

BLACKROCK PREFERRED & EQUITY ADVANTAGE TRUST  
Form N-Q  
September 24, 2008

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

**FORM N-Q**

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

Investment Company Act file number 811-21972

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: Donald C. Burke, Chief Executive Officer, BlackRock Preferred and Equity Advantage Trust, 800 Scudders Mill Road, Plainsboro, NJ, 08536. Mailing address: P.O. Box 9011, Princeton, NJ, 08543-9011

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

Date of fiscal year end: 10/31/2008

Date of reporting period: 05/01/2008  07/31/2008

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## Item 1 ☐ Schedule of Investments

<b>BlackRock Preferred and Equity Advantage Trust</b>			
<b>Schedule of Investments July 31, 2008 (Unaudited)</b>		<b>(Percentages shown are based on Net Assets)</b>	
<b>Industry</b>	<b>Common Stocks</b>	<b>Shares</b>	<b>Value</b>
<b>Aerospace &amp; Defense - 0.4%</b>	General Dynamics Corp.	2,800	\$ 249,592
	Honeywell International, Inc.	6,000	305,040
	Lockheed Martin Corp.	13,500	1,408,455
	Northrop Grumman Corp.	18,200	1,226,498
			3,189,585
<b>Air Freight &amp; Logistics - 0.3%</b>	United Parcel Service, Inc. Class B	44,100	2,781,828
<b>Auto Components - 0.0%</b>	Johnson Controls, Inc.	12,200	367,952
<b>Automobiles - 0.1%</b>	General Motors Corp.	53,400	591,138
<b>Beverages - 0.5%</b>	The Coca-Cola Co.	55,300	2,847,950
	PepsiCo, Inc.	17,800	1,184,768
			4,032,718
<b>Biotechnology - 0.5%</b>	Amgen, Inc. (a)	22,500	1,409,175
	Biogen Idec, Inc. (a)	8,200	572,032
	Celgene Corp. (a)	7,400	558,626
	Genzyme Corp. (a)	5,400	413,910
	Gilead Sciences, Inc. (a)	23,200	1,252,336
			4,206,079
<b>Capital Markets - 0.3%</b>	The Goldman Sachs Group, Inc.	12,560	2,311,542
	Lehman Brothers Holdings, Inc.	8,900	154,326
	Morgan Stanley	9,700	382,956
			2,848,824
<b>Chemicals - 0.4%</b>	Air Products & Chemicals, Inc.	3,200	304,672
	The Dow Chemical Co.	33,400	1,112,554
	E.I. du Pont de Nemours & Co.	32,800	1,436,968
	PPG Industries, Inc.	9,100	551,824
			3,406,018
<b>Commercial Banks - 0.9%</b>	Regions Financial Corp.	71,900	681,612
	SunTrust Banks, Inc.	38,200	1,568,492
	U.S. Bancorp	83,400	2,552,874
	Wachovia Corp.	33,900	585,453
	Wells Fargo & Co.	64,200	1,943,334
			7,331,765
<b>Commercial Services &amp; Supplies - 0.2%</b>	Waste Management, Inc.	44,200	1,570,868
<b>Communications</b>	Ciena Corp. (a)	11,500	237,705
<b>Equipment - 0.8%</b>	Cisco Systems, Inc. (a)	87,800	1,930,722
	Corning, Inc.	28,500	570,285
	Motorola, Inc.	128,100	1,106,784
	QUALCOMM, Inc.	48,200	2,667,388
			6,512,884
<b>Computers &amp; Peripherals - 1.0%</b>	Apple, Inc. (a)	24,600	3,910,170
	Dell, Inc. (a)	43,600	1,071,252
	EMC Corp. (a)	36,900	553,869
	Hewlett-Packard Co.	24,400	1,093,120



**BlackRock Preferred and Equity Advantage Trust**  
**Schedule of Investments July 31, 2008 (Unaudited)**

(Percentages shown are based on Net Assets)

