

BLACKROCK PREFERRED & EQUITY ADVANTAGE TRUST
Form N-CSRS
July 01, 2009

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

FORM N-CSRS

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

Investment Company Act file number 811-21972

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: 10/31/2009

Date of reporting period: 04/30/2009

Item 1 Report to Stockholders

Semi-Annual Report

APRIL 30, 2009 | (UNAUDITED)

[BlackRock Broad Investment Grade 2009 Term Trust Inc. \(BCT\)](#)

[BlackRock Enhanced Capital and Income Fund, Inc. \(CII\)](#)

[BlackRock Floating Rate Income Trust \(BGT\)](#)

[BlackRock Preferred and Corporate Income Strategies Fund, Inc. \(PSW\)](#)

[BlackRock Preferred and Equity Advantage Trust \(BTZ\)](#)

[BlackRock Preferred Income Strategies Fund, Inc. \(PSY\)](#)

[BlackRock Preferred Opportunity Trust \(BPP\)](#)

NOT FDIC INSURED

MAY LOSE VALUE

NO BANK GUARANTEE

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Section 19 Disclosure

BlackRock Enhanced Capital and Income Fund, Inc. (CII) and BlackRock Preferred and Equity Advantage Trust (BTZ) (each a Fund and collectively, the Funds), acting pursuant to a Securities and Exchange Commission (SEC) exemptive order and with the approval of each Fund's Board of Directors/Trustees (the Board), each have adopted a level distribution plan (the Plan) that is consistent with its investment objectives and policies. In adopting the Plan, each Fund employs either a managed distribution or option over-write policy to support a level distribution of income, capital gains and/or return of capital. In accordance with the Plans, the Funds currently distribute the following fixed amounts per share:

| Exchange Symbol | Amount Per Common Share | Distribution Frequency |
|-----------------|----------------------------|---------------------------|
| CII | \$0.485 | Quarterly |
| BTZ | \$0.100 | Monthly |

The fixed amounts distributed per share are subject to change at the discretion of each Fund's Board. Under its Plan, each Fund will distribute all available investment income to its shareholders, consistent with its primary investment objectives and as required by the Internal Revenue Code of 1986, as amended (the Code). If sufficient investment income is not available on a monthly/quarterly basis, the Funds will distribute long-term capital gains and/or return of capital to shareholders in order to maintain

a level distribution. Each monthly/quarterly distribution to shareholders is expected to be at the fixed amount established by the Board, except for extraordinary distributions and potential distribution rate increases or decreases to enable the Funds to comply with the distribution requirements imposed by the Code.

Shareholders should not draw any conclusions about the Fund's investment performance from the amount of these distributions or from the terms of the Plan. Each Fund's total return performance on net asset value is presented in its financial highlights table.

The Board may amend, suspend or terminate a Fund's Plan without prior notice if it deems such actions to be in the best interests of the Fund or its shareholders. The suspension or termination of the Plan could have the effect of creating a trading discount (if the Fund's stock is trading at or above net asset value) or widening an existing trading discount. The Funds are subject to risks that could have an adverse impact on their ability to maintain a level distribution. Examples of potential risks include, but are not limited to, economic downturns impacting the markets, decreased market volatility, companies suspending or decreasing corporate dividend distributions and changes in the Code. Please refer to each Fund's prospectus for a more complete description of its risks.

Please refer to Additional Information for a cumulative summary of the Section 19(a) notices for each Fund's current fiscal period. Section 19(a) notices for the Funds, as applicable, are available on the BlackRock website

www.blackrock.com.

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Dear Shareholder

The past 12 months reveal a tale of two markets – one of investor pessimism and decided weakness, and another of optimism and some early signs of

recovery. The majority of the past year was characterized by the former as the global financial crisis erupted into the worst recession in decades. Economic

data were uniformly poor and daily headlines recounted the downfalls of storied financial firms, volatile swings in global financial markets, and monumental

government actions that included widespread (and globally coordinated) monetary and quantitative easing by central banks and large-scale fiscal stimuli.

Sentiment improved noticeably in March 2009, however, on the back of new program announcements by the Treasury and Federal Reserve Board, as well

as signs of improved economic performance, such as in retail sales, consumer confidence and select areas of the housing market.

Against this backdrop, US equities contended with unprecedented levels of volatility, posting steep declines early, and then pared some of those losses in

March and April. The experience in international markets was similar to that in the United States, though there was a marked divergence in regional perform-

ance. Notably, emerging economies, which lagged most developed regions through the downturn, were among the market leaders during the late-period rally.

In fixed income markets, while risk aversion remained a dominant theme overall, relatively attractive yields and distressed valuations, alongside a more

favorable macro environment, eventually captured investor attention, leading to a modest recovery in non-Treasury assets. A notable example from the

opposite end of the credit spectrum was the high yield sector, which generally outperformed in the first four months of 2009 after extraordinary challenges

and severe underperformance last year. At the same time, the new year ushered in a return to normalcy for the tax-exempt market, which had registered one

of its worst years on record in 2008.

All told, the major benchmark indexes posted mixed results for the current reporting period, reflective of a bifurcated market.

| Total Returns as of April 30, 2009 | 6-month | 12-month |
|---|----------------|-----------------|
| US equities (S&P 500 Index) | (8.53)% | (35.31)% |
| Small cap US equities (Russell 2000 Index) | (8.40) | (30.74) |
| International equities (MSCI Europe, Australasia, Far East Index) | (2.64) | (42.76) |
| US Treasury securities (Merrill Lynch 10-Year US Treasury Index) | 8.98 | 9.30 |

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| | | |
|--|-------|---------|
| Taxable fixed income (Barclays Capital US Aggregate Bond Index) | 7.74 | 3.84 |
| Tax-exempt fixed income (Barclays Capital Municipal Bond Index) | 8.20 | 3.11 |
| High yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index) | 16.39 | (12.55) |

Past performance is no guarantee of future results. Index performance shown for illustrative purposes only. You cannot invest directly in an index.

On June 16, 2009, BlackRock, Inc. announced that it received written notice from Barclays PLC (Barclays) in which Barclays Board of Directors had

accepted BlackRock's offer to acquire Barclays Global Investors (BGI). Barclays also notified BlackRock that its Board will recommend the transaction to

Barclays shareholders for approval at a special meeting to be held in early August 2009. The combination of BlackRock and BGI will bring together market

leaders in active and index strategies to create the preeminent asset management firm. The transaction is expected to close in the fourth quarter 2009

following approval by Barclays shareholders, the receipt of client consents and regulatory approvals, and satisfaction of customary closing conditions.

Through periods of market turbulence, as ever, BlackRock's full resources are dedicated to the management of our clients' assets. We thank you for entrusting

BlackRock with your investments and look forward to continuing to serve you in the months and years ahead.

Sincerely,

THIS PAGE NOT PART OF YOUR FUND REPORT

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Fund Summary as of April 30, 2009 **BlackRock Broad Investment Grade 2009 Term Trust Inc.****Investment Objective**

BlackRock Broad Investment Grade 2009 Term Trust Inc. (BCT) (the Fund) seeks to manage a portfolio of fixed income securities that will return \$15 per share (the initial public offering price per share) to investors on or about December 31, 2009 while providing high monthly income. No assurance can be given that the Fund's investment objective will be achieved. As discussed in the performance commentary below, it is expected the Fund will return less than \$15 per share. See Note 1 of the Notes to Financial Statements (Organization and Significant Accounting Policies).

Performance

For the six months ended April 30, 2009, the Fund returned (10.48)% based on market price and (9.84)% based on net asset value (NAV). For the same period, the closed-end Lipper US Mortgage Funds category posted an average return of (1.09)% on a market price basis and (1.40)% on a NAV basis. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. On June 3, 2009, the investment advisor and the Board of Trustees (the Board) of the Fund announced that the Fund will make its final liquidating distribution on or about October 30, 2009, instead of December 31, 2009. Based on the Fund's net assets, prolonged adverse market conditions and investment opportunities currently available to the Fund, BlackRock and the Board believe it is in the investors best interest to liquidate the Fund in advance of its scheduled date. At final liquidation, the Fund's shareholders will receive the net asset value of the Fund at that time in one or more liquidating distributions, which is expected to be less than the Fund's initial offering price. The Fund remains focused on its December 2009 maturity and is positioned accordingly. During the six months, we maintained the Fund's allocation to agency debt and corporate debt, as well as to mortgage-backed securities (MBS). The exposure to MBS detracted from performance, while the allocation to corporates was beneficial. The Fund maintained moderate levels of cash during the period, which did not significantly impact performance.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

**Fund
Information**

| | |
|---|---------------|
| Symbol on American Stock Exchange | BCT |
| Initial Offering Date | June 17, 1993 |
| Yield on Closing Market Price as of April 30, 2009 (\$11.19) ¹ | 0.00% |
| Current Monthly Distribution per share ² | \$0.00 |
| Current Annualized Distribution per share ² | \$0.00 |

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Leverage as of April 30, 2009³

6%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

Past performance does not guarantee future results.

² Effective November 2008, the Fund has discontinued its monthly distribution in an effort to meet its termination target of \$15.00.

³ Represents reverse repurchase agreements as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to any borrowing that may be outstanding) minus the sum of accrued liabilities (other than debt representing financial leverage).

For a discussion of leveraging techniques utilized by the Fund, please see the Benefits and Risks of Leveraging on page 11.

The table below summarizes the changes in the Fund's market price and net asset value per share:

| | 4/30/09 | 10/31/08 | Change | High | Low |
|-----------------|---------|----------|----------|---------|---------|
| Market Price | \$11.19 | \$12.50 | (10.48)% | \$13.05 | \$10.95 |
| Net Asset Value | \$11.54 | \$12.80 | (9.84)% | \$12.80 | \$11.29 |

The following chart shows the portfolio composition of the Fund's total investments:

| Portfolio Composition | | |
|---|---------|----------|
| | 4/30/09 | 10/31/08 |
| U.S. Government Sponsored Agency Obligations | 71% | 66% |
| Corporate Bonds | 8 | 5 |
| Short-Term Securities | 7 | 9 |
| Non-U.S. Government Sponsored Agency Mortgage-Backed Securities | 7 | 10 |
| U.S. Government Sponsored Agency Mortgage-Backed Securities Collateralized Mortgage Obligations | 3 | 6 |
| Taxable Municipal Bonds | 3 | 3 |
| U.S. Government Sponsored Agency Mortgage-Backed Securities | 1 | 1 |

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Fund Summary as of April 30, 2009 BlackRock Enhanced Capital and Income Fund, Inc.

Investment Objective

BlackRock Enhanced Capital and Income Fund, Inc. (CII) (the Fund) seeks to provide investors with a combination of current income and capital appreciation. The Fund seeks to achieve its investment objective by investing primarily in a diversified portfolio of common stocks in an attempt to generate current income and by employing a strategy of writing (selling) call options on equity indexes in an attempt to generate gains from option premiums primarily on the S&P 500 Index. No assurance can be given that the Fund's investment objective will be achieved.

The Board recently approved a change to the Fund's option writing policy. Please refer to page 65 in the General Information section.

Performance

For the six months ended April 30, 2009, the Fund returned 0.05% based on market price and 2.12% based on net asset value (NAV). For the same period, the benchmark S&P 500 Citigroup Value Index returned (14.39)%. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The largest contributor to performance was the Fund's underweight exposure to the financials sector, which was a weak performer during the six months. Stock selection in healthcare, energy and industrials also was strong. Key individual contributors in healthcare were Schering-Plough Corp. and Wyeth, while BJ Services Co., Exxon Mobil Corp. and Halliburton Co. led within energy and industrials. The lack of ownership in General Electric Co. and Deere & Co. also was advantageous. The main detractor from performance was stock selection in the consumer discretionary sector. Key laggards included General Mills, Inc. and Kimberly-Clark Corp., which posted weak returns during the period.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Fund Information

| | |
|--|----------------|
| Symbol on New York Stock Exchange | CII |
| Initial Offering Date | April 30, 2004 |
| Yield on Closing Market Price as of April 30, 2009 (\$11.38) ¹ | 17.05% |
| Current Quarterly Distribution per share ² | \$0.485 |
| Current Annualized Distribution per share ² | \$1.940 |

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

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Past performance does not guarantee future results.

² The distribution is not constant and is subject to change.

The table below summarizes the changes in the Fund's market price and net asset value per share:

| | 4/30/09 | 10/31/08 | Change | High | Low |
|-----------------|---------|----------|---------|---------|---------|
| Market Price | \$11.38 | \$12.37 | (8.00)% | \$13.13 | \$ 7.92 |
| Net Asset Value | \$12.94 | \$13.78 | (6.10)% | \$14.37 | \$10.62 |

The following charts show the ten largest holdings and sector allocations as a percent of the Fund's long-term investments:

| Portfolio Information | | | |
|---|---|----------------------------|---|
| Ten Largest Holdings | Percent of Long-Term Investments | | Percent of Long-Term Investments |
| | | Sector Allocations | |
| Exxon Mobil Corp. | 4% | Information Technology | 19% |
| The Travelers Cos., Inc. | 4 | Financials | 16 |
| Schering-Plough Corp. | 4 | Health Care | 12 |
| JPMorgan Chase & Co. | 3 | Energy | 11 |
| LSI Corp. | 3 | Consumer Staples | 11 |
| Xerox Corp. | 3 | Industrials | 9 |
| Qwest Communications International Inc. | 3 | Telecommunication Services | 7 |
| Kimberly-Clark Corp. | 3 | Consumer Discretionary | 7 |
| Bristol-Myers Squibb Co. | 3 | Utilities | 4 |
| Verizon Communications, Inc. | 2 | Materials | 4 |

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Fund Summary as of April 30, 2009 BlackRock Floating Rate Income Trust

Investment Objective

BlackRock Floating Rate Income Trust (BGT) (formerly BlackRock Global Floating Rate Income Trust) (the Fund) seeks to provide a high level of current income and to seek the preservation of capital. The Fund seeks to achieve its objective by investing in a global portfolio of primarily floating and variable rate securities. No assurance can be given that the Fund's investment objective will be achieved.

Performance

For the six months ended April 30, 2009, the Fund returned 16.00% based on market price and 5.03% based on net asset value (NAV). For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of 0.24% on a market price basis and (4.14)% on a NAV basis.

All returns reflect reinvestment of dividends. The Fund's discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. For the first two months of the reporting period, the high yield loan market was under extreme pressure and lost 10.90%, as measured by the Barclays Capital High Yield Loan Index. However, this underperformance was followed by a strong first four months of 2009, in which the sector gained in excess of 20%. This resulted in positive market performance for the six months as a whole. During this time, the Fund maintained a high level of leverage and focused on higher-quality sectors and structures, which benefited most during the market rally; these were the primary contributors to the Fund's outperformance of its Lipper peers. Conversely, conservative positioning hampered results during the sharp rally in the first four months of 2009.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Fund Information

| | |
|--|-----------------|
| Symbol on New York Stock Exchange | BGT |
| Initial Offering Date | August 30, 2004 |
| Yield on Closing Market Price as of April 30, 2009 (\$9.85) ¹ | 12.18% |
| Current Monthly Distribution per Common Share ² | \$0.10 |
| Current Annualized Distribution per Common Share ² | \$1.20 |
| Leverage as of April 30, 2009 ³ | 32% |

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

Past performance does not guarantee future results.

² The Monthly Distribution per Common Share, declared on June 1, 2009, was decreased to \$0.075. The Yield on Closing Market Price, Current Monthly Distribution per Common Share and Current Annualized Distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to further change in the future. A portion of the distribution may be deemed a tax return of capital or

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net realized gain.

³ Represents loan outstanding and Auction Market Preferred Shares (Preferred Shares) as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to any borrowing that may be outstanding and Preferred Shares) minus the sum of accrued liabilities (other than debt representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see the Benefits and Risks of Leveraging on page 11.

The table below summarizes the changes in the Fund's market price and net asset value per share:

| | 4/30/09 | 10/31/08 | Change | High | Low |
|-----------------|---------|----------|---------|---------|--------|
| Market Price | \$ 9.85 | \$ 9.63 | 2.28% | \$10.25 | \$6.88 |
| Net Asset Value | \$10.41 | \$11.24 | (7.38)% | \$11.43 | \$8.86 |

The following charts show the portfolio composition of the Fund's long-term investments and credit quality allocations of the Fund's Corporate Bond investments:

Portfolio Composition

| | 4/30/09 | 10/31/08 |
|--------------------------------|---------|----------|
| Floating Rate Loan Interests | 76% | 79% |
| Corporate Bonds | 17 | 14 |
| Foreign Government Obligations | 7 | 7 |

Credit Quality Allocations⁴

| | 4/30/09 | 10/31/08 |
|-----------|---------|----------|
| A/A | 19% | 20% |
| BBB/Baa | 47 | 30 |
| BB/Ba | 9 | 16 |
| B/B | 11 | 23 |
| CCC/Caa | 7 | 10 |
| D | 6 | |
| Not Rated | 1 | 1 |

⁴ Using the higher of Standard & Poor's (S&P's) or Moody's Investors Service (Moody's) ratings.

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Fund Summary as of April 30, 2009 BlackRock Preferred and Corporate Income Strategies Fund, Inc.

Investment Objective

BlackRock Preferred and Corporate Income Strategies Fund, Inc. (PSW) (the Fund) seeks to provide shareholders with high current income and capital appreciation. The Fund seeks to achieve its objectives by investing primarily in a portfolio of preferred securities and debt securities, including convertible securities that may be converted into common stock or other securities of the same or a different issuer. No assurance can be given that the Fund's investment objective will be achieved.

Performance

For the six months ended April 30, 2009, the Fund returned (11.81)% based on market price and (15.87)% based on net asset value (NAV). For the same period, the closed-end Lipper Income & Preferred Stock Funds category posted an average return of (5.69)% on a market price basis and (8.83)% on a NAV basis. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The Fund's Lipper category contains both preferred and equity funds, both of which declined significantly through early March and rebounded sharply afterwards. Equities, as measured by the S&P 500 Index, lost 8.53% for the six months, while preferred securities, as measured by the Merrill Lynch Fixed Rate Preferred Index, lost 11.62%. Financial issues make up a significant percentage of the preferred market and, during the period, were highly correlated to financial equities, which significantly underperformed. Accordingly, the Fund's holdings of financials detracted from returns, as did relatively high levels of leverage. Due to adverse market conditions during the period, the Fund invested a higher than usual percentage of its assets in cash equivalent securities. This higher-than-normal allocation to cash helped performance for the six months.

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Fund Information

| | |
|--|----------------|
| Symbol on New York Stock Exchange | PSW |
| Initial Offering Date | August 1, 2003 |
| Yield based on Closing Market Price as of April 30, 2009 (\$5.55) ¹ | 17.47% |
| Current Monthly Distribution per Common Share ² | \$0.0808 |
| Current Annualized Distribution per Common Share ² | \$0.9696 |
| Leverage as of April 30, 2009 ³ | 44% |

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

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² The Monthly Distribution per Common Share, declared on June 1, 2009, was decreased to \$0.06. The Yield on Closing Market Price, Current Monthly Distribution per Common Share and Current Annualized Distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to further change in the future. A portion of the distribution may be deemed a tax return of capital or net realized gain.

³ Represents reverse repurchase agreements and Preferred Shares as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to any borrowing that may be outstanding and Preferred Shares) minus the sum of accrued liabilities (other than debt representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see the Benefits and Risks of Leveraging on page 11.

The table below summarizes the changes in the Fund's market price and net asset value per share:

| | 4/30/09 | 10/31/08 | Change | High | Low |
|-----------------|---------|----------|----------|--------|--------|
| Market Price | \$5.55 | \$7.00 | (20.71)% | \$7.99 | \$3.44 |
| Net Asset Value | \$5.62 | \$7.43 | (24.36)% | \$7.60 | \$4.55 |

The following charts show the portfolio composition of the Fund's total investments and credit quality allocations of the Fund's Capital Trust, Trust Preferred and Corporate Bond investments:

Portfolio Composition

| | 4/30/09 | 10/31/08 |
|-----------------------|---------|----------|
| Preferred Securities | 71% | 87% |
| Short-Term Securities | 27 | 11 |
| Corporate Bonds | 2 | 2 |

Credit Quality Allocations⁴

| | 4/30/09 | 10/31/08 |
|---------|---------|----------|
| AA/Aa | 1% | 14% |
| A/A | 33 | 46 |
| BBB/Baa | 57 | 36 |
| BB/Ba | 6 | 4 |
| B/B | 2 | |
| CCC/Caa | 1 | |

⁴ Using the higher of S&P's or Moody's ratings.

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Fund Summary as of April 30, 2009 BlackRock Preferred and Equity Advantage Trust

Investment Objective

BlackRock Preferred and Equity Advantage Trust (BTZ) (the Fund) seeks to achieve high current income, current gains and capital appreciation. The Fund will invest primarily in preferred and equity securities and derivatives with economic characteristics similar to individual or groups of equity securities. The Fund will seek to generate income through an allocation of Qualified Dividend Income-eligible preferreds, common stocks that generate qualified dividend income and an index options strategy. No assurance can be given that the Fund's investment objective will be achieved.

Performance

For the six months ended April 30, 2009, the Fund returned (4.23)% based on market price and (8.73)% based on net asset value (NAV). For the same period, the closed-end Lipper Income & Preferred Stock Funds category posted an average return of (5.69)% on a market price basis and (8.83)% on a NAV basis. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The Fund's Lipper category contains both preferred and equity funds, both of which declined significantly through early March and rebounded sharply afterwards. Equities, as measured by the S&P 500 Index, lost 8.53% for the six months, while preferred securities, as measured by the Merrill Lynch Fixed Rate Preferred Index, lost 11.62%. Financial issues make up a significant percentage of the preferred market and, during the period, were highly correlated to financial equities, which significantly underperformed. Accordingly, the Fund's holdings of financials detracted from returns, as did relatively high levels of leverage. Due to adverse market conditions during the period, the Fund invested a higher than usual percentage of its assets in cash equivalent securities. This higher-than-average allocation to cash, combined with options strategies used by the Fund to generate additional income, helped performance for the six months.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Fund Information

| | |
|--|-------------------|
| Symbol on New York Stock Exchange | BTZ |
| Initial Offering Date | December 27, 2006 |
| Yield on Closing Market Price as of April 30, 2009 (\$8.05) ¹ | 19.38% |
| Current Monthly Distribution per Common Share ² | \$0.13 |
| Current Annualized Distribution per Common Share ² | \$1.56 |
| Leverage as of April 30, 2009 ³ | 39% |

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¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

Past performance does not guarantee future results.

² The Monthly Distribution per Common Share, declared on June 1, 2009, was decreased to \$0.10. The Yield on Closing Market Price, Current Monthly Distribution per Common Share and Current Annualized Distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to further change in the future. A portion of the distribution may be deemed a tax return of capital or net realized gain.

³ Represents reverse repurchase agreements and Preferred Shares as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to any borrowing that may be outstanding and Preferred Shares) minus the sum of accrued liabilities (other than debt representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see the Benefits and Risks of Leveraging on page 11.

The table below summarizes the changes in the Fund's market price and net asset value per share:

| | 4/30/09 | 10/31/08 | Change | High | Low |
|-----------------|---------|----------|----------|---------|--------|
| Market Price | \$8.05 | \$ 9.36 | (14.00)% | \$ 9.80 | \$4.56 |
| Net Asset Value | \$8.68 | \$10.59 | (18.04)% | \$10.80 | \$6.89 |

The following charts show the portfolio composition of the Fund's total investments and credit quality allocations of the Fund's Capital Trust, Trust Preferred and Corporate Bond investments:

Portfolio Composition

| | 4/30/09 | 10/31/08 |
|-----------------------|---------|----------|
| Preferred Securities | 52% | 59% |
| Common Stocks | 24 | 16 |
| Short-Term Securities | 15 | 21 |
| Corporate Bonds | 9 | 4 |

Credit Quality Allocations⁴

| | 4/30/09 | 10/31/08 |
|---------|---------|----------|
| AA/Aa | 5% | 21% |
| A/A | 41 | 42 |
| BBB/Baa | 47 | 34 |
| BB/Ba | 5 | 3 |
| B/B | 1 | |
| CCC/Caa | 1 | |

⁴ Using the higher of S&P's or Moody's ratings.

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APRIL 30, 2009

Fund Summary as of April 30, 2009 BlackRock Preferred Income Strategies Fund, Inc.

Investment Objective

BlackRock Preferred Income Strategies Fund, Inc. (PSY) (the Fund) seeks to provide shareholders with current income and capital appreciation. The Fund seeks to achieve its objectives by investing primarily in a portfolio of preferred securities, including convertible preferred securities that may be converted into common stock or other securities of the same or a different issuer. No assurance can be given that the Fund's investment objective will be achieved.

Performance

For the six months ended April 30, 2009, the Fund returned (16.83)% based on market price and (17.88)% based on net asset value (NAV). For the same period, the closed-end Lipper Income & Preferred Stock Funds category posted an average return of (5.69)% on a market price basis and (8.83)% on a NAV basis. All returns reflect reinvestment of dividends. The Fund's premium to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The Fund's Lipper category contains both preferred and equity funds, both of which declined significantly through early March and rebounded sharply afterwards. Equities, as measured by the S&P 500 Index, lost 8.53% for the six months, while preferred securities, as measured by the Merrill Lynch Fixed Rate Preferred Index, lost 11.62%. Financial issues make up a significant percentage of the preferred market and, during the period, were highly correlated to financial equities, which significantly underperformed. Accordingly, the Fund's holdings of financials detracted from returns, as did relatively high levels of leverage. Due to adverse market conditions during the period, the Fund invested a higher than usual percentage of its assets in cash equivalent securities. This higher-than-normal allocation to cash helped performance for the six months.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Fund Information

| | |
|--|----------------|
| Symbol on New York Stock Exchange | PSY |
| Initial Offering Date | March 28, 2003 |
| Yield on Closing Market Price as of April 30, 2009 (\$6.05) ¹ | 18.76% |
| Current Monthly Distribution per Common Share ² | \$0.094583 |
| Current Annualized Distribution per Common Share ² | \$1.134996 |
| Leverage as of April 30, 2009 ³ | 43% |

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

Past performance does not guarantee future results.

² The Monthly Distribution per Common Share, declared June 1, 2009, was decreased to \$0.075. The Yield on Closing Market Price, Current

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Monthly Distribution per Common Share and Current Annualized Distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to further change in the future. A portion of the distribution may be deemed a tax return of capital or net realized gain.

³ Represents reverse repurchase agreements and Preferred Shares as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to any borrowing that may be outstanding and Preferred Shares) minus the sum of accrued liabilities (other than debt representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see the Benefits and Risks of Leveraging on page 11.

The table below summarizes the changes in the Fund's market price and net asset value per share:

| | 4/30/09 | 10/31/08 | Change | High | Low |
|-----------------|---------|----------|----------|--------|--------|
| Market Price | \$6.05 | \$8.10 | (25.31)% | \$8.40 | \$3.69 |
| Net Asset Value | \$5.87 | \$7.96 | (26.26)% | \$8.17 | \$4.60 |

The following charts show the portfolio composition of the Fund's total investments and credit quality allocations of the Fund's Capital Trust, Trust Preferred and Corporate Bond investments:

Portfolio Composition

| | 4/30/09 | 10/31/08 |
|-----------------------|---------|----------|
| Preferred Securities | 94% | 93% |
| Short-Term Securities | 4 | 4 |
| Corporate Bonds | 2 | 3 |

Credit Quality Allocations⁴

| | 4/30/09 | 10/31/08 |
|---------|---------|----------|
| AA/Aa | 1% | 16% |
| A/A | 34 | 49 |
| BBB/Baa | 50 | 28 |
| BB/Ba | 11 | 7 |
| B/B | 3 | |
| CCC/Caa | 1 | |

⁴ Using the higher of S&P's or Moody's ratings.

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Fund Summary as of April 30, 2009 BlackRock Preferred Opportunity Trust

Investment Objective

BlackRock Preferred Opportunity Trust (BPP) (the Fund) seeks high current income consistent with capital preservation by investing primarily in preferred securities. No assurance can be given that the Fund's investment objective will be achieved.

