| | Mine Safety Appliances Co. | 5,200 | 207,948 |
| | Peerless Manufacturing Co. (a) | 1,000 | 46,870 |
| | Robbins & Myers, Inc. | 4,700 | 234,389 |
| | Sun Hydraulics, Inc. | 2,000 | 64,540 |
| | Veeco Instruments, Inc. (a) | 5,400 | 86,832 |
| | Vicor Corp. | 3,200 | 31,936 |
| | Watts Water Technologies, Inc. Class A | 4,900 | 122,010 |
| | | | 1,516,351 |
| Industrial Products - 0.0% | TAL International Group, Inc. | 2,500 | 56,850 |
| Insurance: Life - 0.3% | American Equity Investment Life Holding Co. | 9,500 | 77,425 |
| | Citizens, Inc. (a) | 5,300 | 32,489 |
| | Delphi Financial Group, Inc. Class A | 7,150 | 165,451 |
| | Kansas City Life Insurance Co. | 500 | 20,850 |
| | Life Partners Holdings, Inc. | 1,100 | 21,978 |
| | National Western Life Insurance Co. Class A | 400 | 87,400 |
| | The Phoenix Cos., Inc. | 19,100 | 145,351 |
| | Presidential Life Corp. | 3,500 | 53,970 |
| | Universal American Financial Corp. (a) | 6,800 | 69,496 |
| | | | 674,410 |
| Insurance: Multi-Line - 1.0% | Assured Guaranty Ltd. | 9,500 | 170,905 |
| | CNA Surety Corp. (a) | 2,200 | 27,808 |
| | Crawford & Co. Class B (a) | 5,100 | 40,749 |
| | eHealth, Inc. (a) | 4,300 | 75,938 |
| | EMC Insurance Group, Inc. | 1,000 | 24,080 |
| | FBL Financial Group, Inc. Class A | 2,200 | 43,736 |
| | Flagstone Reinsurance Holdings Ltd. | 4,900 | 57,771 |
| | Hilb Rogal & Hobbs Co. | 6,100 | 265,106 |
| | Horace Mann Educators Corp. | 7,100 | 99,542 |
| | Independence Holding Co. | 300 | 2,931 |
| | Maiden Holdings Ltd. | 8,000 | 50,720 |
| | Max Capital Group Ltd. | 9,800 | 209,034 |
| | Meadowbrook Insurance Group, Inc. | 4,800 | 25,440 |
| | Montpelier Re Holdings Ltd. | 15,700 | 231,575 |
| | Pico Holdings, Inc. (a) | 2,700 | 117,315 |
| | Platinum Underwriters Holdings Ltd. | 8,400 | 273,924 |
| | Primus Guaranty Ltd. (a) | 4,700 | 13,677 |
| | Quanta Capital Holdings Ltd. | 11,100 | 29,304 |
| | Zenith National Insurance Corp. | 6,250 | 219,750 |

1,979,305

**Insurance: Property-Casualty -
1.7%**

| | | |
|-----------------------------------|-------|--------|
| AmCOMP, Inc. (a) | 2,600 | 25,272 |
| AmTrust Financial Services, Inc. | 2,800 | 35,280 |
| American Physicians Capital, Inc. | 1,500 | 72,660 |

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Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|----------|---|----------------|-----------|
| | American Safety Insurance Holdings Ltd. (a) | 2,100 | \$ 30,198 |
| | Amerisafe, Inc. (a)(b) | 3,200 | 51,008 |
| | Argo Group International Holdings Ltd. (a) | 5,166 | 173,371 |
| | Aspen Insurance Holdings Ltd. | 14,600 | 345,582 |
| | Baldwin & Lyons, Inc. Class B | 1,400 | 24,472 |
| | CastlePoint Holdings, Ltd. | 6,100 | 55,449 |
| | Darwin Professional Underwriters, Inc. (a) | 1,200 | 36,960 |
| | Donegal Group, Inc. Class A | 1,600 | 25,392 |
| | Employers Holdings, Inc. | 8,210 | 169,947 |
| | Enstar Group Ltd. (a) | 900 | 78,750 |
| | FPIC Insurance Group, Inc. (a) | 1,500 | 67,980 |
| | First Acceptance Corp. (a) | 2,800 | 8,960 |
| | First Mercury Financial Corp. (a) | 2,400 | 42,336 |
| | Greenlight Capital Re Ltd. (a) | 5,100 | 116,586 |
| | Hallmark Financial Services, Inc. (a) | 300 | 2,901 |
| | Harleysville Group, Inc. | 2,400 | 81,192 |
| | IPC Holdings, Ltd. | 9,100 | 241,605 |
| | Infinity Property & Casualty Corp. | 2,700 | 112,104 |
| | NYMAGIC, Inc. | 900 | 17,244 |
| | National Interstate Corp. | 1,000 | 18,380 |
| | Navigators Group, Inc. (a) | 2,200 | 118,910 |
| | Odyssey Re Holdings Corp. | 4,000 | 142,000 |
| | PMA Capital Corp. Class A (a) | 5,400 | 49,734 |
| | The PMI Group, Inc. | 14,700 | 28,665 |
| | ProAssurance Corp. (a) | 5,500 | 264,605 |
| | Procentury Corp. | 2,100 | 33,264 |
| | RLI Corp. | 3,200 | 158,304 |
| | SCPIE Holdings, Inc. (a) | 1,400 | 39,186 |
| | Safety Insurance Group, Inc. | 2,700 | 96,255 |
| | SeaBright Insurance Holdings, Inc. (a) | 3,600 | 52,128 |
| | Selective Insurance Group, Inc. | 9,100 | 170,716 |
| | State Auto Financial Corp. | 2,300 | 55,039 |
| | Tower Group, Inc. | 3,500 | 74,165 |
| | United America Indemnity, Ltd. (a) | 3,400 | 45,458 |
| | United Fire & Casualty Co. | 3,800 | 102,334 |
| | Validus Holdings Ltd. | 10,800 | 229,500 |
| | | | 3,493,892 |

Investment Management

| | | | |
|-------------------------|---|--------|---------|
| Companies - 0.6% | Ampal-American Israel Corp. Class A (a) | 2,100 | 9,471 |
| | Apollo Investment Corp. | 23,876 | 342,143 |
| | Ares Capital Corp. | 16,878 | 170,130 |
| | Calamos Asset Management, Inc. Class A | 3,600 | 61,308 |
| | Capital Southwest Corp. | 400 | 41,692 |
| | Cohen & Steers, Inc. | 2,800 | 72,716 |
| | Epoch Holding Corp. | 1,700 | 15,504 |
| | FBR Capital Markets Corp. (a) | 4,100 | 20,623 |
| | GAMCO Investors, Inc. Class A | 1,400 | 69,468 |

Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|--|--|----------------|-----------|
| | Kohlberg Capital Corp. | 2,300 | \$ 23,000 |
| | MCG Capital Corp. | 11,200 | 44,576 |
| | NGP Capital Resources Co. | 3,100 | 47,771 |
| | National Financial Partners Corp. | 6,800 | 134,776 |
| | Pzena Investment Management, Inc. Class A | 1,000 | 12,760 |
| | Resource America, Inc. Class A | 2,100 | 19,572 |
| | U.S. Global Investors, Inc. | 2,100 | 35,175 |
| | Westwood Holdings Group Inc. | 900 | 35,820 |
| | | | 1,156,505 |
| Jewelry, Watches & Gemstones - 0.1% | Bidz.com, Inc. (a) | 1,300 | 11,258 |
| | Fossil, Inc. (a) | 7,600 | 220,932 |
| | Fuqi International, Inc. (a) | 2,000 | 17,520 |
| | Movado Group, Inc. | 2,700 | 53,460 |
| | | | 303,170 |
| Leisure Time - 0.4% | Callaway Golf Co. | 11,100 | 131,313 |
| | Great Wolf Resorts, Inc. (a) | 4,500 | 19,665 |
| | Life Time Fitness, Inc. (a) | 5,800 | 171,390 |
| | Pool Corp. | 8,300 | 147,408 |
| | Rick's Cabaret International, Inc. (a) | 1,200 | 20,148 |
| | Six Flags, Inc. (a) | 12,300 | 14,145 |
| | Steinway Musical Instruments, Inc. (a) | 1,300 | 34,320 |
| | Town Sports International Holdings, Inc. (a) | 2,300 | 21,482 |
| | Vail Resorts, Inc. (a) | 5,200 | 222,716 |
| | | | 782,587 |
| Machine Tools - 0.0% | Hurco Companies, Inc. (a) | 1,000 | 30,890 |
| | Thermadyne Holdings Corp. (a) | 2,100 | 31,038 |
| | | | 61,928 |
| Machinery & Engineering - 0.1% | Applied Industrial Technologies, Inc. | 7,250 | 175,233 |
| Machinery: Agricultural - 0.1% | Alamo Group, Inc. | 1,200 | 24,708 |
| | Gehl Co. (a) | 1,650 | 24,404 |
| | Lindsay Manufacturing Co. | 2,000 | 169,940 |
| | Titan Machinery, Inc. (a) | 1,000 | 31,320 |
| | | | 250,372 |
| Machinery: Construction & Handling - 0.1% | Astec Industries, Inc. (a) | 3,000 | 96,420 |
| | NACCO Industries, Inc. Class A | 900 | 66,915 |

| | | | |
|---|------------------------------|-------|---------|
| | | | 163,335 |
| Machinery: Engines - 0.1% | Briggs & Stratton Corp. | 8,000 | 101,440 |
| | Harbin Electric, Inc. (a) | 900 | 12,789 |
| | Raser Technologies, Inc. (a) | 7,400 | 72,076 |
| | | | 186,305 |
| Machinery: Industrial/Specialty - 1.1% | Actuant Corp. Class A | 9,400 | 294,690 |
| | Altra Holdings, Inc. (a) | 4,700 | 79,007 |
| | Chart Industries, Inc. (a) | 4,700 | 228,608 |
| | Colfax Corp. (a) | 3,800 | 95,342 |
| | Columbus McKinnon Corp. (a) | 3,100 | 74,648 |
| | DXP Enterprises, Inc. (a) | 700 | 29,148 |

Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|--|--|----------------|------------|
| | EnPro Industries, Inc. (a) | 3,500 | \$ 130,690 |
| | Graham Corp. | 900 | 66,699 |
| | Kadant, Inc. (a) | 2,400 | 54,240 |
| | Middleby Corp. (a) | 2,800 | 122,948 |
| | Nordson Corp. | 5,700 | 415,473 |
| | Tecumseh Products Co. Class A (a) | 2,900 | 95,062 |
| | Tennant Co. | 2,800 | 84,196 |
| | Twin Disc, Inc. | 1,500 | 31,395 |
| | Woodward Governor Co. | 9,900 | 353,034 |
| | | | 2,155,180 |
| Machinery: Oil Well Equipment & Services - 1.8% | Allis-Chalmers Energy, Inc. (a) | 4,600 | 81,880 |
| | Basic Energy Services, Inc. (a)(b) | 6,900 | 217,350 |
| | Bolt Technology Corp. (a) | 1,600 | 36,112 |
| | CARBO Ceramics, Inc. | 3,450 | 201,308 |
| | Cal Dive International, Inc. (a) | 7,312 | 104,488 |
| | Complete Production Services, Inc. (a) | 8,000 | 291,360 |
| | Dril-Quip, Inc. (a) | 5,200 | 327,600 |
| | Flotek Industries, Inc. (a) | 3,800 | 78,356 |
| | Gulf Island Fabrication, Inc. | 2,100 | 102,753 |
| | Hornbeck Offshore Services, Inc. (a) | 4,000 | 226,040 |
| | Lufkin Industries, Inc. | 2,500 | 208,200 |
| | Mitcham Industries, Inc. (a) | 1,800 | 30,744 |
| | NATCO Group, Inc. Class A (a) | 3,400 | 185,402 |
| | Natural Gas Services Group (a) | 2,200 | 67,056 |
| | Newpark Resources, Inc. (a) | 15,600 | 122,616 |
| | Parker Drilling Co. (a) | 19,300 | 193,193 |
| | RPC, Inc. | 5,425 | 91,140 |
| | Sulphco, Inc. (a) | 7,600 | 17,252 |
| | Superior Well Services, Inc. (a) | 2,900 | 91,959 |
| | T-3 Energy Services, Inc. (a) | 2,100 | 166,887 |
| | Trico Marine Services, Inc. (a) | 2,100 | 76,482 |
| | Union Drilling, Inc. (a) | 2,000 | 43,360 |
| | W-H Energy Services, Inc. (a) | 5,200 | 497,848 |
| | Willbros Group, Inc. (a) | 6,600 | 289,146 |
| | | | 3,748,532 |
| Machinery: Specialty - 0.1% | Cascade Corp. | 1,600 | 67,712 |
| | Flow International Corp. (a) | 5,600 | 43,680 |
| | Key Technology Inc. (a) | 1,100 | 34,991 |
| | Semitool, Inc. (a) | 3,600 | 27,036 |
| | TurboChef Technologies, Inc. (a) | 3,600 | 17,208 |
| | | | 190,627 |
| Manufactured Housing - 0.1% | Cavco Industries, Inc. (a) | 1,200 | 39,276 |

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| | | |
|--------------------------------|--------|---------|
| Champion Enterprises, Inc. (a) | 13,100 | 76,635 |
| Palm Harbor Homes, Inc. (a) | 1,600 | 8,848 |
| Skyline Corp. | 1,200 | 28,200 |
| | | <hr/> |
| | | 152,959 |

Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|---|---|----------------|-----------|
| Manufacturing - 0.1% | Federal Signal Corp. | 8,100 | \$ 97,200 |
| | Fushi Copperweld, Inc. (a) | 2,600 | 61,698 |
| | Standex International Corp. | 2,200 | 45,628 |
| | | | 204,526 |
| Medical & Dental Instruments & Supplies - 2.6% | Abaxis, Inc. (a) | 3,600 | 86,868 |
| | Abiomed, Inc. (a) | 5,300 | 94,075 |
| | Align Technology, Inc. (a) | 10,500 | 110,145 |
| | Alphatec Holdings, Inc. (a) | 3,700 | 15,096 |
| | American Medical Systems Holdings, Inc. | 12,300 | 183,885 |
| | AngioDynamics, Inc. (a) | 4,300 | 58,566 |
| | Atrion Corp. | 200 | 19,164 |
| | BioMimetic Therapeutics, Inc. (a) | 2,200 | 26,224 |
| | Bio-Rad Laboratories, Inc. Class A (a) | 3,200 | 258,848 |
| | CONMED Corp. (a) | 4,800 | 127,440 |
| | Cantel Medical Corp. (a) | 1,600 | 16,192 |
| | Cardiac Science Corp. (a) | 3,000 | 24,600 |
| | Cepheid, Inc. (a) | 9,600 | 269,952 |
| | Clinical Data, Inc. (a) | 1,600 | 22,832 |
| | Conceptus, Inc. (a) | 5,300 | 97,997 |
| | CryoLife, Inc. (a) | 5,000 | 57,200 |
| | Cyberonics, Inc. (a) | 4,000 | 86,800 |
| | DexCom, Inc. (a) | 4,100 | 24,764 |
| | ev3, Inc. (a) | 11,646 | 110,404 |
| | Exactech, Inc. (a) | 1,400 | 35,994 |
| | Hansen Medical, Inc. (a) | 2,800 | 46,816 |
| | ICU Medical, Inc. (a) | 2,200 | 50,336 |
| | I-Flow Corp. (a) | 3,300 | 33,495 |
| | IRIS International, Inc. (a) | 3,300 | 51,645 |
| | Immucor, Inc. (a) | 11,750 | 304,090 |
| | Insulet Corp. (a) | 3,300 | 51,909 |
| | Invacare Corp. | 5,600 | 114,464 |
| | Landauer, Inc. | 1,500 | 84,360 |
| | Medical Action Industries, Inc. (a) | 1,900 | 19,703 |
| | Mentor Corp. | 5,900 | 164,138 |
| | Meridian Bioscience, Inc. | 6,675 | 179,691 |
| | Merit Medical Systems, Inc. (a) | 4,500 | 66,150 |
| | Micrus Endovascular Corp. (a) | 2,600 | 36,452 |
| | Neogen Corp. (a) | 2,400 | 54,936 |
| | NuVasive, Inc. (a) | 6,000 | 267,960 |
| | OraSure Technologies, Inc. (a) | 8,100 | 30,294 |
| | Orthofix International NV (a) | 2,900 | 83,955 |
| | Orthovita, Inc. (a) | 12,900 | 26,445 |
| | Owens & Minor, Inc. | 6,900 | 315,261 |
| | PSS World Medical, Inc. (a) | 10,800 | 176,040 |
| | Palomar Medical Technologies, Inc. (a) | 3,100 | 30,938 |
| | SonoSite, Inc. (a) | 2,900 | 81,229 |
| | Spectranetic Corp. (a) | 5,300 | 52,258 |

Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|---|---------------------------------------|-------------|-----------|
| | Stereotaxis, Inc. (a) | 4,100 | \$ 21,976 |
| | Steris Corp. | 10,000 | 287,600 |
| | SurModics, Inc. (a) | 2,600 | 116,584 |
| | Symmetry Medical, Inc. (a) | 6,000 | 97,320 |
| | Synovis Life Technologies, Inc. (a) | 2,300 | 43,309 |
| | Thoratec Corp. (a) | 9,200 | 159,988 |
| | Trans1, Inc. (a) | 2,300 | 34,661 |
| | Vision-Sciences Inc. (a) | 3,500 | 13,090 |
| | Vital Signs, Inc. | 1,400 | 79,492 |
| | Volcano Corp. (a) | 7,800 | 95,160 |
| | West Pharmaceutical Services, Inc. | 5,400 | 233,712 |
| | Wright Medical Group, Inc. (a) | 6,200 | 176,142 |
| | | | 5,408,645 |
| Medical Services - 0.4% | Air Methods Corp. (a) | 1,800 | 45,000 |
| | Almost Family, Inc. (a) | 1,200 | 31,920 |
| | Genoptix, Inc. (a) | 1,500 | 47,325 |
| | Hanger Orthopedic Group, Inc. (a) | 4,100 | 67,609 |
| | Magellan Health Services, Inc. (a) | 7,000 | 259,210 |
| | Parexel International Corp. (a) | 9,600 | 252,576 |
| | RadNet, Inc. (a) | 4,100 | 25,420 |
| | RehabCare Group, Inc. (a) | 3,000 | 48,090 |
| | US Physical Therapy, Inc. (a) | 2,300 | 37,743 |
| | | | 814,893 |
| Metal Fabricating - 0.7% | Ampco-Pittsburgh Corp. | 1,500 | 66,720 |
| | CIRCOR International, Inc. | 2,800 | 137,172 |
| | Dynamic Materials Corp. | 2,100 | 69,195 |
| | Encore Wire Corp. | 3,200 | 67,808 |
| | Haynes International, Inc. (a) | 2,100 | 120,855 |
| | Insteel Industries, Inc. | 2,800 | 51,268 |
| | Kaydon Corp. | 4,700 | 241,627 |
| | L.B. Foster Co. Class A (a) | 1,900 | 63,080 |
| | Mueller Water Products, Inc. Series A | 19,880 | 160,432 |
| | NN, Inc. | 3,000 | 41,820 |
| | Northwest Pipe Co. (a) | 1,400 | 78,120 |
| | Omega Flex, Inc. | 400 | 6,080 |
| | RBC Bearings, Inc. (a) | 3,700 | 123,284 |
| | RTI International Metals, Inc. (a) | 4,000 | 142,480 |
| | Superior Essex, Inc. (a) | 3,400 | 151,742 |
| | Trimas Corp. (a) | 1,500 | 8,985 |
| | | | 1,530,668 |
| Metals & Minerals Miscellaneous - 0.9% | A.M. Castle & Co. | 2,700 | 77,247 |
| | AMCOL International Corp. | 4,300 | 122,378 |