Industry	Common Stocks	Shares	Value
	International Business Machines Corp.	14,100	\$ 1,804,518
	SanDisk Corp. (a)	23,600	332,760
			8,765,689
<b>Consumer Finance - 0.0%</b>	Discover Financial Services, Inc.	14,850	217,553
<b>Diversified Financial Services - 1.0%</b>	Bank of America Corp.	89,300	2,937,970
	CME Group, Inc.	2,651	954,705
	Citigroup, Inc.	40,600	758,814
	IntercontinentalExchange, Inc. (a)	9,500	948,100
	JPMorgan Chase & Co.	71,300	2,896,919
			8,496,508
<b>Diversified Telecommunication Services - 0.8%</b>	AT&T Inc.	105,387	3,246,973
	Embarq Corp.	10,300	471,431
	Verizon Communications, Inc.	52,800	1,797,312
	Windstream Corp.	83,800	998,896
			6,514,612
<b>Electric Utilities - 0.1%</b>	American Electric Power Co., Inc.	7,100	280,450
	FPL Group, Inc.	5,500	354,915
	FirstEnergy Corp.	4,500	330,975
			966,340
<b>Electrical Equipment - 0.3%</b>	Emerson Electric Co.	29,300	1,426,910
	Rockwell Automation, Inc.	18,100	805,631
			2,232,541
<b>Electronic Equipment &amp; Instruments - 0.1%</b>	Tyco Electronics Ltd.	17,100	566,694
<b>Energy Equipment &amp; Services - 0.8%</b>	Baker Hughes, Inc.	5,600	464,296
	National Oilwell Varco, Inc. (a)	23,400	1,839,942
	Schlumberger Ltd.	9,800	995,680
	Smith International, Inc.	23,518	1,749,269
	Transocean, Inc.	10,263	1,396,076
			6,445,263
<b>Food &amp; Staples Retailing - 0.8%</b>	SYSCO Corp.	68,300	1,936,988
	Wal-Mart Stores, Inc.	70,800	4,150,296
	Walgreen Co.	20,900	717,706
			6,804,990
<b>Food Products - 0.2%</b>	Kraft Foods, Inc.	30,046	956,064
	Sara Lee Corp.	73,900	1,009,474
			1,965,538
<b>Health Care Equipment &amp; Supplies - 0.4%</b>	Baxter International, Inc.	6,300	432,243
	Becton Dickinson & Co.	13,100	1,112,321
	Boston Scientific Corp. (a)	19,400	230,666
	Covidien Ltd.	17,100	842,004
	Zimmer Holdings, Inc. (a)	7,400	509,934
			3,127,168
<b>Health Care Providers &amp; Services - 0.4%</b>	Aetna, Inc.	7,800	319,878
	Express Scripts, Inc. (a)	12,900	909,966
	Medco Health Solutions, Inc. (a)	14,200	704,036



**BlackRock Preferred and Equity Advantage Trust**  
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(Percentages shown are based on Net Assets)

Industry	Common Stocks	Shares	Value
	UnitedHealth Group, Inc.	25,000	\$ 702,000
	WellPoint, Inc. (a)	14,600	765,770
			3,401,650
<b>Hotels, Restaurants &amp; Leisure - 0.4%</b>	Carnival Corp.	18,900	698,166
	McDonald's Corp.	48,800	2,917,752
			3,615,918
<b>Household Durables - 0.4%</b>	Fortune Brands, Inc.	12,300	704,913
	The Stanley Works	33,900	1,507,872
	Whirlpool Corp.	16,700	1,264,190
			3,476,975
<b>Household Products - 0.4%</b>	The Procter & Gamble Co.	57,200	3,745,456
<b>IT Services - 0.1%</b>	Automatic Data Processing, Inc.	22,000	939,620
	Cognizant Technology Solutions Corp. (a)	10,900	305,963
			1,245,583
<b>Industrial Conglomerates - 1.1%</b>	3M Co.	35,100	2,470,689
	General Electric Co.	229,300	6,486,897
	Textron, Inc.	7,400	321,678
			9,279,264
<b>Insurance - 0.7%</b>	The Allstate Corp.	12,300	568,506
	American International Group, Inc. (b)	19,100	497,555
	Hartford Financial Services Group, Inc.	11,300	716,307
	Lincoln National Corp.	23,900	1,140,030
	Marsh & McLennan Cos., Inc.	42,500	1,200,625
	The Travelers Cos., Inc.	46,800	2,064,816
			6,187,839
<b>Internet &amp; Catalog Retail - 0.1%</b>	Amazon.com, Inc. (a)	12,000	916,080
<b>Internet Software &amp; Services - 0.4%</b>	eBay, Inc. (a)	48,900	1,230,813
	Google, Inc. Class A (a)	3,840	1,819,200
	Yahoo! Inc. (a)	6,800	135,252
			3,185,265
<b>Leisure Equipment &amp; Products - 0.2%</b>	Eastman Kodak Co.	35,600	521,184
	Mattel, Inc.	50,700	1,016,535
			1,537,719
<b>Life Sciences Tools &amp; Services - 0.1%</b>	Thermo Fisher Scientific, Inc. (a)	8,600	520,472
<b>Machinery - 0.4%</b>	Caterpillar, Inc.	23,600	1,640,672
	Cummins, Inc.	19,800	1,313,532
	Deere & Co.	9,300	652,488
			3,606,692
<b>Media - 0.2%</b>	CBS Corp. Class B	47,700	780,372
	The DIRECTV Group, Inc. (a)	25,000	675,500
			1,455,872
<b>Metals &amp; Mining - 0.3%</b>	Alcoa, Inc.	16,900	570,375
	Allegheny Technologies, Inc.	12,300	581,667
	Freeport-McMoRan Copper & Gold, Inc. Class B	14,500	1,402,875
			2,554,917