Performance

For the six months ended April 30, 2009, the Fund returned (7.59)% based on market price and (15.77)% based on net asset value (NAV). For the same period, the closed-end Lipper Income & Preferred Stock Funds category posted an average return of (5.69)% on a market price basis and (8.83)% on a NAV basis. All returns reflect reinvestment of dividends. The Fund moved from a discount to NAV to a premium by period-end, which accounts for the difference between performance based on price and performance based on NAV. The Fund's Lipper category contains both preferred and equity funds, both of which declined significantly through early March and rebounded sharply afterwards. Equities, as measured by the S&P 500 Index, lost 8.53% for the six months, while preferred securities, as measured by the Merrill Lynch Fixed Rate Preferred Index, lost 11.62%. Financial issues make up a significant percentage of the preferred market and, during the period, were highly correlated to financial equities, which significantly underperformed. Accordingly, the Fund's holdings of financials detracted from returns, as did relatively high levels of leverage. Due to adverse market conditions during the period, the Fund invested a higher than usual percentage of its assets in cash equivalent securities. This higher-than-average allocation to cash helped performance for the six months.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Fund Information

| | |
|--|-------------------|
| Symbol on New York Stock Exchange | BPP |
| Initial Offering Date | February 28, 2003 |
| Yield on Closing Market Price as of April 30, 2009 (\$7.08) ¹ | 17.80% |
| Current Monthly Distribution per Common Share ² | \$0.105 |
| Current Annualized Distribution per Common Share ² | \$1.260 |
| Leverage as of April 30, 2009 ³ | 40% |

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

Past performance does not guarantee future results.

² The Monthly Distribution per Common Share, declared on June 1, 2009, was decreased to \$0.0725. The Yield on Closing Market Price, Current Monthly Distribution per Common Share and Current Annualized Distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to further change in the future. A portion of the distribution may be deemed a tax return of capital or

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net realized gain.

³ Represents reverse repurchase agreements and Preferred Shares as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to any borrowing that may be outstanding and Preferred Shares) minus the sum of accrued liabilities (other than debt representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see the Benefits and Risks of Leveraging on page 11.

The table below summarizes the changes in the Fund's market price and net asset value per share:

| | 4/30/09 | 10/31/08 | Change | High | Low |
|-----------------|---------|----------|----------|---------|--------|
| Market Price | \$7.08 | \$8.51 | (16.80)% | \$10.18 | \$4.00 |
| Net Asset Value | \$6.65 | \$8.77 | (24.17)% | \$ 9.05 | \$5.06 |

The following chart shows the portfolio composition of the Fund's total investments and credit quality allocations of the Fund's Capital Trust, Trust Preferred and Corporate Bond investments:

Portfolio Composition

| | 4/30/09 | 10/31/08 |
|-----------------------|---------|----------|
| Preferred Securities | 77% | 90% |
| Short-Term Securities | 14 | 3 |
| Corporate Bonds | 8 | 7 |
| Investment Companies | 1 | |

Credit Quality Allocations⁴

| | 4/30/09 | 10/31/08 |
|---------|---------|----------|
| AA/Aa | 9% | 12% |
| A/A | 35 | 11 |
| BBB/Baa | 42 | 56 |
| BB/Ba | 10 | 18 |
| B | 3 | 3 |
| CCC/Caa | 1 | |

⁴ Using the higher of S&P's or Moody's ratings.

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The Benefits and Risks of Leveraging

The Funds may utilize leverage to seek to enhance the yield and NAV of their Common Shares. However, these objectives cannot be achieved in all interest rate environments.

To leverage, BlackRock Floating Rate Income Trust, BlackRock Preferred and Corporate Income Strategies Fund, Inc., BlackRock Preferred and Equity Advantage Trust, BlackRock Preferred Income Strategies Fund, Inc. and BlackRock Preferred Opportunity Trust issue Preferred Shares, which pay dividends at prevailing short-term interest rates. In addition, certain Funds may utilize leverage through borrowings or issuance of short-term securities. In general, the concept of leveraging is based on the premise that the cost of assets to be obtained from leverage will be based on short-term interest rates, which normally will be lower than the income earned by each Fund on its longer-term portfolio investments. To the extent that the total assets of each Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Fund's Common Shareholders will benefit from the incremental yield.

The interest earned on securities purchased with the proceeds from leverage is paid to Common Shareholders in the form of dividends, and the value of these portfolio holdings is reflected in the per share NAV of each Fund's Common Shares. However, in order to benefit Common Shareholders, the yield curve must be positively sloped; that is, short-term interest rates must be lower than long-term interest rates. If the yield curve becomes negatively sloped, meaning short-term interest rates exceed long-term interest rates, returns to Common Shareholders will be lower than if the Funds had not used leverage.

To illustrate these concepts, assume a Fund's Common Shares capitalization is \$100 million and it issues Preferred Shares for an additional \$50 million, creating a total value of \$150 million available for investment in long-term municipal bonds. If prevailing short-term interest rates are 3% and long-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, the Fund pays dividends on the \$50 million of Preferred Shares based on the lower short-term interest rates. At the same time, the Fund's total portfolio of \$150 million earns the income based on long-term interest rates. In this case, the dividends paid to Preferred Shareholders are significantly lower than the income earned on the fund's long-term investments, and therefore the Common Shareholders are the beneficiaries of the incremental yield.

Conversely, if prevailing short-term interest rates rise above long-term interest rates of 6%, the yield curve has a negative slope. In this case, the Fund pays dividends on the higher short-term interest rates whereas the Fund's total portfolio earns income based on lower long-term interest rates. If short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, the incremental yield pickup on the Common Shares will be reduced or eliminated completely.

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Furthermore, the value of the Fund's portfolio investments generally varies inversely with the direction of long-term interest rates, although other factors can influence the value of portfolio investments. In contrast, the redemption value of the Fund's Preferred Shares does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Fund's NAV positively or negatively in addition to the impact on Fund performance from leverage from debt securities.

The use of leverage may enhance opportunities for increased returns to the Fund and Common Shareholders, but as described above, they also create risks as short- or long-term interest rates fluctuate. Leverage also will generally cause greater changes in a Fund's NAV, market price and dividend rate than a comparable portfolio without leverage. If the income derived from securities purchased with assets received from leverage exceeds the cost of leverage, the Fund's net income will be greater than if leverage had not been used. Conversely, if the income from the securities purchased is not sufficient to cover the cost of leverage, the Fund's net income will be less than if leverage had not been used, and therefore the amount available for distribution to shareholders will be reduced. The Fund may be required to sell portfolio securities at inopportune times or below fair market values in order to comply with regulatory requirements applicable to the use of leverage or as required by the terms of leverage instruments which may cause a Fund to incur losses. The use of leverage may limit a Fund's ability to invest in certain types of securities or use certain types of hedging strategies, such as in the case of certain restrictions imposed by ratings agencies that rate preferred shares issued by the Fund. The Fund will incur expenses in connection with the use of leverage, all of which are borne by the holders of the Common Shares and may reduce returns on the Common Shares.

Under the Investment Company Act of 1940, the Funds are permitted to issue Preferred Shares in an amount of up to 50% of their total managed assets at the time of issuance. Under normal circumstances, each Fund anticipates that the total economic leverage from Preferred Shares, reverse repurchase agreements and credit facility borrowings will not exceed 50% of its total managed assets at the time such leverage is incurred. As of April 30, 2009, the Funds had economic leverage from Preferred Shares, reverse repurchase agreements and/or credit facility borrowings as a percentage of their total managed assets as follows:

| | Percent of Leverage |
|---|--------------------------------|
| BlackRock Broad Investment Grade 2009 Term Trust Inc | 6% |
| BlackRock Floating Rate Income Trust | 32% |
| BlackRock Preferred and Corporate Income Strategies Fund, Inc | 44% |
| BlackRock Preferred and Equity Advantage Trust | 39% |
| BlackRock Preferred Income Strategies Fund, Inc | 43% |
| BlackRock Preferred Opportunity Trust | 40% |

Derivative Instruments

The Funds may invest in various derivative instruments, including swap agreements, futures and forward currency contracts, and other instruments specified in the Notes to Financial Statements, which constitute forms of economic leverage. Such instruments are used to obtain exposure to a market without owning or taking physical custody of securities or to hedge market and/or interest rate risks. Such derivative instruments involve risks, including the imperfect correlation between the value of a derivative instrument and the underlying asset, possible default of the other party to the transaction and illiquidity of the derivative instrument. The Funds' ability

to successfully use a derivative instrument depends on the Advisor's ability to accurately predict pertinent market movements, which cannot be assured. The use of derivative instruments may result in losses greater than if they had not been used, may require the Funds to sell or purchase portfolio securities at inopportune times or for prices other than current market values, may limit the amount of appreciation the Funds can realize on an investment or may cause the Funds to hold a security that it might otherwise sell. The Funds' investments in these instruments are discussed in detail in the Notes to Financial Statements.

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Schedule of Investments April 30, 2009 (Unaudited) BlackRock Broad Investment Grade 2009 Term Trust Inc. (BCT)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|---|--------------|-----------|
| Asset-Backed Securities | | |
| Global Rated Eligible Asset Trust Series 1998-A | | |
| Class 1, 7.45%, 9/15/07 (a)(b)(c) | \$ 234 | \$ 24 |
| Structured Mortgage Asset Residential Trust Series 2, | | |
| 8.24%, 11/07/07 (a)(b) | 568 | 57 |
| Total Asset-Backed Securities 0.0% | | 81 |
| Corporate Bonds | | |
| Electric Utilities 2.9% | | |
| Entergy Gulf States, Inc., 1.661%, 12/01/09 (d) | 1,000 | 979,547 |
| Media 5.8% | | |
| Comcast Corp., 1.439%, 7/14/09 (d)(e)(f) | 2,000 | 1,998,408 |
| Total Corporate Bonds 8.7% | | 2,977,955 |
| U.S. Government Sponsored Agency Mortgage-Backed Securities | | |
| Fannie Mae Guaranteed Pass Through Certificates: | | |
| 5.50%, 1/01/17 2/01/17 | 221 | 231,698 |
| 6.50%, 7/01/29 | 8 | 8,520 |
| Total U.S. Government Sponsored Agency Mortgage-Backed Securities 0.7% | | 240,218 |
| U.S. Government Sponsored Agency Mortgage-Backed Securities Collateralized Mortgage Obligations | | |
| Fannie Mae Trust (g): | | |
| Series 1992-174 Class S, 154.28%, 9/25/22 (d) | 2,108 | 6,976 |
| Series 1993-49 Class L, 444.9167%, 4/25/13 | 1,283 | 7,625 |
| Series 2004-13 Class IG, 5%, 10/25/22 | 2 | |
| Series G-21 Class L, 949.50%, 7/25/21 | 194 | 3,626 |
| Freddie Mac Multiclass Certificates: | | |
| Series 65 Class I, 918.0295%, 8/15/20 (g) | 617 | 11,505 |
| Series 141 Class H, 1,060%, 5/15/21 (g) | 116 | 2,570 |
| Series 1510 Class G, 7.05%, 5/15/13 | 998 | 1,058,099 |
| Series 2517 Class SE, 15.122%, 10/15/09 (d) | 149 | 154,045 |
| Series 2523 Class EH, 5.50%, 4/15/20 (g) | 291 | 1,774 |
| Total U.S. Government Sponsored Agency Mortgage Backed Securities Collateralized Mortgage Obligations 3.7% | | 1,246,220 |
| Taxable Municipal Bonds | | |
| County/City/Special District/School District 2.9% | | |
| Fresno, California, Taxable Pension Obligation Revenue | | |

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| | | |
|---|---------------|---------------|
| Bonds, 7.80%, 6/01/14 (e)(h) | 440 | 476,806 |
| Kern County, California, Taxable Pension Obligation | | |
| Revenue Bonds, 6.98%, 8/15/09 (e)(i) | 500 | 506,565 |
| Total Taxable Municipal Bonds 2.9% | | 983,371 |
| Non-U.S. Government Sponsored Agency | Par | |
| | (000) | Value |
| Mortgage-Backed Securities | | |
| JPMorgan Mortgage Trust Series 2006-A7 Class 2A2, 5.791%, 1/25/37 (d) | \$ 1,194 | \$ 786,377 |
| Nomura Asset Acceptance Corp. Series 2004-AR4 Class 2A3, 0.773%, 12/25/34 (d) | 62 | 29,983 |
| Salomon Brothers Mortgage Securities VI, Inc. Series 1987-3 Class A, 12.50%, 10/23/17 (j) | 5 | 4,959 |
| Structured Adjustable Rate Mortgage Loan Trust Series 2004-11 Class A, 5.043%, 8/25/34 (d) | 388 | 386,675 |
| Vendee Mortgage Trust Series 2002-1, 0.043%, 10/15/31 (d)(g) | 9,688 | 8,428 |
| WaMu Mortgage Pass-Through Certificates Series 2005-AR4 Class A3, 4.585%, 4/25/35 (d) | 815 | 758,391 |
| Wells Fargo Mortgage Backed Securities Trust Series 2004-N Class A6, 4%, 8/25/34 (d) | 500 | 497,424 |
| Total Non-U.S. Government Sponsored Agency | | |
| Mortgage-Backed Securities 7.2% | | 2,472,237 |
| U.S. Government Sponsored Agency Obligations | | |
| Fannie Mae, 5.964%, 10/09/19 (f)(k) | 50,000 | 25,505,500 |
| Total U.S. Government Sponsored Agency | | |
| Obligations 74.8% | | 25,505,500 |
| Total Long-Term Investments | | |
| (Cost \$35,519,186) 98.0% | | 33,425,582 |
| Short-Term Securities | Shares | |
| Money Market Fund 8.1% | | |
| BlackRock Liquidity Funds, TempFund, 0.64% (l)(m) | 2,780,000 | 2,780,000 |
| Total Short-Term Securities | | |
| (Cost \$2,780,000) 8.1% | | 2,780,000 |
| Total Investments (Cost \$38,299,186*) 106.1% | | 36,205,582 |
| Liabilities in Excess of Other Assets (6.1)% | | (2,094,680) |
| Net Assets 100.0% | | \$ 34,110,902 |

* The cost and unrealized appreciation (depreciation) of investments as of April 30, 2009, as computed for federal income tax purposes, were as follows:

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| | |
|-------------------------------|----------------|
| Aggregate cost | \$ 38,299,186 |
| Gross unrealized appreciation | \$ 172,777 |
| Gross unrealized depreciation | (2,266,381) |
| Net unrealized depreciation | \$ (2,093,604) |

(a) Non-income producing security.

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

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

See Notes to Financial Statements.

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Schedule of Investments (concluded) BlackRock Broad Investment Grade 2009 Term Trust Inc. (BCT)

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

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

(g) Represents the interest-only portion of a mortgage-backed security and has either a nominal or notional amount of principal.

(h) Security is collateralized by Municipal or US Treasury Obligations.

(i) NPFGC Insured.

(j) Represents the principal only portion of a mortgage-backed security.

(k) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.

(l) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

| Affiliate | Net Activity | Income |
|-------------------------------------|-----------------|---------|
| BlackRock Liquidity Funds, TempFund | 2,780,000 | \$3,712 |

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

Reverse repurchase agreements outstanding as of April 30, 2009 were as follows:

| Counterparty | Interest Rate | Date | Trade Maturity Date | Net Closing Amount | Face Amount |
|--------------------------------|------------------|---------|------------------------|-----------------------|---------------------|
| Barclays Bank Plc | 0.35% | 2/19/09 | Open | \$ 1,749,632 | \$ 1,748,425 |
| Credit Suisse International | 1.25% | 1/29/09 | Open | 525,875 | 524,219 |
| Total | | | | \$ 2,275,507 | \$ 2,272,644 |

Financial

futures contracts sold as of April 30, 2009 were as follows:

| Contracts | Issue | Expiration Date | Face Value | Unrealized Depreciation |
|-----------|-------------------------------|--------------------|---------------|----------------------------|
| 289 | 10-Year U.S. Treasury Bond | June 2009 | \$34,703,522 | \$ (247,416) |

Interest rate swaps outstanding as of April 30, 2009 were as follows:

| Fixed Rate | Floating Rate | Counterparty | Expiration | Notional Amount (000) | Unrealized Appreciation |
|-----------------------|------------------|--------------------------------|-----------------|-----------------------------|----------------------------|
| 2.745% ^(a) | 3-month LIBOR | Credit Suisse International | October 2010 | \$ 2,100 | \$ 45,894 |
| 2.743% ^(a) | 3-month LIBOR | Deutsche Bank AG | October 2010 | \$ 2,100 | 45,971 |

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Total

\$ 91,865

(a) Fund pays floating interest rate and receives fixed rate.

Effective November 1, 2008, the Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements (FAS 157). FAS 157 clarifies the definition of fair value, establishes a framework for measuring fair values and requires additional disclosures about the use of fair value measurements. Various inputs are used in determining the fair value of investments, which are as follows:

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

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstance, to the extent observable inputs are not available (including the Fund's own 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 Fund's policy regarding valuation of investments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements. The following table summarizes the inputs used as of April 30, 2009 in determining the fair valuation of the Fund's investments:

| Valuation Inputs | Investments in Securities Assets | Other Financial Instruments* | |
|---------------------|--|---------------------------------|-----------------------|
| | | Assets | Liabilities |
| Level 1 | \$ 2,780,000 | | \$ (247,416) |
| Level 2 | 32,244,022 | \$ 91,865 | (2,272,644) |
| Level 3 | 1,181,560 | | |
| Total | \$ 36,205,582 | \$ 91,865 | \$ (2,520,060) |

* Other financial instruments are reverse repurchase agreements, futures and swap contracts. Reverse repurchase agreements are shown at market value. Futures and swap contracts are valued at the unrealized appreciation/depreciation on the instrument.

The following is a reconciliation of investments for unobservable inputs (Level 3) used in determining fair value:

**Investments in
Securities**

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| | Assets | |
|---|---------------|---------------------|
| Balance, as of October 31, 2008 | | \$ 80 |
| Accrued discounts/premiums | | |
| Realized gain | | 404 |
| Change in unrealized appreciation/depreciation ¹ | | (413,020) |
| Net sales | | (54,123) |
| Net transfers into Level 3 | | 1,648,219 |
| Balance, as of April 30, 2009 | | \$ 1,181,560 |

¹ Included in the related net change in unrealized appreciation/depreciation on the Statements of Operations.

See Notes to Financial Statements.

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Schedule of Investments April 30, 2009 (Unaudited) **BlackRock Enhanced Capital and Income Fund, Inc. (CII)**
 (Percentages shown are based on Net Assets)

| Common Stocks | Shares | Value |
|--|---------------|--------------|
| Aerospace & Defense 4.3% | | |
| Honeywell International, Inc. | 154,308 | \$ 4,815,953 |
| Northrop Grumman Corp. | 178,552 | 8,632,989 |
| Raytheon Co. | 230,000 | 10,402,900 |
| | | 23,851,842 |
| Air Freight & Logistics 0.3% | | |
| United Parcel Service, Inc. Class B | 35,914 | 1,879,739 |
| Capital Markets 5.0% | | |
| The Bank of New York Mellon Corp. | 483,498 | 12,319,529 |
| Invesco Ltd. (a) | 613,600 | 9,032,192 |
| Morgan Stanley | 273,913 | 6,475,303 |
| | | 27,827,024 |
| Chemicals 1.9% | | |
| Air Products & Chemicals, Inc. | 55,500 | 3,657,450 |
| E.I. du Pont de Nemours & Co. | 251,345 | 7,012,525 |
| | | 10,669,975 |
| Communications Equipment 2.6% | | |
| Cisco Systems, Inc. (b) | 220,305 | 4,256,293 |
| Corning, Inc. | 268,800 | 3,929,856 |
| Nokia Oyj (a) | 440,000 | 6,221,600 |
| | | 14,407,749 |
| Computers & Peripherals 4.3% | | |
| Hewlett-Packard Co. | 313,392 | 11,275,844 |
| International Business Machines Corp. | 121,653 | 12,555,806 |
| | | 23,831,650 |
| Diversified Financial Services 3.2% | | |
| JPMorgan Chase & Co. | 529,339 | 17,468,187 |
| Diversified Telecommunication Services 7.2% | | |
| AT&T Inc. | 430,000 | 11,016,600 |
| Qwest Communications International Inc. | 3,950,001 | 15,365,504 |
| Verizon Communications, Inc. | 445,000 | 13,501,300 |
| | | 39,883,404 |
| Electric Utilities 3.3% | | |
| American Electric Power Co., Inc. | 48,800 | 1,287,344 |
| FPL Group, Inc. | 163,644 | 8,802,411 |
| The Southern Co. | 277,129 | 8,003,485 |
| | | 18,093,240 |

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Electrical Equipment 0.9%

| | | |
|----------------------|---------|-----------|
| Emerson Electric Co. | 153,000 | 5,208,120 |
|----------------------|---------|-----------|

Energy Equipment & Services 3.5%

| | | |
|-----------------|---------|-----------|
| BJ Services Co. | 669,500 | 9,299,355 |
|-----------------|---------|-----------|

| | | |
|-----------------|---------|------------|
| Halliburton Co. | 504,489 | 10,200,767 |
| | | 19,500,122 |

Food & Staples Retailing 0.8%

| | | |
|-----------------------|--------|-----------|
| Wal-Mart Stores, Inc. | 83,926 | 4,229,871 |
|-----------------------|--------|-----------|

Food Products 6.2%

| | | |
|---------------------|---------|------------|
| General Mills, Inc. | 237,371 | 12,032,336 |
|---------------------|---------|------------|

| | | |
|-------------------|---------|------------|
| Kraft Foods, Inc. | 488,699 | 11,435,557 |
|-------------------|---------|------------|

| | | |
|----------------------------|---|----|
| Ralcorp Holdings, Inc. (b) | 1 | 57 |
|----------------------------|---|----|

| | | |
|-----------------|---------|------------|
| Unilever NV (a) | 552,232 | 10,928,671 |
| | | 34,396,621 |

Health Care Equipment & Supplies 2.1%

| | | |
|----------------------------|---------|-----------|
| Baxter International, Inc. | 100,841 | 4,890,788 |
|----------------------------|---------|-----------|

| | | |
|---------------|---------|------------|
| Covidien Ltd. | 200,000 | 6,596,000 |
| | | 11,486,788 |

Common Stocks

Shares

Value

Household Products 3.9%

| | | |
|------------|--------|--------------|
| Clorox Co. | 55,457 | \$ 3,108,365 |
|------------|--------|--------------|

| | | |
|----------------------|---------|------------|
| Kimberly-Clark Corp. | 305,000 | 14,987,700 |
|----------------------|---------|------------|

| | | |
|--------------------------|--------|------------|
| The Procter & Gamble Co. | 72,145 | 3,566,849 |
| | | 21,662,914 |

Industrial Conglomerates 1.4%

| | | |
|----------------------|--------|-----------|
| General Electric Co. | 93,434 | 1,181,940 |
|----------------------|--------|-----------|

| | | |
|-------------------------|---------|-----------|
| Tyco International Ltd. | 270,000 | 6,415,200 |
| | | 7,597,140 |

Insurance 7.6%

| | | |
|----------|---------|-----------|
| ACE Ltd. | 190,900 | 8,842,488 |
|----------|---------|-----------|

| | | |
|---------------|---------|-----------|
| MetLife, Inc. | 273,525 | 8,137,369 |
|---------------|---------|-----------|

| | | |
|----------------------------|---------|-----------|
| Prudential Financial, Inc. | 135,000 | 3,898,800 |
|----------------------------|---------|-----------|

| | | |
|--------------------------|---------|------------|
| The Travelers Cos., Inc. | 506,330 | 20,830,416 |
| | | 41,709,073 |

Machinery 1.6%

| | | |
|-------------|---------|-----------|
| Deere & Co. | 207,286 | 8,552,620 |
|-------------|---------|-----------|

Media 5.6%

| | | |
|-------------------------|---------|-----------|
| Time Warner Cable, Inc. | 107,776 | 3,473,621 |
|-------------------------|---------|-----------|

| | | |
|-------------------|---------|------------|
| Time Warner, Inc. | 580,972 | 12,682,619 |
|-------------------|---------|------------|

| | | |
|--------------------------|---------|-----------|
| Viacom, Inc. Class B (b) | 454,024 | 8,735,422 |
|--------------------------|---------|-----------|

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| | | |
|--|-----------|-------------|
| Walt Disney Co. | 265,047 | 5,804,529 |
| | | 30,696,191 |
| Metals & Mining 2.3% | | |
| Nucor Corp. | 218,800 | 8,902,972 |
| United States Steel Corp. | 136,500 | 3,624,075 |
| | | 12,527,047 |
| Multi-Utilities 1.0% | | |
| Dominion Resources, Inc. | 185,239 | 5,586,808 |
| Office Electronics 2.8% | | |
| Xerox Corp. | 2,550,000 | 15,580,500 |
| Oil, Gas & Consumable Fuels 7.8% | | |
| Anadarko Petroleum Corp. | 89,217 | 3,841,684 |
| Chevron Corp. | 160,000 | 10,576,000 |
| Exxon Mobil Corp. | 349,956 | 23,331,566 |
| Peabody Energy Corp. | 210,000 | 5,541,900 |
| | | 43,291,150 |
| Pharmaceuticals 10.3% | | |
| Bristol-Myers Squibb Co. | 752,500 | 14,448,000 |
| Johnson & Johnson | 151,354 | 7,924,896 |
| Pfizer, Inc. | 725,000 | 9,686,000 |
| Schering-Plough Corp. | 844,303 | 19,435,855 |
| Wyeth | 125,000 | 5,300,000 |
| | | 56,794,751 |
| Semiconductors & Semiconductor Equipment 8.3% | | |
| Analog Devices, Inc. | 536,000 | 11,406,080 |
| Intel Corp. | 541,778 | 8,549,257 |
| LSI Corp. (b) | 4,109,020 | 15,778,637 |
| Micron Technology, Inc. (b) | 2,120,100 | 10,346,088 |
| | | 46,080,062 |
| Software 0.9% | | |
| Microsoft Corp. | 243,014 | 4,923,464 |
| Specialty Retail 1.2% | | |
| Home Depot, Inc. | 252,500 | 6,645,800 |
| Total Long-Term Investments | | |
| (Cost \$696,550,707) 100.3% | | 554,381,852 |

See Notes to Financial Statements.

