

BLACKROCK PREFERRED & EQUITY ADVANTAGE TRUST  
Form N-Q  
September 28, 2009

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

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-21972

Name of Fund: BlackRock Preferred and Equity Advantage Trust (BTZ)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Anne F. Ackerley, Chief Executive Officer, BlackRock  
Preferred and Equity Advantage Trust, 40 East 52<sup>nd</sup> Street, New York, NY 10022.

Registrant's telephone number, including area code: (800) 882-0052, Option 4

Date of fiscal year end: 10/31/2009

Date of reporting period: 07/31/2009

Item 1 Schedule of Investments

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**BlackRock Preferred and Equity Advantage Trust**

Schedule of Investments July 31, 2009 (Unaudited)		(Percentages shown are based on Net Assets)	
Industry	Common Stocks	Shares	Value
<b>Aerospace &amp; Defense - 0.2%</b>	Honeywell International, Inc.	2,700	\$ 93,690
	Lockheed Martin Corp.	5,700	426,132
	Northrop Grumman Corp.	7,800	347,724
	United Technologies Corp.	2,700	147,069
			1,014,615
<b>Air Freight &amp; Logistics - 0.1%</b>	United Parcel Service, Inc. Class B	13,100	703,863
<b>Auto Components - 0.0%</b>	Johnson Controls, Inc.	5,500	142,340
<b>Beverages - 0.3%</b>	The Coca-Cola Co.	21,300	1,061,592
	PepsiCo, Inc.	8,700	493,725
			1,555,317
<b>Biotechnology - 0.3%</b>	Amgen, Inc. (a)	10,200	635,562
	Biogen Idec, Inc. (a)	3,700	175,935
	Celgene Corp. (a)	5,200	296,192
	Genzyme Corp. (a)	2,500	129,725
	Gilead Sciences, Inc. (a)	10,500	513,765
			1,751,179
<b>Capital Markets - 0.1%</b>	Federated Investors, Inc. Class B	10,000	259,300
	The Goldman Sachs Group, Inc.	2,020	329,866
	Morgan Stanley	4,500	128,250
			717,416
<b>Chemicals - 0.2%</b>	Air Products & Chemicals, Inc.	1,400	104,440
	E.I. du Pont de Nemours & Co.	22,000	680,460
	Monsanto Co.	4,300	361,200
	PPG Industries, Inc.	5,800	319,000
			1,465,100
<b>Commercial Banks - 0.3%</b>	M&T Bank Corp.	6,200	361,584
	Regions Financial Corp.	57,100	252,382
	Wells Fargo & Co.	49,500	1,210,770
			1,824,736
<b>Commercial Services &amp; Supplies - 0.2%</b>	Avery Dennison Corp.	11,800	315,414
	Pitney Bowes, Inc.	16,000	330,400
	Waste Management, Inc.	11,500	323,265
			969,079
<b>Communications Equipment - 0.3%</b>	Cisco Systems, Inc. (a)	34,800	765,948
	Motorola, Inc.	51,800	370,888
	QUALCOMM, Inc.	13,200	609,972
			1,746,808

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<b>Computers &amp; Peripherals - 0.6%</b>	Apple, Inc. (a)	8,900	1,454,171
	Dell, Inc. (a)	22,200	297,036
	EMC Corp. (a)	20,700	311,742
	Hewlett-Packard Co.	13,100	567,230
	International Business Machines Corp.	8,600	1,014,198
			3,644,377
<b>Distributors - 0.1%</b>	Genuine Parts Co.	10,900	386,078
<b>Diversified Financial Services - 1.0%</b>	Bank of America Corp. (b)	54,800	810,492
	Citigroup, Inc.	1,176,921	3,730,840