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<b>Multi-Utilities - 0.6%</b>	Ameren Corp.	4,800	\$ 197,232
	Consolidated Edison, Inc.	23,100	917,070
	Dominion Resources, Inc.	7,200	318,096
	Public Service Enterprise Group, Inc.	43,700	1,826,660
	Xcel Energy, Inc.	91,100	1,827,466
			5,086,524
<b>Oil, Gas &amp; Consumable Fuels - 2.6%</b>	Anadarko Petroleum Corp.	16,600	961,306
	Apache Corp.	6,100	684,237
	Chevron Corp.	54,900	4,642,344
	ConocoPhillips	29,500	2,407,790
	Devon Energy Corp.	5,900	559,851
	EOG Resources, Inc.	2,500	251,325
	Exxon Mobil Corp.	91,300	7,343,259
	Hess Corp.	15,100	1,531,140
	Spectra Energy Corp.	66,800	1,814,956
	Valero Energy Corp.	11,200	374,192
	XTO Energy, Inc.	35,800	1,690,834
			22,261,234
<b>Paper &amp; Forest Products - 0.2%</b>	International Paper Co.	37,000	1,025,640
	MeadWestvaco Corp.	13,300	356,573
	Weyerhaeuser Co.	14,400	769,824
			2,152,037
<b>Pharmaceuticals - 1.8%</b>	Abbott Laboratories	16,900	952,146
	Bristol-Myers Squibb Co.	79,400	1,676,928
	Eli Lilly & Co.	34,200	1,611,162
	Johnson & Johnson	63,400	4,340,998
	Merck & Co., Inc.	67,600	2,224,040
	Pfizer, Inc. (b)	204,000	3,808,680
	Schering-Plough Corp.	42,900	904,332
	Wyeth	8,000	324,160
			15,842,446
<b>Real Estate Investment Trusts (REITs) - 0.4%</b>	Equity Residential	5,200	224,484
	Plum Creek Timber Co., Inc.	34,600	1,685,712
	Vornado Realty Trust	14,100	1,340,487
			3,250,683
<b>Semiconductors &amp; Semiconductor Equipment - 0.7%</b>	Applied Materials, Inc.	17,400	301,368
	Intel Corp.	110,300	2,447,557
	Linear Technology Corp.	29,200	906,660
	Microchip Technology, Inc.	31,300	999,409
	National Semiconductor Corp.	31,500	659,925
	Nvidia Corp. (a)	61,350	701,844
	Texas Instruments, Inc.	17,100	416,898
			6,433,661
<b>Software - 0.8%</b>	Autodesk, Inc. (a)	37,100	1,183,119
	Electronic Arts, Inc. (a)	10,000	431,800
	Microsoft Corp.	151,400	3,894,008
	Oracle Corp. (a)	69,300	1,492,029
			7,000,956