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Schedule of Investments (continued) BlackRock Enhanced Capital and Income Fund, Inc. (CII)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|------------------|---------------|
| Short-Term Securities | | |
| Time Deposits 1.8% | | |
| Brown Brothers Harriman & Co., 0.03%, 5/01/09 | \$ 10,079 | \$ 10,079,230 |
| Total Short-Term Securities | | |
| (Cost \$10,079,230) 1.8% | | 10,079,230 |
| Total Investments Before Options Written | | |
| (Cost \$706,629,937*) 102.1% | | 564,461,082 |
| Options Written | Contracts | |
| Exchange-Traded Call Options | | |
| ACE Ltd.: | | |
| expiring May 2009 at USD 45 | 190 | (50,825) |
| expiring June 2009 at USD 50 | 190 | (30,875) |
| expiring August 2009 at USD 50 | 190 | (57,000) |
| AT&T Inc., expiring May 2009 at USD 26 | 2,150 | (94,600) |
| Air Products & Chemicals, Inc.: | | |
| expiring May 2009 at USD 55 | 140 | (151,200) |
| expiring June 2009 at USD 55 | 140 | (163,800) |
| American Electric Power Co., Inc., expiring May 2009 at USD 27.50 | 150 | (1,125) |
| Analog Devices, Inc.: | | |
| expiring May 2009 at USD 20 | 490 | (73,500) |
| expiring May 2009 at USD 22.50 | 110 | (1,650) |
| expiring June 2009 at USD 22.50 | 590 | (38,350) |
| BJ Services Co., expiring May 2009 at USD 12.50 | 1,600 | (256,000) |
| The Bank of New York Mellon Corp., expiring May 2009 at USD 30 | 725 | (16,312) |
| Bristol-Myers Squibb Co.: | | |
| expiring June 2009 at USD 21 | 2,500 | (85,000) |
| expiring June 2009 at USD 22 | 1,260 | (15,120) |
| Cisco Systems, Inc.: | | |
| expiring May 2009 at USD 18 | 575 | (90,562) |
| expiring June 2009 at USD 19 | 1,030 | (138,020) |
| expiring July 2009 at USD 19 | 45 | (7,065) |
| Clorox Co., expiring June 2009 at USD 55 | 415 | (127,612) |
| Corning, Inc.: | | |
| expiring May 2009 at USD 12.50 | 485 | (104,275) |
| expiring June 2009 at USD 16 | 250 | (13,125) |

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| | | |
|---|-------|-----------|
| Deere & Co.: | | |
| expiring June 2009 at USD 41 | 105 | (37,800) |
| expiring June 2009 at USD 43 | 1,450 | (384,250) |
| E.I. du Pont de Nemours & Co.: | | |
| expiring May 2009 at USD 25 | 800 | (244,000) |
| expiring June 2009 at USD 28 | 550 | (85,250) |
| expiring July 2009 at USD 25 | 340 | (129,200) |
| Emerson Electric Co.: | | |
| expiring May 2009 at USD 30 | 250 | (103,750) |
| expiring June 2009 at USD 34 | 210 | (38,325) |
| Exxon Mobil Corp., expiring May 2009 at USD 75 | 675 | (2,700) |
| FPL Group, Inc., expiring June 2009 at USD 50 | 500 | (230,000) |
| Halliburton Co., expiring June 2009 at USD 21 | 1,300 | (142,350) |
| Hewlett-Packard Co.: | | |
| expiring May 2009 at USD 33 | 750 | (227,797) |
| expiring May 2009 at USD 35 | 245 | (39,813) |
| expiring June 2009 at USD 39 | 570 | (51,300) |
| Home Depot, Inc., expiring May 2009 at USD 25 | 1,085 | (184,992) |
| Honeywell International, Inc.: | | |
| expiring June 2009 at USD 30 | 390 | (95,550) |
| expiring June 2009 at USD 32.50 | 380 | (44,650) |
| Intel Corp.: | | |
| expiring May 2009 at USD 15.50 | 1,380 | (102,424) |
| expiring June 2009 at USD 16 | 1,330 | (101,080) |
| International Business Machines Corp., expiring June 2009 | | |
| at USD 105 | 610 | (219,600) |
| Invesco Ltd.: | | |
| expiring May 2009 at USD 15 | 350 | (28,875) |
| expiring July 2009 at USD 17.50 | 210 | (18,375) |
| See Notes to Financial Statements. | | |

| Options Written | Contracts | Value |
|--|------------------|--------------|
| Exchange-Traded Call Options (concluded) | | |
| JPMorgan Chase & Co., expiring June 2009 at USD 34 | 1,590 | \$ (434,865) |
| Johnson & Johnson: | | |
| expiring May 2009 at USD 55 | 575 | (7,188) |
| expiring June 2009 at USD 55 | 500 | (23,750) |
| expiring July 2009 at USD 55 | 77 | (8,085) |
| Kimberly-Clark Corp., expiring May 2009 at USD 50 | 775 | (46,500) |
| Kraft Foods, Inc.: | | |
| expiring May 2009 at USD 24 | 2,000 | (80,000) |

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| | | |
|--|--------|-----------|
| expiring June 2009 at USD 24 | 1,670 | (133,600) |
| LSI Corp., expiring June 2009 at USD 4.18 | 12,300 | (368,016) |
| MetLife, Inc., expiring June 2009 at USD 35 | 830 | (118,275) |
| Micron Technology, Inc., expiring June 2009 at USD 5 | 2,200 | (115,500) |
| Morgan Stanley, expiring May 2009 at USD 28 | 820 | (12,300) |
| Nokia Oyj: | | |
| expiring May 2009 at USD 14 | 320 | (20,800) |
| expiring May 2009 at USD 15 | 1,000 | (22,500) |
| Northrop Grumman Corp.: | | |
| expiring May 2009 at USD 40 | 680 | (557,600) |
| expiring June 2009 at USD 50 | 660 | (108,900) |
| Nucor Corp., expiring June 2009 at USD 47 | 650 | (65,000) |
| Peabody Energy Corp., expiring June 2009 at USD 29 | 630 | (81,900) |
| Pfizer, Inc.: | | |
| expiring May 2009 at USD 15 | 2,400 | (4,800) |
| expiring June 2009 at USD 15 | 1,000 | (13,000) |
| The Procter & Gamble Co.: | | |
| expiring May 2009 at USD 50 | 440 | (41,800) |
| expiring July 2009 at USD 55 | 100 | (6,500) |
| Prudential Financial, Inc.: | | |
| expiring May 2009 at USD 30 | 105 | (19,163) |
| expiring June 2009 at USD 32 | 300 | (78,750) |
| Qwest Communications International Inc.: | | |
| expiring May 2009 at USD 3.32 | 16,320 | (938,074) |
| expiring May 2009 at USD 5 | 3,400 | (17,000) |
| Raytheon Co.: | | |
| expiring May 2009 at USD 47.50 | 500 | (18,750) |
| expiring June 2009 at USD 45 | 1,225 | (278,688) |
| Time Warner Cable, Inc., expiring June 2009 at USD 30 | 530 | (174,900) |
| Time Warner, Inc., expiring June 2009 at USD 24 | 2,900 | (166,750) |
| The Travelers Cos., Inc., expiring July 2009 at USD 45 | 1,520 | (224,200) |
| Tyco International Ltd.: | | |
| expiring May 2009 at USD 22.50 | 1,100 | (176,000) |
| expiring July 2009 at USD 25 | 250 | (31,875) |
| Unilever NV: | | |
| expiring May 2009 at USD 20 | 1,000 | (50,000) |
| expiring June 2009 at USD 20 | 650 | (52,000) |
| United Parcel Service, Inc. Class B, expiring June 2009 at USD 55 | 180 | (27,900) |
| United States Steel Corp., expiring July 2009 at USD 30 | 410 | (90,200) |
| Viacom, Inc. Class B, expiring June 2009 at USD 22.50 | 2,270 | (130,525) |

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| | | |
|--|-------|-------------|
| Wal-Mart Stores, Inc., expiring June 2009 at USD 52.50 | 325 | (39,325) |
| Walt Disney Co.: | | |
| expiring May 2009 at USD 20 | 580 | (127,600) |
| expiring June 2009 at USD 21 | 250 | (50,000) |
| Xerox Corp., expiring July 2009 at USD 6 | 2,550 | (178,500) |
| | | (9,169,176) |

Over-the-Counter Call Options

| | | |
|--|-------|-----------|
| Anadarko Petroleum Corp., expiring June 2009 at USD 45, Broker Morgan Stanley Capital Services Inc. | 445 | (98,972) |
| Analog Devices, Inc., expiring June 2009 at USD 22.50, Broker Goldman Sachs Bank USA | 420 | (27,300) |
| BJ Services Co., expiring May 2009 at USD 10.95, Broker Goldman Sachs Bank USA | 1,750 | (520,380) |
| The Bank of New York Mellon Corp., expiring May 2009 at USD 31.80, Broker Citibank, N.A. | 725 | (19,611) |
| Baxter International, Inc., expiring June 2009 at USD 55, Broker UBS AG | 500 | (12,610) |

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Schedule of Investments (concluded) BlackRock Enhanced Capital and Income Fund, Inc. (CII)**(Percentages shown are based on Net Assets)**

| Options Written | Contracts | Value |
|---|------------------|--------------|
| Over-the-Counter Call Options (concluded) | | |
| Chevron Corp., expiring June 2009 at USD 68.41, Broker Goldman Sachs Bank USA | 600 | \$ (111,096) |
| Corning, Inc., expiring June 2009 at USD 16, Broker Jeffries & Co. | 65 | (2,101) |
| Covidien Ltd.: expiring May 2009 at USD 33, Broker Barclays Bank, Plc | 175 | (16,084) |
| expiring May 2009 at USD 33.69, Broker Credit Suisse International | 350 | (38,958) |
| expiring May 2009 at USD 37, Broker Barclays Bank, Plc | 75 | (1,861) |
| Dominion Resources, Inc., expiring May 2009 at USD 31.87, Broker Goldman Sachs Bank USA | 1,390 | (14,081) |
| Exxon Mobil Corp.: expiring May 2009 at USD 71, Broker UBS AG | 1,300 | (79,807) |
| expiring May 2009 at USD 75, Broker Credit Suisse International | 675 | (2,700) |
| FPL Group, Inc.: expiring May 2009 at USD 53, Broker Morgan Stanley Capital Services Inc. | 227 | (28,196) |
| expiring May 2009 at USD 53, Broker Jeffries & Co. | 500 | (62,105) |
| General Electric Co.: expiring May 2009 at USD 13.11, Broker Citibank N.A. | 250 | (8,167) |
| expiring July 2009 at USD 13.17, Broker UBS AG | 450 | (41,926) |
| General Mills, Inc.: expiring May 2009 at USD 53, Broker Goldman Sachs Bank USA | 890 | (34,301) |
| expiring June 2009 at USD 53.14, Broker Morgan Stanley Capital Services Inc. | 890 | (65,299) |
| Halliburton Co., expiring May 2009 at USD 20, Broker Jeffries & Co. | 1,250 | (71,763) |
| Home Depot, Inc., expiring June 2009 at USD 26.37, Broker Morgan Stanley Capital Services Inc. | 810 | (128,855) |
| Invesco Ltd., expiring May 2009 at USD 14.29, Broker Credit Suisse International | 1,280 | (218,099) |
| Kimberly-Clark Corp., expiring May 2009 at USD 48.84, | | |

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| | | |
|---|-------|----------------|
| Broker Citibank N.A. | 750 | (78,998) |
| Micron Technology, Inc., expiring May 2009 at USD 3.22, Broker Deutsche Bank AG | 3,350 | (556,435) |
| Microsoft Corp.: | | |
| expiring May 2009 at USD 18.68, Broker Citibank N.A. | 635 | (104,724) |
| expiring June 2009 at USD 20, Broker UBS AG | 1,190 | (120,369) |
| Pfizer, Inc., expiring July 2009 at USD 14.06, Broker UBS AG | 2,000 | (100,000) |
| Schering-Plough Corp.: | | |
| expiring June 2009 at USD 23.84, Broker Citibank N.A. | 2,100 | (111,447) |
| expiring July 2009 at USD 24.54, Broker Citibank N.A. | 2,100 | (90,909) |
| The Southern Co., expiring May 2009 at USD 32.50, Broker UBS AG | 1,070 | (5,671) |
| Verizon Communications, Inc., expiring June 2009 at USD 34.59, Broker UBS AG | 2,300 | (15,387) |
| Wal-Mart Stores, Inc., expiring May 2009 at USD 53.25, Broker Goldman Sachs Bank USA | 300 | (9,393) |
| Walt Disney Co., expiring May 2009 at USD 19.50, Broker Goldman Sachs Bank USA | 500 | (122,325) |
| Wyeth, expiring June 2009 at USD 43, Broker UBS AG | 460 | (24,794) |
| Xerox Corp., expiring May 2009 at USD 5.70, Broker Deutsche Bank AG | 5,100 | (328,593) |
| | | (3,273,317) |
| Total Options Written | | |
| (Premiums Received \$10,076,704) (2.3)% | | (12,442,493) |
| Total Investments, Net of Options Written 99.8% | | 552,018,589 |
| Other Assets Less Liabilities 0.2% | | 902,538 |
| Net Assets 100.0% | | \$ 552,921,127 |

* The cost and unrealized appreciation (depreciation) of investments as of April 30, 2009, as computed for federal income tax purposes, were as follows:

| | |
|------------------------------------|-----------------|
| Aggregate cost | \$ 707,081,634 |
| Gross unrealized appreciation | \$ 7,465,563 |
| Gross unrealized depreciation | (150,086,115) |
| Net unrealized depreciation | \$(142,620,552) |
| (a) Depository receipts. | |
| (b) Non-income producing security. | |

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

| Affiliate | Net Activity | Income |
|---------------------------------|-------------------------|---------------|
| BlackRock Liquidity Series, LLC | | |
| Cash Sweep Series | \$(2,450,990) | \$117,920 |

For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine industry sub-classifications for reporting ease.

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" 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 in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstance, to the extent observable inputs are not available (including the Fund's own 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 Fund's policy regarding valuation of investments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following table summarizes the inputs used as of April 30, 2009 in determining the fair valuation of the Fund's investments:

| Valuation Inputs | Securities Assets | Investments in | Other Financial Instruments* Liabilities |
|-----------------------------|------------------------------|-----------------------|---|
| Level 1 | | \$554,381,852 | \$ (7,138,300) |
| Level 2 | | 10,079,230 | (5,304,193) |
| Level 3 | | | |
| Total | | \$564,461,082 | \$(12,442,493) |

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* Other financial instruments are options written, which are shown at market value.

See Notes to Financial Statements.

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Schedule of Investments April 30, 2009 (Unaudited) BlackRock Floating Rate Income Trust (BGT)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|--|-----|--------------|------------|
| Corporate Bonds | | | |
| Air Freight & Logistics 0.0% | | | |
| Park-Ohio Industries, Inc., 8.375%, 11/15/14 | USD | 125 | \$ 55,313 |
| Auto Components 0.0% | | | |
| The Goodyear Tire & Rubber Co., 6.318%, 12/01/09 (a) | | 60 | 59,175 |
| Lear Corp., 8.75%, 12/01/16 | | 30 | 4,650 |
| | | | 63,825 |
| Building Products 0.0% | | | |
| CPG International I, Inc., 10.50%, 7/01/13 | | 90 | 40,500 |
| Capital Markets 1.0% | | | |
| E*Trade Financial Corp., 12.50%, 11/30/17 (b)(c) | | 2,656 | 1,321,484 |
| Marsico Parent Co., LLC, 10.625%, 1/15/16 (c) | | 1,501 | 645,430 |
| Marsico Parent Holdco, LLC, 12.50%, 7/15/16 (b)(c) | | 607 | 260,977 |
| Marsico Parent Superholdco, LLC, 14.50%, 1/15/18 (b)(c) | | 415 | 178,355 |
| | | | 2,406,246 |
| Chemicals 0.4% | | | |
| American Pacific Corp., 9%, 2/01/15 | | 125 | 108,750 |
| Ames True Temper, Inc., 5.131%, 1/15/12 (a) | | 1,100 | 913,000 |
| | | | 1,021,750 |
| Commercial Banks 4.6% | | | |
| SNS Bank NV Series EMTN, 2.875%, 1/30/12 | EUR | 8,500 | 11,332,070 |
| Commercial Services & Supplies 0.1% | | | |
| DI Finance Series B, 9.50%, 2/15/13 | USD | 307 | 299,325 |
| Containers & Packaging 0.1% | | | |
| Berry Plastics Holding Corp., 5.195%, 9/15/14 (a) | | 300 | 177,000 |
| Impress Holdings BV, 4.256%, 9/15/13 (a)(c) | | 150 | 123,000 |
| | | | 300,000 |
| Diversified Financial Services 0.1% | | | |
| FCE Bank Plc, 7.125%, 1/16/12 | EUR | 200 | 202,435 |
| Diversified Telecommunication Services 1.1% | | | |
| Cincinnati Bell, Inc., 7.25%, 7/15/13 | USD | 290 | 286,375 |
| Qwest Corp., 4.57%, 6/15/13 (a) | | 2,500 | 2,262,500 |
| Wind Acquisition Finance SA, 10.75%, 12/01/15 (c) | | 150 | 156,000 |
| | | | 2,704,875 |
| Electronic Equipment, Instruments & Components 0.1% | | | |
| Sanmina-SCI Corp., 8.125%, 3/01/16 | | 540 | 272,700 |

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Energy Equipment & Services 0.1%

Compagnie Generale de Geophysique-Veritas:

| | | |
|----------------|----|--------|
| 7.50%, 5/15/15 | 70 | 58,800 |
| 7.75%, 5/15/17 | 50 | 40,000 |
| | | 98,800 |

Health Care Equipment & Supplies 0.3%

| | | |
|------------------------------------|-------|---------|
| DJO Finance LLC, 10.875%, 11/15/14 | 1,000 | 765,000 |
|------------------------------------|-------|---------|

Health Care Providers & Services 0.1%

Tenet Healthcare Corp. (c):

| | | |
|--------------|----|---------|
| 9%, 5/01/15 | 95 | 95,950 |
| 10%, 5/01/18 | 35 | 36,400 |
| | | 132,350 |

Hotels, Restaurants & Leisure 0.1%

| | | |
|--|-----|---------|
| American Real Estate Partners LP, 7.125%, 2/15/13 | 140 | 117,600 |
| Greektown Holdings, LLC, 10.75%, 12/01/13 (c)(d) | 122 | 7,320 |
| Universal City Florida Holding Co. I, 5.778%, 5/01/10 (a) | 80 | 49,600 |
| | | 174,520 |

Household Durables 0.0%

| | | |
|--|-----|---|
| Berkline/BenchCraft, LLC, 4.50%, 11/03/12 (b)(d) | 400 | 0 |
|--|-----|---|

| | Par | Value |
|--|--------------|--------------|
| | (000) | |
| Corporate Bonds | | |
| Independent Power Producers & Energy Traders 0.0% | | |
| AES Ironwood LLC, 8.875%, 11/30/25 | 84 | \$ 72,016 |
| Machinery 0.3% | | |
| Sunstate Equipment Co. LLC, 10.50%, 4/01/13 (c) | 210 | 111,300 |
| Synventive Molding Solutions Sub-Series A, 14%, 1/14/11 | 936 | 514,922 |
| | | 626,222 |
| Media 1.1% | | |
| Affinion Group, Inc., 10.125%, 10/15/13 | 50 | 42,750 |
| CSC Holdings, Inc., 8.50%, 4/15/14 (c) | 550 | 561,000 |
| Charter Communications Holdings II (d): | | |
| LLC, 10.25%, 9/15/10 | 260 | 236,600 |
| LLC Series B, 10.25%, 9/15/10 | 45 | 40,725 |
| EchoStar DBS Corp.: | | |
| 6.375%, 10/01/11 | 135 | 130,950 |
| 7%, 10/01/13 | 158 | 150,890 |
| 7.125%, 2/01/16 | 230 | 215,050 |
| Local Insight Regatta Hldgs, Inc., 11%, 12/01/17 | 977 | 234,480 |

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| | | |
|--|-----------|------------|
| Nielsen Finance LLC, 10%, 8/01/14 | 400 | 376,000 |
| Rainbow National Services LLC, 8.75%, 9/01/12 (c) | 750 | 765,000 |
| | | 2,753,445 |
| Metals & Mining 0.3% | | |
| Foundation PA Coal Co., 7.25%, 8/01/14 | 505 | 468,388 |
| Freeport-McMoRan Copper & Gold, Inc., 4.995%, 4/01/15 (a) | 200 | 175,500 |
| | | 643,888 |
| Oil, Gas & Consumable Fuels 10.3% | | |
| Morgan Stanley Bank AG for OAO Gazprom, 9.625%, 3/01/13 | 11,530 | 11,184,100 |
| Pemex Project Funding Master Trust, 2.931%, 10/15/09 (a)(e) | 12,700 | 12,700,000 |
| SandRidge Energy, Inc., 4.833%, 4/01/14 (a) | 1,400 | 1,015,463 |
| Whiting Petroleum Corp., 7.25%, 5/01/13 | 300 | 264,000 |
| | | 25,163,563 |
| Paper & Forest Products 0.5% | | |
| Abitibi-Consolidated, Inc., 4.82%, 6/15/11 (a)(d) | 840 | 54,600 |
| Ainsworth Lumber Co. Ltd., 11%, 7/29/15 (c) | 470 | 119,248 |
| NewPage Corp., 7.278%, 5/01/12 (a) | 1,500 | 645,000 |
| Verso Paper Holdings LLC Series B, 4.778%, 8/01/14 (a) | 1,215 | 410,063 |
| | | 1,228,911 |
| Pharmaceuticals 0.5% | | |
| Angiotech Pharmaceuticals, Inc., 5.011%, 12/01/13 (a) | 1,750 | 1,225,000 |
| Real Estate Investment Trusts (REITs) 1.3% | | |
| Rouse Co. LP, 5.375%, 11/26/13 (d) | 6,350 | 3,222,625 |
| Specialty Retail 0.2% | | |
| General Nutrition Centers, Inc., 6.404%, 3/15/14 (a) | 500 | 395,000 |
| Lazy Days R.V. Center, Inc., 11.75%, 5/15/12 (d) | 375 | 22,500 |
| Michaels Stores, Inc., 10%, 11/01/14 | 185 | 111,925 |
| | | 529,425 |
| Tobacco 0.7% | | |
| Reynolds American, Inc., 7.625%, 6/01/16 | 2,000 | 1,758,744 |
| Wireless Telecommunication Services 1.1% | | |
| iPCS, Inc., 3.153%, 5/01/13 (a) | USD 1,155 | 935,550 |
| Nordic Telephone Co. Holdings ApS, 6.872%, 5/01/16 (a)(e) | EUR 1,500 | 1,667,108 |
| | | 2,602,658 |
| Total Corporate Bonds 24.4% | | 59,696,206 |

See Notes to Financial Statements.

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Schedule of Investments (continued) BlackRock Floating Rate Income Trust (BGT)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|---|-------------|--------------|-------------------|
| Foreign Government Obligations | | | |
| Brazilian Government International Bond: | | | |
| 6.982%, 6/29/09 (a) | USD | 6,935 | \$ 6,987,013 |
| 10.25%, 6/17/13 | | 475 | 572,375 |
| Colombia Government International Bond, | | | |
| 4.866%, 3/17/13 (a)(e) | | 1,200 | 1,128,000 |
| Costa Rica Government International Bond, | | | |
| 9.335%, 5/15/09 (e) | | 3,200 | 3,188,000 |
| Malaysia Government International Bond, | | | |
| 8.75%, 6/01/09 | | 800 | 803,471 |
| Mexican Bonos Series M, 9%, 12/22/11 | MXN | 13,520 | 1,054,366 |
| Republic of Venezuela, 2.101%, 4/20/11 (a)(e) | USD | 4,000 | 3,120,000 |
| South Africa Government International Bond, | | | |
| 7.375%, 4/25/12 | | 2,400 | 2,550,000 |
| Turkey Government International Bond, 7%, 9/26/16 | | 2,735 | 2,762,350 |
| Uruguay Government International Bond, | | | |
| 6.875%, 1/19/16 | EUR | 950 | 1,143,821 |
| Total Foreign Government Obligations | 9.5% | | 23,309,396 |
| Floating Rate Loan Interests | | | |
| Aerospace & Defense 1.2% | | | |
| Avio S.p.A. Dollar Mezzanine Term Loan, | | | |
| 4.25% 5.811%, 12/13/16 | USD | 1,039 | 232,094 |
| Hawker Beechcraft Acquisition Company LLC: | | | |
| Letter of Credit Facility Deposit, 1.12% 2.10%, 3/26/14 | | 215 | 110,750 |
| Term Loan, 2.428% 3.22%, 3/26/14 | | 3,661 | 1,881,272 |
| IAP Worldwide Services, Inc. Term Loan (First-Lien), | | | |
| 2% 7.25%, 12/30/12 | | 1,045 | 585,252 |
| | | | 2,809,368 |
| Airlines 0.3% | | | |
| US Airways Group, Inc. Loan, 2.941%, 3/21/14 | | 1,460 | 665,112 |
| Auto Components 2.2% | | | |
| Allison Transmission, Inc. Term Loan, 3.21% 3.22%, 8/07/14 | | 5,808 | 4,143,457 |
| Dana Holding Corporation Term Advance, 7.25%, 1/31/15 | | 2,235 | 659,470 |
| Dayco Products LLC (Mark IV Industries, Inc.) | | | |

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| | | | |
|---|-----|--------------|--------------|
| Replacement Term B Loan, 8.06% 8.75%, | | | |
| 6/21/11 | | 853 | 117,762 |
| GPX International Tire: | | | |
| Corporation Tranche B Term Loan, 9.23% 10.25%, | | | |
| 3/30/12 | | 630 | 340,504 |
| Term Loan, 12%, 4/11/12 | | 10 | 5,287 |
| Metaldyne Company LLC: | | | |
| Deposit Funded Loan, 0.261% 5.188%, 1/11/12 | | 104 | 12,150 |
| Initial Tranche B Term Loan, 6.188%, 1/13/14 | | 710 | 82,840 |
| | | | 5,361,470 |
| Beverages 0.1% | | | |
| Culligan International Company Loan (Second Lien), | | | |
| 5.836% 6.561%, 4/24/13 | EUR | 1,000 | 208,388 |
| Le-Nature s, Inc. Tranche B Term Loan, | | | |
| 9.50%, 3/01/11 (d) | USD | 1,000 | 100,000 |
| | | | 308,388 |
| Building Products 1.5% | | | |
| Building Materials Corporation of America Term Loan | | | |
| Advance, 3.25%, 2/22/14 | | 2,692 | 2,006,990 |
| Custom Building Products, Inc. Loan (Second Lien), | | | |
| 10.75%, 4/20/12 | | 1,500 | 810,000 |
| | | | |
| | | Par | |
| Floating Rate Loan Interests | | (000) | Value |
| Building Products (concluded) | | | |
| Momentive Performance Materials (Blitz 06-103 GMBH) | | | |
| Tranche B-1 Term Loan, 2.688%, 12/04/13 | USD | 1,224 | \$ 810,671 |
| United Subcontractors, Inc. Tranche B Term Loan, | | | |
| 6.43% 6.80%, 12/27/12 | | 2,275 | 117,548 |
| | | | 3,745,209 |
| Capital Markets 0.5% | | | |
| Marsico Parent Company, LLC Term Loan, 4.75% 7.50%, | | | |
| 12/15/14 | | 465 | 220,932 |
| Nuveen Investments, Inc. Term Loan, 4.232% 3.438%, | | | |
| 11/13/14 | | 1,489 | 964,878 |
| | | | 1,185,810 |
| Chemicals 7.5% | | | |
| Brenntag Holding Gmbh & Co. KG: | | | |
| Acquisition Facility 1, 2.447% 3.501%, 1/20/14 | | 393 | 314,182 |
| Facility 3B (Second Lien), 5.501%, 7/17/15 | | 1,000 | 558,333 |
| Facility B2, 2.447% 3.501%, 1/20/14 | | 1,607 | 1,285,818 |

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| | | | |
|---|-----|-------|------------|
| Facility B6A and B6B, 3.597%, 11/24/37 | EUR | 500 | 517,663 |
| Cognis GMBH: | | | |
| Facility B (French) 3.65%, 11/16/13 | | 197 | 191,047 |
| Facility A 3.65%, 11/17/13 | | 803 | 786,486 |
| ElectricInvest Holding Company Limited (Viridian Group PLC) Junior Term Facility: | | | |
| 5.499%, 4/20/12 | EUR | 1,787 | 1,513,467 |
| 5.395%, 12/21/12 | GBP | 1,800 | 1,704,218 |
| Huish Detergents Inc.: | | | |
| Loan (Second Lien), 4.76%, 10/26/14 | USD | 750 | 611,250 |
| Tranche B Term Loan, 2.18%, 4/26/14 | | 1,734 | 1,529,918 |
| Ineos US Finance LLC Term: | | | |
| A4 Facility, 7.001%, 12/14/12 | | 1,385 | 706,267 |
| B2 Facility, 7.501%, 12/16/13 | | 631 | 332,342 |
| C2 Facility, 8.001%, 12/16/14 | | 631 | 332,342 |
| Lucite International Group Holdings Limited PIK, | | | |
| 10.405%, 7/03/14 | EUR | 1,218 | 1,495,306 |
| Matrix Acquisition Corp. (MacDermid, Incorporated) | | | |
| Tranche C Term Loan, 3.209%, 12/15/13 | | 1,747 | 1,132,508 |
| PQ Corporation (fka Niagara Acquisition, Inc.): | | | |
| Loan (Second Lien), 7.54%, 7/30/15 | USD | 2,250 | 915,001 |
| Term Loan (First Lien), 4.29% 4.47%, 7/31/14 | | 2,729 | 1,787,741 |
| Rockwood Specialties Group, Inc. Tranche E Term Loan, | | | |
| 2.178%, 7/30/12 | | 1,235 | 1,107,471 |
| Solutia Inc. Loan, 8.50%, 2/28/14 | | 1,985 | 1,550,722 |
| TPG Spring (UK) Limited (British Vita Plc) Mezzanine, | | | |
| 11.657%, 7/22/13 | EUR | 2,148 | 3,553 |
| | | | 18,375,635 |
| Commercial Services & Supplies 2.5% | | | |
| Aramark Corporation: | | | |
| Facility Letter of Credit, 0.311% 2.025%, 1/26/14 | USD | 155 | 140,844 |
| U.S. Term Loan, 3.095%, 1/26/14 | | 2,437 | 2,216,975 |
| EnviroSolutions Real Property Holdings, Inc. Initial | | | |
| Term Loan, 10.50%, 7/07/12 | | 2,017 | 958,224 |
| John Maneely Company Term Loan, 3.71% 4.389%, | | | |
| 12/09/13 | | 1,388 | 994,145 |
| SIRVA Worldwide, Inc. Loan (Second Lien), | | | |
| 12%, 5/12/15 | | 127 | 6,334 |
| Synagro Technologies, Inc. Term Loan (First Lien), | | | |
| 2.43% 2.46%, 4/02/14 | | 1,981 | 1,287,714 |

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West Corporation Term B-2 Loan, 2.808% 2.864%,

10/24/13

438

367,568

5,971,804

See Notes to Financial Statements.