**BlackRock Preferred and Equity Advantage Trust**

Schedule of Investments July 31, 2009 (Unaudited)		(Percentages shown are based on Net Assets)	
Industry	Common Stocks	Shares	Value
	JPMorgan Chase & Co.	31,400	\$ 1,213,610
	NYSE Euronext	13,500	363,825
			6,118,767
<b>Diversified Telecommunication Services - 0.5%</b>	AT&T Inc.	57,887	1,518,376
	CenturyTel, Inc.	6,439	202,120
	Verizon Communications, Inc.	31,100	997,377
			2,717,873
<b>Electric Utilities - 0.2%</b>	American Electric Power Co., Inc.	3,200	99,072
	Duke Energy Corp.	30,100	465,948
	FirstEnergy Corp.	2,000	82,400
	Progress Energy, Inc.	8,000	315,520
	The Southern Co.	13,000	408,200
			1,371,140
<b>Electrical Equipment - 0.1%</b>	Emerson Electric Co.	16,200	589,356
	Rockwell Automation, Inc.	8,000	331,280
			920,636
<b>Electronic Equipment, Instruments &amp; Components - 0.1%</b>	Corning, Inc.	12,800	217,600
	Tyco Electronics Ltd.	7,700	165,319
			382,919
<b>Energy Equipment &amp; Services - 0.2%</b>	National Oilwell Varco, Inc. (a)	8,400	301,896
	Schlumberger Ltd.	8,200	438,700
	Smith International, Inc.	8,018	201,492
			942,088
<b>Food &amp; Staples Retailing - 0.3%</b>	CVS Caremark Corp.	5,000	167,400
	SUPERVALU, Inc.	12,400	183,892
	SYSCO Corp.	14,300	339,768
	Wal-Mart Stores, Inc.	22,600	1,127,288
	Walgreen Co.	9,500	294,975
			2,113,323
<b>Food Products - 0.1%</b>	Kraft Foods, Inc.	18,035	511,112
	Sara Lee Corp.	30,000	319,200
			830,312
<b>Health Care Equipment &amp; Supplies - 0.2%</b>	Baxter International, Inc.	2,900	163,473
	Becton Dickinson & Co.	5,000	325,750
	Boston Scientific Corp. (a)	8,800	94,512
	Covidien Plc	7,700	291,137
	Medtronic, Inc.	3,000	106,260

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			981,132
<b>Health Care Providers &amp; Services -</b>	Aetna, Inc.	3,500	94,395
<b>0.2%</b>	Express Scripts, Inc. (a)	5,000	350,200
	Medco Health Solutions, Inc. (a)	6,400	338,304
	UnitedHealth Group, Inc.	3,500	98,210
	WellPoint, Inc. (a)	6,700	352,688
			1,233,797
<b>Hotels, Restaurants &amp; Leisure - 0.2%</b>	McDonald's Corp.	13,000	715,780
	Starwood Hotels & Resorts Worldwide, Inc.	18,300	432,063
			1,147,843

**BlackRock Preferred and Equity Advantage Trust**

Schedule of Investments July 31, 2009 (Unaudited)		(Percentages shown are based on Net Assets)	
Industry	Common Stocks	Shares	Value
<b>Household Durables - 0.3%</b>	Black & Decker Corp.	8,500	\$ 319,600
	Fortune Brands, Inc.	9,500	375,915
	KB Home	22,400	373,856
	Whirlpool Corp.	8,700	496,683
			1,566,054
<b>Household Products - 0.3%</b>	Clorox Co.	6,200	378,262
	The Procter & Gamble Co.	25,900	1,437,709
			1,815,971
<b>IT Services - 0.2%</b>	Automatic Data Processing, Inc.	10,000	372,500
	Cognizant Technology Solutions Corp. (a)	5,000	147,950
	MasterCard, Inc. Class A	608	117,970
	Paychex, Inc.	14,500	384,250
			1,022,670
<b>Industrial Conglomerates - 0.3%</b>	3M Co.	10,200	719,304
	General Electric Co.	64,500	864,300
	Textron, Inc.	34,800	467,712
			2,051,316
<b>Insurance - 0.4%</b>	Aflac, Inc.	15,800	598,188
	The Allstate Corp.	13,000	349,830
	Cincinnati Financial Corp.	12,600	304,290
	Lincoln National Corp.	19,300	408,967
	MetLife, Inc.	15,700	533,015
	Principal Financial Group, Inc.	13,700	324,690
			2,518,980
<b>Internet &amp; Catalog Retail - 0.0%</b>	Amazon.com, Inc. (a)	1,200	102,912
<b>Internet Software &amp; Services - 0.2%</b>	eBay, Inc. (a)	21,200	450,500
	Google, Inc. Class A (a)	1,730	766,477
	Yahoo! Inc. (a)	14,300	204,776
			1,421,753
<b>Leisure Equipment &amp; Products - 0.1%</b>	Mattel, Inc.	17,300	304,134
<b>Life Sciences Tools &amp; Services - 0.0%</b>	Thermo Fisher Scientific, Inc. (a)	3,900	176,592
<b>Machinery - 0.2%</b>	Caterpillar, Inc.	12,700	559,562
	Cummins, Inc.	6,300	270,963
	Deere & Co.	4,200	183,708
			1,014,233
<b>Media - 0.1%</b>	Comcast Corp. Class A	10,300	153,058
	The DIRECTV Group, Inc. (a)	9,500	246,050