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<b>Specialty Retail - 0.3%</b>	Home Depot, Inc.	44,500 \$	1,0
	Staples, Inc.	83,800	1,8
			2,9
<b>Textiles, Apparel &amp; Luxury Goods - 0.2%</b>	VF Corp.	24,100	1,7
<b>Thrifts &amp; Mortgage Finance - 0.0%</b>	Fannie Mae	19,700	2
	Freddie Mac	12,100	
	Washington Mutual, Inc.	600	
			3
<b>Tobacco - 0.5%</b>	Philip Morris International, Inc.	11,200	5
	Reynolds American, Inc.	32,500	1,8
	UST, Inc.	33,300	1,7
			4,2
<b>Wireless Telecommunication Services - 0.1%</b>	Sprint Nextel Corp.	84,700	6
			199,5
	<b>Total Common Stocks - 23.3%</b>		
	<b>Exchange-Traded Fund</b>		
	UltraShort Real Estate ProShares	133,750	12,3
	<b>Total Exchange-Traded Fund - 1.4%</b>		12,3
	<b>Preferred Securities</b>		
		<b>Par</b>	
	<b>Capital Trusts</b>	<b>(000)</b>	
<b>Capital Markets - 2.6%</b>	State Street Capital Trust III, 8.25% (c)(d)	\$ 3,100	3,3
	State Street Capital Trust IV, 3.776%, 6/01/67 (d)	25,245	18,8
			21,9
<b>Commercial Banks - 6.1%</b>	Abbey National Capital Trust I, 8.963% (c)(d)	2,375	2,5
	BB&T Capital Trust IV, 6.82%, 6/12/77 (d)	15,300	11,6
	Barclays Bank Plc, 5.926% (c)(d)(e)	3,500	2,7
	HSBC Capital Funding LP/Jersey Channel Islands, 10.176% (c)(d)(e)	7,000	8,3
	Huntington Capital III, 6.65%, 5/15/37 (d)	3,250	1,7
	Regions Financing Trust II, 6.625%, 5/15/47 (d)	4,445	2,4
	SMFG Preferred Capital USD 3 Ltd., 9.50% (c)(d)(e)	3,850	3,8
	Wachovia Corp. Series K, 7.98% (c)(d)	14,600	11,2
	Wells Fargo Capital XIII Series GMTN, 7.70% (c)(d)	8,600	8,3
			52,7
<b>Diversified Financial Services - 4.3%</b>	Bank of America Corp. Series M, 8.125% (c)(d)	11,900	11,0
	Citigroup, Inc., 8.40% (c)(d)	18,250	15,6
	JPMorgan Chase Capital XXIII, 3.804%, 5/15/77 (d)	13,800	10,5
			37,2
<b>Insurance - 4.7%</b>	AON Corp., 8.205%, 1/01/27	18,273	16,4
	Ace Capital Trust II, 9.70%, 4/01/30	17,000	18,0
	Mangrove Bay Pass-Through Trust, 6.102%, 7/15/33 (d)(e)	10,000	5,5
			40,0
<b>Thrifts &amp; Mortgage Finance - 0.3%</b>	Webster Capital Trust IV, 7.65%, 6/15/37 (d)	3,225	2,7
	<b>Total Capital Trusts - 18.0%</b>		153,9



