

BLACKROCK PREFERRED & EQUITY ADVANTAGE TRUST  
Form N-Q  
September 24, 2007

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Robert S. Kapito, President, BlackRock Preferred and Equity  
Advantage Trust, 40 East 52nd Street, New York, NY 10022.

Registrant's telephone number, including area code: (888) 825-2257

Date of fiscal year end: 10/31/2007

Date of reporting period: 05/01/2007  07/31/2007

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## Item 1 □ Schedule of Investments

**PORTFOLIO OF INVESTMENTS (unaudited)****JULY 31, 2007****BlackRock Preferred and Equity Advantage Trust (BTZ)****(Percentages shown are based on Net Assets)**

Shares	Description	Value
	<b>LONG-TERM INVESTMENTS □143.0%</b>	
	<b>Common Stocks □38.5%</b>	
	<b>Aerospace &amp; Defense □0.4%</b>	
18,800	L-3 Communications Holdings, Inc.	\$ 1,834,128
28,300	Lockheed Martin Corp.	2,786,984
	Total Aerospace & Defense	4,621,112
	<b>Automotive □0.4%</b>	
264,5001	Ford Motor Co.	2,250,895
21,800	General Motors Corp.	706,320
11,200	Genuine Parts Co.	532,896
10,000	PACCAR, Inc.	818,200
	Total Automotive	4,308,311
	<b>Basic Materials □1.7%</b>	
17,900	Air Products & Chemicals, Inc.	1,546,023
54,900	Alcoa, Inc.	2,097,180
17,500	Allegheny Technologies, Inc.	1,836,275
5,200	BASF AG (ADR)	673,140
46,000	Dow Chemical Co. (The)	2,000,080
71,500	E.I. du Pont de Nemours & Co.	3,341,195
12,500	Freeport-McMoRan Copper & Gold, Inc.	1,174,750
74,200	Intl. Paper Co.	2,750,594
33,900	MeadWestvaco Corp.	1,103,106
30,000	Nucor Corp.	1,506,000
13,700	PPG Industries, Inc.	1,044,899
24,600	Plum Creek Timber Co., Inc. (REIT)	955,956
	Total Basic Materials	19,073,242
	<b>Building &amp; Development □0.2%</b>	
15,800	Centex Corp.	589,498
26,400	D.R. Horton, Inc.	430,848
16,000	KB Home	508,960
7,600	Lennar Corp., Class A	233,016
16,000	Masco Corp.	435,360
	Total Building & Development	2,197,682
	<b>Consumer Products □5.6%</b>	
108,800	Altria Group, Inc.	7,231,936
5,000	Amazon.com, Inc.	392,700
76,200	Amgen, Inc.	4,094,988
45,000	Anheuser-Busch Cos., Inc.	2,194,650
10,300	Black & Decker Corp.	891,671
26,406	CVS Caremark Corp.	929,227
8,300	Clorox Co.	501,818
113,100	Coca-Cola Co. (The)	5,893,641
26,400	Eastman Kodak Co.	666,600