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			399,108
<b>Metals &amp; Mining - 0.1%</b>	Alcoa, Inc. (b)	36,500	429,240
	Nucor Corp.	8,000	355,760
			785,000
<b>Multi-Utilities - 0.3%</b>	Consolidated Edison, Inc.	8,000	314,880
	Dominion Resources, Inc.	3,200	108,160
	Integrays Energy Group, Inc.	8,200	276,996
	Public Service Enterprise Group, Inc.	11,700	379,665

**BlackRock Preferred and Equity Advantage Trust**

Schedule of Investments July 31, 2009 (Unaudited)

(Percentages shown are based on Net Assets)

Industry	Common Stocks	Shares	Value
	TECO Energy, Inc.	13,300	\$ 179,417
	Xcel Energy, Inc.	15,500	309,070
			1,568,188
<b>Multiline Retail - 0.1%</b>	Macy's, Inc.	27,400	381,134
<b>Oil, Gas &amp; Consumable Fuels - 1.3%</b>	Anadarko Petroleum Corp.	7,500	361,500
	Apache Corp.	2,700	226,665
	Chevron Corp.	20,000	1,389,400
	ConocoPhillips	19,400	847,974
	Exxon Mobil Corp.	41,300	2,907,107
	Hess Corp.	5,500	303,600
	Massey Energy Co.	8,000	212,800
	Occidental Petroleum Corp.	2,500	178,350
	Peabody Energy Corp.	8,200	271,502
	Southwestern Energy Co. (a)	8,200	339,726
	Spectra Energy Corp.	21,800	400,248
	XTO Energy, Inc.	10,300	414,369
			7,853,241
<b>Paper &amp; Forest Products - 0.1%</b>	MeadWestvaco Corp.	22,800	444,372
	Weyerhaeuser Co.	8,300	290,832
			735,204
<b>Pharmaceuticals - 0.9%</b>	Abbott Laboratories	15,500	697,345
	Bristol-Myers Squibb Co.	26,500	576,110
	Eli Lilly & Co.	14,800	516,372
	Johnson & Johnson	26,700	1,625,763
	Merck & Co., Inc.	23,800	714,238
	Pfizer, Inc. (b)	40,500	645,165
	Schering-Plough Corp.	19,400	514,294
	Wyeth	6,400	297,920
			5,587,207
<b>Real Estate Investment Trusts (REITs) - 0.2%</b>	AvalonBay Communities, Inc.	6,300	366,660
	Boston Properties, Inc.	6,400	338,560
	Public Storage	1,800	130,626
	Vornado Realty Trust	7,446	379,895
			1,215,741
<b>Road &amp; Rail - 0.1%</b>	Norfolk Southern Corp.	8,800	380,600
<b>Semiconductors &amp; Semiconductor Equipment - 0.4%</b>	Applied Materials, Inc.	7,800	107,640
	Intel Corp.	60,600	1,166,550
	Linear Technology Corp.	11,700	314,379



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	Microchip Technology, Inc.	13,300	358,169
	National Semiconductor Corp.	14,200	213,852
	Texas Instruments, Inc.	13,800	331,890
			2,492,480
<b>Software - 0.4%</b>	Autodesk, Inc. (a)	11,400	248,634
	Microsoft Corp.	68,600	1,613,472
	Oracle Corp. (b)	31,300	692,669
			2,554,775