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Schedule of Investments (continued) BlackRock Floating Rate Income Trust (BGT)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|---|-----|--------------|--------------|
| Floating Rate Loan Interests | | | |
| Computers & Peripherals 0.7% | | | |
| Intergraph Corporation: | | | |
| Initial Term Loan (First Lien), 3.256%, 5/29/14 | USD | 1,169 | \$ 1,063,508 |
| Second Lien Term Loan, 6.438% 7.256%, 11/28/2014 | | 750 | 615,625 |
| | | | 1,679,133 |
| Construction & Engineering 0.7% | | | |
| Airport Development and Investment Limited (BAA) | | | |
| Facility (Second Lien), 5.538%, 4/07/11 | GBP | 566 | 340,039 |
| Brand Energy & Infrastructure Services, Inc. (FR Brand Acquisition Corp.): | | | |
| First Lien Term Loan B, 3.188% 3.50%, 2/7/2014 | USD | 987 | 661,389 |
| Second Lien Term Loan, 6.438% 7.313%, 2/7/2015 | | 1,000 | 385,000 |
| Synthetic Letter of Credit Term Loan (First Lien), 1.125% 2.375%, 2/07/14 | | 500 | 335,000 |
| | | | 1,721,428 |
| Construction Materials 0.3% | | | |
| Headwaters Incorporated Term Loan B1 (First Lien), 6.22%, 4/30/11 | | 1,234 | 765,313 |
| Containers & Packaging 4.6% | | | |
| Atlantis Plastic Films, Inc. Term Loan (Second Lien), 12.25%, 3/22/12 (d) | | 500 | 0 |
| Graham Packaging Company, L.P. New Term Loan, 2.688 2.813%, 10/07/11 | | 915 | 821,813 |
| Graphic Packaging International, Inc. Incremental Term Loan, 3.21% 3.958%, 5/16/14 | | 2,713 | 2,483,982 |
| Modelo 3 S.a.r.l. (Mivisa) Tranche B2 Term Facility, 5.452%, 6/03/15 | EUR | 1,000 | 955,279 |
| OI European Group B.V. Tranche D Term Loan, 2.492%, 6/14/13 | | 1,915 | 2,195,908 |
| Pregis Corporation Term Loan B2 (Euro), 3.459%, 9/30/12 | | 471 | 486,461 |
| Smurfit Kappa Acquisitions (JSG): | | | |
| C1 Term Loan Facility, 3.116% 3.132%, | | | |

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| | | | |
|--|-----|--------------|--------------|
| 7/16/2015 | | 750 | 776,495 |
| Term B1, 2.866% 4.912%, 7/16/14 | | 750 | 776,495 |
| Smurfit-Stone Container Canada, Inc., Tranche C-1 | | | |
| Term Loan, 2.82%, 11/01/11 | | 8 | 6,041 |
| Smurfit-Stone Container Debtor in Possession, Term Loan, | | | |
| 10%, 7/28/10 | | 1,340 | 1,348,375 |
| Smurfit-Stone Container Enterprises, Inc.: | | | |
| Deposit Funded Facility, 4.50%, 11/01/10 | | 12 | 9,352 |
| Tranche B, 2.82%, 11/01/11 | | 14 | 10,490 |
| Tranche C, 2.82%, 11/01/11 | USD | 26 | 19,980 |
| Smurfit-Stone Container Revolving Credit: | | | |
| 0.50% 4.50%, 11/01/09 | | 60 | 46,777 |
| 0.50% 5.0%, 11/01/10 | | 20 | 15,512 |
| Solo Cup Co. Term B1 Loan, 4.692% 5.75%, | | | |
| 2/27/2011 | | 1,397 | 1,300,202 |
| | | | 11,253,162 |
| Distributors 0.3% | | | |
| Keystone Automotive Operations, Inc. Loan, | | | |
| 3.948% 5.75%, 1/12/12 | | 1,660 | 663,934 |
| Diversified Consumer Services 0.9% | | | |
| Coinmach Corporation Term Loan, 4.26%, 11/14/14 | | 2,552 | 1,786,105 |
| Coinmach Laundry Corp Delay Draw Term Loan, | | | |
| 4.44%, 11/14/14 | | 500 | 348,333 |
| | | | 2,134,438 |
| | | Par | Value |
| Floating Rate Loan Interests | | (000) | |
| Diversified Financial Services 0.4% | | | |
| J.G. Wentworth, LLC Loan (First Lien), | | | |
| 3.47%, 4/04/14 (d) | USD | 3,800 | \$ 380,000 |
| Professional Service Industries, Inc. Term Loan | | | |
| (First Lien), 3.19%, 10/31/12 | | 649 | 564,323 |
| | | | 944,323 |
| Diversified Telecommunication Services 4.9% | | | |
| BCM Ireland Holdings Limited (Eircom): | | | |
| Facility B, 2.848%, 8/14/14 | EUR | 1,970 | 1,669,378 |
| Facility C, 3.098%, 8/14/13 | | 1,970 | 1,669,564 |
| Facility D, 5.223%, 2/14/16 | | 1,000 | 522,625 |
| Cavtel Holdings, LLC Term Loan, 1.0% 8.50%, | | | |
| 12/31/12 | USD | 388 | 157,656 |
| Hawaiian Telcom Communications, Inc. Tranche C | | | |

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| | | | |
|---|-----|-------|------------|
| Term Loan, 4.75%, 5/30/14 | | 1,208 | 588,060 |
| Nordic Telephone Company Holdings APS Euro Facility: | | | |
| B2, 2.637%, 4/06/14 | EUR | 885 | 1,080,935 |
| C2, 3.262%, 4/06/15 | | 1,058 | 1,291,507 |
| PAETEC Holding Corp. Replacement Term Loan, | | | |
| 2.928% 4.75%, 2/28/13 | USD | 737 | 626,420 |
| Time Warner Telecom Holdings Inc. Term Loan B Loan, | | | |
| 2.43%, 1/07/13 | | 1,124 | 1,020,921 |
| Wind Telecomunicazioni S.P.A.: | | | |
| A1 Term Loan Facility, 2.499% 2.521%, 9/22/2012 | EUR | 848 | 989,979 |
| B1 Term Loan Facility, 3.249%, 9/22/13 | | 1,000 | 1,172,599 |
| C1 Term Loan Facility, 4.249%, 9/22/14 | | 1,000 | 1,172,599 |
| | | | 11,962,243 |
| Electric Utilities 0.9% | | | |
| Astoria Generating Co. Acquisitions, LLC: | | | |
| Second Lien Term Loan C, 4.20%, 8/23/13 | USD | 1,500 | 1,276,875 |
| Term B Facility, 2.20% 4.0%, 2/23/13 | | 407 | 370,433 |
| TPF Generation Holdings, LLC: | | | |
| First Lien Term Loan, 2.428%, 12/15/13 | | 441 | 409,551 |
| Synthetic Letter of Credit Deposit (First Lien), 1.12% 2.10%, 12/15/13 | | 151 | 139,682 |
| Synthetic Revolving Deposit, 1.12% 2.10%, 12/15/2011 | | 47 | 43,787 |
| | | | 2,240,328 |
| Electrical Equipment 0.4% | | | |
| Electrical Components International Holdings Company | | | |
| (ECI) Term Loan (Second Lien), 11.50%, 5/01/14 | | 500 | 50,000 |
| Generac Acquisition Corp. First Lien Term Loan, | | | |
| 2.995%, 11/10/13 | | 1,464 | 943,028 |
| | | | 993,028 |
| Electronic Equipment, Instruments & Components 1.3% | | | |
| Flextronics International Ltd.: | | | |
| A Closing Date Loan, 2.739% 3.458%, 10/01/14 | | 2,680 | 2,050,113 |
| A-1 Delay Draw Term Loan, 3.381%, 10/01/12 | | 770 | 589,113 |
| Matinvest 2 SAS (Deutsche Connector) Second Lien | | | |
| Facility, 4.989%, 12/22/15 | | 500 | 180,000 |
| Safenet, Inc. Loan (Second Lien), 6.46%, 4/12/15 | | 500 | 276,250 |
| Tinnerman Palnut Engineered Products, LLC Second | | | |
| Lien Term Loan, 13%, 11/01/11 | | 2,349 | 70,468 |
| | | | 3,165,944 |

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Energy Equipment & Services 1.0%

| | | |
|---|-------|-----------|
| Dresser, Inc. Term Loan (Second Lien), 6.988%, 5/04/15 | 1,500 | 817,500 |
| MEG Energy Corp. Initial Term Loan, 3.22%, 4/03/13 | 485 | 409,825 |
| Trinidad USA Partnership LLP U.S. Term Loan, 3.009%, 5/01/11 | 1,455 | 1,178,550 |
| | | 2,405,875 |

See Notes to Financial Statements.

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Schedule of Investments (continued) BlackRock Floating Rate Income Trust (BGT)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|--|-----|--------------|--------------|
| Floating Rate Loan Interests | | | |
| Food & Staples Retailing 3.2% | | | |
| AB Acquisitions UK Topco 2 Ltd. Facility B2 UK Borrower, 3.61%, 7/09/15 | GBP | 2,500 | \$ 2,625,856 |
| Advantage Sales & Marketing, Inc. (ASM Merger Sub, Inc.) Term Loan, 2.43 2.49%, 3/29/13 | USD | 903 | 776,679 |
| Birds Eye Iglo Group Limited (Liberator Midco Limited): | | | |
| Facility B1 (EUR), 3.223%, 10/27/19 | EUR | 500 | 585,945 |
| Facility C1 (EUR), 3.598%, 10/27/15 | | 489 | 572,718 |
| Sterling Tranche Loan (Mezz), 4.0% 4.849%, 11/2/2015 | GBP | 403 | 385,553 |
| DS Waters of America, Inc. Term Loan, 4.448%, 10/29/12 | USD | 1,000 | 442,500 |
| McJunkin Corporation Term Loan, 4.47%, 1/31/14 | | 978 | 830,061 |
| Roundy s Supermarkets, Inc. Tranche B Term Loan, 3.18% 3.22%, 11/03/11 | | | |
| WM. Bolthouse Farms, Inc.: | | 504 | 457,799 |
| Second Lien Term Loan, 5.928%, 12/16/13 | | 500 | 349,167 |
| Term Loan (First Lien), 2.813%, 12/16/12 | | 923 | 808,721 |
| | | | 7,834,999 |
| Food Products 3.3% | | | |
| Dole Food Company, Inc: | | | |
| Credit-Linked Deposit, 1.139% 6.861%, 4/12/13 | | 193 | 182,627 |
| Tranche B Term Loan, 7.25% 8%, 4/12/13 | | 338 | 320,073 |
| FSB Holdings, Inc. (Fresh Start Bakeries) Term Loan (Second Lien), 6.188%, 3/29/14 | | 500 | 250,000 |
| Solvest, Ltd. (Dole) Tranche C Term Loan, 7.25% 8%, 4/12/13 | | 1,258 | 1,192,619 |
| Sturm Foods, Inc. Initial Term Loan: | | | |
| First Loan, 3.438% 3.625%, 1/31/14 (b) | | 831 | 576,406 |
| Second Lien, 7.125%, 7/31/14 | | 750 | 225,000 |
| United Biscuits Holdco Limited Facility: | | | |
| B1, 3.373%, 1/23/15 | GBP | 1,651 | 1,915,002 |
| B2, 4.843%, 12/14/14 | EUR | 535 | 565,850 |
| Wm. Wrigley Jr. Company Tranche B Term Loan, 6.50%, 10/06/14 | USD | 3,000 | 2,996,574 |
| | | | 8,224,151 |

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Health Care Equipment & Supplies 3.1%

| | | | |
|---|-----|-------|-----------|
| Arizant Inc. Term Loan, 2.928% 3.0% 7/31/10 | | 2,621 | 2,359,244 |
| Bausch & Lomb Incorporated: | | | |
| Delayed Draw Term Loan, 1.50% 4.47%, 4/24/2015 | | 74 | 63,844 |
| Parent Term Loan, 4.47%, 4/24/15 | | 389 | 336,248 |
| Biomet, Inc. Euro Term Loan, 3.959% 4.557%, 3/25/15 | EUR | 2,534 | 3,034,553 |
| DJO Finance LLC (ReAble Therapeutics Fin LLC) Term Loan, 3.428% 4.22%, 5/20/14 | USD | 1,492 | 1,314,096 |
| Hologic, Inc. Tranche B Term Loan, 3.75%, 3/31/13 | | 568 | 536,460 |
| | | | 7,644,445 |

Health Care Providers & Services 4.1%

| | | | |
|---|-----|-------|------------|
| CCS Medical, Inc. (Chronic Care) Term Loan (First Lien), 4.97%, 9/30/12 | | 215 | 100,836 |
| CHS/Community Health Systems, Inc.: | | | |
| Delayed Draw Term Loan, 1.0% 2.678%, 7/25/14 | | 229 | 206,230 |
| Funded Term Loan, 2.678% 3.506%, 7/25/14 | | 4,491 | 4,042,503 |
| HCA Inc. Tranche A-1 Term Loan, 3.22%, 11/17/12 | | 1,494 | 1,349,990 |
| HealthSouth Corporation Term Loan, 2.93% 2.96%, 3/10/13 | | 2,216 | 1,994,382 |
| Opica AB (Capio) Tranche C2, 3.388%, 4/15/16 | EUR | 1,088 | 1,181,769 |
| Surgical Care Affiliates, LLC Term Loan, 3.22%, 12/29/14 | USD | 494 | 408,552 |
| Vanguard Health Holding Company II, LLC (Vanguard Health System, Inc.) Replacement Term Loan, 2.678%, 9/23/11 | | 966 | 904,008 |
| | | | 10,188,270 |

| | | |
|-------------------------------------|--------------|--------------|
| | Par | |
| Floating Rate Loan Interests | (000) | Value |

Hotels, Restaurants & Leisure 3.0%

| | | | |
|--|-----|-------|------------|
| BLB Worldwide Holdings, Inc. (Wembley, Inc.): | | | |
| First Priority Term Loan, 4.75%, 7/18/11 | USD | 2,418 | \$ 725,463 |
| Second Priority Term Loan, 7.06%, 7/18/12 (d) | | 1,500 | 93,750 |
| Golden Nugget, Inc.: | | | |
| Additional Term Advance (First Lien), 2.0% 2.46%, 6/30/14 | | 227 | 103,769 |
| Second Lien Term Loan, 3.69%, 12/31/14 | | 1,000 | 160,000 |
| Term Advance (First Lien), 2.44%, 6/30/14 | | 477 | 218,352 |
| Green Valley Ranch Gaming, LLC: | | | |

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| | | |
|---|-----------|-----------|
| Second Lien Term Loan, 3.71%, 8/16/14 | 1,500 | 90,000 |
| Term Loan (New), 3.149% 4%, 2/16/14 | 472 | 190,918 |
| Harrah s Operating Company, Inc.: | | |
| Term B-1 Loan, 3.428% 4.092%, 1/28/15 | 314 | 221,789 |
| Term B-2 Loan, 3.438% 4.092%, 1/28/15 | 2,361 | 1,672,428 |
| Term B-3 Loan, 3.428% 4.092%, 1/28/15 | 902 | 640,852 |
| OSI Restaurant Partners, LLC Pre-Funded RC Loan, | | |
| 1.14% 4.50%, 6/14/13 | 32 | 22,451 |
| Penn National Gaming, Inc. Term Loan B, | | |
| 2.18% 2.99%, 10/03/12 | 2,619 | 2,436,872 |
| QCE, LLC (Quiznos) Term Loan (Second Lien), | | |
| 6.982%, 11/05/13 | 2,500 | 775,000 |
| | | 7,351,644 |
| Household Durables 2.0% | | |
| American Residential Services LLC Term Loan | | |
| (Second Lien), 2.0% 10%, 4/17/15 | 2,030 | 1,745,380 |
| Berkline/BenchCraft, LLC, Term Loan, | | |
| 4.178%, 11/03/11 (d) | 95 | 4,735 |
| Jarden Corporation Term Loan B3, 1.22% 3.25%, | | |
| 1/24/12 | 1,228 | 1,187,147 |
| Simmons Bedding Company Tranche D Term Loan, | | |
| 10.50%, 12/19/11 | 1,500 | 1,172,501 |
| Yankee Candle Company, Inc. Term Loan, 2.44% | | |
| 3.22%, 2/06/14 | 947 | 785,529 |
| | | 4,895,292 |
| Household Products 0.3% | | |
| VI-JON, Inc. (VJCS Acquisition, Inc.) Tranche B | | |
| Term Loan, 2.697%, 4/24/14 | 750 | 650,625 |
| IT Services 3.7% | | |
| Amadeus IT Group SA/Amadeus Verwaltungs GmbH: | | |
| Term B3 Facility, 3.107%, 6/30/13 | EUR 615 | 554,943 |
| Term B4 Facility, 3.107%, 6/30/13 | 496 | 448,080 |
| Term C3 Facility, 3.607%, 6/30/14 | 615 | 554,943 |
| Term C4 Facility, 3.607%, 6/30/14 | 496 | 448,080 |
| Audio Visual Services Group, Inc. Loan (Second Lien), | | |
| 7.72%, 8/28/14 | USD 1,020 | 56,095 |
| Ceridian Corp U.S. Term Loan, 3.447%, 11/09/14 | | |
| | 1,977 | 1,433,501 |
| First Data Corporation Initial Tranche: | | |
| B-1 Term Loan, 3.178% 3.19%, 9/24/14 | 2,466 | 1,796,019 |
| B-2 Term Loan, 3.19% 3.178%, 9/24/14 | 495 | 360,465 |
| B-3 Term Loan, 3.178% 3.19%, 9/24/14 | 980 | 713,257 |

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RedPrairie Corporation:

| | | |
|-----------------------------------|-------|---------|
| Second Lien Loan 7.736%, 1/20/13 | 1,250 | 612,500 |
| Term Loan B, 4.25% 5.25%, 7/20/12 | 849 | 581,296 |

SunGard Data Systems Inc. (Solar Capital Corp.)

| | | |
|--|-------|-----------|
| New U.S. Term Loan, 2.219% 2.991%, 2/28/14 | 1,780 | 1,593,715 |
| | | 9,152,894 |

Independent Power Producers & Energy Traders 3.6%

Texas Competitive Electric Holdings Company, LLC (TXU)

Initial Tranche:

| | | |
|--|-------|-----------|
| B-1 Term Loan, 3.928% 3.969%, 10/10/14 | 2,490 | 1,676,445 |
| B-2 Term Loan, 3.928% 3.969%, 10/10/14 | 5,462 | 3,687,721 |
| B-3 Term Loan, 3.928% 3.969%, 10/10/14 | 5,004 | 3,369,988 |
| | | 8,734,154 |

See Notes to Financial Statements.

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APRIL 30, 2009

Schedule of Investments (continued) BlackRock Floating Rate Income Trust (BGT)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|------------|
| Floating Rate Loan Interests | | |
| Insurance 0.4% | | |
| Alliant Holdings I, Inc. Term Loan, 4.232%, 8/21/14 | USD 985 | \$ 763,375 |
| Conseco, Inc. Term Loan, 1.0% 6.50%, 10/10/13 | 730 | 292,081 |
| | | 1,055,456 |
| Internet & Catalog Retail 0.3% | | |
| FTD Group, Inc. Tranche B Term Loan, 6.75%, 8/04/14 | 746 | 641,775 |
| Oriental Trading Company, Inc. Loan (Second Lien), 6.43%, 1/31/14 | 500 | 95,000 |
| | | 736,775 |
| Leisure Equipment & Products 0.4% | | |
| 24 Hour Fitness Worldwide, Inc. Tranche B Term Loan, 2.93% 3.67%, 6/08/12 | 970 | 630,500 |
| Kerasotes Showplace Theatres, LLC Term B2, 5%, 10/28/11 | 554 | 332,439 |
| | | 962,939 |
| Life Sciences Tools & Services 1.2% | | |
| Life Technologies Corporation Term B Facility, 5.25%, 11/20/15 | 2,985 | 2,971,009 |
| Machinery 2.9% | | |
| CI Acquisition, Inc. (Chart Industries) Term Loan B, 2.438%, 10/17/12 | 222 | 193,333 |
| LN Acquisition Corp. (Lincoln Industrial): | | |
| Delayed Draw Term Loan (First Lien), 2.97%, 7/11/2014 | 268 | 214,364 |
| Initial U.S. Term Loan (First Lien), 2.97%, 7/11/2014 | 715 | 571,636 |
| NACCO Materials Handling Group, Inc. Loan, 2.428% 4.595%, 3/21/13 | 486 | 179,913 |
| Navistar International Corporation: | | |
| Revolving Credit-Linked Deposit, 3.611% 4.794%, 1/19/12 | 1,333 | 1,078,095 |
| Term Advance, 3.678%, 1/19/12 | 3,667 | 2,964,760 |
| Oshkosh Truck Corporation Term B Loan, 7.15% 7.32%, 12/06/13 | 2,118 | 1,731,685 |
| Standard Steel, LLC: | | |
| Delayed Draw Term Loan, 8.25%, 7/02/12 | 75 | 40,998 |

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| | | |
|--|--------------|--------------|
| Initial Term Loan, 9%, 7/02/12 | 370 | 203,418 |
| | | 7,178,202 |
| Manufacturing 0.2% | | |
| Blount, Inc. Term Loan B, 2.201% 3.25%, 8/09/10 | 536 | 490,471 |
| Marine 0.7% | | |
| Delphi Acquisition Holding I B.V. (fka Dockwise) Facility: | | |
| B1, 3.22%, 1/12/15 | 1,227 | 658,574 |
| C1, 4.095%, 1/11/16 | 1,227 | 658,574 |
| D1, 5.72%, 1/11/16 | 1,650 | 453,750 |
| | | 1,770,898 |
| Media 28.5% | | |
| Acosta, Inc. Term Loan, 2.68%, 7/28/13 | 1,191 | 1,022,008 |
| Affinion Group Holdings, Inc. Loan, 9.273%, 3/01/12 | 975 | 555,750 |
| AlixPartners, LLP Tranche C Term Loan, 2.46% 3.14%, 10/12/13 | 931 | 852,294 |
| Alpha Topco Limited (Formula One): | | |
| Facility B1, 2.803%, 12/31/13 | 571 | 341,904 |
| Facility B2, 2.803%, 12/31/13 | 393 | 235,059 |
| Amsterdamse Beheer En Consultingmaatschappij B.V. (Casema) Casema: | | |
| B1 Term Loan Facility, 4.031%, 11/02/14 | EUR 625 | 750,033 |
| C Term Loan Facility, 4.531%, 11/02/15 | 625 | 750,033 |
| Atlantic Broadband Finance, LLC Tranche B-2 Term Loan, 3.47%, 9/01/11 | USD 1,945 | 1,741,047 |
| | Par | Value |
| Floating Rate Loan Interests | (000) | |
| Media (continued) | | |
| Bresnan Communications,: | | |
| LLC Additional Term Loan B (First Lien), 2.45% 3.11%, 6/30/13 | USD 1,250 | \$ 1,138,541 |
| LLC Second Lien Term Loan, 4.97% 4.99%, 3/29/14 | 250 | 197,500 |
| CSC Holdings Inc (Cablevision) Incremental Term Loan, 2.198%, 3/29/13 | 2,140 | 1,971,134 |
| Catalina Marketing Corporation Initial Term Loan, 4.22%, 10/01/14 | 1,670 | 1,461,173 |
| Gengage Learning Acquisitions, Inc. (Thomson Learning): | | |
| Term Loan, 2.93%, 7/03/14 | 1,473 | 1,082,306 |
| Tranche 1 Incremental Term Loan, 7.50%, 7/03/14 | 4,219 | 3,101,236 |
| Cequel Communications, LLC (aka Cebridge) | | |

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| | | | |
|--|-----|-------|-----------|
| Term Loan, 2.46% 2.478%, 11/05/13 | | 4,875 | 4,401,078 |
| Charter Communications Operating, LLC Replacement | | | |
| Term Loan, 5.23% 6.25%, 3/06/14 | | 1,305 | 1,096,700 |
| Charter Communications Term Loan B1, 5.23% 6.25%, 3/25/14 | | 750 | 704,297 |
| Clarke American Corp. Tranche B Term Loan, 2.928% 3.72%, 6/30/14 | | 1,967 | 1,316,236 |
| Cumulus Media, Inc. Replacement Term Loan, 2.21%, 6/11/14 | | 1,383 | 691,463 |
| Dex Media West LLC Tranche B Term Loan, 7%, 10/24/14 | | 1,500 | 1,001,250 |
| Discovery Communications Holding, LLC Term B Loan, 3.22%, 5/14/14 | | 1,970 | 1,840,906 |
| FoxCo Acquisition Sub, LLC Term Loan, 7.25%, 7/14/15 | | 899 | 539,423 |
| Getty Images, Inc Initial Term Loan, 6.25%, 7/02/15 | | 488 | 474,703 |
| Gray Television, Inc. Term Loan B DD, 3% 4%, 12/31/14 | | 845 | 352,712 |
| HIT Entertainment, Inc. 2nd Lien, 6.74%, 2/26/13 | | 1,000 | 250,000 |
| HMH Publishing Company Limited (fka Education Media): | | | |
| Mezzanine, 5.256% 5.50%, 11/14/14 | | 7,195 | 1,510,949 |
| Tranche A Term Loan, 8.256%, 6/12/14 | | 2,623 | 1,613,257 |
| Hanley-Wood, LLC (FSC Acquisition) Term Loan, 2.688% 2.71%, 3/08/14 | | 2,219 | 678,210 |
| Hargray Acquisition Co., DPC Acquisition LLC/ HCP Acquisition: | | | |
| Term Loan (First Lien), 3.486%, 6/27/14 | | 982 | 836,832 |
| Loan (Second Lien), 6.736%, 1/29/15 | | 500 | 240,000 |
| Idearc Inc. (Verizon) Tranche B Term Loan, 6.25%, 11/17/14 (d) | | 1,101 | 427,244 |
| Insight Midwest Holdings, LLC B Term Loan, 2.50%, 4/07/14 | | 700 | 638,750 |
| Kabel Deutschland Holding GMBH A Facility, 2.723%, 6/01/12 | EUR | 4,000 | 4,760,222 |
| Knology, Inc. Term Loan, 2.751%, 6/30/12 | USD | 484 | 412,636 |
| Lavena Holding 3 GmbH (Prosiebensat.1 Media AG) Facility: | | | |
| B1, 4.589%, 6/28/15 | EUR | 337 | 65,729 |
| C1, 4.839%, 6/30/16 | | 674 | 131,457 |
| Liberty Cablevision of Puerto Rico, Ltd. Initial Term Facility, 2.451%, 6/17/14 | USD | 1,474 | 884,250 |

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| | | | |
|--|-----|-------|-----------|
| Local TV Finance, LLC Term Loan, 2.43%, 5/07/13 | | 742 | 341,524 |
| MCC Iowa LLC (Mediacom Broadband Group): | | | |
| Tranche A Term Loan, 1.83%, 3/31/10 | | 665 | 641,749 |
| Tranche D-1 Term Loan, 2.08%, 1/31/15 | | 1,216 | 1,073,949 |
| MCNA Cable Holdings LLC (OneLink Communications) | | | |
| Loan (PIK facility), 8.31%, 3/01/13 | | 1,855 | 1,149,871 |
| Mediannuaire Holding (Pages Jaunes): | | | |
| Term Loan B2, 3.913%, 1/11/15 | EUR | 453 | 239,365 |
| Term Loan C, 4.413%, 1/11/16 | | 938 | 495,199 |
| Term Loan D, 5.913%, 1/11/17 | | 500 | 133,964 |

See Notes to Financial Statements.