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21,800	Fortune Brands, Inc.	1,772,340
67,700	Gap, Inc.	1,164,440
96,200	Home Depot, Inc.	3,575,754
6,900	JC Penney Co., Inc.	469,476
69,746	Kraft Foods, Inc.	2,284,182
72,600	Lowe's Cos., Inc.	2,033,526
12,600	Ltd. Brands, Inc., Class A	304,290
17,100	Macy's, Inc.	616,797
17,400	Newell Rubbermaid, Inc.	460,230
13,700	Nordstrom, Inc.	651,846
6,800	OfficeMax, Inc.	223,584
18,800	PepsiCo, Inc.	1,233,656
128,000	Procter & Gamble Co.	7,918,080
19,700	Reynolds American, Inc.	1,205,049
183,800	Sara Lee Corp.	2,913,230
10,1001	Sears Holdings Corp.	1,381,579
43,3001	Starbucks Corp.	1,155,244
26,000	Tupperware Brands Corp.	676,260
53,100	UST, Inc.	2,843,505
9,500	Universal Corp.	524,495
4,700	VF Corp.	403,213
115,100	Wal-Mart Stores, Inc.	5,288,845
37,900	Walgreen Co.	1,674,422
7,000	Whole Foods Market, Inc.	259,280
	Total Consumer Products	63,830,554
	<b>Energy</b> 4.9%	
53,800	American Electric Power, Inc.	2,339,762
26,300	Anadarko Petroleum Corp.	1,323,679
20,300	Apache Corp.	1,641,052
22,400	BP Plc (ADR)	1,554,560
11,400	Baker Hughes, Inc.	901,170
59,900	Chevron Corp.	5,107,074
66,700	ConocoPhillips	5,392,028
72,000	Consolidated Edison, Inc.	3,144,960
27,600	DTE Energy Co.	1,280,088
32,100	Devon Energy Corp.	2,394,981
78,400	Duke Energy Corp.	1,335,152
7,300	EOG Resources, Inc.	511,730
25,100	Exelon Corp.	1,760,765
182,400	Exxon Mobil Corp.	15,527,712
24,500	Great Plains Energy, Inc.	680,120
29,300	Halliburton Co.	1,055,386
20,300	Hess Corp.	1,242,360
50,000	Marathon Oil Corp.	2,760,000
27,200	Nicor, Inc.	1,071,952
42,800	NiSource, Inc.	816,196
13,100	Rowan Cos., Inc.	552,689
21,000	Sasol Ltd. (ADR)	789,810
6,200	Schlumberger Ltd.	587,264
44,700	Southern Co.	1,503,708
7,3001	Transocean, Inc.	784,385

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	Total Energy	56,058,583
	<b>Entertainment &amp; Leisure</b> 0.2%	
12,500	Brunswick Corp.	349,500
31,900	Carnival Corp.	1,413,489
50,000	Regal Entertainment Group	1,069,500
	Total Entertainment & Leisure	2,832,489
	<b>Financial Institutions</b> 6.9%	
26,500	American Express Co.	1,551,310
79,2002	American Intl. Group, Inc.	5,083,056
18,300	Arthur J. Gallagher & Co.	504,714
92,300	BB&T Corp.	3,453,866
147,700	Bank of America Corp.	7,003,934
37,452	Bank of New York Mellon Corp.	1,593,583
10,900	Bear Stearns Cos., Inc.	1,321,298
16,800	Cigna Corp.	867,552
136,500	Citigroup, Inc.	6,356,805
33,800	Comerica, Inc.	1,779,908
37,7501	Discover Financial Services	870,137
62,9001	E*Trade Financial Corp.	1,164,908
37,400	Fannie Mae	2,238,016
22,900	Freddie Mac	1,311,483
14,600	Goldman Sachs Group, Inc. (The)	2,749,764
33,900	HSBC Holdings Plc (ADR)	3,158,124
85,300	JPMorgan Chase & Co.	3,754,053
38,500	KeyCorp	1,335,565
40,100	Lehman Brothers Holdings, Inc.	2,486,200
35,700	Lincoln National Corp.	2,153,424
25,600	MCG Capital Corp.	370,432
54,900	Marsh & McLennan Cos., Inc.	1,512,495
75,500	Morgan Stanley	4,822,185
92,200	National City Corp.	2,709,758
152,300	New York Community Bancorp, Inc.	2,471,829
54,700	Progressive Corp.	1,147,606
75,000	Regions Financial Corp.	2,255,250
30,700	Travelers Cos., Inc.	1,558,946
75,100	U.S. Bancorp	2,249,245
101,000	Wachovia Corp.	4,768,210
54,200	Washington Mutual, Inc.	2,034,126