**BlackRock Preferred and Equity Advantage Trust**

Schedule of Investments July 31, 2009 (Unaudited)		(Percentages shown are based on Net Assets)	
		Shares	Value
<b>Industry</b>	<b>Common Stocks</b>		
<b>Specialty Retail - 0.2%</b>	Home Depot, Inc.	27,000	\$ 700,380
	Limited Brands, Inc.	23,900	309,266
	Staples, Inc.	18,300	384,666
			1,394,312
<b>Textiles, Apparel &amp; Luxury Goods - 0.0%</b>	VF Corp.	4,300	278,167
<b>Thrifts &amp; Mortgage Finance - 0.1%</b>	Hudson City Bancorp, Inc.	28,300	397,898
<b>Tobacco - 0.3%</b>	Altria Group, Inc. (b)	30,500	534,665
	Philip Morris International, Inc.	24,700	1,151,020
			1,685,685
	<b>Total Common Stocks - 12.4%</b>		74,384,093
	<b>Exchange-Traded Funds</b>		
	UltraShort Real Estate ProShares	150,000	2,302,500
	<b>Total Exchange-Traded Funds - 0.4%</b>		2,302,500
	<b>Preferred Securities</b>		
		<b>Par</b>	
		<b>(000)</b>	
	<b>Capital Trusts</b>		
<b>Building Products - 0.8%</b>	C8 Capital SPV Ltd., 6.64% (c)(d)(e)	\$ 3,160	1,780,944
	C10 Capital SPV Ltd., 6.72% (c)(d)(e)	5,000	2,822,800
			4,603,744
<b>Capital Markets - 2.7%</b>	Credit Suisse Guernsey Ltd., 5.86% (d)(e)	1,050	703,500
	State Street Capital Trust III, 8.25%, 3/15/42 (e)	1,740	1,627,074
	State Street Capital Trust IV, 1.63%, 6/01/67 (e)	25,245	14,210,032
			16,540,606
<b>Commercial Banks - 15.0%</b>	BB&T Capital Trust IV, 6.82%, 6/12/77 (e)(f)	15,300	11,934,000
	Bank of Ireland Capital Funding II, LP, 5.57% (c)(d)(e)	1,422	526,140
	Bank of Ireland Capital Funding III, LP, 6.11% (c)(d)(e)(f)	9,153	3,386,610
	Barclays Bank Plc, 5.93% (c)(d)(e)	13,200	8,448,000
	Barclays Bank Plc, 6.86% (c)(d)(e)	11,500	7,705,000
	Commonwealth Bank of Australia, 6.02% (c)(d)(e)(f)	20,000	13,825,000
	HSBC Capital Funding LP/Jersey Channel Islands, 10.18% (c)(d)(e)(f)	7,000	7,420,000
	Lloyds Banking Group Plc, 6.66% (c)(d)(e)	10,000	4,100,000
	SMFG Preferred Capital USD 1 Ltd.,		

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6.08% (c)(d)(e)(f) SMFG Preferred Capital USD 3 Ltd.,	10,000	8,750,300
9.50% (c)(d)(e) Santander Perpetual SA Unipersonal,	3,850	4,115,496
6.67% (c)(d)(e) Shinsei Finance II (Cayman) Ltd., 7.16% (c)(d)(e)	1,300	1,085,659
Standard Chartered Bank, 7.01% (c)(d)(e)	1,005	461,672
Wells Fargo & Co. Series K, 7.98% (d)(e)	5,000	3,625,000
	12,985	11,232,025