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| | | |
|--------------------------------------|--------|---------|
| Apex Silver Mines Ltd. (a) | 10,000 | 49,100 |
| Brush Engineered Materials, Inc. (a) | 3,300 | 80,586 |
| Compass Minerals International, Inc. | 5,400 | 435,024 |

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Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|---|---|-------------|-----------|
| | General Moly, Inc. (a) | 10,300 | \$ 81,061 |
| | GrafTech International Ltd. (a) | 17,400 | 466,842 |
| | Hecla Mining Co. (a) | 21,900 | 202,794 |
| | Horsehead Holding Corp. (a) | 5,700 | 69,312 |
| | Minerals Technologies, Inc. | 3,200 | 203,488 |
| | Stillwater Mining Co. (a) | 6,700 | 79,261 |
| | United States Lime & Minerals Inc. (a) | 300 | 11,871 |
| | Uranium Resources, Inc. (a) | 8,400 | 30,996 |
| | | | 1,909,960 |
| Miscellaneous Business & Consumer Discretionary - 0.0% | Core-Mark Holdings Co., Inc. (a) | 1,600 | 41,920 |
| Miscellaneous Consumer Staples - 0.0% | Reddy Ice Holdings, Inc. | 3,000 | 41,040 |
| Miscellaneous Health Care - 0.0% | MedAssets, Inc. (a) | 2,100 | 35,805 |
| Miscellaneous Materials & Commodities - 0.2% | Ceradyne, Inc. (a) | 4,400 | 150,920 |
| | Lydall, Inc. (a) | 3,100 | 38,905 |
| | Symyx Technologies Inc. (a) | 5,900 | 41,182 |
| | WD-40 Co. | 2,900 | 84,825 |
| | | | 315,832 |
| Miscellaneous Materials & Processing - 0.1% | Insituform Technologies, Inc. Class A (a) | 4,800 | 73,104 |
| | Rogers Corp. (a) | 3,100 | 116,529 |
| | Xerium Technologies, Inc. | 2,300 | 9,108 |
| | | | 198,741 |
| Miscellaneous Producer Durables - 0.0% | Blount International, Inc. (a) | 6,700 | 77,787 |
| | Park-Ohio Holdings Corp. (a) | 1,300 | 19,188 |
| | | | 96,975 |
| Miscellaneous Technology - 0.1% | iRobot Corp. (a) | 3,300 | 45,342 |
| | Microvision, Inc. (a) | 10,600 | 29,150 |
| | TerreStar Corp. (a) | 9,300 | 37,014 |
| | Vocus, Inc. (a) | 2,800 | 90,076 |
| | | | 201,582 |

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| | | | |
|---|-------------------------------------|--------|---------|
| Multi-Sector Companies - 0.3% | Brunswick Corp. | 15,100 | 160,060 |
| | Compass Diversified Holdings | 4,400 | 50,292 |
| | GenCorp, Inc. (a) | 9,600 | 68,736 |
| | GenTek, Inc. (a) | 1,400 | 37,646 |
| | Kaman Corp. Class A | 4,300 | 97,868 |
| | Lancaster Colony Corp. | 3,600 | 109,008 |
| | Raven Industries, Inc. | 2,700 | 88,506 |
| | United Capital Corp. (a) | 200 | 3,840 |
| | | | 615,956 |
| Office Furniture & Business Equipment - 0.3% | ACCO Brands Corp. (a) | 8,464 | 95,051 |
| | HNI Corp. | 7,500 | 132,450 |
| | Herman Miller, Inc. | 9,700 | 241,433 |
| | Kimball International, Inc. Class B | 5,900 | 48,852 |
| | Knoll, Inc. | 7,600 | 92,340 |
| | Presstek, Inc. (a) | 5,200 | 25,792 |
| | | | 635,918 |

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Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|------------------------------------|-------------------------------------|-------------|-----------|
| Offshore Drilling - 0.0% | Boisd Arc Energy, Inc. (a) | 3,200 | \$ 77,792 |
| Oil: Crude Producers - 4.0% | APCO Argentina, Inc. | 700 | 20,265 |
| | ATP Oil & Gas Corp. (a) | 4,600 | 181,562 |
| | Abraxas Petroleum Corp. (a) | 7,700 | 41,657 |
| | American Oil & Gas, Inc. (a) | 6,900 | 27,048 |
| | Arena Resources, Inc. (a) | 5,900 | 311,638 |
| | Atlas America, Inc. | 5,800 | 261,290 |
| | BMB Munai, Inc. (a) | 6,900 | 40,986 |
| | BPZ Resources, Inc. (a) | 10,300 | 302,820 |
| | Berry Petroleum Co. Class A | 7,200 | 423,936 |
| | Bill Barrett Corp. (a) | 6,100 | 362,401 |
| | Brigham Exploration Co. (a) | 8,000 | 126,640 |
| | Bronco Drilling Co., Inc. (a) | 4,400 | 80,872 |
| | Callon Petroleum Co. (a) | 3,600 | 98,496 |
| | Cano Petroleum, Inc. (a) | 6,300 | 50,022 |
| | Carrizo Oil & Gas, Inc. (a) | 4,600 | 313,214 |
| | Cheniere Energy, Inc. (a) | 8,900 | 38,893 |
| | Clayton Williams Energy, Inc. (a) | 900 | 98,955 |
| | Comstock Resources, Inc. (a) | 7,700 | 650,111 |
| | Contango Oil & Gas Co. (a) | 2,200 | 204,424 |
| | Delek US Holdings, Inc. | 1,600 | 14,736 |
| | Double Eagle Pete & Mining Co. (a) | 1,600 | 29,168 |
| | EXCO Resources, Inc. (a) | 12,500 | 461,375 |
| | Endeavour International Corp. (a) | 20,600 | 44,702 |
| | Energy Partners Ltd. (a) | 5,585 | 83,328 |
| | Energy XXI Bermuda Ltd. (a) | 12,300 | 84,993 |
| | FX Energy, Inc. (a) | 6,800 | 35,836 |
| | Gasco Energy, Inc. (a) | 16,600 | 68,890 |
| | GeoGlobal Resources, Inc. (a) | 6,400 | 13,632 |
| | Geokinetics, Inc. (a) | 900 | 16,299 |
| | GeoResources, Inc. (a) | 1,100 | 20,262 |
| | Goodrich Petroleum Corp. (a) | 3,400 | 281,928 |
| | Gran Tierra Energy, Inc. (a) | 16,200 | 129,114 |
| | Grey Wolf, Inc. (a) | 30,200 | 272,706 |
| | Gulfport Energy Corp. (a) | 4,600 | 75,762 |
| | Harvest Natural Resources, Inc. (a) | 6,400 | 70,784 |
| | Houston American Energy Corp. (a) | 2,900 | 32,538 |
| | McMoRan Exploration Co. (a) | 8,400 | 231,168 |
| | Meridian Resource Corp. (a) | 14,000 | 41,300 |
| | Northern Oil And Gas, Inc. (a) | 3,500 | 46,480 |
| | Oilsands Quest, Inc. (a) | 27,500 | 178,750 |
| | Panhandle Oil & Gas Inc. | 1,200 | 40,632 |
| | Parallel Petroleum Corp. (a) | 7,000 | 140,910 |
| | Petroleum Development Corp. (a) | 2,500 | 166,225 |
| | Petroquest Energy, Inc. (a) | 7,500 | 201,750 |
| | Pioneer Drilling Co. (a) | 8,400 | 158,004 |
| | PrimeEnergy Corp. (a) | 100 | 5,363 |

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Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|--|--|-------------|-----------|
| | Quest Resource Corp. (a) | 3,700 | \$ 42,217 |
| | Rex Energy Corp. (a) | 2,800 | 73,920 |
| | Rosetta Resources, Inc. (a) | 8,600 | 245,100 |
| | Stone Energy Corp. (a) | 4,800 | 316,368 |
| | Swift Energy Co. (a) | 5,200 | 343,512 |
| | TXCO Resources, Inc. (a) | 5,400 | 63,504 |
| | Toreador Resources Corp. (a) | 2,900 | 24,737 |
| | Tri-Valley Corp. (a) | 4,200 | 31,206 |
| | Venoco, Inc. (a) | 3,300 | 76,593 |
| | VeraSun Energy Corp. (a) | 16,805 | 69,405 |
| | Warren Resources, Inc. (a) | 9,800 | 143,864 |
| | Western Refining, Inc. | 5,300 | 62,752 |
| | | | 8,075,043 |
| Oil: Integrated Domestic - 0.2% | Delta Petroleum Corp. (a) | 10,800 | 275,508 |
| | GMX Resources, Inc. (a) | 2,500 | 185,250 |
| | Ram Energy Resources, Inc. (a) | 6,800 | 42,772 |
| | | | 503,530 |
| Oil: Integrated International - 0.0% | Vaalco Energy, Inc. (a) | 10,100 | 85,547 |
| Paints & Coatings - 0.2% | Ferro Corp. | 7,400 | 138,824 |
| | H.B. Fuller Co. | 8,900 | 199,716 |
| | | | 338,540 |
| Paper - 0.4% | AbitibiBowater, Inc. | 9,252 | 86,321 |
| | Albany International Corp. Class A | 4,900 | 142,100 |
| | Boise, Inc. (a) | 6,000 | 23,100 |
| | Buckeye Technologies, Inc. (a) | 5,900 | 49,914 |
| | Kapstone Paper and Packaging Corp. (a) | 3,600 | 24,012 |
| | Mercer International, Inc.-Sbi (a) | 4,800 | 35,904 |
| | Multi-Color Corp. | 1,150 | 24,139 |
| | Neenah Paper, Inc. | 2,500 | 41,775 |
| | P.H. Glatfelter Co. | 7,300 | 98,623 |
| | Rock-Tenn Co. Class A | 6,400 | 191,936 |
| | Verso Paper Corp. (a) | 2,800 | 23,688 |
| | Wausau Paper Corp. | 7,500 | 57,825 |
| | | | 799,337 |
| Plastics - 0.0% | Spartech Corp. | 5,200 | 49,036 |
| Pollution Control & Environmental Services - 0.4% | American Ecology Corp. | 2,600 | 76,778 |
| | Darling International, Inc. (a) | 13,800 | 227,976 |