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<b>Commercial Banks - 6.1%</b>	HSBC USA, Inc. Series H, 6.50%	977,766 \$	19,447,766
	KeyCorp Capital IX, 6.75%	9,082,500	5,232,845
	Royal Bank of Scotland Group Plc Series L, 5.75%	92,200	1,477,966
	Royal Bank of Scotland Group Plc Series M, 6.40%	15,000	262,500
	Royal Bank of Scotland Group Plc Series S, 6.60%	10,000	177,600
	Santander Finance Preferred SA Unipersonal, 6.50%	322,000	6,178,375
	Santander Finance Preferred SA Unipersonal, 6.80%	628,000	13,227,250
	Wachovia Corp. Series J, 8%	328,200	6,294,876
			52,299,178
<b>Diversified Financial Services - 3.0%</b>	Bank of America Corp. Series H, 8.20%	125,000	3,031,250
	Citigroup, Inc. Series AA, 8.125%	390,000	8,014,500
	Citigroup, Inc. Series T, 6.50% (f)	90,000	3,981,600
	Cobank ACB, 7% (e)	150,000	7,022,700
	ING Groep NV, 6.125%	200,000	3,654,000
	ING Groep NV, 7.05%	5,800	121,046
			25,825,096
<b>Electric Utilities - 3.2%</b>	Alabama Power Co., 6.50%	100,000	2,450,000
	Entergy Louisiana LLC, 6.95%	40,000	4,162,680
	Interstate Power & Light Co. Series B, 8.375%	785,000	20,881,000
			27,493,680
<b>Insurance - 6.7%</b>	Aegon NV, 6.50%	400,000	6,824,000
	Arch Capital Group Ltd. Series A, 8%	100,000	2,300,000
	Arch Capital Group Ltd. Series B, 7.875%	160,000	3,640,000
	Aspen Insurance Holdings Ltd., 7.401% (d)	655,000	11,626,250
	Axis Capital Holdings Ltd. Series B, 7.50% (d)	180,000	14,484,384
	Endurance Specialty Holdings Ltd. Series A, 7.75%	369,000	7,564,500
	PartnerRe Ltd. Series C, 6.75%	265,600	5,402,304
	RenaissanceRe Holding Ltd. Series D, 6.60%	285,000	5,415,000
			57,256,438
<b>Real Estate Investment Trusts (REITs) - 1.7%</b>	BRE Properties, Inc. Series D, 6.75%	30,000	589,500
	iStar Financial, Inc. Series I, 7.50%	55,000	627,000
	Public Storage Series F, 6.45%	30,000	575,400
	Public Storage Series M, 6.625%	55,000	1,095,050
	Sovereign Real Estate Investment Corp., 12% (e)	10,000	9,100,000
	Weingarten Realty Investors Series F, 6.50%	140,000	2,744,000
			14,730,950
<b>Thrifts &amp; Mortgage Finance - 0.8%</b>	Fannie Mae Series R, 7.625%	65,000	1,110,850
	Freddie Mac Series Q, 3.85% (d)	235,000	6,227,500
			7,338,350
<b>Wireless Telecommunication Services - 1.2%</b>	Centaur Funding Corp., 9.08% (e)	10,000	9,943,750
	<b>Total Preferred Stocks - 22.7%</b>		194,887,442
		<b>Par</b>	
	<b>Trust Preferred</b>	<b>(000)</b>	
<b>Capital Markets - 0.4%</b>	Credit Suisse Guernsey Ltd., 7.90% (c)	\$ 250	244,098
	Deutsche Bank Contingent Capital Trust V, 8.05% (c)	3,375	3,317,625



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Industry	Trust Preferred	Par (000)	Value
<b>Commercial Banks - 0.3%</b>	Citizens Funding Trust I, 7.50%, 9/15/66	\$ 5,250	\$ 2,492
<b>Diversified Financial Services - 0.6%</b>	ING Groep NV, 7.20% (c)	5,325	4,494
	ING Groep NV, 7.375% (c)	1,000	854
			5,348
<b>Diversified Telecommunication Services - 0.1%</b>	AT&T Inc., 6.375%, 2/15/56	750	748
<b>Electric Utilities - 0.9%</b>	PPL Energy Supply LLC, 7%, 7/15/46	7,200	7,250
<b>Insurance - 0.4%</b>	W.R. Berkley Capital Trust II, 6.75%, 7/26/45	4,268	3,550
<b>Media - 1.9%</b>	Comcast Corp., 6.625%, 5/15/56	19,500	16,454
<b>Oil, Gas &amp; Consumable Fuels - 0.3%</b>	Nexen, Inc., 7.35%, 11/01/43	3,000	2,809
<b>Thrifts &amp; Mortgage Finance - 1.4%</b>	Countrywide Capital V, 7%, 11/01/66	1,250	804
	Countrywide Financial Corp., 6.75%, 4/01/33	18,125	11,500
			12,304
	<b>Total Trust Preferred - 6.3%</b>		54,520
	<b>Total Preferred Securities - 47.0%</b>		403,402
	<b>Corporate Bonds</b>		
<b>Building Products - 0.3%</b>	C8 Capital SPV Ltd., 6.64% (c)(d)(e)	3,160	2,885
<b>Capital Markets - 1.0%</b>	Credit Suisse Guernsey Ltd., 5.86% (c)(d)	7,000	5,692
	Lehman Brothers Holdings, Inc., 4.476%, 9/15/22 (d)	1,075	989
	Lehman Brothers Holdings, Inc., 6.875%, 7/17/37	1,875	1,553
			8,235
<b>Commercial Banks - 18.2%</b>	BNP Paribas, 7.195% (c)(d)(e)	20,100	17,278
	Bank of Ireland Capital Funding II, LP, 5.571% (c)(d)(e)	6,685	4,478
	Bank of Ireland Capital Funding III, LP, 6.107% (c)(d)(e)	30,000	21,086
	Barclays Bank Plc, 6.86% (c)(d)(e)	11,500	9,731
	Commonwealth Bank of Australia, 6.024% (c)(d)(e)	20,000	16,984
	Credit Agricole SA, 6.637% (c)(d)(e)	27,495	21,707
	HBOS Plc, 6.657% (c)(d)(e)	10,000	6,344
	Kazkommerts Finance 2 BV, 9.20% (c)(d)	1,000	662
	Lloyds TSB Group Plc, 6.267% (c)(d)(e)	12,500	9,836
	Mizuho Capital Investment 1 Ltd., 6.686% (c)(d)(e)	21,000	17,680
	Royal Bank of Scotland Group Plc, 7.648% (c)(d)	3,130	2,810
	Royal Bank of Scotland Group Plc Series MTN, 7.64%, 3/31/49 (c)(d)	6,100	5,095
	SMFG Preferred Capital USD 1 Ltd., 6.078% (c)(d)(e)	10,000	8,154
	Shinsei Finance II (Cayman) Ltd., 7.16% (c)(d)(e)	1,005	639
	Societe Generale, 5.922% (c)(d)(e)	11,850	9,886
	Standard Chartered Bank, 7.014% (c)(d)(e)	5,125	4,305
			156,684
<b>Diversified Financial Services - 5.4%</b>	Bank of America Corp. Series K, 8% (c)(d)	20,605	19,008
	C10 Capital SPV Ltd., 6.722% (c)(d)(e)	5,000	4,551
	ING Groep NV, 5.775% (c)(d)	10,000	8,302
	JPMorgan Chase Capital XXI Series U, 3.741% (d)	12,875	9,275