**BlackRock Preferred and Equity Advantage Trust**

Schedule of Investments July 31, 2009 (Unaudited)		(Percentages shown are based on Net Assets)	
Industry	Capital Trusts	Par (000)	Value
	Wells Fargo Capital XIII Series GMTN, 7.70% (d)(e)(f)	\$ 3,900	\$ 3,393,000
			90,007,902
<b>Electric Utilities - 0.5%</b>	PPL Capital Funding, 6.70%, 3/30/67 (e)	3,900	2,964,000
<b>Insurance - 21.0%</b>	AXA SA, 6.46% (c)(d)(e)	12,000	8,040,000
	The Allstate Corp. 6.50%, 5/15/57 (e)	8,675	6,940,000
	The Allstate Corp. Series B, 6.13%, 5/15/67 (e)	8,725	6,805,500
	Chubb Corp., 6.38%, 3/29/67 (e)(f)	15,300	12,393,000
	Liberty Mutual Group, Inc., 7.00%, 3/15/37 (c)(e)	11,600	7,490,248
	Liberty Mutual Group, Inc., 10.75%, 6/15/88 (c)(e)	6,200	5,223,500
	Lincoln National Corp., 7.00%, 5/17/66 (e)	4,255	2,787,025
	Lincoln National Corp., 6.05%, 4/20/67 (e)	4,730	2,885,300
	MetLife, Inc., 6.40%, 12/15/66	4,550	3,571,750
	Nationwide Life Global Funding I, 6.75%, 5/15/67	8,025	5,100,666
	Progressive Corp., 6.70%, 6/15/67 (e)(f)	19,675	14,893,129
	Reinsurance Group of America, 6.75%, 12/15/65 (e)(f)	15,000	9,674,085
	Swiss Re Capital I LP, 6.85% (c)(d)(e)(f)	27,475	16,485,000
	The Travelers Cos., Inc., 6.25%, 3/15/67 (e)(f)	9,000	7,655,634
	White Mountains Re Group Ltd., 7.51% (c)(d)(e)	4,400	2,901,536
	ZFS Finance (USA) Trust IV, 5.88%, 5/09/32 (c)(e)	2,050	1,666,138
	ZFS Finance (USA) Trust V, 6.50%, 5/09/67 (c)(e)(f)	13,220	10,972,600
			125,485,111
<b>Multi-Utilities - 0.2%</b>	Puget Sound Energy, Inc. Series A, 6.974%, 6/01/67 (e)	1,575	1,151,199
<b>Oil, Gas &amp; Consumable Fuels - 2.2%</b>	Enterprise Products Operating LLC, 8.38%, 8/01/66 (e)	4,500	3,915,000
	Southern Union Co., 7.20%, 11/01/66 (e)	5,000	3,600,000
	TransCanada Pipelines Ltd., 6.35%, 5/15/67 (e)(f)	7,325	5,713,500
			13,228,500
	<b>Total Capital Trusts - 42.4%</b>		253,981,062
	<b>Preferred Stocks</b>	<b>Shares</b>	

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<b>Commercial Banks - 6.4%</b>	Citizens Funding Trust I, 7.50%	5,250,000	3,519,711
	HSBC USA, Inc. Series H, 6.50%	977,766	21,823,737
	Royal Bank of Scotland Group Plc Series M, 6.40%	15,000	200,100
	Santander Finance Preferred SA Unipersonal, 6.80%	545,300	12,814,550
			38,358,098
<b>Diversified Financial Services - 2.2%</b>	Cobank ACB, 7.00%	150,000	4,712,700
	ING Groep NV, 6.13%	200,000	3,546,000
	ING Groep NV, 7.05%	5,800	111,128
	ING Groep NV, 7.20%	5,325,000	4,223,859

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	ING Groep NV, 7.38%	1,000,000	\$ 788,192
			13,381,879
<b>Diversified Telecommunication Services - 0.1%</b>	AT&T, Inc., 6.38%, 2/15/56	750,000	783,080
<b>Electric Utilities - 4.4%</b>	Alabama Power Co., 6.50%	100,000	2,260,000
	Entergy Louisiana LLC, 6.95%	40,000	2,800,000
	Interstate Power & Light Co. Series B, 8.38%	785,000	21,202,850
			26,262,850
<b>Insurance - 9.8%</b>	Aegon NV, 6.50%	400,000	6,576,000
	Arch Capital Group Ltd. Series A, 8.00%	100,000	2,345,000
	Arch Capital Group Ltd. Series B, 7.88%	160,000	3,523,200
	Aspen Insurance Holdings Ltd., 7.40% (e)	655,000	11,921,000
	Axis Capital Holdings Ltd. Series B, 7.50% (e)	180,000	14,523,750
	Endurance Specialty Holdings Ltd. Series A, 7.75%	369,000	7,546,050
	PartnerRe Ltd. Series C, 6.75%	265,600	6,055,680
	RenaissanceRe Holding Ltd. Series D, 6.60%	285,000	5,990,700
			58,481,380
<b>Real Estate Investment Trusts (REITs) - 1.9%</b>	BRE Properties, Inc. Series D, 6.75%	30,000	558,900
	iStar Financial, Inc. Series I, 7.50%	55,000	336,600
	Public Storage Series F, 6.45%	30,000	618,000
	Public Storage Series M, 6.63%	55,000	1,183,600
	Sovereign Real Estate Investment Corp., 12.00%	10,000	9,000,000
			11,697,100
<b>Wireless Telecommunication Services - 1.4%</b>	Centaur Funding Corp., 9.08%	10,000	8,403,125
			157,367,512
		<b>Par</b>	
		<b>(000)</b>	
<b>Capital Markets - 0.0%</b>	Credit Suisse Guernsey Ltd., 7.90%, 3/28/13	\$ 250	247,424
<b>Commercial Banks - 3.4%</b>	Kazkommerts Finance 2 BV, 9.20% (d)(e)	500	210,000
	Mizuho Capital Investment 1 Ltd., 6.69% (c)(d)(e)	21,000	15,945,951
	National City Preferred Capital Trust I, 12.00% (d)(e)	3,713	3,917,958
			20,073,909
<b>Diversified Financial Services - 3.4%</b>	JPMorgan Chase Capital XXI Series U, 1.43%, 2/02/37 (e)	12,875	7,332,016