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

Shares	Description	Value
	<b>Financial Institutions</b> (cont'd)	
81,300	Wells Fargo & Co.	\$ 2,745,501
	Total Financial Institutions	79,383,283
	<b>Health Care</b> 4.4%	
58,400	Abbott Laboratories	2,960,296
19,100	Aetna, Inc.	918,137
37,900	Baxter Intl., Inc.	1,993,540
30,600	Becton Dickinson & Co.	2,336,616
9,3001	Biogen Idec, Inc.	525,822
32,6001	Boston Scientific Corp.	428,690
71,700	Bristol-Myers Squibb Co.	2,036,997
10,3001	Celgene Corp.	623,768
32,5001	Covidien Ltd.	1,330,875
40,700	Eli Lilly & Co.	2,201,463
39,6001	Express Scripts, Inc.	1,985,148
49,6001	Gilead Sciences, Inc.	1,846,608
5,2001	Humana, Inc.	333,268
119,400	Johnson & Johnson	7,223,700
64,500	Medtronic, Inc.	3,268,215
96,500	Merck & Co., Inc.	4,791,225
284,9002	Pfizer, Inc.	6,697,999
11,100	Quest Diagnostics, Inc.	615,717
57,600	Schering-Plough Corp.	1,643,904
9,8001	St. Jude Medical, Inc.	422,772
47,400	UnitedHealth Group, Inc.	2,295,582
50,600	Wyeth	2,455,112
19,5001	Zimmer Holdings, Inc.	1,516,320
	Total Health Care	50,451,774
	<b>Industrials</b> 3.2%	
37,600	3M Co.	3,343,392
33,700	Boeing Co.	3,485,591
47,100	Caterpillar, Inc.	3,711,480
14,800	Deere & Co.	1,782,216
6,700	Fluor Corp.	773,917
383,400	General Electric Co.	14,860,584
29,700	Honeywell Intl., Inc.	1,708,047
38,000	Illinois Tool Works, Inc.	2,091,900
30,100	Ingersoll-Rand Co. Ltd.	1,514,632
20,300	Leggett & Platt, Inc.	420,819
15,900	Rockwell Automation, Inc.	1,112,841
5,500	Textron, Inc.	620,895
32,500	Tyco Intl. Ltd.	1,536,925
	Total Industrials	36,963,239
	<b>Media</b> 1.0%	
75,100	CBS Corp., Class B	2,382,172
2,987	Citadel Broadcasting Corp.	14,997
129,4501	Comcast Corp., Class A	3,400,651