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| | | | |
|---------------------------------------|------------------------------------|-------|---------|
| | EnergySolutions, Inc. | 5,500 | 122,925 |
| | Fuel Tech, Inc. (a) | 3,000 | 52,860 |
| | Headwaters, Inc. (a) | 7,400 | 87,098 |
| | Team, Inc. (a) | 3,200 | 109,824 |
| | Met-Pro Corp. | 2,900 | 38,715 |
| | Metalico, Inc. (a) | 4,300 | 75,336 |
| | | | 791,512 |
| <hr/> | | | |
| Power Transmission Equipment - | | | |
| 0.1% | Regal-Beloit Corp. | 5,400 | 228,150 |
| | Synthesis Energy Systems, Inc. (a) | 3,600 | 32,436 |
| | | | 260,586 |
| <hr/> | | | |

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Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|---|---|----------------|-----------|
| Printing & Copying Services - 0.2% | | | |
| | Bowne & Co., Inc. | 4,900 | \$ 62,475 |
| | Cenveo, Inc. (a) | 8,700 | 84,999 |
| | Schawk, Inc. | 2,400 | 28,776 |
| | VistaPrint Ltd. (a) | 7,600 | 203,376 |
| | | | 379,626 |
| Production Technology Equipment - 1.1% | | | |
| | ATMI, Inc. (a) | 5,400 | 150,768 |
| | Axcelis Technologies, Inc. (a) | 16,500 | 80,520 |
| | Brooks Automation, Inc. (a) | 11,283 | 93,310 |
| | Cognex Corp. | 7,100 | 163,655 |
| | Cymer, Inc. (a) | 5,000 | 134,400 |
| | Dionex Corp. (a) | 3,100 | 205,747 |
| | Electro Scientific Industries, Inc. (a) | 5,000 | 70,850 |
| | Emcore Corp. (a) | 12,800 | 80,128 |
| | Entegris, Inc. (a) | 19,295 | 126,382 |
| | Esterline Technologies Corp. (a) | 4,900 | 241,374 |
| | FEI Co. (a) | 6,300 | 143,514 |
| | Intevac, Inc. (a) | 3,700 | 41,736 |
| | K-Tron International, Inc. (a) | 400 | 51,840 |
| | Kulicke & Soffa Industries, Inc. (a) | 9,000 | 65,610 |
| | LTX Corp. (a) | 10,700 | 23,540 |
| | MTS Systems Corp. | 3,000 | 107,640 |
| | Mattson Technology, Inc. (a) | 9,100 | 43,316 |
| | Photon Dynamics, Inc. (a) | 3,300 | 49,764 |
| | Photronics, Inc. (a) | 6,800 | 47,872 |
| | Rofin-Sinar Technologies, Inc. (a) | 5,200 | 157,040 |
| | Rudolph Technologies, Inc. (a) | 4,313 | 33,210 |
| | Ultra Clean Holdings, Inc. (a) | 3,300 | 26,268 |
| | Ultratech, Inc. (a) | 4,100 | 63,632 |
| | | | 2,202,116 |
| Publishing: Miscellaneous - 0.2% | | | |
| | Consolidated Graphics, Inc. (a) | 1,800 | 88,686 |
| | Courier Corp. | 1,700 | 34,136 |
| | GateHouse Media, Inc. | 2,780 | 6,839 |
| | Idearc, Inc. | 26,000 | 61,100 |
| | Martha Stewart Living Omnimedia, Inc. Class A (a) | 4,300 | 31,820 |
| | Playboy Enterprises, Inc. Class B (a) | 3,600 | 17,784 |
| | Primedia, Inc. | 4,750 | 22,135 |
| | Scholastic Corp. (a) | 4,100 | 117,506 |
| | | | 380,006 |
| Publishing: Newspapers - 0.2% | | | |
| | AH Belo Corp. | 2,140 | 12,198 |
| | Belo Corp. Class A | 14,800 | 108,188 |
| | Dolan Media Co. (a) | 3,900 | 70,980 |
| | Journal Communications, Inc. Class A | 7,100 | 34,222 |

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| | | |
|-----------------------|--------|--------|
| Lee Enterprises, Inc. | 7,600 | 30,324 |
| McClatchy Co. Class A | 10,111 | 68,552 |

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Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|---|--|-------------|-----------|
| | Media General, Inc. Class A | 3,300 | \$ 39,435 |
| | | | 363,899 |
| Radio & TV Broadcasters - 0.2% | CKX, Inc. (a) | 8,700 | 76,125 |
| | Citadel Broadcasting Corp. (a) | 30,650 | 37,393 |
| | Cox Radio, Inc. Class A (a) | 4,300 | 50,740 |
| | Cumulus Media, Inc. Class A (a) | 5,200 | 20,488 |
| | Entercom Communications Corp. | 5,300 | 37,206 |
| | Fisher Communications, Inc. (a) | 1,000 | 34,440 |
| | Gray Television, Inc. | 6,800 | 19,516 |
| | Lin TV Corp. Class A (a) | 4,500 | 26,820 |
| | Outdoor Channel Holdings, Inc. (a) | 3,200 | 22,336 |
| | Sinclair Broadcast Group, Inc. Class A | 9,400 | 71,440 |
| | Westwood One, Inc. (a) | 8,100 | 10,044 |
| | World Wrestling Entertainment, Inc. | 3,600 | 55,692 |
| | | | 462,240 |
| Railroad Equipment - 0.3% | American Railcar Industries, Inc. | 1,300 | 21,814 |
| | Freightcar America, Inc. | 2,000 | 71,000 |
| | Greenbrier Cos., Inc. | 2,800 | 56,840 |
| | Westinghouse Air Brake Technologies Corp. | 8,100 | 393,822 |
| | | | 543,476 |
| Railroads - 0.1% | Genesee & Wyoming, Inc. Class A (a) | 4,950 | 168,399 |
| Real Estate - 0.2% | AMREP Corp. | 300 | 14,277 |
| | Avatar Holdings, Inc. (a) | 1,000 | 30,290 |
| | Bluegreen Corp. (a) | 2,200 | 13,310 |
| | Cogdell Spencer, Inc. | 2,100 | 34,125 |
| | Consolidated-Tomoka Land Co. | 1,000 | 42,060 |
| | FX Real Estate and Entertainment, Inc. (a) | 1,360 | 2,584 |
| | Forestar Real Estate Group, Inc. (a) | 5,966 | 113,652 |
| | Griffin Land & Nurseries, Inc. | 500 | 15,350 |
| | Grubb & Ellis Co. | 5,400 | 20,790 |
| | Hilltop Holdings, Inc. (a) | 7,652 | 78,892 |
| | Meruelo Maddux Properties, Inc. (a) | 7,220 | 15,740 |
| | Resource Capital Corp. | 3,400 | 24,514 |
| | Stratus Properties, Inc. (a) | 700 | 12,173 |
| | Tejon Ranch Co. (a) | 1,800 | 64,908 |
| | Thomas Properties Group, Inc. | 3,600 | 35,424 |
| | | | 518,089 |
| Real Estate Investment Trusts (REITs) - 5.0% | Acadia Realty Trust (b) | 5,700 | 131,955 |
| | Agree Realty Corp. | 1,600 | 35,280 |

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| | | |
|-----------------------------------|--------|---------|
| Alexander s, Inc. (a) | 300 | 93,180 |
| American Campus Communities, Inc. | 6,759 | 188,157 |
| American Capital Agency Corp. | 1,900 | 31,616 |
| Anthracite Capital, Inc. (c) | 9,600 | 67,584 |
| Anworth Mortgage Asset Corp. | 13,900 | 90,489 |
| Arbor Realty Trust, Inc. | 2,400 | 21,528 |
| Ashford Hospitality Trust, Inc. | 20,950 | 96,789 |
| Associated Estates Realty Corp. | 2,400 | 25,704 |

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Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|----------|---|----------------|------------|
| | BioMed Realty Trust, Inc. | 12,100 | \$ 296,813 |
| | CapLease, Inc. | 6,200 | 46,438 |
| | Capital Trust, Inc. | 2,800 | 53,788 |
| | Capstead Mortgage Corp. | 9,300 | 100,905 |
| | Care Investment Trust, Inc. | 2,000 | 18,860 |
| | Cedar Shopping Centers, Inc. | 7,200 | 84,384 |
| | Chimera Investment Corp. | 5,600 | 50,456 |
| | Colonial Properties Trust | 8,300 | 166,166 |
| | Corporate Office Properties Trust | 6,500 | 223,145 |
| | Cousins Properties, Inc. | 7,800 | 180,180 |
| | DCT Industrial Trust, Inc. | 28,750 | 238,050 |
| | DiamondRock Hospitality Co. | 15,840 | 172,498 |
| | Dupont Fabros Technology, Inc. | 2,100 | 39,144 |
| | Eastgroup Properties, Inc. | 4,200 | 180,180 |
| | Education Realty Trust, Inc. | 4,700 | 54,755 |
| | Entertainment Properties Trust | 5,100 | 252,144 |
| | Equity Lifestyle Properties, Inc. | 3,400 | 149,600 |
| | Equity One, Inc. | 5,400 | 110,970 |
| | Extra Space Storage, Inc. | 12,900 | 198,144 |
| | FelCor Lodging Trust, Inc. | 11,100 | 116,550 |
| | First Industrial Realty Trust, Inc. | 7,500 | 206,025 |
| | First Potomac Realty Trust | 4,100 | 62,484 |
| | Franklin Street Properties Corp. | 9,100 | 115,024 |
| | Friedman Billings Ramsey Group, Inc. Class A | 24,500 | 36,750 |
| | Getty Realty Corp. | 2,800 | 40,348 |
| | Glimcher Realty Trust | 6,400 | 71,552 |
| | Gramercy Capital Corp. | 7,061 | 81,837 |
| | Hatteras Financial Corp. | 1,900 | 43,681 |
| | Healthcare Realty Trust, Inc. | 8,500 | 202,045 |
| | Hersha Hospitality Trust | 5,900 | 44,545 |
| | Highwoods Properties, Inc. | 9,600 | 301,632 |
| | Home Properties, Inc. | 5,400 | 259,524 |
| | Inland Real Estate Corp. | 9,500 | 136,990 |
| | Investors Real Estate Trust | 9,700 | 92,538 |
| | JER Investors Trust, Inc. | 3,800 | 23,940 |
| | Kite Realty Group Trust | 3,400 | 42,500 |
| | LTC Properties, Inc. | 3,900 | 99,684 |
| | LaSalle Hotel Properties | 6,800 | 170,884 |
| | Lexington Corporate Properties Trust | 8,330 | 113,538 |
| | MFA Mortgage Investments, Inc. | 26,300 | 171,476 |
| | Maguire Properties, Inc. | 6,500 | 79,105 |
| | Medical Properties Trust, Inc. | 11,700 | 118,404 |
| | Mid-America Apartment Communities, Inc. | 4,400 | 224,576 |
| | Mission West Properties, Inc. | 2,500 | 27,400 |
| | Monmouth Real Estate Investment Corp. Class A | 4,100 | 26,240 |
| | National Health Investors, Inc. | 3,800 | 108,338 |
| | National Retail Properties, Inc. | 12,300 | 257,070 |