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	JPMorgan Chase Capital XXIII, 1.44%, 5/15/77 (e)(f)	13,800	7,789,824
	JPMorgan Chase Capital XXV, 6.80%, 10/01/37	5,650	5,164,953
			20,286,793
<b>Insurance - 6.2%</b>	AON Corp., 8.21%, 1/01/27	18,000	16,920,000
	Ace Capital Trust II, 9.70%, 4/01/30 (f)	17,000	16,257,797
	W.R. Berkley Capital Trust II, 6.75%, 7/26/45	4,268	3,984,220
			37,162,017
	<b>Total Trust Preferreds - 13.0%</b>		77,770,143
	<b>Total Preferred Securities - 81.6%</b>		489,118,717

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(Percentages shown are based on Net Assets)

Industry	Corporate Bonds	Par (000)	Value
<b>Capital Markets - 0.0%</b>	Lehman Brothers Holdings, Inc., 3.95%, 11/10/09 (a)(g)	\$ 105	\$ 18,113
	Lehman Brothers Holdings, Inc., 4.38%, 11/30/10 (a)(g)	325	56,062
			74,175
<b>Computers &amp; Peripherals - 0.9%</b>	International Business Machines Corp., 8.00%, 10/15/38	4,000	5,489,036
<b>Diversified Financial Services - 1.1%</b>	ING Groep NV, 5.78% (d)(e)(f)	10,000	6,300,000
	Stan IV Ltd., 2.74%, 7/20/11 (e)	283	183,950
			6,483,950
<b>Electric Utilities - 1.2%</b>	PPL Energy Supply LLC, 7.00%, 7/15/46	7,200	7,368,308
<b>Insurance - 0.9%</b>	QBE Insurance Group Ltd., 9.75%, 3/14/14 (c)	4,973	5,399,698
<b>Media - 7.5%</b>	Comcast Corp., 6.63%, 5/15/56	48,750	44,678,395
<b>Metals &amp; Mining - 0.0%</b>	Aleris International, Inc., 10.00%, 12/15/16 (g)	5,000	75,000
<b>Multi-Utilities - 1.7%</b>	Dominion Resources, Inc., 8.88%, 1/15/19	8,000	10,068,488
<b>Oil, Gas &amp; Consumable Fuels - 0.4%</b>	Nexen, Inc., 7.35%, 11/01/43	3,000	2,488,802
<b>Paper &amp; Forest Products - 0.6%</b>	International Paper Co., 8.70%, 6/15/38 (b)(h)	3,100	3,241,577
	<b>Total Corporate Bonds - 14.3%</b>		85,367,429
	<b>Total Long-Term Investments</b>		
	<b>(Cost - \$810,091,117) - 108.7%</b>		651,172,739
	<b>Short-Term Securities</b>	<b>Shares</b>	
	BlackRock Liquidity Funds, TempFund, 0.29% (i)(j)	236,244,000	236,244,000
	<b>Total Short-Term Securities</b>		
	<b>(Cost - \$236,244,000) - 39.4%</b>		236,244,000
	<b>Total Investments Before Options Written</b>		
	<b>(Cost - \$1,046,335,117*) - 148.1%</b>		887,416,739
	<b>Options Written</b>	<b>Contracts</b>	
<b>Call Options Written</b>	S&P 500 Listed Option, expiring August 2009 at USD 93.5	93	(508,710)
	S&P 500 Listed Option, expiring August 2009 at USD 94	51	(258,570)
	S&P 500 Listed Option, expiring August 2009 at USD 94.5	405	(1,891,350)
	S&P 500 Listed Option, expiring August 2009 at USD 95	100	(428,000)
	S&P 500 Listed Option, expiring August 2009		