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55,7001	DIRECTV Group, Inc.	1,248,237
34,300	New York Times Co. (The)	784,098
86,100	Time Warner, Inc.	1,658,286
28,2001	Viacom, Inc.	1,080,060
38,900	Walt Disney Co. (The)	1,283,700
	<b>Total Media</b>	<b>11,852,201</b>
	<b>Real Estate</b> 0.8%	
31,000	Annaly Capital Management, Inc. (REIT)	447,950
4,600	Boston Properties, Inc. (REIT)	434,654
12,100	Equity Residential (REIT)	481,701
15,600	First Industrial Realty Trust, Inc. (REIT)	603,876
67,400	HRPT Properties Trust (REIT)	630,190
13,900	Health Care Property Investors, Inc.	378,636
59,100	Hospitality Properties Trust (REIT)	2,267,076
20,200	Inland Real Estate Corp. (REIT)	305,424
24,600	Plum Creek Timber Co., Inc. (REIT)	955,956
39,600	Starwood Hotels & Resorts Worldwide, Inc.	2,493,216
	<b>Total Real Estate</b>	<b>8,620,043</b>
	<b>Technology</b> 5.1%	
10,4001	Agilent Technologies, Inc.	396,760
35,100	Apple, Inc.	4,624,776
182,100	Applied Materials, Inc.	4,013,484
30,100	AutoDesk, Inc.	1,275,337
38,300	Automatic Data Processing, Inc.	1,777,886
13,6001	Cognizant Technology Solutions Corp.	1,101,328
35,6001	Dell, Inc.	995,732
140,8001	EMC Corp.	2,606,208
46,2001	eBay, Inc.	1,496,880
16,5001	Electronic Arts, Inc.	802,560
12,0001	Google, Inc.	6,120,000
84,600	Hewlett-Packard Co.	3,894,138
182,700	Intel Corp.	4,315,374
51,200	Intl. Business Machines Corp.	5,665,280
38,600	Maxim Integrated Products, Inc.	1,223,620
274,500	Microsoft Corp.	7,957,755
54,500	National Semiconductor Corp.	1,416,455
94,7001	Oracle Corp.	1,810,664
12,900	Paychex, Inc.	533,802
17,200	Pitney Bowes, Inc.	792,920
6,2001	SanDisk Corp.	332,506
115,8001	Sanmina-SCI Corp.	318,450
252,4001	Sun Microsystems, Inc.	1,287,240
32,5001	Tyco Electronics Ltd.	1,164,150
43,700	Xilinx, Inc.	1,092,500
33,9001	Yahoo!, Inc.	788,175
	<b>Total Technology</b>	<b>57,803,980</b>
	<b>Telecommunications</b> 3.0%	
175,987	AT&T, Inc.	6,891,651
142,010	Chunghwa Telecom Co. Ltd. (ADR)	2,354,526
178,5001	Cisco Systems, Inc.	5,160,435
64,000	Citizens Communications Co.	923,520

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43,3001	Corning, Inc.	1,032,272
15,7001	Juniper Networks, Inc.	470,372
140,400	Motorola, Inc.	2,385,396
119,200	Qualcomm, Inc.	4,964,680
96,800	Sprint Nextel Corp.	1,987,304
47,000	Tele Norte Leste Participacoes (ADR)	997,810
156,000	Verizon Communications, Inc.	6,648,720
	Total Telecommunications	33,816,686
	<b>Transportation</b> <b>0.7%</b>	
39,700	General Maritime Corp.	1,032,200
37,600	Nordic American Tanker Shipping	1,492,720
15,700	Ship Finance Intl. Ltd.	438,815
62,900	United Parcel Service, Inc., Class B	4,762,788
	Total Transportation	7,726,523
	Total Common Stocks	439,918,338
	<b>Preferred Stocks</b> <b>26.9%</b>	
	<b>Energy</b> <b>3.4%</b>	
40,000	Entergy Louisiana LLC, 6.95%	4,026,551
785,000	Interstate Power & Light Co., Ser. B, 8.375%	24,555,821
120,000	Nexen, Inc., 7.35%	3,011,256
288,000	PPL Energy Supply LLC, 7.00%	7,272,000
	Total Energy	38,865,628
	<b>Financial Institutions</b> <b>18.3%</b>	
400,000	ACE Ltd., Ser. C, 7.80%	10,180,000
400,000	Aegon N.V.	9,650,000
	Arch Capital Group Ltd.,	
100,000	8.00%	2,584,380
160,000	Ser. B, 7.875%	4,085,008
655,0003	Aspen Insurance Holdings Ltd., 7.401%	15,425,250
180,0003	Axis Capital Holdings Ltd., Ser. B, 7.50%	18,860,634
170,731	Berkley W.R. Capital Trust II, 6.75%	4,049,534
10,0004	Centaur Funding Corp., Ser. B, 9.08%	11,490,625
210,000	Citizens Funding Trust I, 7.50%	5,151,573
150,0004	CoBank ACB, 7.00%	7,619,700
113,200	Countrywide Capital V, 7.00%	2,422,480
250,000	Deutsche Bank Contingent Capital Trust II, 6.55%	6,100,000

