

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

Item 1 ☐ Schedule of Investments

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
Aerospace & Defense - 0.4%	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
Air Freight & Logistics - 0.3%	United Parcel Service, Inc. Class B	44,100	2,781,828
Auto Components - 0.0%	Johnson Controls, Inc.	12,200	367,952
Automobiles - 0.1%	General Motors Corp.	53,400	591,138
Beverages - 0.5%	The Coca-Cola Co.	55,300	2,847,950
	PepsiCo, Inc.	17,800	1,184,768
			4,032,718
Biotechnology - 0.5%	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
Capital Markets - 0.3%	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
Chemicals - 0.4%	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
Commercial Banks - 0.9%	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
Commercial Services & Supplies - 0.2%	Waste Management, Inc.	44,200	1,570,868
Communications	Ciena Corp. (a)	11,500	237,705
Equipment - 0.8%	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
Computers & Peripherals - 1.0%	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

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Industry	Common Stocks	Shares	Value
	International Business Machines Corp.	14,100	\$ 1,804,518
	SanDisk Corp. (a)	23,600	332,760
			8,765,689
Consumer Finance - 0.0%	Discover Financial Services, Inc.	14,850	217,553
Diversified Financial Services - 1.0%	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
Diversified Telecommunication Services - 0.8%	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
Electric Utilities - 0.1%	American Electric Power Co., Inc.	7,100	280,450
	FPL Group, Inc.	5,500	354,915
	FirstEnergy Corp.	4,500	330,975
			966,340
Electrical Equipment - 0.3%	Emerson Electric Co.	29,300	1,426,910
	Rockwell Automation, Inc.	18,100	805,631
			2,232,541
Electronic Equipment & Instruments - 0.1%	Tyco Electronics Ltd.	17,100	566,694
Energy Equipment & Services - 0.8%	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
Food & Staples Retailing - 0.8%	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
Food Products - 0.2%	Kraft Foods, Inc.	30,046	956,064
	Sara Lee Corp.	73,900	1,009,474
			1,965,538
Health Care Equipment & Supplies - 0.4%	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
Health Care Providers & Services - 0.4%	Aetna, Inc.	7,800	319,878
	Express Scripts, Inc. (a)	12,900	909,966
	Medco Health Solutions, Inc. (a)	14,200	704,036