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Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|--|---|----------------|------------|
| | Newcastle Investment Corp. | 9,400 | \$ 65,894 |
| | NorthStar Realty Finance Corp. | 9,400 | 78,208 |
| | Omega Healthcare Investors, Inc. | 11,700 | 194,805 |
| | One Liberty Properties, Inc. | 1,700 | 27,727 |
| | PS Business Parks, Inc. | 2,500 | 129,000 |
| | Parkway Properties, Inc. | 2,600 | 87,698 |
| | Pennsylvania Real Estate Investment Trust | 6,200 | 143,468 |
| | Post Properties, Inc. | 7,400 | 220,150 |
| | Potlatch Corp. | 6,639 | 299,552 |
| | RAIT Investment Trust | 10,840 | 80,433 |
| | Ramco-Gershenson Properties Trust | 3,000 | 61,620 |
| | Realty Income Corp. | 17,100 | 389,196 |
| | Redwood Trust, Inc. | 5,700 | 129,903 |
| | Saul Centers, Inc. | 1,800 | 84,582 |
| | Senior Housing Properties Trust | 16,300 | 318,339 |
| | Sovran Self Storage, Inc. | 3,600 | 149,616 |
| | Strategic Hotel Capital, Inc. | 12,100 | 113,377 |
| | Sun Communities, Inc. | 3,100 | 56,513 |
| | Sunstone Hotel Investors, Inc. | 10,200 | 169,320 |
| | Tanger Factory Outlet Centers, Inc. | 5,500 | 197,615 |
| | U-Store-It Trust | 8,800 | 105,160 |
| | Universal Health Realty Income Trust | 1,900 | 57,000 |
| | Urstadt Biddle Properties, Inc. Class A | 3,400 | 49,844 |
| | Washington Real Estate Investment Trust | 8,300 | 249,415 |
| | Winthrop Realty Trust, Inc. | 6,600 | 23,760 |
| | | | 10,155,777 |
| Recreational Vehicles & Boats - | | | |
| 0.2% | Fleetwood Enterprises, Inc. (a) | 10,900 | 28,558 |
| | Marine Products Corp. | 1,600 | 10,560 |
| | Polaris Industries, Inc. | 5,700 | 230,166 |
| | Winnebago Industries, Inc. | 4,800 | 48,912 |
| | | | 318,196 |
| Rental & Leasing Services: | | | |
| Commercial - 0.1% | | | |
| | Aircastle Ltd. | 8,300 | 69,803 |
| | Electro Rent Corp. | 3,500 | 43,890 |
| | H&E Equipment Services, Inc. (a) | 2,600 | 31,252 |
| | McGrath RentCorp | 3,900 | 95,901 |
| | | | 240,846 |
| Rental & Leasing Services: | | | |
| Consumer - 0.3% | | | |
| | Aaron Rents, Inc. | 7,500 | 167,475 |
| | Amerco, Inc. (a) | 1,600 | 76,288 |
| | Dollar Thrifty Automotive Group, Inc. (a) | 3,600 | 34,020 |
| | RSC Holdings, Inc. (a) | 7,800 | 72,228 |
| | Rent-A-Center, Inc. (a) | 11,500 | 236,555 |

| | | | |
|---------------------------|----------------------------|-------|---------|
| | | | 586,566 |
| Restaurants - 1.0% | AFC Enterprises, Inc. (a) | 4,300 | 34,357 |
| | BJ's Restaurants, Inc. (a) | 2,400 | 23,352 |
| | Bob Evans Farms, Inc. | 5,300 | 151,580 |
| | 37 | | |

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Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|----------------------|--|----------------|-----------|
| | Buffalo Wild Wings, Inc. (a) | 3,100 | \$ 76,973 |
| | CBRL Group, Inc. | 3,758 | 92,109 |
| | CEC Entertainment, Inc. (a) | 3,700 | 103,637 |
| | CKE Restaurants, Inc. | 8,800 | 109,736 |
| | California Pizza Kitchen, Inc. (a) | 4,250 | 47,557 |
| | The Cheesecake Factory, Inc. (a) | 11,200 | 178,192 |
| | Denny's Corp. (a) | 16,800 | 47,712 |
| | DineEquity, Inc. | 2,900 | 108,344 |
| | Domino's Pizza, Inc. (a) | 6,600 | 75,900 |
| | Einstein Noah Restaurant Group, Inc. (a) | 600 | 6,642 |
| | Jack in the Box, Inc. (a) | 9,900 | 221,859 |
| | Krispy Kreme Doughnuts, Inc. (a) | 10,500 | 52,395 |
| | Landry's Restaurants, Inc. | 2,400 | 43,128 |
| | Luby's, Inc. (a) | 3,300 | 20,130 |
| | O Charleys, Inc. | 3,900 | 39,234 |
| | P.F. Chang's China Bistro, Inc. (a) | 4,200 | 93,828 |
| | Papa John's International, Inc. (a) | 3,800 | 101,042 |
| | Red Robin Gourmet Burgers, Inc. (a) | 2,800 | 77,672 |
| | Ruby Tuesday, Inc. | 8,800 | 47,520 |
| | Ruth's Hospitality Group, Inc. (a) | 3,400 | 17,612 |
| | Sonic Corp. (a) | 10,170 | 150,516 |
| | The Steak 'n Shake Co. (a) | 4,600 | 29,118 |
| | Texas Roadhouse, Inc. Class A (a) | 8,600 | 77,142 |
| | Triarc Cos. | 10,200 | 64,566 |
| | | | 2,091,853 |
| Retail - 2.6% | 1-800-FLOWERS.COM, Inc. Class A (a) | 4,400 | 28,380 |
| | 99 Cents Only Stores (a) | 7,900 | 52,140 |
| | America's Car Mart, Inc. (a) | 1,900 | 34,048 |
| | Asbury Automotive Group, Inc. | 5,700 | 73,245 |
| | Aéropostale, Inc. (a) | 11,400 | 357,162 |
| | bebe Stores, Inc. | 6,300 | 60,543 |
| | Big 5 Sporting Goods Corp. | 4,000 | 30,280 |
| | Blockbuster, Inc. Class A (a) | 30,900 | 77,250 |
| | Blue Nile, Inc. (a) | 2,300 | 97,796 |
| | Borders Group, Inc. | 10,200 | 61,200 |
| | Brown Shoe Co., Inc. | 7,125 | 96,544 |
| | The Buckle, Inc. | 2,600 | 118,898 |
| | Build-A-Bear Workshop, Inc. (a) | 2,500 | 18,175 |
| | CSK Auto Corp. (a) | 7,200 | 75,456 |
| | Cabela's, Inc. Class A (a) | 5,800 | 63,858 |
| | Cache, Inc. (a) | 1,900 | 20,330 |
| | Casual Male Retail Group, Inc. (a) | 6,300 | 19,215 |
| | The Cato Corp. Class A | 5,000 | 71,200 |
| | Central Garden & Pet Co. Class A (a) | 10,869 | 44,563 |
| | Charlotte Russe Holding, Inc. (a) | 3,500 | 62,160 |
| | Charming Shoppes, Inc. (a) | 19,100 | 87,669 |
| | Chico's FAS, Inc. (a) | 30,300 | 162,711 |

Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|----------|--|-------------|------------|
| | The Children's Place Retail Stores, Inc. (a) | 4,000 | \$ 144,400 |
| | Christopher & Banks Corp. | 6,000 | 40,800 |
| | Circuit City Stores, Inc. | 29,500 | 85,255 |
| | Coldwater Creek, Inc. (a) | 10,200 | 53,856 |
| | Collective Brands, Inc. (a) | 10,300 | 119,789 |
| | Conn's, Inc. (a) | 1,600 | 25,712 |
| | Dillard's, Inc. Class A | 9,900 | 114,543 |
| | Dress Barn, Inc. (a) | 7,600 | 101,688 |
| | drugstore.com, Inc. (a) | 13,200 | 25,080 |
| | Ezcorp, Inc. (a) | 6,700 | 85,425 |
| | FGX International Holdings Ltd. (a) | 1,500 | 12,060 |
| | FTD Group, Inc. | 2,700 | 35,991 |
| | Fred's, Inc. | 6,700 | 75,308 |
| | GSI Commerce, Inc. (a) | 4,000 | 54,520 |
| | Gaiam, Inc. (a) | 3,000 | 40,530 |
| | Genesco, Inc. (a) | 4,000 | 123,480 |
| | Group 1 Automotive, Inc. | 3,800 | 75,506 |
| | Gymboree Corp. (a) | 4,900 | 196,343 |
| | Hibbett Sports, Inc. (a) | 4,850 | 102,335 |
| | Hot Topic, Inc. (a) | 7,800 | 42,198 |
| | Insight Enterprises, Inc. (a) | 8,100 | 95,013 |
| | Jo-Ann Stores, Inc. (a) | 4,200 | 96,726 |
| | Jos. A. Bank Clothiers, Inc. (a) | 3,025 | 80,919 |
| | Lawson Products, Inc. | 979 | 24,260 |
| | MarineMax, Inc. (a) | 2,700 | 19,359 |
| | Men's Wearhouse, Inc. | 8,900 | 144,981 |
| | New York & Co. (a) | 3,500 | 31,955 |
| | Overstock.com, Inc. (a) | 2,700 | 70,065 |
| | PC Connection, Inc. (a) | 1,000 | 9,310 |
| | PC Mall, Inc. (a) | 2,100 | 28,476 |
| | Pacific Sunwear of California, Inc. (a) | 11,400 | 97,242 |
| | The Pantry, Inc. (a) | 3,800 | 40,508 |
| | The Pep Boys - Manny, Moe & Jack | 7,100 | 61,912 |
| | PetMed Express, Inc. (a) | 4,300 | 52,675 |
| | Pier 1 Imports, Inc. (a) | 15,000 | 51,600 |
| | PriceSmart, Inc. | 2,100 | 41,538 |
| | Retail Ventures, Inc. (a) | 3,500 | 16,100 |
| | Rush Enterprises, Inc. Class A (a) | 5,700 | 68,457 |
| | Russ Berrie & Co., Inc. (a) | 2,200 | 17,534 |
| | Sally Beauty Co., Inc. (a) | 14,800 | 95,608 |
| | School Specialty, Inc. (a) | 3,500 | 104,055 |
| | Shutterfly, Inc. (a) | 3,600 | 43,956 |
| | Sonic Automotive, Inc. | 4,400 | 56,716 |
| | Stage Stores, Inc. | 6,450 | 75,271 |
| | Stamps.com, Inc. (a) | 3,000 | 37,440 |
| | Stein Mart, Inc. | 4,300 | 19,393 |
| | Syms Corp. | 1,000 | 13,600 |