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Industry	Corporate Bonds	Par (000)
	JPMorgan Chase Capital XXV, 6.80%, 10/01/37	\$ 5,650
	Stan IV Ltd., 4.821%, 7/20/11 (d)(g)	283
<b>Electric Utilities - 0.4%</b>	PPL Capital Funding, 6.70%, 3/30/67 (d)	3,900
<b>Gas Utilities - 0.5%</b>	Southern Union Co., 7.20%, 11/01/66 (d)	5,000
<b>Insurance - 21.0%</b>	AXA SA, 6.463% (c)(d)(e)	12,000
	The Allstate Corp., 6.50%, 5/15/57 (d)	8,675
	The Allstate Corp. Series B, 6.125%, 5/15/67 (d)	8,725
	American International Group, Inc., 8.175%, 5/15/58 (d)(e)	13,400
	American International Group, Inc., 6.25%, 3/15/87	10,225
	Chubb Corp., 6.375%, 3/29/67 (d)	15,300
	Everest Reinsurance Holdings, Inc., 6.60%, 5/01/67 (d)	12,025
	Liberty Mutual Group, Inc., 7%, 3/15/37 (d)(e)	11,600
	Liberty Mutual Group, Inc., 10.75%, 6/15/88 (d)(e)	6,200
	Lincoln National Corp., 7%, 5/17/66 (d)	3,750
	Lincoln National Corp., 6.05%, 4/20/67 (d)	4,225
	MetLife, Inc., 6.40%, 12/15/66	4,550
	Nationwide Life Global Funding I, 6.75%, 5/15/67	8,025
	Progressive Corp., 6.70%, 6/15/37 (d)	19,675
	QBE Capital Funding II LP, 6.797% (c)(d)(e)	7,105
	Reinsurance Group of America, 6.75%, 12/15/65 (d)	15,000
	Swiss Re Capital I LP, 6.854% (c)(d)(e)	27,475
	The Travelers Cos., Inc., 6.25%, 3/15/67 (d)	9,000
	White Mountains Re Group Ltd., 7.506% (c)(d)(e)	4,400
	ZFS Finance (USA) Trust IV, 5.875%, 5/09/32 (d)(e)	2,050
	ZFS Finance (USA) Trust V, 6.50%, 5/09/67 (d)(e)	13,220
<b>Metals &amp; Mining - 0.4%</b>	Aleris International, Inc., 10%, 12/15/16	5,000
<b>Multi-Utilities - 0.2%</b>	Puget Sound Energy, Inc. Series A, 6.974%, 6/01/67 (d)	1,575
<b>Oil, Gas &amp; Consumable</b>	Conoco Funding Co., 6.35%, 10/15/11	4,800
<b>Fuels - 2.1%</b>	Enterprise Products Operating LP, 8.375%, 8/01/66 (d)	4,500
	Plains All American Pipeline LP, 6.50%, 5/01/18 (e)	2,515
	TransCanada PipeLines Ltd., 6.35%, 5/15/67 (d)	7,325
<b>Paper &amp; Forest</b>	International Paper Co., 8.70%, 6/15/38	3,100
<b>Products - 0.4%</b>		
<b>Thriffs &amp; Mortgage</b>	Washington Mutual Preferred Funding Delaware, 6.534% (c)(d)(e)	1,600
<b>Finance - 0.0%</b>		
	<b>Total Corporate Bonds - 49.9%</b>	
	<b>Total Long-Term Investments (Cost - \$1,258,857,716) - 121.6%</b>	
	<b>Short-Term Securities</b>	<b>Shares</b>
	SSgA Money Market Fund, 2.26%, 12/31/30	288,720,000
	<b>Total Short-Term Securities (Cost - \$288,720,000) - 33.7%</b>	
	<b>Options Purchased</b>	<b>Contracts</b>
<b>Call Options</b>	Abbott Laboratories, expiring August 2008 at \$52.5	30
	Anadarko Petroleum Corp., expiring August 2008 at \$60	60
	Bank of America Corp., expiring August 2008 at \$45	150