at USD 95.5	25	(97,750)
<b>Total Options Written</b>		
<b>(Premiums Received - \$1,475,944) - (0.5)%</b>		(3,184,380)
<b>Total Investments, Net of Options Written - 147.6%</b>		884,232,359
<b>Liabilities in Excess of Other Assets - (9.0)%</b>		(54,051,562)
<b>Preferred Shares, at Redemption</b>		
<b>Value - (38.6)%</b>		(231,062,183)
<b>Net Assets Applicable to Common</b>		
<b>Shares - 100.0%</b>		\$ 599,118,614

**BlackRock Preferred and Equity Advantage Trust**

**Schedule of Investments July 31, 2009 (Unaudited)**

\* The cost and unrealized appreciation (depreciation) of investments as of July 31, 2009,

as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 1,046,147,723
Gross unrealized appreciation	\$ 31,018,337
Gross unrealized depreciation	(189,749,321)
Net unrealized depreciation	\$ (158,730,984)

(a) Non-income producing security.

(b) All or a portion of security has been pledged as collateral in connection with open financial futures contracts.

(c) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be

resold in transactions exempt from registration to qualified institutional investors.

(d) Security is perpetual in nature and has no stated maturity date.

(e) Variable rate security. Rate shown is as of report date.

(f) All or a portion of security has been pledged as collateral for reverse repurchase agreements.

(g) Issuer filed for bankruptcy and/or is in default of interest payments.

(h) All or a portion of security has been pledged as collateral in connection with swaps.

(i) Represents the current yield as of report date.

(j) Investments in companies considered to be an affiliate of the Trust, for purposes of Section 2(a)(3) of the

Investment Company Act of 1940, were as follows:

<b>Affiliate</b>	<b>Net Activity</b>	<b>Income</b>
BlackRock Liquidity Funds, TempFund	236,244,000	\$ 861,115

For Trust compliance purposes, the Trust'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 Trust management. This definition may not apply for purposes of this report, which may combine industry sub-classifications for reporting

ease.

Reverse repurchase agreements outstanding as of July 31, 2009 were as follows:

<b>Interest</b>	<b>Trade</b>	<b>Maturity</b>	<b>Net Closing</b>	<b>Face</b>
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Counterparty	Rate	Date	Date	Amount	Amount
Barclays Bank Plc	1.29%	7/14/09	8/17/09	\$ 61,409,374	\$ 61,336,843

Financial futures contracts purchased as of July 31, 2009 were as follows:

Contracts	Issue	Date	Face	Unrealized
445	10-Year US Treasury Bond	September 2009	\$ 51,567,570	\$ 622,620
36	30-Year US Treasury Bond	September 2009	\$ 4,203,923	80,077
266	S&P EMINI	September 2009	\$ 12,166,385	926,135
<b>Total</b>				\$ 1,628,832

Credit default swaps on single-name issues - buy protection outstanding as of July 31, 2009 were as follows:

Issuer	Pay Fixed Rate	Counterparty	Expiration	Notional Amount (000)	Unrealized Depreciation
Altria Group, Inc.	1.03%	Deutsche Bank AG	December 2013	\$ 9,000	\$ (151,099)
Nordstrom, Inc.	5.20%	Deutsche Bank AG	June 2014	\$ 4,000	(630,786)
<b>Total</b>					\$ (781,885)

**BlackRock Preferred and Equity Advantage Trust**

**Schedule of Investments July 31, 2009 (Unaudited)**

Credit default swaps on single-name issues - sold protection outstanding as of July 31, 2009 were as follows:

Issuer	Receive Fixed Rate	Counterparty	Expiration	Credit Rating <sup>1</sup>	Notional Amount (000) <sup>2</sup>	Unrealized Appreciation
Philip Morris International, Inc.	1.73%	Deutsche Bank AG	December 2013	A	\$ 9,000	\$ 263,036

<sup>1</sup> Using the Standard and Poor's ratings of the issuer.

<sup>2</sup> The maximum potential amount the Trust may pay should a negative credit event take a place as defined under the terms of the agreement.