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

Shares	Description	Value
<b>Financial Institutions</b> (cont'd)		
389,000	Endurance Specialty Holdings Ltd., 7.75%	\$ 10,129,560
35,000	Federal Home Loan Mortgage Corp., Ser. W, 5.66%	808,283
200,000	ING Groep N.V., 6.125%	4,618,760
150,000	Indymac Bank FSB, 8.50%	3,225,000
795,000	KeyCorp Capital IX, 6.75%	19,064,100
298,100	National City Capital Trust II, 6.625%	7,014,681
265,600	PartnerRE Ltd., Ser. C, 6.75%	6,407,600
285,000	RenaissanceRe Holdings Ltd., Ser. D, 6.60%	6,509,400
503	Roslyn Real Estate Asset Corp., Ser. D, 9.01%	5,007,812
522,000	Santander Finance Preferred S.A. Unipersonal, 6.50%	13,066,339
670,000	6.80%	16,959,375
85,000	Sovereign Capital Trust V, 7.75%	2,186,098
75,000	Wachovia Capital Trust IV, 6.375%	1,746,097
280,000	Wachovia Capital Trust IX, 6.375%	6,510,000
300,000	XL Capital Ltd., Ser. B, 7.625%	7,528,140
	Total Financial Institutions	208,400,430
<b>Media</b> 1.6%		
780,000	Comcast Corp., 6.625%	18,072,600
<b>Real Estate</b> 3.1%		
520,000	CBL & Associates Properties, Inc. (REIT), Ser. C, 7.75%	12,740,000
55,000	iStar Financial, Inc. (REIT), Ser. I, 7.50%	1,275,313
341,300	PS Business Parks, Inc. (REIT), Ser. P, 6.70%	7,583,276
572,500	Public Storage, Inc. (REIT), Ser. M, 6.625%	13,292,763
	Total Real Estate	34,891,352
<b>Telecommunications</b> 0.5%		
270,000	AT&T, Inc., 6.375%	6,277,500
	Total Preferred Stocks	306,507,509
<b>Principal Amount (000)</b>		
<b>Trust Preferred Stocks</b> 66.3%		
<b>Energy</b> 1.6%		
\$ 4,500	Enterprise Products Operating LP, 8.375%, 8/01/66	4,591,152
5,900	PPL Capital Funding, Inc., Ser. A, 6.70%, 3/30/67	5,550,425
1,575	Puget Sound Energy, Inc., Ser. A, 6.974%, 6/01/67	1,589,633
7,325	Trans-Canada Pipelines Ltd., 6.35%, 5/15/67	6,856,024
	Total Energy	18,587,234
<b>Financial Institutions</b> 63.0%		
18,273	AON Corp., 8.205%, 1/01/27	19,143,727
17,000	AXA S.A. (France)	
3,450	6.463%	15,160,396
3,253	6.379%	2,755,943
2,375	Abbey National Capital Trust I, 8.963%	2,974,721
17,000	Ace Capital Trust II, 9.70%, 4/01/30	21,315,467
	Allstate Corp.,	