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Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|----------------------------------|---------------------------------------|----------------|-----------|
| | Systemax, Inc. | 1,500 | \$ 26,475 |
| | The Talbots, Inc. | 3,700 | 42,883 |
| | Tractor Supply Co. (a) | 5,800 | 168,432 |
| | Tuesday Morning Corp. (a) | 5,100 | 20,961 |
| | Tween Brands, Inc. (a) | 4,200 | 69,132 |
| | Volcom, Inc. (a) | 3,200 | 76,576 |
| | The Wet Seal, Inc. Class A (a) | 16,200 | 77,274 |
| | Zale Corp. (a) | 6,100 | 115,229 |
| | Zumiez, Inc. (a) | 3,300 | 54,714 |
| | | | 5,413,987 |
| Savings & Loan - 0.9% | Anchor Bancorp Wisconsin, Inc. | 3,400 | 23,834 |
| | Bank Mutual Corp. | 8,500 | 85,340 |
| | Berkshire Hills Bancorp, Inc. | 1,500 | 35,475 |
| | Brookline Bancorp, Inc. | 10,200 | 97,410 |
| | Brooklyn Federal Bancorp, Inc. | 900 | 10,845 |
| | Danvers Bancorp, Inc. (a) | 3,300 | 36,300 |
| | Dime Community Bancshares, Inc. | 4,400 | 72,644 |
| | Downey Financial Corp. | 3,400 | 9,418 |
| | ESSA Bancorp, Inc. | 3,300 | 41,316 |
| | FirstFed Financial Corp. (a) | 2,300 | 18,492 |
| | First Financial Holdings, Inc. | 2,300 | 39,514 |
| | First Financial Northwest, Inc. | 4,300 | 42,699 |
| | First Niagara Financial Group, Inc. | 18,400 | 236,624 |
| | First Place Financial Corp. | 2,300 | 21,620 |
| | Flagstar Bancorp, Inc. | 7,100 | 21,371 |
| | Flushing Financial Corp. | 3,400 | 64,430 |
| | Guaranty Financial Group, Inc. (a) | 6,900 | 37,053 |
| | Home Federal Bancorp, Inc. | 900 | 8,874 |
| | IBERIABANK Corp. | 2,300 | 102,281 |
| | IndyMac Bancorp, Inc. | 19,700 | 12,214 |
| | Kearny Financial Corp. | 3,000 | 33,000 |
| | Meridian Interstate Bancorp, Inc. (a) | 1,600 | 15,552 |
| | NASB Financial, Inc. | 300 | 5,334 |
| | NewAlliance Bancshares, Inc. | 18,300 | 228,384 |
| | Northwest Bancorp, Inc. | 2,900 | 63,278 |
| | OceanFirst Financial Corp. | 1,800 | 32,490 |
| | Ocwen Financial Corp. (a) | 5,800 | 26,970 |
| | Provident Financial Services, Inc. | 10,100 | 141,501 |
| | Provident New York Bancorp | 6,900 | 76,314 |
| | Rockville Financial, Inc. | 1,400 | 17,584 |
| | Roma Financial Corp. | 1,100 | 14,410 |
| | Sterling Financial Corp. | 8,460 | 35,024 |
| | United Community Financial Corp. | 4,400 | 16,500 |
| | ViewPoint Financial Group | 1,800 | 26,496 |

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Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|--|---|----------------|-----------|
| | W Holding Co., Inc. | 18,600 | \$ 15,810 |
| | Westfield Financial, Inc. | 5,900 | 53,395 |
| | | | 1,819,796 |
| Scientific Equipment & Suppliers - 0.2% | Newport Corp. (a) | 6,400 | 72,896 |
| | Varian, Inc. (a) | 5,000 | 255,300 |
| | | | 328,196 |
| Securities Brokerage & Services - 0.5% | Diamond Hill Investments Group (a) | 400 | 33,400 |
| | GFI Group, Inc. | 11,000 | 99,110 |
| | Gladstone Investment Corp. | 4,300 | 27,649 |
| | International Assets Holding Corp., Inc. (a) | 600 | 18,036 |
| | KBW, Inc. (a) | 4,400 | 90,552 |
| | Knight Capital Group, Inc. Class A (a) | 15,900 | 285,882 |
| | LaBranche & Co., Inc. (a) | 8,600 | 60,888 |
| | Ladenburg Thalmann Financial Services, Inc. (a) | 13,700 | 20,687 |
| | MarketAxess Holdings, Inc. (a) | 5,100 | 38,556 |
| | optionsXpress Holdings, Inc. | 7,300 | 163,082 |
| | Penson Worldwide, Inc. (a) | 3,100 | 37,045 |
| | SWS Group, Inc. | 4,300 | 71,423 |
| | Thomas Weisel Partners Group, Inc. (a) | 3,021 | 16,525 |
| | | | 962,835 |
| Services: Commercial - 3.0% | ABM Industries, Inc. | 7,400 | 164,650 |
| | AMN Healthcare Services, Inc. (a) | 5,700 | 96,444 |
| | Administaff, Inc. | 3,800 | 105,982 |
| | The Advisory Board Co. (a) | 3,100 | 121,923 |
| | Ambassadors Group, Inc. | 3,500 | 52,220 |
| | Angelica Corp. | 1,200 | 25,524 |
| | CBIZ, Inc. (a) | 7,600 | 60,420 |
| | CDI Corp. | 2,300 | 58,512 |
| | CRA International, Inc. (a) | 2,000 | 72,300 |
| | Casella Waste Systems, Inc. (a) | 3,700 | 45,103 |
| | Chemed Corp. | 4,000 | 146,440 |
| | Coinstar, Inc. (a) | 4,700 | 153,737 |
| | Cornell Cos., Inc. (a) | 1,700 | 40,987 |
| | CoStar Group, Inc. (a) | 3,300 | 146,685 |
| | Cross Country Healthcare, Inc. (a) | 5,600 | 80,696 |
| | Dice Holdings, Inc. (a) | 2,100 | 17,346 |
| | DynCorp. International, Inc. (a) | 4,100 | 62,115 |
| | Exponent, Inc. (a) | 2,500 | 78,525 |
| | First Advantage Corp. Class A (a) | 2,000 | 31,700 |
| | Forrester Research, Inc. (a) | 2,400 | 74,112 |
| | G&K Services, Inc. Class A | 3,300 | 100,518 |
| | The Geo Group, Inc. (a) | 8,800 | 198,000 |

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| | | |
|--|-------|--------|
| Gevity HR, Inc. | 4,600 | 24,748 |
| Global Sources Ltd. (a) | 2,680 | 40,682 |
| Global Traffic Network, Inc. (a) | 2,300 | 20,562 |
| Heidrick & Struggles International, Inc. | 3,100 | 85,684 |

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Edgar Filing: Small Cap Premium & Dividend Income Fund, Inc. - Form N-CSRS

Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|------------------------|-------------------------------------|----------------|-----------|
| | Hudson Highland Group, Inc. (a) | 4,100 | \$ 42,927 |
| | ICF International, Inc. (a) | 1,300 | 21,606 |
| | ICT Group, Inc. (a) | 1,300 | 10,660 |
| | IKON Office Solutions, Inc. | 13,700 | 154,536 |
| | Jackson Hewitt Tax Service, Inc. | 4,700 | 57,434 |
| | Kelly Services, Inc. Class A | 4,600 | 88,918 |
| | Kforce, Inc. (a) | 5,100 | 43,299 |
| | The Knot, Inc. (a) | 4,800 | 46,944 |
| | Korn/Ferry International (a) | 7,400 | 116,402 |
| | Liquidity Services, Inc. (a) | 2,700 | 31,131 |
| | MAXIMUS, Inc. | 3,000 | 104,460 |
| | MPS Group, Inc. (a) | 15,900 | 169,017 |
| | Midas, Inc. (a) | 2,700 | 36,450 |
| | Monro Muffler, Inc. | 2,800 | 43,372 |
| | Navigant Consulting, Inc. (a) | 8,300 | 162,348 |
| | Net 1 UEPS Technologies, Inc. (a) | 7,500 | 182,250 |
| | Nutri/System, Inc. | 5,400 | 76,356 |
| | On Assignment, Inc. (a) | 5,300 | 42,506 |
| | Orbitz Worldwide, Inc. (a) | 5,100 | 25,551 |
| | PHH Corp. (a) | 9,400 | 144,290 |
| | PRG-Schultz International, Inc. (a) | 2,900 | 27,289 |
| | People Support, Inc. (a) | 3,700 | 31,450 |
| | Perficient, Inc. (a) | 5,200 | 50,232 |
| | Pre-Paid Legal Services, Inc. (a) | 1,500 | 60,930 |
| | The Providence Service Corp. (a) | 2,100 | 44,331 |
| | Regis Corp. | 7,300 | 192,355 |
| | Resources Connection, Inc. | 7,900 | 160,765 |
| | Rollins, Inc. | 7,400 | 109,668 |
| | Spherion Corp. (a) | 10,000 | 46,200 |
| | Standard Parking Corp. (a) | 1,400 | 25,480 |
| | Steiner Leisure Ltd. (a) | 2,500 | 70,875 |
| | TeleTech Holdings, Inc. (a) | 6,600 | 131,736 |
| | Tetra Tech, Inc. (a) | 9,900 | 223,938 |
| | TrueBlue, Inc. (a) | 7,500 | 99,075 |
| | Unifirst Corp. | 2,200 | 98,252 |
| | Viad Corp. | 3,400 | 87,686 |
| | Volt Information Sciences, Inc. (a) | 2,150 | 25,607 |
| | Waste Connections, Inc. (a) | 11,200 | 357,616 |
| | Waste Services, Inc. (a) | 3,133 | 22,056 |
| | Watson Wyatt Worldwide, Inc. | 7,200 | 380,808 |
| | World Fuel Services Corp. | 4,600 | 100,924 |
| | | | 6,053,345 |
| Shipping - 0.9% | American Commercial Lines, Inc. (a) | 6,200 | 67,766 |
| | Arlington Tankers Ltd. | 1,800 | 41,796 |
| | Double Hull Tankers, Inc. | 7,100 | 71,213 |