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	UnitedHealth Group, Inc.	25,000	\$ 702,000
	WellPoint, Inc. (a)	14,600	765,770
			3,401,650
Hotels, Restaurants & Leisure - 0.4%	Carnival Corp.	18,900	698,166
	McDonald's Corp.	48,800	2,917,752
			3,615,918
Household Durables - 0.4%	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
Household Products - 0.4%	The Procter & Gamble Co.	57,200	3,745,456
IT Services - 0.1%	Automatic Data Processing, Inc.	22,000	939,620
	Cognizant Technology Solutions Corp. (a)	10,900	305,963
			1,245,583
Industrial Conglomerates - 1.1%	3M Co.	35,100	2,470,689
	General Electric Co.	229,300	6,486,897
	Textron, Inc.	7,400	321,678
			9,279,264
Insurance - 0.7%	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
Internet & Catalog Retail - 0.1%	Amazon.com, Inc. (a)	12,000	916,080
Internet Software & Services - 0.4%	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
Leisure Equipment & Products - 0.2%	Eastman Kodak Co.	35,600	521,184
	Mattel, Inc.	50,700	1,016,535
			1,537,719
Life Sciences Tools & Services - 0.1%	Thermo Fisher Scientific, Inc. (a)	8,600	520,472
Machinery - 0.4%	Caterpillar, Inc.	23,600	1,640,672
	Cummins, Inc.	19,800	1,313,532
	Deere & Co.	9,300	652,488
			3,606,692
Media - 0.2%	CBS Corp. Class B	47,700	780,372
	The DIRECTV Group, Inc. (a)	25,000	675,500
			1,455,872
Metals & Mining - 0.3%	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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Industry	Common Stocks	Shares	Value
Multi-Utilities - 0.6%	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
Oil, Gas & Consumable Fuels - 2.6%	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
Paper & Forest Products - 0.2%	International Paper Co.	37,000	1,025,640
	MeadWestvaco Corp.	13,300	356,573
	Weyerhaeuser Co.	14,400	769,824
			2,152,037
Pharmaceuticals - 1.8%	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
Real Estate Investment Trusts (REITs) - 0.4%	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
Semiconductors & Semiconductor Equipment - 0.7%	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
Software - 0.8%	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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Industry	Common Stocks	Shares	Value
Specialty Retail - 0.3%	Home Depot, Inc.	44,500 \$	1,000,000
	Staples, Inc.	83,800	1,800,000
			2,900,000
Textiles, Apparel & Luxury Goods - 0.2%	VF Corp.	24,100	1,700,000
Thrifts & Mortgage Finance - 0.0%	Fannie Mae	19,700	2,000,000
	Freddie Mac	12,100	1,200,000
	Washington Mutual, Inc.	600	600,000
			3,800,000
Tobacco - 0.5%	Philip Morris International, Inc.	11,200	500,000
	Reynolds American, Inc.	32,500	1,800,000
	UST, Inc.	33,300	1,700,000
			4,000,000
Wireless Telecommunication Services - 0.1%	Sprint Nextel Corp.	84,700	600,000
			199,500,000
	Total Common Stocks - 23.3%		199,500,000
	Exchange-Traded Fund		
	UltraShort Real Estate ProShares	133,750	12,300,000
	Total Exchange-Traded Fund - 1.4%		12,300,000
	Preferred Securities		
		Par	
	Capital Trusts	(000)	
Capital Markets - 2.6%	State Street Capital Trust III, 8.25% (c)(d)	\$ 3,100	3,100,000
	State Street Capital Trust IV, 3.776%, 6/01/67 (d)	25,245	18,800,000
			21,900,000
Commercial Banks - 6.1%	Abbey National Capital Trust I, 8.963% (c)(d)	2,375	2,375,000
	BB&T Capital Trust IV, 6.82%, 6/12/77 (d)	15,300	11,400,000
	Barclays Bank Plc, 5.926% (c)(d)(e)	3,500	2,700,000
	HSBC Capital Funding LP/Jersey Channel Islands, 10.176% (c)(d)(e)	7,000	8,300,000
	Huntington Capital III, 6.65%, 5/15/37 (d)	3,250	1,700,000
	Regions Financing Trust II, 6.625%, 5/15/47 (d)	4,445	2,400,000
	SMFG Preferred Capital USD 3 Ltd., 9.50% (c)(d)(e)	3,850	3,850,000
	Wachovia Corp. Series K, 7.98% (c)(d)	14,600	11,200,000
	Wells Fargo Capital XIII Series GMTN, 7.70% (c)(d)	8,600	8,600,000
			52,700,000
Diversified Financial Services - 4.3%	Bank of America Corp. Series M, 8.125% (c)(d)	11,900	11,900,000
	Citigroup, Inc., 8.40% (c)(d)	18,250	15,400,000
	JPMorgan Chase Capital XXIII, 3.804%, 5/15/77 (d)	13,800	10,500,000
			37,200,000
Insurance - 4.7%	AON Corp., 8.205%, 1/01/27	18,273	16,400,000
	Ace Capital Trust II, 9.70%, 4/01/30	17,000	18,000,000
	Mangrove Bay Pass-Through Trust, 6.102%, 7/15/33 (d)(e)	10,000	5,500,000
			40,000,000
Thrifts & Mortgage Finance - 0.3%	Webster Capital Trust IV, 7.65%, 6/15/37 (d)	3,225	2,700,000
	Total Capital Trusts - 18.0%		153,900,000