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APRIL 30, 2009

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Schedule of Investments (continued) BlackRock Floating Rate Income Trust (BGT)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|---|-----|--------------|------------|
| Floating Rate Loan Interests | | | |
| Media (continued) | | | |
| Metro-Goldwyn-Mayer Inc. Tranche B Term Loan, 3.678%, 4/09/12 | USD | 1,915 | \$ 921,655 |
| Mission Broadcasting, Inc. Term B Loan, 2.97%, 10/01/12 | | 1,776 | 1,065,783 |
| Multicultural Radio Broadcasting, Inc. Term Loan, 3.239% 5%, 12/18/12 | | 327 | 212,550 |
| NTL Cable Plc Term Loan, 3.889%, 11/19/37 | GBP | 1,779 | 2,165,784 |
| NV Broadcasting, LLC: | | | |
| Second Lien, 5.25%, 11/03/14 (d) | USD | 1,500 | 75,000 |
| Term Loan (First Lien), 5.25%, 11/01/13 | | 822 | 205,367 |
| Newsday, LLC: | | | |
| Fixed Rate Term Loan, 9.75%, 8/01/13 | | 1,500 | 1,455,000 |
| Floating Rate Term Loan, 6.631%, 8/01/13 | | 1,250 | 1,175,000 |
| Nexstar Broadcasting, Inc Term B Loan, 2.597% 2.789%, 10/01/12 | | 1,878 | 1,126,685 |
| Nielsen Finance LLC Dollar Term Loan, 2.469%, 8/09/13 | | 3,808 | 3,216,449 |
| Parkin Broadcasting, LLC Term Loan, 5.25%, 11/01/13 | | 169 | 42,127 |
| Penton Media, Inc.: | | | |
| Loan (Second Lien), 6.039%, 2/01/14 | | 1,000 | 96,250 |
| Term Loan (First Lien), 2.678% 3.289%, 2/1/2013 | | 1,103 | 554,925 |
| Puerto Rico Cable Acquisition Company Inc. (D/B/A Choice TV) Term Loan (Second Lien), 7.938%, 2/15/12 | | 692 | 311,538 |
| Quebecor Media Term Loan B, 3.131%, 1/17/13 | | 726 | 631,294 |
| Sunshine Acquisition Limited (aka HIT Entertainment) Term Facility, 3.49%, 7/31/14 | | 1,098 | 570,986 |
| TWCC Holding Corp. Term Loan, 7.25%, 9/14/15 | | 1,244 | 1,230,063 |
| Telecommunications Management, LLC: | | | |
| Multi-Draw Term Loan, 3.928%, 6/30/13 | | 233 | 142,059 |
| Term Loan, 3.928%, 6/30/13 | | 924 | 563,564 |
| UPC Financing Partnership M Facility, 3.137%, 11/19/37 | EUR | 3,767 | 4,050,373 |
| Virgin Media Investment Holdings Limited (fka NTL) C Facility, 4.919%, 7/17/13 | GBP | 1,500 | 1,701,260 |
| Wallace Theater Corporation (Hollywood Theaters): | | | |

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| | | | |
|--|-----|--------------|--------------|
| First Lien Term Loan, 5.50%, 7/31/09 | USD | 1,746 | 1,370,414 |
| Second Lien Term Loan, 9.25%, 1/31/10 | | 2,500 | 1,625,000 |
| Yell Group Plc Facility B2 (Euro), 3.973%, 4/30/11 | EUR | 1,750 | 1,221,388 |
| | | | 69,874,457 |
| | | | |
| Metals & Mining 0.5% | | | |
| Algoma Steel Inc. Term Loan, 2.93%, 6/20/13 | USD | 1,944 | 1,091,753 |
| Euramax International, Inc. Domestic Loan (Second Lien), 13%, 6/29/13 | | 1,220 | 24,408 |
| | | | 1,116,161 |
| | | | |
| Multi-Utilities 0.7% | | | |
| FirstLight Power Resources, Inc. (fka NE Energy, Inc.): | | | |
| First Lien Term Loan B, 3.75%, 11/01/13 | | 1,230 | 1,082,781 |
| Second Lien Term Loan, 5.75%, 5/01/14 | | 750 | 480,000 |
| Synthetic Letter of Credit, 1.10% 2.65%, 11/01/13 | | 159 | 139,512 |
| Mach Gen, LLC Synthetic Letter of Credit Loan (First Lien), 0.982% 2.25%, 2/22/13 | | 69 | 57,488 |
| | | | 1,759,781 |
| | | | |
| Multiline Retail 0.5% | | | |
| Dollar General Corporation Tranche B-1 Term Loan, 3.178% 3.789%, 7/07/14 | | 1,250 | 1,150,348 |
| | | | |
| | | Par | Value |
| Floating Rate Loan Interests | | (000) | |
| | | | |
| Oil, Gas & Consumable Fuels 2.1% | | | |
| Big West Oil, LLC: | | | |
| Delayed Advance Loan, 6.50%, 5/15/14 | USD | 550 | \$ 431,750 |
| Initial Advance Loan, 6.50%, 5/15/14 | | 438 | 343,437 |
| Coffeyville Resources, LLC: | | | |
| Funded Letter of Credit, 3.15% 5.60%, 12/28/10 | | 324 | 257,568 |
| Tranche D Term Loan, 8.75%, 12/30/13 | | 1,042 | 827,496 |
| Drummond Company, Inc. Term Advance, 1.688%, 2/14/11 | | 1,200 | 1,164,000 |
| Niska Gas Storage: | | | |
| Canada ULC Canadian Term Loan B, 2.21%, 5/12/13 | | 452 | 405,816 |
| U.S., LLC Term B Loan, 2.21%, 5/12/13 | | 47 | 42,649 |
| U.S., LLC Wild Goose Acquisition Draw-U.S. Term B, 2.203%, 5/12/13 | | 32 | 28,890 |
| Vulcan Energy Corporation (Fka Plains Resources Inc) Term B3 Loan, 5.50%, 8/12/11 | | 1,750 | 1,627,500 |

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| | | | |
|--|-----|-------|-----------|
| | | | 5,129,106 |
| Paper & Forest Products 1.9% | | | |
| Georgia-Pacific LLC Term B Loan, 2.428% 3.293%, 12/20/12 | | 3,799 | 3,526,734 |
| NewPage Corporation Term Loan, 4.25% 5%, 12/22/14 | | 1,584 | 1,221,601 |
| Verso Paper Finance Holdings LLC Loan, 6.759 7.509%, 2/01/13 | | 351 | 17,568 |
| | | | 4,765,903 |
| Personal Products 0.5% | | | |
| American Safety Razor Company, LLC Loan (Second Lien), 6.68%, 1/30/14 | | 2,000 | 1,310,000 |
| Pharmaceuticals 1.5% | | | |
| Catalent Pharma Solutions, Inc. (fka Cardinal Health 409, Inc.) Euro Term Loan, 3.223%, 4/15/14 | EUR | 2,456 | 2,339,905 |
| Warner Chilcott Company, Inc. Acquisition Date Term Loan: | | | |
| Tranche B, 2.428% 3.22%, 1/18/12 | USD | 1,046 | 978,833 |
| Tranche C, 2.428%, 1/18/12 | | 414 | 387,730 |
| | | | 3,706,468 |
| Professional Services 0.4% | | | |
| Booz Allen Hamilton Inc. Tranche B Term Loan, 7.50%, 7/31/15 | | 998 | 975,260 |
| Real Estate Management & Development 0.2% | | | |
| Enclave First Lien Term Loan, 6.14%, 3/01/12 | | 2,000 | 300,000 |
| Georgian Towers Term Loan, 6.14%, 3/01/12 | | 2,000 | 210,058 |
| Pivotal Promontory, LLC Second Lien Term Loan, 12%, 8/31/11 (d) | | 750 | 37,500 |
| | | | 547,558 |
| Road & Rail 0.8% | | | |
| RailAmerica, Inc.: | | | |
| Canadian Term Loan, 5.20%, 8/14/09 | | 196 | 172,208 |
| U.S. Term Loan, 5.20%, 8/14/09 | | 2,054 | 1,807,792 |
| | | | 1,980,000 |
| Software 0.3% | | | |
| Bankruptcy Management Solutions, Inc.: | | | |
| First Lien Term Loan, 4.43%, 7/31/12 | | 945 | 529,339 |
| Loan (Second Lien), 6.678%, 7/31/13 | | 488 | 110,906 |
| | | | 640,245 |
| Specialty Retail 1.3% | | | |
| Adesa, Inc. (KAR Holdings, Inc.) Initial Term Loan, | | | |

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| | | |
|---|-------|-----------|
| 2.68% 3.47%, 10/20/13 | 1,395 | 1,156,611 |
| Burlington Coat Factory Warehouse Corporation | | |
| Term Loan, 2.68%, 5/28/13 | 517 | 356,711 |

See Notes to Financial Statements.

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APRIL 30, 2009

Schedule of Investments (continued) BlackRock Floating Rate Income Trust (BGT)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|---|--------------|-------------|
| Floating Rate Loan Interests | | |
| Specialty Retail (concluded) | | |
| General Nutrition Centers, Inc. Term Loan, 2.25% 3.49%, 9/16/13 | USD 988 | \$ 828,754 |
| OSH Properties LLC (Orchard Supply) Term Loan B, 2.902%, 12/21/13 | 1,500 | 975,000 |
| | | 3,317,076 |
| Textiles, Apparel & Luxury Goods 0.1% | | |
| Renfro Corporation Tranche B Term Loan, 3.68% 4.48%, 10/05/13 | 435 | 174,003 |
| Trading Companies & Distributors 0.4% | | |
| Beacon Sales Acquisition, Inc. Term B Loan, 2.438%, 9/30/13 | 1,194 | 955,000 |
| Transportation Infrastructure 0.7% | | |
| SBA Telecommunications Term Loan, 2.438 3.208%, 11/01/10 | 1,993 | 1,773,966 |
| Wireless Telecommunication Services 1.4% | | |
| Cricket Communications, Inc. (aka Leap Wireless) Term B Loan, 5.75%, 6/16/13 | 1,765 | 1,679,302 |
| Digicel Group Term Loan B, 3.75%, 3/01/12 | 250 | 233,125 |
| MetroPCS Wireless, Inc. New Tranche B Term Loan, 2.688% 3.438%, 11/03/13 | 1,614 | 1,503,164 |
| | | 3,415,591 |
| Total Floating Rate Loan Interests 106.4% | | 260,785,092 |
| Common Stocks | | |
| Capital Markets 0.1% | | |
| E*Trade Financial Corp. (f) | 121,011 | 173,046 |
| Commercial Services & Supplies 0.0% | | |
| Sirva Common Stock | 554 | 2,770 |
| Paper & Forest Products 0.0% | | |
| Ainsworth Lumber Co. Ltd. (f) | 55,855 | 39,786 |
| Ainsworth Lumber Co. Ltd. (c)(f) | 62,685 | 44,847 |
| | | 84,633 |
| Total Common Stocks 0.1% | | 260,449 |
| Preferred Stocks | | |
| Capital Markets 0.0% | | |
| Marsico Parent Superholdco, LLC, 16.75% (c) | 100 | 43,000 |

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| | | | |
|---|---|----------------------------|----------------|
| Total Preferred Stocks | 0.0% | | 43,000 |
| Warrants (g) | | | |
| Machinery | 0.0% | | |
| Synventive Molding Solutions (expires 1/15/13) | | 2 | 0 |
| Total Warrants | 0.0% | | 0 |
| | | | |
| | | Beneficial Interest | |
| Other Interests (h) | | (000) | Value |
| Health Care Providers & Services | 0.0% | | |
| Critical Care Systems International, Inc. | | USD 947 | \$ 191 |
| Household Durables | 0.0% | | |
| Berkline Benchcraft Equity LLC | | 6,155 | |
| Total Other Interests | 0.0% | | 191 |
| Total Long-Term Investments | | | |
| (Cost \$478,352,869) | 140.4% | | 344,094,334 |
| Short-Term Securities | | Shares | |
| Money Market Fund | 1.3% | | |
| BlackRock Liquidity Funds, TempFund, 0.64% (i)(j) | | 3,151,730 | 3,151,730 |
| Total Short-Term Securities | | | |
| (Cost \$3,151,730) | 1.3% | | 3,151,730 |
| Options Purchased | | Contracts | |
| Over-the-Counter Put Options | 0.0% | | |
| Marsico Parent Superholdco LLC, expiring | | | |
| | December 2009 at USD 942.86, Broker Goldman | | |
| Sachs Group, Inc. | | 26 | 41,600 |
| Total Options Purchased (Cost \$25,422) | 0.0% | | 41,600 |
| Total Investments (Cost \$481,530,021*) | 141.7% | | 347,287,664 |
| Liabilities in Excess of Other Assets | (17.7)% | | (43,343,601) |
| Preferred Shares, at Redemption Value | (24.0)% | | (58,811,150) |
| Net Assets Applicable to Common Shares | 100.0% | | \$ 245,132,913 |

* The cost and unrealized appreciation (depreciation) of investments as of April 30, 2009, as computed for federal income tax purposes, were as follows:

| | |
|-------------------------------|-----------------|
| Aggregate cost | \$ 481,568,756 |
| Gross unrealized appreciation | \$ 1,632,062 |
| Gross unrealized depreciation | (135,913,154) |
| Net unrealized depreciation | \$(134,281,092) |

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

(b) Represents a payment-in-kind security which may pay interest/dividends in addi-

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tional par/shares.

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

(e) Restricted securities as to resale, representing 8.9% of net assets were as follows:

| Issue | Acquisition Date(s) | Cost | Value |
|---|------------------------|---------------------|---------------------|
| Colombia Government International Bond, 4.866%, 3/17/13 | 2/15/06 | \$ 1,289,727 | \$ 1,128,000 |
| Costa Rica Government International Bond, 9.335%, 5/15/09 | 8/30/04 11/01/04 | 3,202,951 | 3,188,000 |
| Nordic Telephone Co. Holdings ApS, 6.872%, 5/01/16 | 4/26/06 | 1,867,951 | 1,667,108 |
| Pemex Project Funding Master Trust, 2.931%, 10/15/09 | 8/27/04 12/15/04 | 12,760,205 | 12,700,000 |
| Republic of Venezuela, 2.101%, 4/20/11 | 10/26/04 | 3,810,281 | 3,120,000 |
| Total | | \$22,931,115 | \$21,803,108 |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

APRIL 30, 2009

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Schedule of Investments (concluded) BlackRock Floating Rate Income Trust (BGT)

(f) Non-income producing security.

(g) Warrants entitle the Fund to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date.

(h) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.

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

(j) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

| Affiliate | Net Activity | Income |
|-------------------------------------|--------------|----------|
| BlackRock Liquidity Funds, TempFund | 3,151,730 | \$11,261 |

Foreign currency exchange contracts as of April 30, 2009 were as follows:

| Currency Purchased | Currency Sold | Counterparty | Settlement Date | Unrealized Appreciation (Depreciation) |
|--------------------|----------------|--------------|-----------------|--|
| USD 772,203 | MXN 10,416,500 | Citibank NA | 6/10/09 | \$ 23,460 |
| USD 59,614,704 | EUR 46,282,500 | Citibank NA | 5/20/09 | (1,617,719) |
| USD 1,219,745 | EUR 920,000 | UBS AG | 5/20/09 | 2,572 |
| USD 7,919,989 | GBP 5,663,000 | UBS AG | 6/10/09 | (457,321) |
| Total | | | | \$ (2,049,008) |

Credit default swaps on single-name issues sold protection outstanding as of April 30, 2009 were as follows:

| Issuer | Receive Fixed Rate | Counter-party | Expiration | Credit Rating ¹ | Notional Amount (000) ² | Unrealized Depreciation |
|-------------------------------|--------------------|------------------|------------|----------------------------|------------------------------------|-------------------------|
| BAA Ferovial Junior Term Loan | 2.00% | Deutsche Bank AG | June 2012 | AA | GPB 1,800 | \$(422,017) |

¹ Using Standard & Poor's rating of the issuer.

² The maximum potential amount the Fund may pay should a negative credit event take place as defined under the terms of the agreement. See Note 1 of the Notes to Financial Statements.

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Currency Abbreviations:

| | |
|-----|------------------|
| EUR | Euro |
| GBP | British Pound |
| MXN | Mexican New Peso |
| USD | U.S. Dollar |

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements 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 in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstance, to the extent observable inputs are not available (including the Fund's own 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 Fund's policy regarding valuation of investments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.
The following table summarizes the inputs used as of April 30, 2009 in determining the fair valuation of the Fund's investments:

| Valuation Inputs | Investments in Securities | | Other Financial Instruments* | |
|---------------------|------------------------------|--|---------------------------------|-----------------------|
| | Assets | | Assets | Liabilities |
| Level 1 | \$ 3,364,562 | | \$ 41,600 | |
| Level 2 | 256,614,570 | | 26,032 | \$ (2,075,040) |
| Level 3 | 87,266,932 | | | (422,017) |
| Total | \$347,246,064 | | \$ 67,632 | \$ (2,497,057) |

* Other financial instruments are options, swaps and foreign currency exchange contracts. Swaps and foreign currency exchange contracts are valued at the unrealized appreciation/depreciation on the instrument and options are shown at market value.

The following is a reconciliation of investments for unobservable inputs (Level 3)

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that were used in determining fair value:

| | Investments in Securities Assets | Other Financial Instruments Liabilities |
|---|--|--|
| Balance, as of October 31, 2008 | \$ 119,862,229 | \$ (543,254) |
| Accrued discounts/premiums | 281,787 | |
| Realized gain (loss) | (11,790,834) | |
| Change in unrealized appreciation/ depreciation ¹ | (21,055,829) | 121,237 |
| Net purchases (sales) | (25,041,257) | |
| Net transfers into Level 3 | 25,010,836 | |
| Balance, as of April 30, 2009 | \$ 87,266,932 | \$ (422,017) |

¹ Included in the related net change in unrealized appreciation/depreciation on the Statements of Operations.

See Notes to Financial Statements.

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APRIL 30, 2009

Schedule of Investments April 30, 2009 (Unaudited) **BlackRock Preferred and Corporate Income Strategies Fund, Inc. (PSW)**
 (Percentages shown are based on Net Assets)

Preferred Securities

| | Par (000) | Value |
|--|----------------------|--------------|
| Capital Trusts | | |
| Building Products 0.8% | | |
| C8 Capital SPV Ltd., 6.64% (a)(b)(c) USD | 980 | \$ 439,736 |
| Capital Markets 5.1% | | |
| Ameriprise Financial, Inc., 7.518%, 6/01/66 (c) | 1,900 | 1,094,740 |
| Lehman Brothers Holdings Capital Trust V, 3.64% (b)(c)(d) | 1,600 | 160 |
| State Street Capital Trust III, 8.25% (b)(c)(e) | 725 | 493,413 |
| State Street Capital Trust IV, 2.32%, 6/01/67 (c) | 3,390 | 1,371,926 |
| | | 2,960,239 |
| Commercial Banks 5.9% | | |
| Bank of Ireland Capital Funding II, LP, 5.571% (a)(b)(c) | 2,015 | 402,698 |
| Bank of Ireland Capital Funding III, LP, 6.107% (a)(b)(c) | 2,150 | 408,130 |
| Barclays Bank Plc, 5.926% (a)(b)(c) | 1,900 | 759,202 |
| First Empire Capital Trust II, 8.277%, 6/01/27 | 910 | 541,284 |
| National City Preferred Capital Trust I, 12% (b)(c) | 300 | 259,590 |
| SMFG Preferred Capital USD 3 Ltd., 9.50% (a)(b)(c) | 875 | 789,393 |
| SunTrust Preferred Capital I, 5.853% (b)(c) | 800 | 260,000 |
| | | 3,420,297 |
| Diversified Financial Services 4.2% | | |
| Farm Credit Bank of Texas Series 1, 7.561% (b)(c) | 1,000 | 599,280 |
| JPMorgan Chase Capital XXV, 6.80%, 10/01/37 (e) | 2,525 | 1,848,603 |
| | | 2,447,883 |
| Electric Utilities 1.5% | | |
| PPL Capital Funding, 6.70%, 3/30/67 (c) | 1,500 | 870,000 |
| Insurance 52.0% | | |
| AXA SA, 6.379% (a)(b)(c) | 3,585 | 1,430,705 |
| Ace Capital Trust II, 9.70%, 4/01/30 (e) | 1,510 | 1,180,865 |
| The Allstate Corp. (c): | | |
| 6.50%, 5/15/57 (e) | 3,200 | 1,780,000 |
| Series B, 6.125%, 5/15/67 (f) | 2,625 | 1,443,750 |
| American International Group, Inc., 6.25%, 3/15/87 (f) | 2,425 | 303,125 |
| Chubb Corp., 6.375%, 3/29/67 (c)(g) | 4,475 | 2,705,827 |
| Farmers Exchange Capital, 7.05%, 7/15/28 (a) | 3,110 | 1,818,821 |
| Financial Security Assurance Holdings Ltd., 6.40%, | | |

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| | | |
|--|--------------|--------------|
| 12/15/66 (a)(c) | 1,740 | 469,800 |
| Genworth Financial, Inc., 6.15%, 11/15/66 (c) | 750 | 104,740 |
| Great West Life & Annuity Insurance Co., 7.153%, 5/16/46 (a)(c) | 2,000 | 987,840 |
| Liberty Mutual Group, Inc. (a)(c): | | |
| 7%, 3/15/37 | 2,550 | 938,716 |
| 10.75%, 6/15/88 | 2,000 | 1,100,000 |
| Lincoln National Corp. (c): | | |
| 7%, 5/17/66 | 3,000 | 960,000 |
| 6.05%, 4/20/67 | 1,250 | 362,500 |
| MetLife, Inc., 6.40%, 12/15/66 (e) | 4,225 | 2,260,375 |
| Nationwide Life Global Funding I, 6.75%, 5/15/67 (e) | 2,450 | 962,370 |
| Oil Casualty Insurance Ltd., 8%, 9/15/34 (a) | 915 | 552,964 |
| Progressive Corp., 6.70%, 6/15/37 (c) | 2,900 | 1,436,234 |
| Reinsurance Group of America, 6.75%, 12/15/65 (c) | 700 | 342,636 |
| Swiss Re Capital I LP, 6.854% (a)(b)(c) | 2,225 | 878,875 |
| The Travelers Cos., Inc., 6.25%, 3/15/67 (c) | 5,750 | 3,539,861 |
| ZFS Finance (USA) Trust II, 6.45%, 12/15/65 (a)(c) | 1,800 | 972,000 |
| ZFS Finance (USA) Trust IV, 5.875%, 5/09/32 (a)(c) | 500 | 265,070 |
| ZFS Finance (USA) Trust V, 6.50%, 5/09/67 (a)(c) | 4,355 | 2,351,700 |
| Zenith National Insurance Capital Trust I, 8.55%, 8/01/28 (a) | 1,000 | 930,000 |
| | | 30,078,774 |
| Multi-Utilities 4.4% | | |
| Dominion Resources Capital Trust I, 7.83%, 12/01/27 (e) | 1,200 | 986,993 |
| Dominion Resources, Inc., 7.50%, 6/30/66 (c) | 2,100 | 1,323,000 |
| Puget Sound Energy, Inc. Series A, 6.974%, 6/01/67 (c) | 475 | 248,188 |
| | | 2,558,181 |
| | Par | Value |
| Capital Trusts | (000) | |
| Oil, Gas & Consumable Fuels 5.5% | | |
| Enterprise Products Operating LLC, 8.375%, 8/01/66 (c) | USD 825 | \$ 569,250 |
| Southern Union Co., 7.20%, 11/01/66 (c) | 2,350 | 1,210,250 |
| TransCanada PipeLines Ltd., 6.35%, 5/15/67 (c) | 2,150 | 1,376,000 |
| | | 3,155,500 |
| Thriffs & Mortgage Finance 0.7% | | |
| Webster Capital Trust IV, 7.65%, 6/15/37 (c) | 975 | 417,107 |
| Total Capital Trusts 80.1% | | 46,347,717 |

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| Preferred Stocks | Shares | |
|---|---------|-----------|
| Commercial Banks 10.4% | | |
| First Tennessee Bank NA, 3.90% (a)(b)(c) | 1,176 | 371,175 |
| HSBC USA, Inc. (b): | | |
| Series D, 4.50% (c) | 35,000 | 472,500 |
| Series H, 6.50% | 168,000 | 2,856,000 |
| Provident Financial Group, Inc., 7.75% | 42,000 | 732,375 |
| Royal Bank of Scotland Group Plc Series M, 6.40% (b) | 5,000 | 40,300 |
| Santander Finance Preferred SA Unipersonal, 6.80% (b) | 103,100 | 1,525,880 |
| | | 5,998,230 |
| Diversified Financial Services 1.7% | | |
| Cobank ACB, 7% (a)(b) | 38,000 | 985,188 |
| Electric Utilities 4.9% | | |
| Alabama Power Co., 6.50% (b) | 25,000 | 562,500 |
| Entergy Arkansas, Inc., 6.45% (b) | 28,800 | 702,901 |
| Entergy Louisiana LLC, 6.95% (b) | 22,650 | 1,585,500 |
| | | 2,850,901 |
| Insurance 7.7% | | |
| Aspen Insurance Holdings Ltd., 7.401% (b)(c) | 55,000 | 770,000 |
| Axis Capital Holdings Ltd.: | | |
| Series A, 7.25% | 35,000 | 612,500 |
| Series B, 7.50% (b)(c) | 9,000 | 539,438 |
| Endurance Specialty Holdings Ltd. Series A, 7.75% (b) | 35,200 | 564,960 |
| RenaissanceRe Holding Ltd. Series D, 6.60% | 110,000 | 1,980,000 |
| | | 4,466,898 |
| Real Estate Investment Trusts (REITs) 8.7% | | |
| BRE Properties, Inc. Series D, 6.75% (b) | 10,000 | 170,600 |
| First Industrial Realty Trust, Inc., 6.236% (b)(c) | 610 | 223,031 |
| HRPT Properties Trust (b): | | |
| Series B, 8.75% | 97,917 | 1,405,109 |
| Series C, 7.125% | 125,000 | 1,500,000 |
| iStar Financial, Inc. Series I, 7.50% (b) | 59,500 | 318,325 |
| Public Storage (b): | | |
| Series F, 6.45% | 10,000 | 184,800 |
| Series I, 7.25% | 40,000 | 862,000 |
| Series M, 6.625% | 20,000 | 378,200 |
| | | 5,042,065 |
| Thriffs & Mortgage Finance 0.1% | | |
| Sovereign Bancorp, Inc. Series C, 7.30% (b)(h) | 1,400 | 22,386 |
| Wireless Telecommunication Services 2.9% | | |
| Centaur Funding Corp., 9.08% (a) | 2,720 | 1,691,500 |

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Total Preferred Stocks 36.4%

21,057,168

See Notes to Financial Statements.

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APRIL 30, 2009

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Schedule of Investments (continued) BlackRock Preferred and Corporate Income Strategies Fund, Inc. (PSW)
(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|---------------|---------------|
| Trust Preferreds | | |
| Consumer Finance 2.4% | | |
| Capital One Capital II, 7.50%, 6/15/66 | USD 2,326 | \$ 1,373,024 |
| Diversified Financial Services 0.7% | | |
| ING Groep NV, 7.20% (b) | 875 | 418,254 |
| Electric Utilities 2.2% | | |
| PPL Energy Supply LLC, 7%, 7/15/46 | 1,235 | 1,250,703 |
| Insurance 2.3% | | |
| ABN AMRO North America Capital Funding Trust II, 2.874% (a)(b)(c) | 2,000 | 125,122 |
| Lincoln National Capital VI Series F, 6.75%, 9/11/52 | 2,250 | 1,235,366 |
| | | 1,360,488 |
| Total Trust Preferreds 7.6% | | 4,402,469 |
| Total Preferred Securities 124.1% | | 71,807,354 |
| Corporate Bonds | | |
| Insurance 3.2% | | |
| Oil Insurance Ltd., 7.558% (a)(b)(c) | 1,000 | 327,210 |
| QBE Insurance Group Ltd., 9.75%, 3/14/14 (a) | 1,484 | 1,498,349 |
| Total Corporate Bonds 3.2% | | 1,825,559 |
| Total Long-Term Investments | | |
| (Cost \$135,994,488) 127.3% | | 73,632,913 |
| Short-Term Securities | Shares | |
| Money Market Fund 47.7% | | |
| BlackRock Liquidity Funds, TempFund, 0.64% (i)(j) | 27,610,483 | 27,610,483 |
| Total Short-Term Securities | | |
| (Cost \$27,610,483) 47.7% | | 27,610,483 |
| Total Investments (Cost \$163,604,971*) 175.0% | | 101,243,396 |
| Liabilities in Excess of Other Assets (5.4)% | | (3,136,602) |
| Preferred Shares, at Redemption Value (69.6)% | | (40,254,342) |
| Net Assets Applicable to Common Shares 100.0% | | \$ 57,852,452 |

* The cost and unrealized appreciation (depreciation) of investments as of April 30, 2009, as computed for federal income tax purposes, were as follows:

| | |
|-------------------------------|---------------|
| Aggregate cost | \$163,147,386 |
| Gross unrealized appreciation | \$ 259,819 |

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| | |
|-------------------------------|-----------------|
| Gross unrealized depreciation | (62,163,809) |
| Net unrealized depreciation | \$ (61,903,990) |

- (a) 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.
- (b) Security is perpetual in nature and has no stated maturity date.
- (c) Variable rate security. Rate shown is as of report date.
- (d) Issuer filed for bankruptcy and/or is in default of interest payments.
- (e) All or a portion of security held as collateral in connection with open reverse repurchase agreements.
- (f) All or a portion of security held as collateral in connection with open financial futures contracts.
- (g) All or a portion of security held as collateral in connection with open swaps.
- (h) Depositary receipts.
- (i) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

| Affiliate | Net Activity | Income |
|-------------------------------------|----------------|-----------|
| BlackRock Liquidity Funds, TempFund | 27,610,483 | \$ 18,907 |
| BlackRock Liquidity Series, LLC | | |
| Cash Sweep Series | \$(15,938,424) | \$ 56,701 |

- (j) Represents the current yield as of report date.