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8,7253	6.125%, 5/15/37	8,263,980
10,6753	6.50%, 5/15/57	9,852,256
11,150	American Intl. Group, Inc., Ser. A1, 6.25%, 3/15/37	10,270,912
5,000	Astoria Capital Trust I, Ser. B, 9.75%, 11/01/29	5,593,655
15,3003	BB&T Capital Trust IV, 6.82%, 6/12/57	14,814,041
19,4003,4,5,6	BNP Paribas, 7.195% (France)	18,528,067
30,0003,4,5	BOI Capital Funding No. 3, 6.107% (Ireland)	26,929,200
10,0005	BTA Finance Luxembourg S.A., 8.25% (Kazakhstan)	7,895,300
	Barclays Bank Plc (United Kingdom)	
19,8253,4,5,6	5.926%	18,935,968
20,0003,4,5	6.86%	19,816,440
5,0003,4	C10 Capital SPV Ltd., 6.722% (British Virgin Islands)	4,708,250
5,0002	Capital One Capital III, 7.686%, 8/15/36	4,782,750
15,0003	Capital One Capital IV, 6.745%, 2/17/37	13,025,385
15,3003	Chubb Corp., 6.375%, 3/29/67	14,733,135
20,0003,4,5	Commonwealth Bank of Australia, 6.024% (Australia)	19,348,620
26,0003,4,5	Credit Agricole S.A., 6.637% (France)	25,782,640
16,4503,5	Credit Suisse Ltd., 5.86% (Guernsey)	15,498,746
2,8953,4,5	Deutsche Bank Capital Funding Trust VII, 5.628%	2,727,553
7,2004	Dresdner Funding Trust I, 8.151%, 6/30/31	8,250,516
12,0253	Everest Reinsurance Holdings, Inc., 6.60%, 5/15/37	11,146,033
25,0003,4,5	HBOS Plc, 6.657% (United Kingdom)	22,703,750
7,0003,4,5	HSBC Capital Funding LP, Ser. 2, 10.176% (Jersey Channel Islands)	9,769,256
3,2503	Huntington Capital III, 6.65%, 5/15/37	3,055,331
25,1003,4,5	ICICI Bank Ltd., 7.25% (India)	24,422,576
10,0003,5	ING Groep N.V., 5.775% (Netherlands)	9,616,440
12,8753	JPMorgan Chase Capital XXI, Ser. U, 6.309%, 2/02/37	12,714,745
22,9453	JPMorgan Chase Capital XXIII, 6.36%, 5/15/47	20,896,608
5,0005	Kazkommerts Finance 2 BV, 9.25% (Netherlands)	4,685,000
5,0003,5	Lehman Brothers Holdings Capital Trust V, Ser. MTN, 5.857%	4,728,100
11,6003,4	Liberty Mutual Group, Inc., Ser. B, 7.00%, 3/15/37	10,526,281
4,2253	Lincoln National Corp., 6.05%, 4/20/67	3,952,306
13,0003,4,5	Lloyds TSB Group Plc, 6.267% (United Kingdom)	11,681,514
10,0003,4	Mangrove Bay Pass-Through Trust, 6.102%, 7/15/33	9,800,900
21,0003,4,5	Mizuho Capital Investment 1 Ltd., 6.686% (Cayman Islands)	20,711,040
12,900	Nationwide Financial Services, 6.75%, 5/15/37	11,238,441
9,2753,4,5	Northern Rock Plc, 6.594% (United Kingdom)	9,057,408
9,6753	Progressive Corp., 6.70%, 6/15/37	9,274,552
5,5053,4,5	QBE Capital Funding II LP, 6.797% (Jersey Channel Islands)	5,140,128
10,9555	RBS Capital Trust, Ser. B, 6.80% (United Kingdom)	10,746,943
25,0003,4,5	Resona Preferred Global Securities Ltd., 7.191% (Cayman Islands)	25,242,750
10,0003,4,5	SMFG Preferred Capital 1 Ltd., 6.078% (Cayman Islands)	9,575,300
7,0003,4,5	Shinsei Finance II, 7.16% (Cayman Islands)	7,021,875
17,8503,4,5	Societe Generale, 5.922% (France)	17,149,691
11,3003,4,5	Standard Chartered Plc, 7.014% (United Kingdom)	10,184,125
28,3053	State Street Capital Trust IV, 6.355%, 6/01/67	28,198,856
2,6503	SunTrust Capital VIII, 6.10%, 12/15/36	2,337,623
27,4753,4,5	Swiss Re Capital I LP, 6.854%	27,348,615
19,1003	Travelers Cos., Inc., 6.25%, 3/15/67	17,950,142
3,2253	Webster Capital Trust IV, 7.65%, 6/15/37	3,186,452
4,4003,4,5	White Moutains RE Group Ltd., 7.506% (Bermuda)	4,281,930