**BlackRock Preferred and Equity Advantage Trust****Schedule of Investments July 31, 2008 (Unaudited)****(Percentages shown are based on Net Assets)**

	<b>Options Purchased</b>	<b>Contracts</b>	<b>Value</b>
	Caterpillar, Inc., expiring August 2008 at \$85	80	\$ 120
	Cisco Systems, Inc., expiring August 2008 at \$26	80	320
	The Coca-Cola Co., expiring August 2008 at \$62.5	90	450
	ConocoPhillips, expiring August 2008 at \$85	80	7,640
	Corning, Inc., expiring August 2008 at \$25	70	350
	Cummins, Inc., expiring August 2008 at \$75	50	2,500
	Exxon Mobil Corp., expiring August 2008 at \$95	60	120
	Freeport-McMoRan Copper & Gold, Inc. Class B, expiring August 2008 at \$95	40	22,900
	Gilead Sciences, Inc., expiring August 2008 at \$55	50	4,500
	Hewlett-Packard Co., expiring August 2008 at \$45	90	6,750
	JPMorgan Chase & Co., expiring August 2008 at \$42.5	150	13,275
	National Oilwell Varco, Inc., expiring August 2008 at \$60	70	131,950
	Oracle Corp., expiring August 2008 at \$24	120	600
	Reynolds American, Inc., expiring August 2008 at \$60	70	875
	Schlumberger Ltd., expiring August 2008 at \$90	30	35,700
	Staples, Inc., expiring August 2008 at \$25	70	700
	XTO Energy, Inc., expiring August 2008 at \$70	120	360
	<b>Total Options Purchased (Cost - \$468,733) - 0.0%</b>		253,185
	<b>Total Investments Before Options Written (Cost - \$1,548,046,449*) - 155.3%</b>		1,332,363,027
	<b>Options Written</b>		
<b>Call Options</b>	Abbott Laboratories, expiring August 2008 at \$55	60	(12,000)
	Freeport-McMoRan Copper & Gold, Inc. Class B, expiring August 2008 at \$110	80	(8,400)
	JPMorgan Chase & Co., expiring August 2008 at \$45	300	(7,800)
	National Oilwell Varco, Inc., expiring August 2008 at \$70	140	(132,300)
	S&P 500 Listed Option, expiring August 2008 at \$126	270	(707,400)
	S&P 500 Listed Option, expiring September 2008 at \$132	720	(1,191,600)
	Schlumberger Ltd., expiring August 2008 at \$100	60	(24,600)
	<b>Total Options Written (Premiums Received - \$2,092,078) - (0.3%)</b>		(2,084,100)
	<b>Total Investments, Net of Options Written (Cost - \$1,545,954,371) - 155.0%</b>		1,330,278,927
	<b>Liabilities in Excess of Other Assets - (28.1%)</b>		(241,029,206)
	<b>Preferred Shares, at Redemption Value - (26.9%)</b>		(231,121,283)
	<b>Net Assets Applicable to Common Shares - 100.0%</b>		\$ 858,128,438