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Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|--|--|----------------|------------|
| | Eagle Bulk Shipping, Inc. | 7,900 | \$ 233,603 |
| | Genco Shipping & Trading Ltd. | 3,800 | 247,760 |
| | General Maritime Corp. | 4,500 | 116,910 |
| | Golar LNG Ltd. | 6,000 | 92,940 |
| | Gulfmark Offshore, Inc. (a) | 3,500 | 203,630 |
| | Horizon Lines, Inc. Class A | 5,100 | 50,745 |
| | International Shipholding Corp. (a) | 1,200 | 28,128 |
| | Knightsbridge Tankers Ltd. | 2,600 | 83,746 |
| | Nordic American Tanker Shipping Ltd. | 5,900 | 229,038 |
| | Ship Finance International Ltd. | 7,100 | 209,663 |
| | TBS International Ltd. (a) | 1,900 | 75,905 |
| | | | 1,752,843 |
| Shoes - 0.6% | Crocs, Inc. (a) | 14,400 | 115,344 |
| | DSW, Inc. Class A (a) | 2,600 | 30,628 |
| | Deckers Outdoor Corp. (a) | 2,200 | 306,240 |
| | The Finish Line, Inc. Class A (a) | 7,956 | 69,215 |
| | Iconix Brand Group, Inc. (a) | 10,000 | 120,800 |
| | K-Swiss, Inc. Class A | 4,200 | 61,740 |
| | Kenneth Cole Productions, Inc. Class A | 1,500 | 19,050 |
| | Shoe Carnival, Inc. (a) | 1,400 | 16,506 |
| | Skechers U.S.A., Inc. Class A (a) | 5,400 | 106,704 |
| | Steven Madden Ltd. (a) | 3,300 | 60,654 |
| | Timberland Co. Class A (a) | 7,900 | 129,165 |
| | Weyco Group, Inc. | 900 | 23,877 |
| | Wolverine World Wide, Inc. | 8,400 | 224,028 |
| | | | 1,283,951 |
| Steel - 0.3% | China Precision Steel, Inc. (a) | 3,500 | 15,260 |
| | Esmark, Inc. (a) | 2,600 | 49,712 |
| | General Steel Holdings, Inc. (a) | 1,300 | 20,436 |
| | Gibraltar Industries, Inc. | 4,700 | 75,059 |
| | Olympic Steel, Inc. | 1,600 | 121,472 |
| | Sutor Technology Group Ltd. (a) | 1,700 | 12,019 |
| | Universal Stainless & Alloy Products, Inc. (a) | 1,100 | 40,744 |
| | Worthington Industries, Inc. | 10,900 | 223,450 |
| | | | 558,152 |
| Sugar - 0.0% | Imperial Sugar Co. New Shares | 1,900 | 29,507 |
| Telecommunications Equipment - 0.6% | Airvana, Inc. (a) | 3,700 | 19,832 |
| | Applied Signal Technology, Inc. | 2,400 | 32,784 |
| | Arris Group, Inc. (a) | 21,046 | 177,839 |
| | Audiovox Corp. Class A (a) | 2,800 | 27,496 |
| | Belden, Inc. | 7,400 | 250,712 |
| | Mastec, Inc. (a) | 6,900 | 73,554 |

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| | | |
|----------------------------------|--------|-----------|
| OpNext, Inc. (a) | 2,200 | 11,836 |
| Plantronics, Inc. | 8,200 | 183,024 |
| Polycom, Inc. (a) | 14,800 | 360,528 |
| Powerwave Technologies, Inc. (a) | 22,200 | 94,350 |
| Preformed Line Products Co. | 300 | 12,093 |
| Symmetricom, Inc. (a) | 8,000 | 30,720 |
| | | <hr/> |
| | | 1,274,768 |

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Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|--|---|----------------|------------|
| Textile Products - 0.1% | Interface, Inc. Class A | 9,000 | \$ 112,770 |
| | Unifi, Inc. (a) | 8,900 | 22,428 |
| | | | 135,198 |
| Textiles Apparel Manufacturers - 0.8% | American Apparel, Inc. (a) | 6,200 | 41,230 |
| | Carter s, Inc. (a) | 9,100 | 125,762 |
| | Cherokee, Inc. | 1,400 | 28,210 |
| | Columbia Sportswear Co. | 2,200 | 80,850 |
| | G-III Apparel Group, Ltd. (a) | 1,900 | 23,446 |
| | J. Crew Group, Inc. (a) | 7,270 | 239,983 |
| | Lululemon Athletica, Inc. (a) | 3,200 | 92,992 |
| | Maidenform Brands, Inc. (a) | 3,300 | 44,550 |
| | Oxford Industries, Inc. | 2,400 | 45,960 |
| | Perry Ellis International, Inc. (a) | 1,850 | 39,257 |
| | Quiksilver, Inc. (a) | 21,600 | 212,112 |
| | True Religion Apparel, Inc. (a) | 3,000 | 79,950 |
| | Under Armour, Inc. Class A (a) | 5,500 | 141,020 |
| | The Warnaco Group, Inc. (a) | 7,600 | 334,932 |
| | | | 1,530,254 |
| Tires & Rubber - 0.1% | Cooper Tire & Rubber Co. | 9,900 | 77,616 |
| | Titan International, Inc. | 4,600 | 163,852 |
| | | | 241,468 |
| Tobacco - 0.2% | Alliance One International, Inc. (a)(b) | 16,400 | 83,804 |
| | Schweitzer-Mauduit International, Inc. | 2,600 | 43,810 |
| | Star Scientific, Inc. (a) | 13,400 | 16,080 |
| | Universal Corp. | 4,700 | 212,534 |
| | Vector Group Ltd. | 5,519 | 89,021 |
| | | | 445,249 |
| Toys - 0.2% | Jakks Pacific, Inc. (a) | 4,600 | 100,510 |
| | Leapfrog Enterprises, Inc. (a) | 5,600 | 46,592 |
| | Marvel Entertainment, Inc. (a) | 8,200 | 263,548 |
| | | | 410,650 |
| Transportation Miscellaneous - 0.3% | CAI International, Inc. (a) | 1,100 | 19,140 |
| | Celadon Group, Inc. (a) | 4,000 | 39,960 |
| | Dynamex, Inc. (a) | 1,400 | 37,534 |
| | HUB Group, Inc. Class A (a) | 6,200 | 211,606 |
| | Odyssey Marine Exploration, Inc. (a) | 7,900 | 31,363 |
| | Pacer International, Inc. | 5,900 | 126,909 |

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| | | | |
|------------------------|-------------------------------|-------|---------|
| | Textainer Group Holdings Ltd. | 1,500 | 29,295 |
| | Ultrapetrol Bahamas Ltd. (a) | 4,100 | 51,701 |
| | | | 547,508 |
| Truckers - 0.6% | Arkansas Best Corp. | 3,900 | 142,896 |
| | Forward Air Corp. | 5,100 | 176,460 |
| | Heartland Express, Inc. | 9,900 | 147,609 |
| | Knight Transportation, Inc. | 9,550 | 174,765 |
| | Marten Transport Ltd. (a) | 2,500 | 39,925 |

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Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|---|---|----------------|------------|
| | Old Dominion Freight Line, Inc. (a) | 4,650 | \$ 139,593 |
| | Patriot Transportation Holding, Inc. (a) | 200 | 16,000 |
| | Saia, Inc. (a) | 2,300 | 25,116 |
| | Universal Truckload Services, Inc. (a) | 1,000 | 22,020 |
| | Werner Enterprises, Inc. | 7,200 | 133,776 |
| | YRC Worldwide, Inc. (a) | 9,840 | 146,321 |
| | | | 1,164,481 |
| Utilities: Cable TV & Radio - 0.0% | Mediacom Communications Corp. Class A (a) | 8,000 | 42,720 |
| Utilities: Electrical - 1.7% | Allete, Inc. | 4,400 | 184,800 |
| | Avista Corp. | 9,200 | 197,432 |
| | Black Hills Corp. | 6,400 | 205,184 |
| | CH Energy Group, Inc. | 2,700 | 96,039 |
| | Central Vermont Public Service Corp. | 1,300 | 25,181 |
| | Cleco Corp. | 10,200 | 237,966 |
| | El Paso Electric Co. (a) | 7,700 | 152,460 |
| | The Empire District Electric Co. | 5,700 | 105,678 |
| | IDACORP, Inc. | 7,600 | 219,564 |
| | ITC Holdings Corp. | 8,300 | 424,213 |
| | MGE Energy, Inc. | 3,700 | 120,694 |
| | NorthWestern Corp. | 6,500 | 165,230 |
| | Otter Tail Corp. | 5,000 | 194,150 |
| | PNM Resources, Inc. | 13,300 | 159,068 |
| | Pike Electric Corp. (a) | 2,800 | 46,508 |
| | Portland General Electric Co. | 10,800 | 243,216 |
| | UIL Holdings Corp. | 4,333 | 127,434 |
| | Unisource Energy Corp. | 5,800 | 179,858 |
| | Westar Energy, Inc. | 17,900 | 385,029 |
| | | | 3,469,704 |
| Utilities: Gas Distributors - 1.0% | Chesapeake Utilities Corp. | 1,400 | 36,008 |
| | EnergySouth, Inc. | 1,200 | 58,872 |
| | The Laclede Group, Inc. | 3,600 | 145,332 |
| | New Jersey Resources Corp. | 7,100 | 231,815 |
| | Nicor, Inc. | 7,700 | 327,943 |
| | Northwest Natural Gas Co. | 4,500 | 208,170 |
| | Piedmont Natural Gas Co. | 12,300 | 321,768 |
| | South Jersey Industries, Inc. | 5,000 | 186,800 |
| | Southwest Gas Corp. | 7,200 | 214,056 |
| | WGL Holdings, Inc. | 8,300 | 288,342 |
| | | | 2,019,106 |
| Utilities: Miscellaneous - 0.1% | Aquila, Inc. (a) | 63,000 | 237,510 |