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7,1503,4	Woori Bank, 6.208%	6,720,800
10,0003,5	XL Capital Ltd., Ser. E, 6.50% (Cayman Islands)	8,924,000

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

Principal Amount (000)	Description	Value
	<b>Financial Institutions</b> (cont'd)	
\$ 15,2203,4	ZFS Finance Trust I, 6.50%, 5/09/37	\$ 14,252
	Total Financial Institutions	719,350
	<b>Real Estate</b> 1.7%	
13,0004,5	Sovereign Real Estate Investment Corp. (REIT), 12.00%	19,045
	Total Trust Preferred Stocks	756,982
	<b>Corporate Bonds</b> 11.4%	
	<b>Automotive</b> 0.4%	
5,000	Lear Corp., Ser. B, 8.75%, 12/01/16	4,625
	<b>Basic Materials</b> 0.2%	
2,3504	Ineos Group Holdings Plc, 8.50%, 2/15/16 (United Kingdom)	2,150
	<b>Commercial Services</b> 0.4%	
5,0004	Quebecor World, Inc., 9.75%, 1/15/15 (Canada)	4,800
	<b>Consumer Products</b> 0.4%	
5,0004,6	Michaels Stores, Inc., 11.375%, 11/01/16	4,825
	<b>Energy</b> 1.2%	
6,250	CMS Energy Corp., 6.55%, 7/17/17	6,018
2,6104	Halliburton Co., 7.60%, 8/15/96	2,903
5,0003	Southern Union Co., 7.20%, 11/01/66	5,025
	Total Energy	13,947
	<b>Entertainment &amp; Leisure</b> 0.6%	
2,500	AMC Entertainment, Inc., 11.00%, 2/01/16	2,581
2,000	Harrah's Operating Co., Inc., 5.75%, 10/01/17	1,420
3,000	Station Casinos, Inc., 6.875%, 3/01/16	2,527
	Total Entertainment & Leisure	6,528
	<b>Financial Institutions</b> 4.5%	
20,0004	CDX North America High Yield, 8-T1, 7.625%, 6/29/12	18,050
6,5003,4	ICICI Bank Ltd., 6.375%, 4/30/22 (India)	6,169
4,550	MetLife, Inc., 6.40%, 12/15/36	4,068
5,0004	Momentive Performance Materials, Inc., 9.75%, 12/01/14	4,800
15,0003	Reinsurance Group of America, Inc., 6.75%, 12/15/65	14,584
3,1303	Royal Bank of Scotland Group Plc, 7.648%, 8/31/49 (United Kingdom)	3,427
	Total Financial Institutions	51,101
	<b>Health Care</b> 0.4%	
4,500	Tenet Healthcare Corp., 9.875%, 7/01/14	4,005
	<b>Industrials</b> 0.4%	
5,0004	Aleris Intl., Inc., 10.00%, 12/15/16	4,475
2837	Stan IV Ltd., 7.137%, 7/20/11	283
	Total Industrials	4,758
	<b>Media</b> 1.0%	
5,000	Cablevision Systems Corp., Ser. B, 8.00%, 4/15/12	4,662
1,000	Nexstar Finance, Inc., 7.00%, 1/15/14	970
5,000	Primedia, Inc., 8.00%, 5/15/13	5,256
	Total Media	10,888
	<b>Technology</b> 1.2%	