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Industry	Preferred Stocks	Shares	Value
Commercial Banks - 6.1%	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
Diversified Financial Services - 3.0%	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
Electric Utilities - 3.2%	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
Insurance - 6.7%	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
Real Estate Investment Trusts (REITs) - 1.7%	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
Thrifts & Mortgage Finance - 0.8%	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
Wireless Telecommunication Services - 1.2%	Centaur Funding Corp., 9.08% (e)	10,000	9,943,750
	Total Preferred Stocks - 22.7%		194,887,442
		Par	
	Trust Preferred	(000)	
Capital Markets - 0.4%	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
Commercial Banks - 0.3%	Citizens Funding Trust I, 7.50%, 9/15/66	\$ 5,250	\$ 2,492
Diversified Financial Services - 0.6%	ING Groep NV, 7.20% (c)	5,325	4,494
	ING Groep NV, 7.375% (c)	1,000	854
			5,348
Diversified Telecommunication Services - 0.1%	AT&T Inc., 6.375%, 2/15/56	750	748
Electric Utilities - 0.9%	PPL Energy Supply LLC, 7%, 7/15/46	7,200	7,250
Insurance - 0.4%	W.R. Berkley Capital Trust II, 6.75%, 7/26/45	4,268	3,550
Media - 1.9%	Comcast Corp., 6.625%, 5/15/56	19,500	16,454
Oil, Gas & Consumable Fuels - 0.3%	Nexen, Inc., 7.35%, 11/01/43	3,000	2,809
Thrifts & Mortgage Finance - 1.4%	Countrywide Capital V, 7%, 11/01/66	1,250	804
	Countrywide Financial Corp., 6.75%, 4/01/33	18,125	11,500
			12,304
	Total Trust Preferred - 6.3%		54,520
	Total Preferred Securities - 47.0%		403,402
	Corporate Bonds		
Building Products - 0.3%	C8 Capital SPV Ltd., 6.64% (c)(d)(e)	3,160	2,885
Capital Markets - 1.0%	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
Commercial Banks - 18.2%	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
Diversified Financial Services - 5.4%	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
Electric Utilities - 0.4%	PPL Capital Funding, 6.70%, 3/30/67 (d)	3,900
Gas Utilities - 0.5%	Southern Union Co., 7.20%, 11/01/66 (d)	5,000
Insurance - 21.0%	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
Metals & Mining - 0.4%	Aleris International, Inc., 10%, 12/15/16	5,000
Multi-Utilities - 0.2%	Puget Sound Energy, Inc. Series A, 6.974%, 6/01/67 (d)	1,575
Oil, Gas & Consumable	Conoco Funding Co., 6.35%, 10/15/11	4,800
Fuels - 2.1%	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
Paper & Forest	International Paper Co., 8.70%, 6/15/38	3,100
Products - 0.4%		
Thrifts & Mortgage	Washington Mutual Preferred Funding Delaware, 6.534% (c)(d)(e)	1,600
Finance - 0.0%		
	Total Corporate Bonds - 49.9%	
	Total Long-Term Investments (Cost - \$1,258,857,716) - 121.6%	
	Short-Term Securities	Shares
	SSgA Money Market Fund, 2.26%, 12/31/30	288,720,000
	Total Short-Term Securities (Cost - \$288,720,000) - 33.7%	
	Options Purchased	Contracts
Call Options	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)**

	Options Purchased	Contracts	Value
	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
	Total Options Purchased (Cost - \$468,733) - 0.0%		253,185
	Total Investments Before Options Written (Cost - \$1,548,046,449*) - 155.3%		1,332,363,027
	Options Written		
Call Options	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)
	Total Options Written (Premiums Received - \$2,092,078) - (0.3%)		(2,084,100)
	Total Investments, Net of Options Written (Cost - \$1,545,954,371) - 155.0%		1,330,278,927
	Liabilities in Excess of Other Assets - (28.1%)		(241,029,206)
	Preferred Shares, at Redemption Value - (26.9%)		(231,121,283)
	Net Assets Applicable to Common Shares - 100.0%		\$ 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:

Contracts	Issue	Expiration Date	Face Value	Unrealized Appreciation
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
Total				\$ 2,478,410

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

Contracts	Issue	Expiration Date	Face Value	Unrealized Depreciation
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)
Total				\$ <u>(7,683,491)</u>

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

	Notional Amount (000)	Unrealized Depreciation
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)

	Notional Amount (000)	Unrealized Depreciation
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)
Total		\$ (517,473)

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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