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Utilities: Telecommunications -

| | | | |
|-------------|--|--------|---------|
| 1.0% | Alaska Communications Systems Group, Inc. | 7,400 | 88,356 |
| | Atlantic Tele-Network, Inc. | 1,300 | 35,763 |
| | Centennial Communications Corp. (a) | 11,100 | 77,589 |
| | Cincinnati Bell, Inc. (a) | 41,300 | 164,374 |
| | Consolidated Communications Holdings, Inc. | 3,319 | 49,420 |
| | FairPoint Communications, Inc. | 15,450 | 111,394 |

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Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Common Stocks | Shares Held | Value |
|---------------------------------------|---|----------------|-------------|
| | FiberTower Corp. (a) | 20,310 | \$ 28,434 |
| | General Communication, Inc. Class A (a) | 8,700 | 59,769 |
| | Global Crossing Ltd. (a) | 4,500 | 80,730 |
| | Globalstar, Inc. (a) | 8,200 | 23,206 |
| | Hungarian Telephone & Cable Corp. (a) | 400 | 7,296 |
| | ICO Global Communications Holdings Ltd. (a) | 17,500 | 57,050 |
| | IDT Corp. Class B | 8,100 | 13,770 |
| | iPCS, Inc. (a) | 2,900 | 85,927 |
| | Ibasis, Inc. | 4,100 | 13,448 |
| | Iowa Telecommunications Services, Inc. | 5,400 | 95,094 |
| | NTELOS Holdings Corp. | 5,000 | 126,850 |
| | Neutral Tandem, Inc. (a) | 2,700 | 47,250 |
| | ORBCOMM, Inc. (a) | 4,300 | 24,510 |
| | PAETEC Holding Corp. (a) | 20,570 | 130,620 |
| | Premiere Global Services, Inc. (a) | 10,400 | 151,632 |
| | RCN Corp. | 6,200 | 66,836 |
| | Rural Cellular Corp. Class A (a) | 2,200 | 97,922 |
| | Shenandoah Telecom Co. | 3,600 | 46,872 |
| | TW Telecom, Inc. (a) | 24,830 | 398,025 |
| | USA Mobility, Inc. | 4,300 | 32,465 |
| | Virgin Mobile USA, Inc. (a) | 3,600 | 9,900 |
| | | | 2,124,502 |
| Utilities: Water - 0.2% | American States Water Co. | 3,000 | 104,820 |
| | California Water Service Group | 3,300 | 108,141 |
| | Connecticut Water Service, Inc. | 1,700 | 38,080 |
| | Consolidated Water Co., Inc. | 2,000 | 39,600 |
| | Middlesex Water Co. | 2,500 | 41,475 |
| | SJW Corp. | 2,300 | 60,720 |
| | Southwest Water Co. | 3,965 | 39,729 |
| | | | 432,565 |
| Wholesalers - 0.2% | Brightpoint, Inc. (a) | 8,430 | 61,539 |
| | Chindex International, Inc. (a) | 2,100 | 30,807 |
| | Houston Wire & Cable Co. | 3,200 | 63,680 |
| | MWI Veterinary Supply, Inc. (a) | 1,900 | 62,909 |
| | Prestige Brands Holdings, Inc. (a) | 5,500 | 58,630 |
| | United Stationers, Inc. (a) | 4,000 | 147,800 |
| | | | 425,365 |
| Total Common Stocks | | | |
| (Cost - \$200,131,506) - 86.3% | | | 176,794,352 |
| Investment Companies | | | |
| | BlackRock Kelso Capital Corp. (c) | 1,400 | 13,244 |

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| | | |
|--|-------|--------|
| Gladstone Capital Corp. | 2,900 | 44,196 |
| Hercules Technology Growth Capital, Inc. | 5,600 | 50,008 |
| Kayne Anderson Energy Development Co. | 1,400 | 32,130 |
| Patriot Capital Funding, Inc. | 3,500 | 21,875 |

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Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

| Industry | Investment Companies | Shares Held | Value |
|---|---|--------------------------------|-----------------------|
| | Pennantpark Investment Corp. | 3,600 | \$ 25,956 |
| | Prospect Capital Corp. | 3,900 | 51,402 |
| Total Investment Companies (Cost - \$360,552) - 0.1% | | | 238,811 |
| | Short-Term Securities | Face Amount | |
| Time Deposits - 13.5% | State Street Bank & Trust Co., 1%, 7/01/08 | \$ 27,559,147 | 27,559,147 |
| Total Short-Term Securities (Cost - \$27,559,147) - 13.5% | | | 27,559,147 |
| Total Investments Before Options Written (Cost - \$228,051,205*) - 99.9% | | | 204,592,310 |
| | Options Written | Number of Contracts | |
| Call Options Written | Russell 2000 Index, expiring July 2008 at USD 750 | 1,000 | (82,500) |
| | Russell 2000 Index, expiring July 2008 at USD 760 | 750 | (33,750) |
| | | | (116,250) |
| Total Options Written (Premiums Received - \$1,627,209) - (0.1%) | | | (116,250) |
| Total Investments, Net of Options Written (Cost - \$226,423,996) - 99.8% | | | 204,476,060 |
| Other Assets Less Liabilities - 0.2% | | | 462,009 |
| Net Assets - 100.0% | | | \$ 204,938,069 |

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

| | |
|----------------|-----------------------|
| Aggregate cost | <u>\$ 217,401,378</u> |
|----------------|-----------------------|

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| | |
|-------------------------------|-----------------|
| Gross unrealized appreciation | \$ 3,215,812 |
| Gross unrealized depreciation | (16,024,880) |
| | <hr/> |
| Net unrealized depreciation | \$ (12,809,068) |
| | <hr/> |

- (a) Non-income producing security.
- (b) All or a portion of security held as collateral in connection with open financial futures contracts.
- (c) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

| Affiliate | Purchase Cost | Sales Cost | Realized Loss | Dividend Income |
|-------------------------------|---------------|------------|---------------|-----------------|
| Anthracite Capital, Inc. | \$ 7,219 | \$ 18,035 | (\$6,680) | \$ 6,500 |
| BlackRock Kelso Capital Corp. | \$ 3,714 | | | \$ 860 |

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

Small Cap Premium & Dividend Income Fund Inc.
Schedule of Investments June 30, 2008 (Unaudited)

Financial futures contracts purchased as of June 30, 2008 were as follows:

| Number of Contracts | Issue | Expiration Date | Face Value | Appreciation (Depreciation) |
|----------------------------|--------------------|------------------------|-------------------|------------------------------------|
| 400 | Russell 2000 Index | September 2008 | \$ 29,258,540 | \$ (1,590,540) |

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:

Level 1 - price quotations in active markets/exchanges for identical securities

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)

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 Note 1(a) of the Notes to Financial Statements.

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

| Valuation Inputs | Investments in Securities | Other Financial Instruments⁺ |
|-------------------------|----------------------------------|--|
| Level 1 | \$ 204,592,310 | \$ (1,706,790) |
| Level 2 | | |
| Level 3 | | |
| Total | \$ 204,592,310 | \$ (1,706,790) |

⁺ Other financial instruments are futures and options.
 See Notes to Financial Statements.

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(b) Not Applicable since no such divestments occurred during the semi-annual period covered since the last report on Form N-CSR.

- Item 7 Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies Not Applicable to this semi-annual report
- Item 8 Portfolio Managers of Closed-End Management Investment Companies Not Applicable to this semi-annual report
- Item 9 Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers Not Applicable
- Item 10 Submission of Matters to a Vote of Security Holders The registrant's Nominating Committee will consider nominees to the board of directors recommended by shareholders when a vacancy becomes available. Shareholders who wish to recommend a nominee should send nominations which include biographical information and set forth the qualifications of the proposed nominee to the registrant's Secretary. There have been no material changes to these procedures.
- Item 11 Controls and Procedures
 - 11(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 13a-15(b) under the Securities Exchange Act of 1934, as amended.
 - 11(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 second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.
- Item 12 Exhibits attached hereto
 - 12(a)(1) Code of Ethics Not Applicable to this semi-annual report
 - 12(a)(2) Certifications Attached hereto
 - 12(a)(3) Not Applicable

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12(b) 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.
Small Cap Premium & Dividend Income Fund Inc.

By: /s/ Mitchell M. Cox
Mitchell M. Cox
Chief Executive Officer of
Small Cap Premium & Dividend Income Fund Inc.

Date: August 21, 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
Mitchell M. Cox
Chief Executive Officer (principal executive officer) of
Small Cap Premium & Dividend Income Fund Inc.

Date: August 21, 2008

By: /s/ James E. Hillman
James E. Hillman
Chief Financial Officer (principal financial officer) of
Small Cap Premium & Dividend Income Fund Inc.

Date: August 21, 2008