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5,0004	Freescale Semiconductor, Inc., 9.125%, 12/15/14	4,412
5,000	NXP BV/NXP Funding LLC, 9.50%, 10/15/15 (Netherlands)	4,337
5,000	SunGard Data Systems, Inc., 10.25%, 8/15/15	5,000
	<b>Total Technology</b>	13,750
	Intelsat Ltd. (Bermuda)	
3,3253	8.886%, 1/15/15	3,341
5,000	11.25%, 6/15/16	5,225
	<b>Total Telecommunications</b>	8,566
	<b>Total Corporate Bonds</b>	129,946
	<b>Total Long-Term Investments</b> (cost \$1,703,196,311)	1,633,354
	<b>SHORT-TERM INVESTMENTS</b> 2.0%	
	<b>U.S. Government and Agency Discount Notes</b> 1.2%	
13,0008	Federal Home Loan Bank Disc. Notes, 5.091%, 8/01/07	13,000
<b>Shares (000)</b>		
	<b>Money Market Fund</b> 0.8%	
9,400	SSgA Tax Free Money Mkt. Fund - Class A	9,400
	<b>Total Short-Term Investments</b> (cost \$22,400,000)	22,400
<b>Contracts</b>		
	<b>OUTSTANDING CALL OPTIONS PURCHASED</b> 0.0%	
	S&P 500 Index,	
100	strike price \$1,525, expires 8/18/07	30
100	strike price \$1,560, expires 9/22/07	40
	<b>Total Outstanding Options Purchased</b> (cost \$415,400)	70
	<b>Total Investments before outstanding options written</b> (cost \$1,726,011,711 <sup>9</sup> )	1,655,824
	<b>OUTSTANDING CALL OPTIONS WRITTEN</b> 0.0%	
	S&P 500 Index,	
(20)	strike price \$1,545, expires 8/18/07	(31)
(159)	strike price \$1,560, expires 8/18/07	(95)
	<b>Total Outstanding Options Written</b> (premium received \$3,172,080)	(126)
	<b>Total Investments net of outstanding options written</b> 145.0%	\$ 1,655,698
	Liabilities in excess of other assets 4.5%	(51,578)
	Preferred shares at redemption value, including dividends payable 40.5%	(462,332)
	<b>Net Assets Applicable to Common Shareholders</b> 100%	\$ 1,141,787

- 1 Non-income producing security.
- 2 Security, or a portion thereof, pledged as collateral with a value of \$19,545,877 on 96 long S&P 500 futures contracts expiring September 2007, 539 long U.S. Treasury Bond futures contracts expiring September 2007, 758 long U.S. Treasury Note futures contracts expiring September 2007 and 8,511 short U.S. Treasury Note futures contracts expiring September 2007. The notional value of such contracts on July 31, 2007 was \$739,912,978, with an unrealized loss of \$14,058,048.
- 3 Variable rate security. Rate shown is interest rate as of July 31, 2007.
- 4 Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of July 31, 2007, the Trust held 46.6% of its net assets, with a current market value of \$532,526,674, in securities restricted as to resale.

- 5 The security is a perpetual bond and has no stated maturity date.
- 6 Entire or partial principal amount pledged as collateral for reverse repurchase agreements.
- 7 Security is fair valued.
- 8 Represents current yield as of July 31, 2007.
- 9 Cost for federal income tax purposes is \$1,726,011,712. The net unrealized depreciation on a tax basis is \$70,186,785, consisting of \$23,561,550 gross unrealized appreciation and \$93,748,335 gross unrealized depreciation.

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

For Trust compliance purposes, the Trust's sector and industry classifications refer to any one or more of the Standard Industry Codes as defined by the SEC. This definition may not apply for purposes of this report, which may combine sector and industry sub-classifications for reporting ease.

**KEY TO ABBREVIATIONS**

ADR □ American Depositary Receipt

REIT □ Real Estate Investment Trust

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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 and 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 (17 CFR 270.30a-3(d)) 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/ Donald C. Burke  
Donald C. Burke,  
Treasurer of  
BlackRock Preferred and Equity Advantage Trust

Date: September 20, 2007

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/ Robert S. Kapito  
Robert S. Kapito  
President (principal executive officer) of  
BlackRock Preferred and Equity Advantage Trust

Date: September 20, 2007

By: /s/ Donald C. Burke  
Donald C. Burke,  
Treasurer (principal financial officer) of  
BlackRock Preferred and Equity Advantage Trust

Date: September 20, 2007

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