Financial futures contracts purchased as of April 30, 2009 were as follows:

| Contracts | Issue | Expiration Date | Face Value | Unrealized Appreciation (Depreciation) |
|--------------|--------------------------|-----------------|--------------|--|
| 66 | 2-Year US Treasury Bond | June 2009 | \$14,280,058 | \$ 78,036 |
| 6 | 30-Year US Treasury Bond | June 2009 | \$ 746,966 | (11,591) |
| Total | | | | \$ 66,445 |

Financial futures contracts sold as of April 30, 2009 were as follows:

| Contracts | Issue | Expiration Date | Face Value | Unrealized Appreciation |
|-----------|--------------------------|-----------------|--------------|-------------------------|
| 86 | 10-Year US Treasury Bond | June 2009 | \$10,504,125 | \$ 103,500 |

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Credit default swaps on single-name issues sold protection outstanding as of April 30, 2009 were as follows:

| Issuer | Receive | Counter-party | Expiration | Rating ¹ | Credit | Notional | Unrealized |
|------------------------------|---------|------------------|---------------|---------------------|--------|--------------------|------------|
| | Fixed | | | | | Amount | |
| | Rate | | | | | (000) ² | |
| Phillip Morris International | 1.73% | Deutsche Bank AG | December 2013 | | A | \$2,000 | \$ 4,735 |

¹ Using the S&P's ratings of the issuer.

² The maximum potential amount the Fund may pay should a negative credit event take a place as defined under the terms of the agreement.

Credit default swaps on single-name issues buy protection outstanding as of April 30, 2009 were as follows:

| Issuer | Pay | Counter-party | Expiration | Notional | Unrealized |
|-------------------|-------|------------------|---------------|----------|---------------------|
| | Fixed | | | | |
| | Rate | | | (000) | |
| Altria Group Inc. | 1.03% | Deutsche Bank AG | December 2013 | \$2,000 | \$ (24,115) |
| Nordstrom Inc. | 5.20% | Deutsche Bank AG | June 2014 | \$1,000 | (144,301) |
| Total | | | | | \$ (168,416) |

Reverse repurchase agreements outstanding as of April 30, 2009 were as follows:

| Counterparty | Interest | Trade | Maturity | Net Closing | Face |
|-------------------|----------|---------|----------|-------------|--------------|
| | Rate | Date | Date | Amount | Amount |
| Barclays Bank Plc | 1.99% | 3/03/09 | 8/15/09 | \$5,080,692 | \$ 5,060,551 |

For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine industry sub-classifications for reporting ease.

See Notes to Financial Statements.

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APRIL 30, 2009

Schedule of Investments (concluded) BlackRock Preferred and Corporate Income Strategies Fund, Inc. (PSW)

Effective November 1, 2008, the Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements (FAS 157). FAS 157 clarifies the definition of fair value, establishes a framework for measuring fair values and requires additional disclosures about the use of fair value measurements. Various inputs are used in determining the fair value of investments, which are as follows:

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

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstance, to the extent observable inputs are not available (including the Fund's own 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 Fund's policy regarding valuation of investments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following table summarizes the inputs used as of April 30, 2009 in determining the fair valuation of the Fund's investments:

| Valuation Inputs | Investments in | Other Financial | |
|---------------------|----------------------|-------------------|-----------------------|
| | Securities | Instruments* | |
| | Assets | Assets | Liabilities |
| Level 1 | \$ 46,110,262 | \$ 181,536 | \$ (11,591) |
| Level 2 | 53,547,634 | 4,735 | (5,228,967) |
| Level 3 | 1,585,500 | | |
| Total | \$101,243,396 | \$ 186,271 | \$ (5,240,558) |

* Other financial instruments are swaps, futures and reverse repurchase agreements. Swaps and futures are valued at the unrealized appreciation/depreciation on the instrument. Reverse repurchase agreements are shown at market value.

The following is a reconciliation of investments for unobservable inputs (Level 3) used in determining fair value:

Investments in
Securities
Assets

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| | |
|---|---------------------|
| Balance, as of October 31, 2008 | |
| Accrued discounts/premiums | |
| Realized loss | \$ (1,933,262) |
| Change in unrealized appreciation/depreciation ¹ | (679,500) |
| Net sales | (990,000) |
| Net transfers into Level 3 | 5,188,262 |
| Balance, as of April 30, 2009 | \$ 1,585,500 |

¹ Included in the related net change in unrealized appreciation/depreciation on the Statements of Operations.

See Notes to Financial Statements.

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APRIL 30, 2009

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Schedule of Investments April 30, 2009 (Unaudited) BlackRock Preferred and Equity Advantage Trust (BTZ)

(Percentages shown are based on Net Assets)

Preferred Securities

| | | Par (000) | Value |
|---|-----|--------------|--------------|
| Capital Trusts | | | |
| Building Products 0.3% | | | |
| C8 Capital SPV Ltd., 6.64% (a)(b)(c) | USD | 3,160 | \$ 1,417,924 |
| Capital Markets 2.7% | | | |
| Credit Suisse Guernsey Ltd., 5.86% (b)(c) | | 1,050 | 571,410 |
| State Street Capital Trust III, 8.25%, 3/15/42 (c) | | 1,740 | 1,184,192 |
| State Street Capital Trust IV, 2.32%, 6/01/67 (c)(d) | | 25,245 | 10,216,601 |
| | | | 11,972,203 |
| Commercial Banks 15.4% | | | |
| BB&T Capital Trust IV, 6.82%, 6/12/77 (c)(d) | | 15,300 | 9,215,909 |
| Bank of Ireland Capital Funding II, LP, 5.571% (a)(b)(c) | | 6,685 | 1,335,997 |
| Bank of Ireland Capital Funding III, LP, 6.107% (a)(b)(c)(d) | | 26,600 | 5,049,425 |
| Barclays Bank Plc, (a)(b)(c): | | | |
| 5.93% | | 13,200 | 5,274,456 |
| 6.86% | | 11,500 | 5,162,925 |
| Commonwealth Bank of Australia, 6.024% (a)(b)(c)(d) | | 20,000 | 10,300,000 |
| HSBC Capital Funding LP/Jersey Channel Islands, 10.176% (a)(b)(c)(d) | | 7,000 | 6,142,969 |
| Lloyds Banking Group Plc, 6.657% (a)(b)(c) | | 10,000 | 3,050,000 |
| SMFG Preferred Capital USD 1 Ltd., 6.078% (a)(b)(c)(d) | | 10,000 | 6,943,800 |
| SMFG Preferred Capital USD 3 Ltd., 9.50% (a)(b)(c) | | 3,850 | 3,473,328 |
| Shinsei Finance II (Cayman) Ltd., 7.16% (a)(b)(c) | | 1,005 | 241,514 |
| Standard Chartered Bank, 7.014% (a)(b)(c) | | 5,000 | 3,225,000 |
| Wells Fargo & Co. Series K, 7.98% (b)(c) | | 12,985 | 7,271,600 |
| Wells Fargo Capital XIII Series GMTN, 7.70% (b)(c)(e) | | 3,900 | 2,496,000 |
| | | | 69,182,923 |
| Diversified Financial Services 0.5% | | | |
| C10 Capital SPV Ltd., 6.722%, (a)(b)(c) | | 5,000 | 2,242,350 |
| Electric Utilities 0.5% | | | |
| PPL Capital Funding, 6.70%, 3/30/67 (c) | | 3,900 | 2,262,000 |
| Insurance 18.7% | | | |
| AXA SA, 6.463% (a)(b)(c) | | 12,000 | 4,794,336 |
| The Allstate Corp. (c): | | | |

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| | | |
|---|--------|------------|
| 6.50%, 5/15/57 | 8,675 | 4,825,469 |
| Series B, 6.125%, 5/15/67 | 8,725 | 4,798,750 |
| American International Group, Inc., 6.25%, 3/15/87 (d) | 11,425 | 1,428,125 |
| Chubb Corp., 6.375%, 3/29/67 (c)(d) | 15,300 | 9,251,206 |
| Liberty Mutual Group, Inc., (a)(c): | | |
| 7%, 3/15/37 | 11,600 | 4,270,238 |
| 10.75%, 6/15/88 | 6,200 | 3,410,000 |
| Lincoln National Corp., (c): | | |
| 7%, 5/17/66 | 4,255 | 1,361,600 |
| 6.05%, 4/20/67 | 4,730 | 1,371,700 |
| MetLife, Inc., 6.40%, 12/15/66 | 4,550 | 2,434,250 |
| Nationwide Life Global Funding I, 6.75%, 5/15/67 | 8,025 | 3,152,252 |
| Progressive Corp., 6.70%, 6/15/37 (c)(d) | 19,675 | 9,744,103 |
| Reinsurance Group of America, 6.75%, 12/15/65 (c)(d) | 15,000 | 7,342,200 |
| Swiss Re Capital I LP, 6.854% (a)(b)(c)(d) | 27,475 | 10,852,625 |
| The Travelers Cos., Inc., 6.25%, 3/15/67 (c)(d) | 9,000 | 5,540,652 |
| White Mountains Re Group Ltd., 7.506% (a)(b)(c) | 4,400 | 1,392,589 |
| ZFS Finance (USA) Trust IV, 5.875%, 5/09/32 (a)(c) | 2,050 | 1,086,787 |
| ZFS Finance (USA) Trust V, 6.50%, 5/09/67 (a)(c)(d) | 13,220 | 7,138,800 |
| | | 84,195,682 |

Multi-Utilities 0.2%

| | | |
|---|-------|---------|
| Puget Sound Energy, Inc. Series A, 6.974%, 6/01/67 (c) | 1,575 | 822,937 |
|---|-------|---------|

| | Par (000) | Value |
|---|---------------|--------------|
| Capital Trusts | | |
| Oil, Gas & Consumable Fuels 2.3% | | |
| Enterprise Products Operating LLC, 8.375%, 8/01/66 (c) | USD 4,500 | \$ 3,105,000 |
| Southern Union Co., 7.20%, 11/01/66 (c) | 5,000 | 2,575,000 |
| TransCanada PipeLines Ltd., 6.35%, 5/15/67 (c)(d) | 7,325 | 4,688,000 |
| | | 10,368,000 |
| Thriffs & Mortgage Finance 0.3% | | |
| Webster Capital Trust IV, 7.65%, 6/15/37 (c) | 3,225 | 1,379,661 |
| Total Capital Trusts 40.9% | | 183,843,680 |
| Preferred Stocks | Shares | |
| Commercial Banks 6.1% | | |
| Citizens Funding Trust I, 7.50% | 210,000 | 1,894,351 |
| HSBC USA, Inc. Series H, 6.50% | 977,766 | 16,622,022 |

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| | | |
|--|---------|-------------|
| Royal Bank of Scotland Group Plc Series M, 6.40% | 15,000 | 120,900 |
| Santander Finance Preferred SA Unipersonal, 6.80% | 597,500 | 8,843,000 |
| | | 27,480,273 |
| Diversified Financial Services 2.6% | | |
| Citigroup, Inc. Series T, 6.50% (f) | 90,000 | 2,844,000 |
| Cobank ACB, 7% (a) | 150,000 | 3,888,900 |
| ING Groep NV: | | |
| 6.125% | 200,000 | 2,094,000 |
| 7.05% | 5,800 | 67,860 |
| 7.20% | 213,000 | 2,545,373 |
| 7.38% | 40,000 | 474,358 |
| | | 11,914,491 |
| Diversified Telecommunication Services 0.2% | | |
| AT&T Inc., 6.375%, 2/15/56 | 30,000 | 766,066 |
| Electric Utilities 5.7% | | |
| Alabama Power Co., 6.50% | 100,000 | 2,250,000 |
| Entergy Louisiana LLC, 6.95% | 40,000 | 2,800,000 |
| Interstate Power & Light Co. Series B, 8.375% | 785,000 | 20,464,950 |
| | | 25,514,950 |
| Insurance 10.1% | | |
| Aegon NV, 6.50% | 400,000 | 4,052,000 |
| Arch Capital Group Ltd.: | | |
| Series A, 8% | 100,000 | 1,992,000 |
| Series B, 7.875% | 160,000 | 3,076,800 |
| Aspen Insurance Holdings Ltd., 7.401% (c) | 655,000 | 9,170,000 |
| Axis Capital Holdings Ltd. Series B, 7.50% (c) | 180,000 | 10,788,750 |
| Endurance Specialty Holdings Ltd. Series A, 7.75% | 369,000 | 5,922,450 |
| PartnerRe Ltd. Series C, 6.75% | 265,600 | 5,134,048 |
| RenaissanceRe Holding Ltd. Series D, 6.60% | 285,000 | 5,130,000 |
| | | 45,266,048 |
| Real Estate Investment Trusts (REITs) 1.8% | | |
| BRE Properties, Inc. Series D, 6.75% | 30,000 | 511,800 |
| iStar Financial, Inc. Series I, 7.50% | 55,000 | 294,250 |
| Public Storage: | | |
| Series F, 6.45% | 30,000 | 554,400 |
| Series M, 6.625% | 55,000 | 1,040,050 |
| Sovereign Real Estate Investment Corp., 12% (a) | 10,000 | 5,900,000 |
| | | 8,300,500 |
| Wireless Telecommunication Services 1.4% | | |
| Centaur Funding Corp., 9.08% (a) | 10,000 | 6,218,750 |
| Total Preferred Stocks 27.9% | | 125,461,078 |

See Notes to Financial Statements.

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APRIL 30, 2009

Schedule of Investments (continued) BlackRock Preferred and Equity Advantage Trust (BTZ)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|--|-----|--------------|-------------|
| Trust Preferreds | | | |
| Capital Markets 0.0% | | | |
| Credit Suisse Guernsey Ltd., 7.90%, 3/28/13 | USD | 250 | \$ 197,531 |
| Commercial Banks 4.6% | | | |
| Kazkommerts Finance 2 BV, 9.20% (b)(c) | | 500 | 125,000 |
| KeyCorp Capital IX, 6.75%, 12/15/66 | | 9,083 | 4,393,622 |
| Mizuho Capital Investment 1 Ltd., 6.686% (a)(b)(c)(d) | | 21,000 | 12,889,821 |
| National City Preferred Capital Trust I, 12% (b)(c) | | 3,713 | 3,212,859 |
| | | | 20,621,302 |
| Diversified Financial Services 3.4% | | | |
| JPMorgan Chase Capital XXI Series U, 1.966%, 2/02/37 (c)(d) | | 12,875 | 5,480,231 |
| JPMorgan Chase Capital XXIII, 2.238%, 5/15/77 (c)(d) | | 13,800 | 5,836,227 |
| JPMorgan Chase Capital XXV, 6.80%, 10/01/37 | | 5,650 | 4,136,478 |
| | | | 15,452,936 |
| Insurance 6.8% | | | |
| AON Corp., 8.205%, 1/01/27 (d) | | 18,000 | 13,466,160 |
| Ace Capital Trust II, 9.70%, 4/01/30 (d) | | 17,000 | 13,294,510 |
| W.R. Berkley Capital Trust II, 6.75%, 7/26/45 | | 4,268 | 3,584,568 |
| | | | 30,345,238 |
| Total Trust Preferreds 14.8% | | | 66,617,007 |
| Total Preferred Securities 83.6% | | | 375,921,765 |
| Common Stocks | | | |
| Aerospace & Defense 0.6% | | | |
| Honeywell International, Inc. | | 7,600 | 237,196 |
| Lockheed Martin Corp. | | 15,900 | 1,248,627 |
| Northrop Grumman Corp. | | 21,600 | 1,044,360 |
| United Technologies Corp. | | 7,600 | 371,184 |
| | | | 2,901,367 |
| Air Freight & Logistics 0.4% | | | |
| United Parcel Service, Inc. Class B | | 36,300 | 1,899,942 |
| Auto Components 0.1% | | | |
| Johnson Controls, Inc. | | 15,300 | 290,853 |
| Beverages 0.8% | | | |
| The Coca-Cola Co. | | 59,000 | 2,539,950 |
| PepsiCo, Inc. | | 24,100 | 1,199,216 |
| | | | 3,739,166 |

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Biotechnology 0.9%

| | | |
|---------------------------|--------|-----------|
| Amgen, Inc. (g) | 28,400 | 1,376,548 |
| Biogen Idec, Inc. (g) | 10,300 | 497,902 |
| Celgene Corp. (g) | 14,500 | 619,440 |
| Genzyme Corp. (g) | 6,900 | 367,977 |
| Gilead Sciences, Inc. (g) | 29,100 | 1,332,780 |
| | | 4,194,647 |

Capital Markets 0.4%

| | | |
|-----------------------------------|--------|-----------|
| Federated Investors, Inc. Class B | 27,800 | 636,064 |
| The Goldman Sachs Group, Inc. | 5,610 | 720,885 |
| Morgan Stanley | 12,600 | 297,864 |
| | | 1,654,813 |

Chemicals 0.8%

| | | |
|--------------------------------|--------|-----------|
| Air Products & Chemicals, Inc. | 4,000 | 263,600 |
| E.I. du Pont de Nemours & Co. | 60,900 | 1,699,110 |
| Monsanto Co. | 11,900 | 1,010,191 |
| PPG Industries, Inc. | 16,200 | 713,610 |
| | | 3,686,511 |

Common Stocks

Shares

Value

Commercial Banks 1.0%

| | | |
|-------------------------|---------|------------|
| M&T Bank Corp. | 17,200 | \$ 902,140 |
| Regions Financial Corp. | 158,400 | 711,216 |
| Wells Fargo & Co. | 137,200 | 2,745,372 |
| | | 4,358,728 |

Commercial Services & Supplies 0.6%

| | | |
|------------------------|--------|-----------|
| Avery Dennison Corp. | 32,800 | 942,672 |
| Pitney Bowes, Inc. | 44,300 | 1,087,122 |
| Waste Management, Inc. | 31,900 | 850,773 |
| | | 2,880,567 |

Communications Equipment 1.0%

| | | |
|-------------------------|---------|-----------|
| Cisco Systems, Inc. (g) | 96,500 | 1,864,380 |
| Corning, Inc. | 35,600 | 520,472 |
| Motorola, Inc. | 143,800 | 795,214 |
| QUALCOMM, Inc. | 36,700 | 1,553,144 |
| | | 4,733,210 |

Computers & Peripherals 1.9%

| | | |
|---------------------|--------|-----------|
| Apple, Inc. (g) | 24,800 | 3,120,584 |
| Dell, Inc. (g) | 61,700 | 716,954 |
| EMC Corp. (g) | 57,600 | 721,728 |
| Hewlett-Packard Co. | 36,300 | 1,306,074 |

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| | | |
|--|---------|-----------|
| International Business Machines Corp. | 23,800 | 2,456,398 |
| | | 8,321,738 |
| Distributors 0.2% | | |
| Genuine Parts Co. | 30,300 | 1,028,988 |
| Diversified Financial Services 1.1% | | |
| Bank of America Corp. | 152,200 | 1,359,146 |
| JPMorgan Chase & Co. | 87,200 | 2,877,600 |
| NYSE Euronext | 37,500 | 868,875 |
| | | 5,105,621 |
| Diversified Telecommunication Services 1.6% | | |
| AT&T Inc. | 160,487 | 4,111,677 |
| Embarq Corp. | 13,000 | 475,280 |
| Verizon Communications, Inc. | 86,200 | 2,615,308 |
| | | 7,202,265 |
| Electric Utilities 0.8% | | |
| American Electric Power Co., Inc. | 8,900 | 234,782 |
| Duke Energy Corp. | 83,500 | 1,153,135 |
| FirstEnergy Corp. | 5,600 | 229,040 |
| Progress Energy, Inc. | 22,200 | 757,464 |
| The Southern Co. | 36,200 | 1,045,456 |
| | | 3,419,877 |
| Electrical Equipment 0.5% | | |
| Emerson Electric Co. | 45,100 | 1,535,204 |
| Rockwell Automation, Inc. | 22,200 | 701,298 |
| | | 2,236,502 |
| Electronic Equipment, Instruments & Components 0.1% | | |
| Tyco Electronics Ltd. | 21,500 | 374,960 |
| Energy Equipment & Services 0.5% | | |
| National Oilwell Varco, Inc. (g) | 23,400 | 708,552 |
| Schlumberger Ltd. | 22,700 | 1,112,073 |
| Smith International, Inc. | 22,218 | 574,335 |
| | | 2,394,960 |
| Food & Staples Retailing 1.3% | | |
| CVS Caremark Corp. | 13,900 | 441,742 |
| SUPERVALU, Inc. | 34,500 | 564,075 |
| SYSCO Corp. | 39,700 | 926,201 |
| Wal-Mart Stores, Inc. | 62,700 | 3,160,080 |
| Walgreen Co. | 26,200 | 823,466 |
| | | 5,915,564 |

See Notes to Financial Statements.

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APRIL 30, 2009

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Schedule of Investments (continued) BlackRock Preferred and Equity Advantage Trust (BTZ)

(Percentages shown are based on Net Assets)

| Common Stocks | Shares | Value |
|--|---------------|--------------|
| Food Products 0.4% | | |
| Kraft Foods, Inc. | 49,935 | \$ 1,168,479 |
| Sara Lee Corp. | 83,200 | 692,224 |
| | | 1,860,703 |
| Health Care Equipment & Supplies 0.5% | | |
| Baxter International, Inc. | 8,100 | 392,850 |
| Becton Dickinson & Co. | 14,000 | 846,720 |
| Boston Scientific Corp. (g) | 24,300 | 204,363 |
| Covidien Ltd. | 21,500 | 709,070 |
| Medtronic, Inc. | 8,300 | 265,600 |
| | | 2,418,603 |
| Health Care Providers & Services 0.6% | | |
| Aetna, Inc. | 9,700 | 213,497 |
| Express Scripts, Inc. (g) | 14,000 | 895,580 |
| Medco Health Solutions, Inc. (g) | 17,900 | 779,545 |
| UnitedHealth Group, Inc. | 9,700 | 228,144 |
| WellPoint, Inc. (g) | 18,500 | 791,060 |
| | | 2,907,826 |
| Hotels, Restaurants & Leisure 0.7% | | |
| McDonald's Corp. | 36,100 | 1,923,769 |
| Starwood Hotels & Resorts Worldwide, Inc. | 50,900 | 1,061,774 |
| | | 2,985,543 |
| Household Durables 0.8% | | |
| Black & Decker Corp. | 23,600 | 951,080 |
| Fortune Brands, Inc. | 26,500 | 1,041,715 |
| KB Home | 23,700 | 428,259 |
| Whirlpool Corp. | 24,200 | 1,092,872 |
| | | 3,513,926 |
| Household Products 1.0% | | |
| Clorox Co. | 17,300 | 969,665 |
| The Procter & Gamble Co. | 71,700 | 3,544,848 |
| | | 4,514,513 |
| IT Services 0.6% | | |
| Automatic Data Processing, Inc. | 27,700 | 975,040 |
| Cognizant Technology Solutions Corp. (g) | 13,800 | 342,102 |
| MasterCard, Inc. Class A | 1,688 | 309,664 |
| Paychex, Inc. | 40,100 | 1,083,101 |

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| | | |
|---|---------------|--------------|
| | | 2,709,907 |
| Industrial Conglomerates | 1.1% | |
| 3M Co. | 28,400 | 1,635,840 |
| General Electric Co. | 178,900 | 2,263,085 |
| Textron, Inc. | 96,500 | 1,035,445 |
| | | 4,934,370 |
| Insurance | 1.2% | |
| Aflac, Inc. | 43,800 | 1,265,382 |
| The Allstate Corp. | 36,100 | 842,213 |
| Cincinnati Financial Corp. | 34,900 | 835,855 |
| Lincoln National Corp. | 53,500 | 601,340 |
| MetLife, Inc. | 43,600 | 1,297,100 |
| Principal Financial Group, Inc. | 38,000 | 620,920 |
| | | 5,462,810 |
| Internet & Catalog Retail | 0.1% | |
| Amazon.com, Inc. (g) | 3,400 | 273,768 |
| Internet Software & Services | 0.8% | |
| eBay, Inc. (g) | 58,900 | 970,083 |
| Google, Inc. Class A (g) | 4,810 | 1,904,616 |
| Yahoo! Inc. (g) | 39,800 | 568,742 |
| | | 3,443,441 |
| Leisure Equipment & Products | 0.2% | |
| Mattel, Inc. | 48,000 | 718,080 |
| | | |
| Common Stocks | Shares | Value |
| Life Sciences Tools & Services | 0.1% | |
| Thermo Fisher Scientific, Inc. (g) | 10,900 | \$ 382,372 |
| Machinery | 0.5% | |
| Caterpillar, Inc. | 35,200 | 1,252,416 |
| Cummins, Inc. | 17,500 | 595,000 |
| Deere & Co. | 11,700 | 482,742 |
| | | 2,330,158 |
| Media | 0.2% | |
| Comcast Corp. Class A | 28,500 | 440,610 |
| The DIRECTV Group, Inc. (g) | 26,200 | 647,926 |
| | | 1,088,536 |
| Metals & Mining | 0.4% | |
| Alcoa, Inc. | 101,300 | 918,791 |
| Nucor Corp. | 22,100 | 899,249 |
| | | 1,818,040 |
| Multi-Utilities | 0.9% | |

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| | | |
|---|---------|------------|
| Consolidated Edison, Inc. | 22,100 | 820,573 |
| Dominion Resources, Inc. | 9,000 | 271,440 |
| Integrus Energy Group, Inc. | 22,900 | 604,789 |
| Public Service Enterprise Group, Inc. | 32,400 | 966,816 |
| TECO Energy, Inc. | 36,800 | 389,712 |
| Xcel Energy, Inc. | 43,100 | 794,764 |
| | | 3,848,094 |
| | | |
| Multiline Retail 0.2% | | |
| Macy's, Inc. | 76,100 | 1,041,048 |
| | | |
| Oil, Gas & Consumable Fuels 4.4% | | |
| Anadarko Petroleum Corp. | 20,900 | 899,954 |
| Apache Corp. | 7,600 | 553,736 |
| Chevron Corp. | 55,400 | 3,661,940 |
| ConocoPhillips | 54,000 | 2,214,000 |
| Exxon Mobil Corp. | 114,600 | 7,640,382 |
| Hess Corp. | 15,200 | 832,808 |
| Massey Energy Co. | 22,100 | 351,611 |
| Occidental Petroleum Corp. | 6,900 | 388,401 |
| Peabody Energy Corp. | 22,800 | 601,692 |
| Southwestern Energy Co. (g) | 22,700 | 814,022 |
| Spectra Energy Corp. | 60,600 | 878,700 |
| XTO Energy, Inc. | 28,600 | 991,276 |
| | | 19,828,522 |
| | | |
| Paper & Forest Products 0.4% | | |
| MeadWestvaco Corp. | 63,200 | 989,712 |
| Weyerhaeuser Co. | 23,000 | 810,980 |
| | | 1,800,692 |
| | | |
| Pharmaceuticals 3.0% | | |
| Abbott Laboratories | 43,000 | 1,799,550 |
| Bristol-Myers Squibb Co. | 73,500 | 1,411,200 |
| Eli Lilly & Co. | 41,000 | 1,349,720 |
| Johnson & Johnson | 74,100 | 3,879,876 |
| Merck & Co., Inc. | 66,100 | 1,602,264 |
| Pfizer, Inc. (e) | 112,300 | 1,500,328 |
| Schering-Plough Corp. | 54,000 | 1,243,080 |
| Wyeth | 17,900 | 758,960 |
| | | 13,544,978 |
| | | |
| Real Estate Investment Trusts (REITs) 0.7% | | |
| AvalonBay Communities, Inc. | 17,500 | 994,175 |
| Boston Properties, Inc. | 17,900 | 884,618 |
| Public Storage | 5,100 | 340,986 |

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| | | |
|-----------------------------|--------|-----------|
| Vornado Realty Trust | 20,125 | 983,911 |
| | | 3,203,690 |
| Road & Rail 0.2% | | |
| Norfolk Southern Corp. | 24,300 | 867,024 |

See Notes to Financial Statements.