Effective November 1, 2008, the Trust 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 active, quoted prices for identical or 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 circumstances, to the extent observable inputs are not available (including the Trust's own assumptions 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 Trust's policy regarding valuation of investments and other significant accounting policies, please refer to the Trust's most recent financial statements as contained in its semi-

annual report.

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The following table summarizes the inputs used as of July 31, 2009 in determining the

fair valuation of the Trust's investments:

<b>Valuation Inputs</b>	<b>Investments in Securities Assets</b>
Level 1	
Long-Term	
Investments	
Common	
Stocks	\$ 74,384,093
Exchange	
Traded Funds	2,302,500
Preferred	
Stocks	117,927,937
Trust	
Preferreds	77,770,143
Short-Term	
Securities	236,244,000
Total Level 1	508,628,673

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**BlackRock Preferred and Equity Advantage Trust**

**Schedule of Investments July 31, 2009**

**(Unaudited)**

Level 2		
Long-Term		
Investments		
	Capital Trusts	\$ 253,981,062
	Corporate	
Bonds		85,183,479
	Preferred	
Stocks		36,639,575
	Total Level 2	375,804,116
Level 3		
Long Term		
Investments		
	Corporate	
Bonds		183,950
	Preferred	
Stocks		2,800,000
	Total Level 3	2,983,950
	<b>Total</b>	<b>\$ 884,432,789</b>

**Other Financial**

**Instruments<sup>1</sup>**

	<b>Assets</b>	<b>Liabilities</b>
Level 1	\$ 1,628,832	\$ (3,184,380)
Level 2	-	(62,118,728)
Level 3	263,036	-
<b>Total</b>	<b>\$ 1,891,868</b>	<b>\$ (65,303,108)</b>

<sup>1</sup> Other financial instruments are futures, swaps, options written and reverse repurchase agreements.

Futures and swaps are valued at the unrealized appreciation/depreciation on the instrument and options and reverse repurchase agreements are shown at market value.

The following is a reconciliation of investments for unobservable inputs

(Level 3) were used in determining fair

value:

		<b>Investments in Securities</b>		
		<b>Corporate Bonds</b>	<b>Preferred Stocks</b>	<b>Total</b>
2008	Balance, as of October 31,	\$ 268,850	-	\$ 268,850
	Accrued discounts/premiums	-	-	-
(loss)	Realized gain	-	\$ (6,619,805)	(6,619,805)

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	Change in unrealized appreciation (depreciation)	(84,900)	-	(84,900)
	Net purchases			
(sales)		-	(3,300,000)	(3,300,000)
	Net transfers in/out of			
Level 3		-	12,719,805	12,719,805
	<b>Balance, as of July 31,</b>			
<b>2009</b>		\$ 183,950	\$ 2,800,000	\$ 2,983,950

The following table is a reconciliation of other financial instruments for unobservable inputs (Level 3) used in determining fair value:

	<b>Other Financial Instruments<sup>2</sup> Assets</b>
2008	
	Balance, as of October 31,
	-
(loss)	Realized gain
	-
	Change in unrealized appreciation (depreciation)
	-
(sales)	Net purchases
	-
	Net transfers in/out of
Level 3	\$ 263,036
	<b>Balance, as of July 31,</b>
<b>2009</b>	<b>\$ 263,036</b>

<sup>2</sup> Other financial instruments are swaps which are shown at the unrealized appreciation/depreciation on the instrument.

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### Item 2 Controls and Procedures

2(a) The registrant's principal executive and principal financial officers or persons performing similar functions have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the 1940 Act )) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13(a)-15(b) under the Securities Exchange Act of 1934, as amended.

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

### Item 3 Exhibits

Certifications Attached hereto

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BlackRock Preferred and Equity Advantage Trust

By: /s/ Anne F. Ackerley

Anne F. Ackerley

Chief Executive Officer of

BlackRock Preferred and Equity Advantage Trust

Date: September 22, 2009

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/ Anne F. Ackerley

Anne F. Ackerley

Chief Executive Officer (principal executive officer) of

BlackRock Preferred and Equity Advantage Trust

Date: September 22, 2009

By: /s/ Neal J. Andrews

Neal J. Andrews

Chief Financial Officer (principal financial officer) of

BlackRock Preferred and Equity Advantage Trust

Date: September 22, 2009

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