\* The cost and unrealized appreciation (depreciation) of investments as of July 31, 2008, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 1,548,265,726
Gross unrealized appreciation	\$ 7,713,963
Gross unrealized depreciation	(223,616,662)
Net unrealized depreciation	\$ (215,902,699)

(a) Non-income producing security.

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

**Schedule of Investments July 31, 2008 (Unaudited)**  
**BlackRock Preferred and Equity Advantage Trust**

(c) Security is perpetual in nature and has no stated maturity date. In certain instances, a final maturity date may be extended and/or the final payment may be deferred at the issuer's option for a specified time without default.

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

(e) 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. Unless otherwise indicated, these securities are considered to be liquid.

(f) Convertible security.

(g) Security is fair valued.

□ 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.

□ Financial futures contracts purchased as of July 31, 2008 were as follows:

<b>Contracts</b>	<b>Issue</b>	<b>Expiration Date</b>	<b>Face Value</b>	<b>Unrealized Appreciation</b>
370	S & P EMINI	September 2008	\$23,178,656	\$ 262,727
1,363	10-Year U.S. Treasury Bond	September 2008	\$154,295,051	2,215,683
<b>Total</b>				\$ 2,478,410

□ Financial futures contracts sold as of July 31, 2008 were as follows:

<b>Contracts</b>	<b>Issue</b>	<b>Expiration Date</b>	<b>Face Value</b>	<b>Unrealized Depreciation</b>
1,950	5-Year U.S. Treasury Bond	September 2008	\$214,224,559	\$ (2,880,520)
2,856	30-Year U.S. Treasury Bond	September 2008	\$325,065,029	(4,802,971)
<b>Total</b>				\$ <u>(7,683,491)</u>

□ Swaps outstanding as of July 31, 2008 were as follows:

	<b>Notional Amount (000)</b>	<b>Unrealized Depreciation</b>
Bought credit default protection on American Express Company and pay 2.11%		
Broker, Deutsche Bank AG London		
Expires March 2013	6,000	\$ (9,498)
Bought credit default protection on Lehman Brothers Holdings, Inc. and pay 4.95%		
Broker, Deutsche Bank AG London		
Expires March 2013	3,000	(158,274)
Bought credit default protection on Dow Jones CDX North America Investment Grade High Volatility Index 10. V1 and pay 3.50%		

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Broker, Lehman Brothers Special Financing

Expires June 2013

6,033

(276)

**BlackRock Preferred and Equity Advantage Trust**  
**Schedule of Investments July 31, 2008 (Unaudited)**

	<b>Notional Amount (000)</b>	<b>Unrealized Depreciation</b>
Bought credit default protection on Kimco Realty Corp. and pay 2.40%		
Broker, Goldman Sachs & Co.		
Expires March 2018	\$ 5,000	\$ (77,655)
Bought credit default protection on Mack-Cali Realty, L.P. and pay 3.10%		
Broker, Goldman Sachs & Co.		
Expires March 2018	\$ 3,000	(140,160)
Bought credit default protection on ERP Operating Limited Partnership and pay 2.35%		
Broker, Goldman Sachs & Co.		
Expires March 2018	\$ 5,000	(131,610)
<b>Total</b>		<b>\$ (517,473)</b>

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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 13a-15(b) under the Securities Exchange Act of 1934, as amended.
- 2(b) ☐ There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3 ☐ Exhibit

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/ Donald C. Burke  
Donald C. Burke  
Chief Executive Officer of  
BlackRock Preferred and Equity Advantage Trust

Date: September 19, 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/ Donald C. Burke  
Donald C. Burke  
Chief Executive Officer (principal executive officer) of  
BlackRock Preferred and Equity Advantage Trust

Date: September 19, 2008

By: /s/ Neal J. Andrews  
Neal J. Andrews  
Chief Financial Officer (principal financial officer) of  
BlackRock Preferred and Equity Advantage Trust

Date: September 19, 2008