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APRIL 30, 2009

Schedule of Investments (continued) BlackRock Preferred and Equity Advantage Trust (BTZ)

(Percentages shown are based on Net Assets)

| Common Stocks | Shares | Value |
|--|---------------|--------------|
| Semiconductors & Semiconductor Equipment 1.3% | | |
| Applied Materials, Inc. | 21,700 | \$ 264,957 |
| Intel Corp. | 168,100 | 2,652,618 |
| Linear Technology Corp. | 32,500 | 707,850 |
| Microchip Technology, Inc. | 36,800 | 846,400 |
| National Semiconductor Corp. | 39,500 | 488,615 |
| Texas Instruments, Inc. | 38,200 | 689,892 |
| | | 5,650,332 |
| Software 1.4% | | |
| Autodesk, Inc. (g) | 31,700 | 632,098 |
| Microsoft Corp. | 190,200 | 3,853,452 |
| Oracle Corp. | 86,900 | 1,680,646 |
| | | 6,166,196 |
| Specialty Retail 0.8% | | |
| Home Depot, Inc. | 75,000 | 1,974,000 |
| Limited Brands, Inc. | 66,500 | 759,430 |
| Staples, Inc. | 50,800 | 1,047,496 |
| | | 3,780,926 |
| Textiles, Apparel & Luxury Goods 0.2% | | |
| VF Corp. | 12,000 | 711,240 |
| Thriffs & Mortgage Finance 0.2% | | |
| Hudson City Bancorp, Inc. | 78,600 | 987,216 |
| Tobacco 0.9% | | |
| Altria Group, Inc. (e) | 84,600 | 1,381,518 |
| Philip Morris International, Inc. | 68,500 | 2,479,700 |
| | | 3,861,218 |
| Total Common Stocks 38.4% | | 172,994,051 |
| | Par | |
| Corporate Bonds | (000) | |
| Capital Markets 0.0% | | |
| Lehman Brothers Holdings, Inc. (h): | | |
| 3.95%, 11/10/09 | USD 105 | 14,963 |
| 4.375%, 11/30/10 | 325 | 46,313 |
| | | 61,276 |
| Computers & Peripherals 1.1% | | |
| International Business Machines Corp., 8%, 10/15/38 | 4,000 | 4,943,192 |
| Diversified Financial Services 0.9% | | |

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| | | |
|---|------------------|----------------|
| ING Groep NV, 5.775% (b)(c)(d) | 10,000 | 3,700,000 |
| Stan IV Ltd., 4.821%, 7/20/11 (c) | 283 | 183,950 |
| | | 3,883,950 |
| Electric Utilities 1.6% | | |
| PPL Energy Supply LLC, 7%, 7/15/46 | 7,200 | 7,291,551 |
| Insurance 1.1% | | |
| QBE Insurance Group Ltd., 9.75%, 3/14/14 (a) | 4,973 | 5,021,084 |
| Media 9.0% | | |
| Comcast Corp., 6.625%, 5/15/56 | 48,750 | 40,336,428 |
| Metals & Mining 0.0% | | |
| Aleris International, Inc., 10%, 12/15/16 (h) | 5,000 | 100,000 |
| Oil, Gas & Consumable Fuels 0.5% | | |
| Nexen, Inc., 7.35%, 11/01/43 | 3,000 | 2,185,471 |
| Paper & Forest Products 0.5% | | |
| International Paper Co., 8.70%, 6/15/38 (e) | 3,100 | 2,309,962 |
| Total Corporate Bonds 14.7% | | 66,132,914 |
| Exchange-Traded Funds | Shares | Value |
| UltraShort Real Estate ProShares | 150,000 | \$ 3,540,000 |
| Total Exchange-Traded Funds 0.8% | | 3,540,000 |
| Total Long-Term Securities | | |
| (Cost \$985,982,951) 137.5% | | 618,588,730 |
| Short-Term Securities | | |
| Money Market Fund 24.6% | | |
| BlackRock Liquidity Funds, TempFund, 0.64% (i)(j) | 110,469,494 | 110,469,494 |
| Total Short-Term Securities | | |
| (Cost \$110,469,494) 24.6% | | 110,469,494 |
| Total Investments Before Options Written | | |
| (Cost \$1,096,452,445*) 162.1% | | 729,058,224 |
| Options Written | Contracts | |
| Call Options Written | | |
| S&P 500 Listed Option, expiring May 2009 at USD 87.50 | 1,409 | (2,655,965) |
| Total Options Written | | |
| (Premiums Received \$3,525,366) (0.6)% | | (2,655,965) |
| Total Investments, Net of Options Written 161.5% | | 726,402,259 |
| Liabilities in Excess of Other Assets (10.1)% | | (45,648,998) |
| Preferred Shares, at Redemption Value (51.4)% | | (231,034,617) |
| Net Assets Applicable to Common Shares 100.0% | | \$ 449,718,644 |

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*The cost and unrealized appreciation (depreciation) of investments as of April 30, 2009, as computed for federal income tax purposes, were as follows:

| | |
|-------------------------------|------------------|
| Aggregate cost | \$1,095,643,264 |
| Gross unrealized appreciation | \$ 10,121,362 |
| Gross unrealized depreciation | (376,706,402) |
| Net unrealized depreciation | \$ (366,585,040) |

- (a) 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.
- (b) Security is perpetual in nature and has no stated maturity date.
- (c) Variable rate security. Rate shown is as of report date.
- (d) All or a portion of security has been pledged as collateral for reverse repurchase agreements.
- (e) All or a portion of security has been pledged as collateral for open financial futures contracts.
- (f) Convertible security.
- (g) Non-income producing security.
- (h) Issuer filed for bankruptcy and/or is in default of interest payments.
- (i) Represents the current yield as of report date.
- (j) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

| Affiliate | Net Activity | Income |
|-------------------------------------|-------------------------|---------------|
| BlackRock Liquidity Funds, TempFund | 110,469,494 | \$ 123,372 |

See Notes to Financial Statements.

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Schedule of Investments (concluded) BlackRock Preferred and Equity Advantage Trust (BTZ)

For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine industry sub-classifications for reporting ease.

Reverse repurchase agreements outstanding as of April 30, 2009 were as follows:

| Counterparty | Interest Rate | Trade Date | Maturity Date | Net Closing Amount | Face Amount |
|--------------|---------------|------------|---------------|----------------------|----------------------|
| Barclays | | | | | |
| Bank Plc | 1.93% | 2/27/09 | 5/15/09 | \$ 5,280,366 | \$ 5,259,500 |
| Barclays | | | | | |
| Bank Plc | 1.93% | 3/02/09 | 5/15/09 | 1,424,562 | 1,418,933 |
| Barclays | | | | | |
| Bank Plc | 1.99% | 3/03/09 | 5/15/09 | 16,599,534 | 16,533,730 |
| Barclays | | | | | |
| Bank Plc | 1.98% | 3/06/09 | 5/15/09 | 14,927,552 | 14,872,746 |
| Barclays | | | | | |
| Bank Plc | 1.98% | 3/06/09 | 5/15/09 | 17,577,812 | 17,514,235 |
| Total | | | | \$ 55,809,826 | \$ 55,599,144 |

Financial futures contracts purchased as of April 30, 2009 were as follows:

| Contracts | Issue | Expiration Date | Face Value | Unrealized Appreciation (Depreciation) |
|--------------|--------------------------|-----------------|--------------|--|
| 451 | 10-Year US Treasury Bond | June 2009 | \$54,152,704 | \$ 390,144 |
| 37 | 30-Year US Treasury Bond | June 2009 | \$ 4,606,288 | (71,475) |
| 91 | S&P EMINI | June 2009 | \$ 3,816,865 | 141,635 |
| Total | | | | \$ 460,304 |

Credit default swaps on single-name issues buy protection outstanding as of April 30, 2009 were as follows:

| Pay Fixed | Counter- | Notional Amount | Unrealized |
|-----------|----------|-----------------|------------|
|-----------|----------|-----------------|------------|

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| Issuer | Rate | party | Expiration | (000) | Depreciation |
|--------------------|-------|----------|------------|---------|--------------|
| Altria Group, Inc. | 1.03% | Deutsche | December | | |
| | | Bank AG | 2013 | \$9,000 | \$ (108,517) |
| Nordstrom, Inc. | 5.20% | Deutsche | June | | |
| | | Bank AG | 2014 | \$4,000 | (577,203) |
| Total | | | | | \$ (685,720) |

Credit default swaps on single-name issues sold protection outstanding as of April 30, 2009 were as follows:

| Issuer | Receive | Counter-party | Expiration | Credit Rating ¹ | Notional Amount (000) ² | Unrealized Appreciation |
|-----------------------------------|------------|------------------|---------------|----------------------------|------------------------------------|-------------------------|
| | Fixed Rate | | | | | |
| Philip Morris International, Inc. | 1.73% | Deutsche Bank AG | December 2013 | A | \$9,000 | \$21,307 |

¹ Using the S&P's ratings of the issuer.

² The maximum potential amount the Fund may pay should a negative credit event take a place as defined under the terms of the agreement.

Effective November 1, 2008, the Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements (FAS 157). FAS 157 clarifies the definition of fair value, establishes a framework for measuring fair values and requires additional disclosures about the use of fair value measurements. Various inputs are used in determining the fair value of investments, which are as follows:

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

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstance, to the extent observable inputs are not available (including the Fund's own 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 Fund's policy regarding valuation of investments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements. The following table summarizes the inputs used as of April 30, 2009 in determining the fair valuation of the Fund's investments:

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| Valuation Inputs | Investments in | | Other Financial | |
|---------------------|----------------|----------------------|-------------------|------------------------|
| | Securities | | Instruments* | |
| | Assets | | Assets | Liabilities |
| Level 1 | | \$440,857,394 | \$ 531,779 | \$ (2,727,440) |
| Level 2 | | 285,216,880 | | (56,284,864) |
| Level 3 | | 2,983,950 | 21,307 | |
| Total | | \$729,058,224 | \$ 553,086 | \$ (59,012,304) |

* 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:

| | Investments in Securities Assets | Other Financial Instruments Assets |
|---|--|---|
| Balance, as of October 31, 2008 | \$ 268,850 | |
| Accrued discounts/premiums | (361) | |
| Realized loss | (6,619,805) | |
| Change in unrealized appreciation/ depreciation ¹ | (1,573,299) | |
| Net sales | (3,300,000) | |
| Net transfers into Level 3 | 14,208,565 | \$ 21,307 |
| Balance, as of April 30, 2009 | \$ 2,983,950 | \$ 21,307 |

¹ Included in the related net change in unrealized appreciation/depreciation on the Statements of Operations.

See Notes to Financial Statements.

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APRIL 30, 2009

Schedule of Investments April 30, 2009 (Unaudited) BlackRock Preferred Income Strategies Fund, Inc. (PSY)

(Percentages shown are based on Net Assets)

Preferred Securities

| | Par (000) | Value |
|---|--------------|--------------|
| Capital Trusts | | |
| Building Products 0.7% | | |
| C8 Capital SPV Ltd., 6.64% (a)(b)(c) | \$ 3,915 | \$ 1,756,700 |
| Capital Markets 4.8% | | |
| Ameriprise Financial, Inc., 7.518%, 6/01/66 (c) | 7,600 | 4,378,960 |
| Lehman Brothers Holdings Capital Trust V, 3.64% (b)(c)(d)(e) | 6,400 | 640 |
| State Street Capital Trust III, 8.25% due 3/15/42 (c)(f) | 2,920 | 1,987,264 |
| State Street Capital Trust IV, 2.32%, 6/01/67 (c) | 12,535 | 5,072,889 |
| | | 11,439,753 |
| Commercial Banks 14.7% | | |
| ABN AMRO North America Holding Preferred Capital Repackaging Trust I, 6.523% (a)(b)(c) | 12,035 | 4,933,821 |
| Bank One Capital III, 8.75%, 9/01/30 | 2,000 | 1,624,914 |
| Bank of Ireland Capital Funding II, LP, 5.571% (a)(b)(c) | 8,065 | 1,611,790 |
| Bank of Ireland Capital Funding III, LP, 6.107% (a)(b)(c) | 8,575 | 1,627,775 |
| Barclays Bank Plc, 5.926% (a)(b)(c) | 8,500 | 3,396,430 |
| First Empire Capital Trust II, 8.277%, 6/01/27 | 3,630 | 2,159,189 |
| HSBC America Capital Trust I, 7.808%, 12/15/26 (a) | 2,000 | 1,358,966 |
| HSBC Capital Funding LP/Jersey Channel Islands, 10.176% (a)(b)(c)(f) | 4,835 | 4,243,036 |
| HSBC Finance Capital Trust IX, 5.911%, 11/30/35 (c) | 7,300 | 3,317,339 |
| Lloyds Banking Group Plc, 6.657% (a)(b)(c) | 5,000 | 1,525,000 |
| National City Preferred Capital Trust I, 12% (b)(c) | 1,100 | 951,830 |
| NationsBank Capital Trust III, 1.681%, 1/15/27 (c) | 13,470 | 4,486,938 |
| SMFG Preferred Capital USD 3 Ltd., 9.50% (a)(b)(c) | 3,550 | 3,202,679 |
| SunTrust Preferred Capital I, 5.853% (b)(c) | 1,825 | 593,125 |
| | | 35,032,832 |
| Diversified Financial Services 4.8% | | |
| AgFirst Farm Credit Bank, 8.393%, 12/15/16 (c) | 4,000 | 2,884,616 |
| Farm Credit Bank of Texas Series 1, 7.561% (b)(c) | 2,500 | 1,498,200 |
| ING Capital Funding Trust III, 8.439% (b)(c) | 6,066 | 2,608,380 |

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| | | |
|--|--------|------------|
| JPMorgan Chase Capital XXV, 6.80%, 10/01/37 | 6,150 | 4,502,538 |
| | | 11,493,734 |
| Electric Utilities 1.4% | | |
| PPL Capital Funding, 6.70%, 3/30/67 (c) | 5,925 | 3,436,500 |
| Insurance 53.9% | | |
| AON Corp., 8.205%, 1/01/27 (f) | 10,000 | 7,481,200 |
| AXA SA, 6.379% (a)(b)(c) | 13,470 | 5,375,621 |
| Ace Capital Trust II, 9.70%, 4/01/30 | 11,300 | 8,836,939 |
| The Allstate Corp. (c): | | |
| 6.50%, 5/15/57 | 12,775 | 7,106,094 |
| Series B, 6.125%, 5/15/67 | 10,450 | 5,747,500 |
| American International Group, Inc., 6.25%, 3/15/87 | 9,895 | 1,236,875 |
| Chubb Corp., 6.375%, 3/29/67 (c) | 17,700 | 10,702,376 |
| Farmers Exchange Capital, 7.05%, 7/15/28 (a) | 5,000 | 2,924,150 |
| Financial Security Assurance Holdings Ltd., | | |
| 6.40%, 12/15/66 (a)(c) | 6,930 | 1,871,100 |
| GE Global Insurance Holding Corp., 7.75%, 6/15/30 | 10,000 | 8,076,580 |
| Genworth Financial, Inc., 6.15%, 11/15/66 (c) | 3,000 | 418,959 |
| Great West Life & Annuity Insurance Co., | | |
| 7.153%, 5/16/46 (a)(c) | 7,500 | 3,704,400 |
| Liberty Mutual Group, Inc. (a)(c): | | |
| 7%, 3/15/37 | 10,150 | 3,736,459 |
| 10.75%, 6/15/88 | 7,925 | 4,358,750 |
| Lincoln National Corp. (c): | | |
| 7%, 5/17/66 | 12,000 | 3,840,000 |
| 6.05%, 4/20/67 | 5,025 | 1,457,250 |
| MetLife, Inc., 6.40%, 12/15/66 | 16,825 | 9,001,375 |
| Nationwide Life Global Funding I, 6.75%, 5/15/67 | 9,675 | 3,800,379 |

| | Par | |
|--|--------------|--------------|
| | (000) | Value |
| Capital Trusts | | |
| Insurance (concluded) | | |
| Oil Casualty Insurance Ltd., 8%, 9/15/34 (a) | \$ 3,605 | \$ 2,178,617 |
| Principal Life Insurance Co., 8%, 3/01/44 (a) | 6,325 | 4,859,320 |
| Progressive Corp., 6.70%, 6/15/37 (c) | 11,650 | 5,769,697 |
| Reinsurance Group of America, | | |
| 6.75%, 12/15/65 (c) | 3,000 | 1,468,440 |
| Swiss Re Capital I LP, 6.854% (a)(b)(c) | 8,875 | 3,505,625 |
| The Travelers Cos., Inc., 6.25%, 3/15/67 (c) | 12,850 | 7,910,820 |
| ZFS Finance (USA) Trust IV, 5.875%, 5/09/32 (a)(c) | 1,300 | 689,182 |
| ZFS Finance (USA) Trust V, 6.50%, 5/09/67 (a)(c) | 17,110 | 9,239,400 |

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| | | |
|--|---------------|-------------|
| Zenith National Insurance Capital Trust I, 8.55%, 8/01/28 (a) | 3,750 | 3,487,500 |
| | | 128,784,608 |
| Multi-Utilities 6.0% | | |
| Dominion Resources Capital Trust I, 7.83%, 12/01/27 | 10,000 | 8,224,940 |
| Dominion Resources, Inc., 7.50%, 6/30/66 (c) | 8,400 | 5,292,000 |
| Puget Sound Energy, Inc. Series A, 6.974%, 6/01/67 (c) | 1,825 | 953,563 |
| | | 14,470,503 |
| Oil, Gas & Consumable Fuels 6.6% | | |
| Enterprise Products Operating LLC, 8.375%, 8/01/66 (c) | 4,225 | 2,915,250 |
| Southern Union Co., 7.20%, 11/01/66 (c) | 14,400 | 7,416,000 |
| TransCanada PipeLines Ltd., 6.35%, 5/15/67 (c) | 8,300 | 5,312,000 |
| | | 15,643,250 |
| Road & Rail 1.2% | | |
| BNSF Funding Trust I, 6.613%, 12/15/55 (c) | 3,750 | 2,775,000 |
| Thriffs & Mortgage Finance 0.7% | | |
| Webster Capital Trust IV, 7.65%, 6/15/37 (c) | 3,875 | 1,657,733 |
| Total Capital Trusts 94.8% | | 226,490,613 |
| Preferred Stocks | Shares | |
| Capital Markets 0.0% | | |
| Deutsche Bank Contingent Capital Trust II, 6.55% | 530 | 7,139 |
| Commercial Banks 11.1% | | |
| Barclays Bank Plc, 8.125% | 225,000 | 3,575,250 |
| First Tennessee Bank NA, 3.75% (a)(c) | 4,650 | 1,467,656 |
| HSBC USA, Inc.: | | |
| Series D, 4.50% (c)(g) | 131,700 | 1,777,950 |
| Series H, 6.50% | 120,000 | 2,040,000 |
| Provident Financial Group, Inc., 7.75% | 166,800 | 2,908,575 |
| Royal Bank of Scotland Group Plc Series M, 6.40% | 15,000 | 120,900 |
| SG Preferred Capital II, 6.302% (c) | 23,000 | 12,420,000 |
| Santander Finance Preferred SA Unipersonal, 6.80% | 147,200 | 2,178,560 |
| | | 26,488,891 |
| Diversified Financial Services 1.7% | | |
| Cobank ACB, 7% (a) | 152,000 | 3,940,752 |
| Electric Utilities 5.0% | | |
| Alabama Power Co.: | | |
| 5.83% | 14,000 | 326,480 |
| 6.50% | 145,000 | 3,262,500 |
| Entergy Arkansas, Inc., 6.45% | 114,400 | 2,792,081 |

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| | | |
|---|---------|------------|
| Entergy Louisiana LLC, 6.95% | 49,850 | 3,489,500 |
| Interstate Power & Light Co. Series B, 8.375% | 80,000 | 2,085,600 |
| | | 11,956,161 |
| Insurance 18.5% | | |
| Aspen Insurance Holdings Ltd., 7.401% (c) | 194,000 | 2,716,000 |
| Axis Capital Holdings Ltd.: | | |
| Series A, 7.25% | 129,300 | 2,262,750 |
| Series B, 7.50% (c) | 36,000 | 2,157,750 |

See Notes to Financial Statements.

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APRIL 30, 2009

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Schedule of Investments (continued) BlackRock Preferred Income Strategies Fund, Inc. (PSY)

(Percentages shown are based on Net Assets)

| Preferred Stocks | Shares | Value |
|---|--------------|--------------|
| Insurance (concluded) | | |
| Endurance Specialty Holdings Ltd. Series A, 7.75% | 139,200 | \$ 2,234,160 |
| MetLife, Inc., Series B, 6.50% | 904,400 | 16,550,520 |
| Prudential Plc, 6.50% | 92,400 | 1,338,876 |
| RenaissanceRe Holding Ltd. Series D, 6.60% | 435,000 | 7,830,000 |
| Zurich RegCaPS Funding Trust, 6.58% (a)(c) | 9,800 | 8,970,063 |
| | | 44,060,119 |
| Multi-Utilities 1.5% | | |
| Pacific Gas & Electric Co. Series A, 6% | 140,000 | 3,567,200 |
| Real Estate Investment Trusts (REITs) 6.9% | | |
| BRE Properties, Inc. Series D, 6.75% | 35,000 | 597,100 |
| Developers Diversified Realty Corp., 8% | 400,000 | 3,756,000 |
| First Industrial Realty Trust, Inc., 6.236% (c) | 2,390 | 873,844 |
| Firststar Realty LLC, 8.875% (a) | 4,000 | 3,155,000 |
| Kimco Realty Corp. Series F, 6.65% | 50,000 | 787,500 |
| Public Storage Series F, 6.45% | 40,000 | 739,200 |
| Public Storage Series M, 6.625% | 71,900 | 1,359,629 |
| Public Storage, Inc. Series I, 7.25% | 160,000 | 3,448,000 |
| Regency Centers Corp. Series D, 7.25% | 100,000 | 1,875,000 |
| | | 16,591,273 |
| Thriffs & Mortgage Finance 0.3% | | |
| Sovereign Bancorp, Inc. Series C, 7.30% (h) | 48,000 | 767,520 |
| Wireless Telecommunication Services 0.6% | | |
| Centaur Funding Corp., 9.08% (a) | 2,423 | 1,506,803 |
| Total Preferred Stocks 45.6% | | 108,885,858 |
| | Par | |
| | (000) | |
| Trust Preferreds | | |
| Commercial Banks 0.4% | | |
| KeyCorp Capital IX, 6.75% | \$ 1,868 | 903,396 |
| Communications Equipment 0.6% | | |
| Corporate-Backed Trust Certificates, Motorola Debenture Backed Series 2002-14, 8.375%, 11/15/28 | 2,000 | 1,265,928 |
| Consumer Finance 4.1% | | |
| Capital One Capital II, 7.50%, 6/15/66 | 16,702 | 9,861,212 |
| Diversified Financial Services 0.7% | | |
| ING Groep NV, 7.20% (b) | 3,500 | 1,673,015 |

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Electric Utilities 3.9%

| | | |
|---|-------|-----------|
| Georgia Power Co. Series O, 1.475%, 4/15/33 | 1,250 | 1,246,758 |
| HECO Capital Trust III, 6.50%, 3/18/34 | 1,250 | 1,093,435 |
| National Rural Utilities Cooperative Finance Corp., 6.75%, 2/15/43 | 1,250 | 1,067,224 |
| PPL Energy Supply LLC, 7%, 7/15/46 | 5,835 | 5,909,194 |
| | | 9,316,611 |

Gas Utilities 5.5%

| | | |
|--|--------|------------|
| Southwest Gas Capital II, 7.70%, 9/15/43 | 15,125 | 13,160,328 |
|--|--------|------------|

| | Par (000) | Value |
|--|----------------------|--------------|
| Trust Preferreds | | |
| Insurance 4.0% | | |
| ABN AMRO North America Capital Funding Trust II, 1.375% (a)(b)(c) | \$ 11,000 | \$ 688,172 |
| Lincoln National Capital VI Series F, 6.75%, 9/11/52 | 5,000 | 2,745,257 |
| W.R. Berkley Capital Trust II, 6.75%, 7/26/45 | 7,375 | 6,193,647 |
| | | 9,627,076 |
| Total Trust Preferreds 19.2% | | 45,807,566 |
| Total Preferred Securities 159.6% | | 381,184,037 |

Corporate Bonds

Insurance 3.3%

| | | |
|---|-------|-----------|
| Oil Insurance Ltd., 7.558% (a)(b)(c) | 5,000 | 1,636,050 |
| QBE Insurance Group Ltd., 9.75%, 3/14/14 (a) | 5,967 | 6,024,695 |
| Structured Asset Repackaged Trust Series 2004-1, 1.602%, 4/21/11 (c) | 382 | 290,560 |
| Total Corporate Bonds 3.3% | | 7,951,305 |

Total Long-Term Investments

(Cost \$683,669,352) 162.9% 389,135,342

Short-Term Securities

Shares

Money Market Fund 6.6%

| | | |
|---|------------|------------|
| BlackRock Liquidity Funds, TempFund, 0.64% (i)(j) | 15,858,851 | 15,858,851 |
|---|------------|------------|

Total Short-Term Securities

(Cost \$15,858,851) 6.6% 15,858,851

Total Investments (Cost \$699,528,203*) 169.5% 404,994,193

Other Assets Less Liabilities 2.9% 6,929,413

Preferred Shares, at Redemption Value (72.4%) (172,990,679)

Net Assets Applicable to Common Shares 100.0% \$ 238,932,927

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*The cost and unrealized appreciation (depreciation) of investments as of April 30, 2009, as computed for federal income tax purposes, were as follows:

| | |
|-------------------------------|-----------------|
| Aggregate cost | \$ 700,584,478 |
| Gross unrealized appreciation | \$ 2,865,611 |
| Gross unrealized depreciation | (298,455,896) |
| Net unrealized depreciation | \$(295,590,285) |

- (a) 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.
- (b) Security is perpetual in nature and has no stated maturity date.
- (c) Variable rate security. Rate shown is as of report date.
- (d) Non-income producing security.
- (e) Issuer filed for bankruptcy and/or is in default of interest payments.
- (f) All or a portion of security held as collateral in connection with open reverse repurchase agreements.
- (g) All or a portion of security has been pledged as collateral in connection with open financial futures contracts.
- (h) Depositary receipts.
- (i) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

| Affiliate | Net Activity | Income |
|-------------------------------------|-------------------------|---------------|
| BlackRock Liquidity Funds, TempFund | 15,858,851 | \$ 16,827 |
| BlackRock Liquidity Series, LLC | | |
| Cash Sweep Series | \$(28,803,004) | \$ 80,087 |

See Notes to Financial Statements.

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APRIL 30, 2009

Schedule of Investments (concluded) BlackRock Preferred Income Strategies Fund, Inc. (PSY)

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

For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine industry sub-classifications for reporting ease.

Reverse repurchase agreements outstanding as of April 30, 2009 were as follows:

| Counterparty | Interest Rate | Trade Date | Maturity Date | Net Closing Amount | Face Amount |
|-------------------|---------------|------------|---------------|---------------------|---------------------|
| Barclays Bank Plc | 1.99% | 3/03/09 | 5/15/09 | \$ 3,262,935 | \$ 3,250,000 |
| Barclays Bank Plc | 1.99% | 3/03/09 | 5/15/09 | 3,295,374 | 3,282,310 |
| Total | | | | \$ 6,558,309 | \$ 6,532,310 |

Financial futures contracts purchased as of April 30, 2009 were as follows:

| Contracts | Issue | Expiration Date | Face Amount | Unrealized Depreciation |
|-----------|-----------------------------|-----------------|-------------|-------------------------|
| 27 | 30-Year U.S. Treasury Notes | June 2009 | \$3,361,345 | \$(52,157) |

Financial

futures contracts sold as of April 30, 2009 were as follows:

| Contracts | Issue | Expiration Date | Face Amount | Unrealized Appreciation |
|-----------|-----------------------------|-----------------|--------------|-------------------------|
| 214 | 10-Year U.S. Treasury Notes | June 2009 | \$26,147,307 | \$266,682 |

Credit default swaps on single-name issues buy protection outstanding as of April 30, 2009 were as follows:

| Issuer | Pay Fixed Rate | Counter-party | Expiration | Notional Amount (000) | Unrealized Depreciation |
|--------------------|----------------|------------------|---------------|-----------------------|-------------------------|
| Altria Group, Inc. | 1.03% | Deutsche Bank AG | December 2013 | \$8,000 | \$ (96,459) |
| Nordstrom Inc. | 5.20% | Deutsche Bank AG | June 2014 | \$2,000 | (288,602) |
| Total | | | | | \$ (385,061) |

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Credit default swaps on single-name issues sold protection outstanding as of April 30, 2009 were as follows:

| Issuer | Receive | Counter-party | Expiration | Credit Rating ¹ | Notional | Unrealized Appreciation |
|-----------------------------------|------------|------------------|---------------|----------------------------|---------------------------|-------------------------|
| | Fixed Rate | | | | Amount (000) ² | |
| Philip Morris International, Inc. | 1.73% | Deutsche Bank AG | December 2013 | A | \$8,000 | \$18,940 |

¹ Using the S&P s ratings of the issuer.

² The maximum potential amount the Fund may pay should a negative credit event take place as defined under the terms of the agreement.

Effective November 1, 2008, the Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements (FAS 157). FAS 157 clarifies the definition of fair value, establishes a framework for measuring fair values and requires additional disclosures about the use of fair value measurements. Various inputs are used in determining the fair value of investments, which are as follows:

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

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstance, to the extent observable inputs are not available (including the Fund s own 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 Fund s policy regarding valuation of investments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following table summarizes the inputs used as of April 30, 2009 in determining the fair valuation of the Fund s investments:

| Valuation Inputs | Investments in | Other Financial | |
|------------------|----------------|-----------------|-------------|
| | Securities | Instruments* | |
| | Assets | Assets | Liabilities |
| Level 1 | \$ 126,182,080 | \$ 266,682 | \$ (52,157) |
| Level 2 | 262,612,054 | | (6,917,371) |
| Level 3 | 16,200,059 | 18,940 | |

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| | | | |
|--------------|----------------|------------|----------------|
| Total | \$ 404,994,193 | \$ 285,622 | \$ (6,969,528) |
|--------------|----------------|------------|----------------|

* Other financial instruments are swaps, futures and reverse repurchase agreements. Swaps and futures are valued at the unrealized appreciation/depreciation on the instrument. 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:

| | Investments in Securities Assets | Other Financial Instruments Assets |
|---|---|---|
| Balance, as of October 31, 2008 | | |
| Accrued discounts/premiums | | |
| Realized gain (loss) | | |
| Change in unrealized appreciation/ depreciation ¹ | \$ (13,615,981) | |
| Net purchases (sales) | | |
| Net transfers into Level 3 | 29,816,040 | \$ 18,940 |
| Balance, as of April 30, 2009 | \$ 16,200,059 | \$ 18,940 |

¹ Included in the related net change in unrealized appreciation/depreciation on the Statements of Operations.

See Notes to Financial Statements.

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Schedule of Investments April 30, 2009 (Unaudited) **BlackRock Preferred Opportunity Trust (BPP)**

(Percentages shown are based on Net Assets)

Preferred Securities

| | Par | Value |
|--|--------------|--------------|
| Capital Trusts | (000) | |
| Building Products 0.7% | | |
| C8 Capital SPV Ltd., 6.64% (a)(b)(c) | \$ 1,945 | \$ 872,741 |
| Capital Markets 3.0% | | |
| State Street Capital Trust III, 8.25% due 3/15/42 (c) | 1,385 | 942,589 |
| State Street Capital Trust IV, 2.32%, 6/01/67 (c) | 6,725 | 2,721,594 |
| | | 3,664,183 |
| Commercial Banks 13.7% | | |
| Bank of Ireland Capital Funding II, LP, 5.571% (a)(b)(c) | 4,015 | 802,398 |
| Bank of Ireland Capital Funding III, LP, 6.107% (a)(b)(c) | 4,275 | 811,515 |
| Barclays Bank Plc, 5.926% (a)(b)(c) | 6,885 | 2,751,108 |
| CBA Capital Trust I, 5.805% (a)(b)(d) | 5,000 | 3,550,300 |
| FCB/NC Capital Trust I, 8.05%, 3/01/28 | 1,100 | 797,947 |
| Lloyds TSB Bank Plc, 6.90% (b) | 4,399 | 1,759,600 |
| NBP Capital Trust III, 7.375% (b) | 2,000 | 560,000 |
| National City Preferred Capital Trust I, 12% (b)(c) | 600 | 519,180 |
| RESPARCS Funding LP I, 8% (b) | 4,000 | 520,000 |
| SMFG Preferred Capital USD 3 Ltd., 9.50% (a)(b)(c) | 1,725 | 1,556,232 |
| SunTrust Preferred Capital I, 5.853% (b)(c) | 1,800 | 585,000 |
| Wells Fargo Capital XIII Series GMTN, 7.70% (b)(c) | 1,700 | 1,088,000 |
| Westpac Capital Trust IV, 5.256% (a)(b)(c) | 3,000 | 1,530,810 |
| | | 16,832,090 |
| Diversified Financial Services 5.5% | | |
| JPMorgan Chase Capital XXI Series U, 1.966%, 2/02/37 (c)(e) | 7,125 | 3,032,749 |
| JPMorgan Chase Capital XXV, 6.80%, 10/01/37 (d) | 5,075 | 3,715,509 |
| | | 6,748,258 |
| Electric Utilities 1.3% | | |
| PPL Capital Funding, 6.70%, 3/30/67 (c) | 2,675 | 1,551,500 |
| Insurance 41.9% | | |
| AFC Capital Trust I Series B, 8.207%, 2/03/27 | 4,500 | 3,060,000 |
| The Allstate Corp. (c): | | |
| 6.50%, 5/15/57 | 6,350 | 3,532,188 |
| Series B, 6.125%, 5/15/67 | 5,200 | 2,860,000 |
| American International Group, Inc., 6.25%, 3/15/87 | 4,055 | 506,875 |
| Chubb Corp., 6.375%, 3/29/67 (c)(d) | 9,025 | 5,457,002 |

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| | | |
|--|--------------|-------------------|
| Genworth Financial, Inc., 6.15%, 11/15/66 (c) | 1,475 | 205,988 |
| Liberty Mutual Group, Inc. (a)(c): | | |
| 7%, 3/15/37 | 5,025 | 1,849,823 |
| 10.75%, 6/15/88 | 3,875 | 2,131,250 |
| Lincoln National Corp. (c): | | |
| 7%, 5/17/66 (d) | 3,370 | 1,078,400 |
| 6.05%, 4/20/67 | 2,500 | 725,000 |
| MetLife, Inc., 6.40%, 12/15/66 | 6,375 | 3,410,625 |
| Nationwide Life Global Funding I, 6.75%, 5/15/67 | 4,850 | 1,905,099 |
| Progressive Corp., 6.70%, 6/15/37 (c) | 5,775 | 2,860,086 |
| Prudential Plc, 6.50% (b) | 6,000 | 2,970,000 |
| Reinsurance Group of America, 6.75%, 12/15/65 (c) | 1,300 | 636,324 |
| Swiss Re Capital I LP, 6.854% (a)(b)(c)(d) | 9,425 | 3,722,875 |
| The Travelers Cos., Inc., 6.25%, 3/15/67 (c)(d) | 11,350 | 6,987,378 |
| White Mountains Re Group Ltd., 7.506% (a)(b)(c) | 2,600 | 822,894 |
| ZFS Finance (USA) Trust IV, 5.875%, 5/09/32 (a)(c) | 650 | 344,591 |
| ZFS Finance (USA) Trust V, 6.50%, 5/09/67 (a)(c)(d) | 8,765 | 4,733,100 |
| Zenith National Insurance Capital Trust I, 8.55%, 8/01/28 (a) | 1,800 | 1,674,000 |
| | | 51,473,498 |
| Multi-Utilities 0.4% | | |
| Puget Sound Energy, Inc. Series A, 6.974%, 6/01/67 (c) | 925 | 483,312 |
| Oil, Gas & Consumable Fuels 2.2% | | |
| TransCanada PipeLines Ltd., 6.35%, 5/15/67 (c) | 4,325 | 2,768,000 |
| | Par | |
| Capital Trusts | (000) | Value |
| Thriffs & Mortgage Finance 0.7% | | |
| Webster Capital Trust IV, 7.65%, 6/15/37 (c) | \$ 1,925 | \$ 823,519 |
| Total Capital Trusts 69.4% | | 85,217,101 |
| Preferred Stocks | | |
| Capital Markets 0.0% | | |
| Lehman Brothers Holdings Inc. Series D, 5.67% (f)(g) | 31,100 | 2,177 |
| Commercial Banks 9.6% | | |
| Banesto Holdings, Ltd. Series A, 10.50% | 30,000 | 612,189 |
| Barclays Bank Plc, 8.125% | 100,000 | 1,589,000 |
| First Republic Preferred Capital Corp., 7.25% | 120,000 | 1,639,200 |
| HSBC USA, Inc. Series H, 6.50% | 330,000 | 5,610,000 |
| Royal Bank of Scotland Group Plc Series M, 6.40% | 10,000 | 80,600 |
| Santander Finance Preferred SA Unipersonal, 6.80% | 75,000 | 1,110,000 |

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| | | |
|--|--------------|------------|
| Union Planter Preferred Funding Corp., 7.75% (a) | 60 | 1,200,000 |
| | | 11,840,989 |
| Diversified Financial Services 4.1% | | |
| Citigroup, Inc. Series T, 6.50% (h) | 65,000 | 2,054,000 |
| JPMorgan Chase & Co. Series E, 6.15% | 75,000 | 2,932,500 |
| | | 4,986,500 |
| Electric Utilities 0.9% | | |
| Alabama Power Co., 6.50% | 50,000 | 1,125,000 |
| Insurance 18.8% | | |
| Arch Capital Group Ltd. Series A, 8% | 117,414 | 2,338,887 |
| Aspen Insurance Holdings Ltd., 7.401% (c) | 115,000 | 1,610,000 |
| Endurance Specialty Holdings Ltd. Series A, 7.75% | 172,400 | 2,767,020 |
| MetLife, Inc. Series B, 6.50% | 314,500 | 5,755,350 |
| PartnerRe Ltd. Series C, 6.75% | 209,400 | 4,047,702 |
| Prudential Plc, 6.50% | 62,000 | 898,380 |
| RenaissanceRe Holding Ltd. Series D, 6.60% | 210,000 | 3,780,000 |
| Zurich RegCaPS Funding Trust, 6.58% (a)(c) | 2,000 | 1,830,625 |
| | | 23,027,964 |
| Media 0.0% | | |
| CMP Susquehanna Radio Holdings Corp., 0% (a)(c) | 2,052 | |
| Real Estate Investment Trusts (REITs) 3.6% | | |
| BRE Properties, Inc. Series D, 6.75% | 20,000 | 341,200 |
| Public Storage Series F, 6.45% | 20,000 | 369,600 |
| Public Storage Series M, 6.625% | 35,000 | 661,850 |
| SunTrust Real Estate Investment Trust, 9% | 30 | 3,027,188 |
| | | 4,399,838 |
| Total Preferred Stocks 37.0% | | 45,382,468 |
| | Par | |
| Trust Preferreds | (000) | |
| Capital Markets 1.5% | | |
| Structured Asset Trust Unit Repackagings (SATURNS), Credit Suisse First Boston (USA), Inc. Debenture Backed Series 2003-13, 6.25%, 7/15/32 | \$ 278 | 190,281 |
| Structured Asset Trust Unit Repackagings (SATURNS), Goldman Sachs Group, Inc. Debenture Backed Series 2003-06, 6%, 2/15/33 | 2,573 | 1,707,031 |
| | | 1,897,312 |
| Commercial Banks 1.0% | | |
| Keycorp Capital V, 5.875%, 7/30/33 | 2,550 | 1,176,615 |
| Diversified Financial Services 0.9% | | |
| ING Groep NV, 7.20% (b) | 1,750 | 836,508 |

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PPLUS Trust Certificates Series VAL-1 Class A,

7.25%, 4/15/32

278

247,206

1,083,714

See Notes to Financial Statements.

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Schedule of Investments (continued) BlackRock Preferred Opportunity Trust (BPP)

(Percentages shown are based on Net Assets)

Par Par

| Trust Preferreds | (000) | Value |
|--|---------------|--------------|
| Food Products 1.8% | | |
| Corporate-Backed Trust Certificates, Kraft Foods, Inc. Debtenture Backed Series 2003-11, 5.875%, 11/01/31 | \$ 2,500 | \$ 2,160,000 |
| Insurance 1.1% | | |
| Everest Re Capital Trust, 6.20%, 3/29/34 | 750 | 513,840 |
| Financial Security Assurance Holdings Ltd., 5.60%, 7/15/03 | 380 | 123,705 |
| The Phoenix Cos., Inc., 7.45%, 1/15/32 | 1,985 | 707,172 |
| | | 1,344,717 |
| Media 8.9% | | |
| Comcast Corp.: 7%, 9/15/55 | 1,250 | 1,083,800 |
| 6.625%, 5/15/56 | 11,750 | 9,724,300 |
| Corporate-Backed Trust Certificates, News America Debtenture Backed Series 2002-9, 8.125%, 12/01/45 | 180 | 128,293 |
| | | 10,936,393 |
| Oil, Gas & Consumable Fuels 2.3% | | |
| Nexen, Inc., 7.35%, 11/01/43 | 3,875 | 2,836,500 |
| Wireless Telecommunication Services 0.9% | | |
| Structured Repackaged Asset-Backed Trust Securities, Sprint Capital Corp. Debtenture Backed Series 2004-2, 6.50%, 11/15/28 | 2,586 | 1,060,285 |
| Total Trust Preferreds 18.4% | | 22,495,536 |
| Total Preferred Securities 124.8% | | 153,095,105 |
| Warrants (i) | Shares | |
| Media 0.0% | | |
| CMP Susquehanna Radio Holdings Corp. (expires 3/26/19) (a) | 2,345 | |
| Total Warrants 0.0% | | |
| Investment Companies | | |
| Ultra Short Real Estate ProShares | 60,000 | 1,416,000 |
| Total Investment Companies 1.1% | | 1,416,000 |
| | Par | |
| Corporate Bonds | (000) | |

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Commercial Banks 2.5%

| | | |
|--|----------|-----------|
| Mizuho Capital Investment 1 Ltd., 6.686% (a)(b)(c) | \$ 5,000 | 3,069,005 |
|--|----------|-----------|

Containers & Packaging 0.2%

| | | |
|---|-----|---------|
| Impress Holdings BV, 4.256%, 9/15/13 (a)(c) | 240 | 196,800 |
|---|-----|---------|

Diversified Telecommunication Services 0.3%

| | | |
|---------------------------------|-----|---------|
| Qwest Corp., 4.57%, 6/15/13 (c) | 460 | 416,300 |
|---------------------------------|-----|---------|

Hotels, Restaurants & Leisure 0.0%

| | | |
|---|-----|--------|
| Greektown Holdings, LLC, 10.75%, 12/01/13 (a)(f)(g) | 362 | 21,720 |
|---|-----|--------|

Insurance 7.0%

| | | |
|--------------------------|-------|-----------|
| AXA SA, 6.379% (a)(b)(c) | 7,150 | 2,853,429 |
|--------------------------|-------|-----------|

| | | |
|--|-------|-----------|
| Kingsway America, Inc., 7.50%, 2/01/14 | 9,000 | 2,700,000 |
|--|-------|-----------|

| | | |
|--|-------|-----------|
| QBE Insurance Group Ltd., 9.75%, 3/14/14 (a) | 2,975 | 3,003,765 |
|--|-------|-----------|

8,557,194

Corporate Bonds

(000)

Value

Machinery 0.2%

| | | |
|----------------------------------|--------|------------|
| AGY Holding Corp., 11%, 11/15/14 | \$ 460 | \$ 289,800 |
|----------------------------------|--------|------------|

Media 2.8%

| | | |
|--|---|-----|
| CMP Susquehanna Corp., 0%, 5/15/14 (a) | 9 | 180 |
|--|---|-----|

| | | |
|--|-----|-----------|
| Comcast Holdings Corp., 2%, 11/15/29 (h) | 110 | 3,253,403 |
|--|-----|-----------|

| | | |
|--|-----|---------|
| Local Insight Regatta Hldgs, Inc., 11%, 12/01/17 | 902 | 216,480 |
|--|-----|---------|

3,470,063

Metals & Mining 0.1%

| | | |
|--|-----|---------|
| Freeport-McMoRan Copper & Gold, Inc., 4.996%, 4/01/15 (c) | 170 | 149,175 |
|--|-----|---------|

Oil, Gas & Consumable Fuels 0.1%

| | | |
|--------------------------------------|----|--------|
| EXCO Resources, Inc., 7.25%, 1/15/11 | 75 | 63,375 |
|--------------------------------------|----|--------|

Paper & Forest Products 0.5%

| | | |
|---|-----|---------|
| International Paper Co., 8.70%, 6/15/38 | 900 | 670,634 |
|---|-----|---------|

Professional Services 0.1%

| | | |
|---------------------------------------|-----|---------|
| FTI Consulting, Inc., 7.75%, 10/01/16 | 100 | 101,500 |
|---------------------------------------|-----|---------|

Specialty Retail 0.1%

| | | |
|---|-------|--------|
| Lazy Days R.V. Center, Inc., 11.75%, 5/15/12 (f)(g) | 1,182 | 70,920 |
|---|-------|--------|

Total Corporate Bonds 13.9%

17,076,486

Total Long-Term Investments

(Cost \$306,206,665) 139.8%

171,587,591

Short-Term Securities

Shares

Money Market Fund 22.7%

| | | |
|---|------------|------------|
| BlackRock Liquidity Funds, TempFund, 0.64% (j)(k) | 27,905,614 | 27,905,614 |
|---|------------|------------|

Total Short-Term Securities

(Cost \$27,905,614) 22.7%

27,905,614

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| | | |
|--|----------------|----------------|
| Total Investments (Cost \$334,112,279*) | 162.5% | 199,493,205 |
| Liabilities in Excess of Other Assets | (5.1)% | (6,318,479) |
| Preferred Shares, at Redemption Value | (57.4)% | (70,427,967) |
| Net Assets Applicable to Common Shares | 100.0% | \$ 122,746,759 |

* The cost and unrealized appreciation (depreciation) of investments as of April 30, 2009, as computed for federal income tax purposes, were as follows:

| | |
|-------------------------------|-----------------|
| Aggregate cost | \$ 332,648,831 |
| Gross unrealized appreciation | \$ 199,555 |
| Gross unrealized depreciation | (133,355,181) |
| Net unrealized depreciation | \$(133,155,626) |

(a) 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.

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

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

(d) All or a portion of security held as collateral in connection with open reverse repurchase agreements.

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

(f) Non-income producing security.

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

(h) Convertible security.

(i) Warrants entitle the Fund to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date.

See Notes to Financial Statements.

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Schedule of Investments (concluded) BlackRock Preferred Opportunity Trust (BPP)

(j) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

| Affiliate | Net Activity | Income |
|-------------------------------------|--------------|-----------|
| BlackRock Liquidity Funds, TempFund | 27,905,614 | \$ 60,011 |

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

For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine industry sub-classifications for reporting ease.

Reverse repurchase agreements outstanding as of April 30, 2009 were as follows:

| Counterparty | Interest Rate | Trade Date | Maturity Date | Net Closing Amount | Face Amount |
|-------------------|---------------|------------|---------------|---------------------|---------------------|
| Barclays Bank Plc | 1.99% | 3/03/09 | 5/15/09 | \$ 81,322 | \$ 81,000 |
| Barclays Bank Plc | 1.98% | 3/06/09 | 5/15/09 | 4,336,321 | 4,320,400 |
| Barclays Bank Plc | 1.98% | 3/06/09 | 5/15/09 | 5,733,871 | 5,713,133 |
| Total | | | | \$10,151,514 | \$10,114,533 |

Financial futures contracts purchased as of April 30, 2009 were as follows:

| Contracts | Issue | Expiration Date | Face Value | Unrealized Depreciation |
|-----------|-----------------------------|-----------------|--------------|-------------------------|
| 15 | 30-Year U.S. Treasury Notes | June 2009 | \$ 1,867,414 | \$ (28,976) |

Financial futures contracts sold as of April 30, 2009 were as follows:

| Contracts | Issue | Expiration Date | Face Value | Unrealized Appreciation |
|-----------|-----------------------------|-----------------|--------------|-------------------------|
| 151 | 10-Year U.S. Treasury Notes | June 2009 | \$18,445,278 | \$ 183,715 |

Credit default swaps on single-name issues buy protection outstanding as of April 30, 2009 were as follows:

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| Issuer | Pay | Counter-party | Expiration | Notional Amount (000) | Unrealized Depreciation |
|--------------------|------------|------------------|---------------|-----------------------|-------------------------|
| | Fixed Rate | | | | |
| Altria Group, Inc. | 1.03% | Deutsche Bank AG | December 2013 | \$4,000 | \$ (48,230) |
| | | Deutsche Bank AG | June 2014 | | |
| Nordstrom Inc. | 5.20% | Deutsche Bank AG | June 2014 | \$1,000 | (144,301) |
| | | Deutsche Bank AG | 2014 | | |
| Total | | | | | \$ (192,531) |

Credit default swaps on single-name issues sold protection outstanding as of April 30, 2009 were as follows:

| Issuer | Receive | Counter-party | Expiration | Credit Rating ¹ | Notional Amount (000) ² | Unrealized Appreciation |
|-----------------------------------|------------|------------------|---------------|----------------------------|------------------------------------|-------------------------|
| | Fixed Rate | | | | | |
| Philip Morris International, Inc. | 1.73% | Deutsche Bank AG | December 2013 | A | \$4,000 | \$ 9,470 |

¹ Using the S&P's ratings of the issuer.

² The maximum potential amount the Fund may pay should a negative credit event take place as defined under the terms of the agreement.

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements 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 in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstance, to the extent observable inputs are not available (including the Fund's own 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 Fund's policy regarding valuation of investments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

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The following table summarizes the inputs used as of April 30, 2009 in determining the fair valuation of the Fund's investments:

| Valuation Inputs | Investments in | | Other Financial | |
|---------------------|-----------------------|--|-------------------|------------------------|
| | Securities | | Instruments* | |
| | Assets | | Assets | Liabilities |
| Level 1 | \$ 90,529,616 | | \$ 183,715 | \$ (28,976) |
| Level 2 | 105,936,221 | | | (10,307,064) |
| Level 3 | 3,027,368 | | 9,470 | |
| Total | \$ 199,493,205 | | \$ 193,185 | \$ (10,336,040) |

* Other financial instruments are swaps, futures and reverse repurchase agreements. Swaps and futures are valued at the unrealized appreciation/depreciation on the instrument. 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:

| | Investments in | Other |
|---|---------------------|-----------------|
| | Securities | Financial |
| | Assets | Assets |
| Balance, as of October 31, 2008 | | |
| Accrued discounts/premiums | \$ 61 | |
| Realized loss | (3,430,938) | |
| Change in unrealized appreciation/ depreciation ¹ | (819,856) | \$ 9,470 |
| Net sales | (1,650,000) | |
| Net transfers into Level 3 | 8,928,101 | |
| Balance, as of April 30, 2009 | \$ 3,027,368 | \$ 9,470 |

¹ Included in the related net change in unrealized appreciation/depreciation on the Statements of Operations.

See Notes to Financial Statements.

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Statements of Assets and Liabilities

| | BlackRock Broad Investment Grade 2009 Term Trust Inc. ¹ (BCT) | BlackRock Enhanced Capital and Income Fund, Inc. (CII) | BlackRock Floating Rate Income Trust (BGT) | BlackRock Preferred and Corporate Income Strategies Fund, Inc. (PSW) |
|--|---|---|--|---|
| April 30, 2009 (Unaudited) | | | | |
| Assets | | | | |
| Investments at value unaffiliated ² | \$ 33,425,582 | \$ 564,461,082 | \$ 344,135,934 | \$ 73,632,913 |
| Investments at value affiliated ³ | 2,780,000 | | 3,151,730 | 27,610,483 |
| Unrealized appreciation on foreign currency exchange contracts | | | 26,032 | |
| Unrealized appreciation on swaps | 91,865 | | | 4,735 |
| Cash | 4,019 | | 988,735 | |
| Cash collateral for futures contracts | | 1,400,000 | | |
| Foreign currency at value ⁴ | | 7,619 | 856,104 | 381 |
| Investments sold receivable | | 1,724,206 | 10,385,114 | |
| Interest receivable | 47,248 | 8 | 4,089,603 | 2,079,507 |
| Swaps receivable | 960 | | 6,213 | 4,037 |
| Options written receivable | | 172,947 | | |
| Margin variation receivable | 54,186 | | | 23,250 |
| Dividends receivable unaffiliated | | 1,487,720 | | 130,193 |
| Investment advisory fees receivable | 134 | | | |
| Principal paydown receivable | | | 160,005 | |
| Income receivable affiliated | 42 | | 352 | |
| Other assets | 3,013 | 69,403 | 150,427 | |
| Prepaid expenses | 4,313 | 4,203 | 52,858 | 11,531 |
| Total assets | 36,411,362 | 569,327,188 | 364,003,107 | 103,497,030 |
| Liabilities | | | | |
| Unrealized depreciation on swaps | | | 422,017 | 168,416 |
| Loan payable | | | 54,000,000 | |
| Unrealized depreciation on unfunded corporate loans | | | 51,632 | |
| Options written at value ⁵ | | 12,442,493 | | |
| Reverse repurchase agreements | 2,272,644 | | | 5,060,551 |
| Unrealized depreciation on foreign currency exchange contracts | | | 2,075,040 | |
| Investments purchased payable | | 3,492,511 | 2,273,968 | |
| Interest expense payable | 2,879 | | 60,237 | 16,224 |
| Income dividends payable Common Shares | | | 106,830 | 54,857 |
| Investment advisory fees payable | | 376,697 | 159,143 | 47,559 |
| Swaps payable | 375 | | 845,950 | 9,626 |

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| | | | | |
|---|----------------------|-----------------------|-----------------------|----------------------|
| Officer's and Directors'/Trustees' fees payable | 3,455 | 727 | 54,326 | 149 |
| Other affiliates payable | | 2,952 | 2,436 | 924 |
| Other accrued expenses payable | 21,107 | 90,681 | | 31,930 |
| Other liabilities | | | 7,465 | |
| Total liabilities | 2,300,460 | 16,406,061 | 60,059,044 | 5,390,236 |
| Preferred Shares at Redemption Value | | | | |
| \$25,000 per share liquidation preference, plus unpaid dividends ^{6,7} | | | 58,811,150 | 40,254,342 |
| Net Assets Applicable to Common Shareholders | \$ 34,110,902 | \$ 552,921,127 | \$ 245,132,913 | \$ 57,852,452 |
| Net Assets Applicable to Common Shareholders Consist of | | | | |
| Paid-in capital | \$ 37,922,428 | \$ 792,770,863 | \$ 437,555,254 | \$ 238,901,924 |
| Undistributed (distributions in excess of) net investment income | 5,560,434 | (34,555,889) | (5,519,372) | (199,202) |
| Accumulated net realized loss | (7,122,805) | (60,757,680) | (50,239,710) | (118,494,972) |
| Net unrealized appreciation/depreciation | (2,249,155) | (144,536,167) | (136,663,259) | (62,355,298) |
| Net Assets Applicable to Common Shareholders | \$ 34,110,902 | \$ 552,921,127 | \$ 245,132,913 | \$ 57,852,452 |
| Net asset value per Common Share ^{8,9,10} | \$ 11.54 | \$ 12.94 | \$ 10.41 | \$ 5.62 |
| ¹ Consolidated Statement of Assets and Liabilities. | | | | |
| ² Investments at cost unaffiliated | \$ 35,519,186 | \$ 706,629,937 | \$ 478,378,291 | \$ 135,994,488 |
| ³ Investments at cost affiliated | \$ 2,780,000 | | 3,151,730 | \$ 27,610,483 |
| ⁴ Foreign currency at cost | | \$ 9,142 | \$ 856,091 | 368 |
| ⁵ Proceeds from options written | | \$ 10,076,704 | | |
| ⁶ Preferred Shares par value per share | | | \$ 0.001 | \$ 0.10 |
| ⁷ Preferred Shares outstanding | | | 2,352 | 1,610 |
| ⁸ Common Shares par value per share | \$ 0.01 | \$ 0.10 | \$ 0.001 | \$ 0.10 |
| ⁹ Common Shares outstanding | 2,957,093 | 42,731,442 | 23,545,239 | 10,295,846 |
| ¹⁰ Common Shares authorized | 200 Million | 200 Million | Unlimited | 200 Million |

See Notes to Financial Statements.

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Statements of Assets and Liabilities (concluded)

| | BlackRock Preferred and Equity Advantage Trust (BTZ) | BlackRock Preferred Income Strategies Fund, Inc. (PSY) | BlackRock Preferred Opportunity Trust (BPP) |
|---|---|---|--|
| April 30, 2009 (Unaudited) | | | |
| Assets | | | |
| | | | \$ |
| Investments at value unaffiliated ¹ | \$ 618,588,730 | \$ 389,135,342 | 171,587,591 |
| Investments at value affiliated ² | 110,469,494 | 15,858,851 | 27,905,614 |
| Unrealized appreciation on swaps | 21,307 | 18,940 | 9,470 |
| Cash | 13,216 | | 571 |
| Cash collateral for futures contracts | 600,000 | 3,908,600 | |
| Foreign currency at value ³ | 44 | | 475 |
| Interest receivable | 10,620,528 | 10,307,554 | 4,166,941 |
| Swaps receivable | 18,165 | 16,147 | 8,073 |
| Margin variation receivable | | 35,063 | 25,500 |
| Dividends receivable unaffiliated | 1,026,615 | 155,194 | 58,707 |
| Dividends receivable affiliated | 289 | 231 | 309 |
| Other assets | 50,512 | 33,525 | 41,450 |
| Prepaid expenses | 135,569 | 53,244 | 49,487 |
| Total assets | 741,544,469 | 419,522,691 | 203,854,188 |
| Liabilities | | | |
| Unrealized depreciation on swaps | 685,720 | 385,061 | 192,531 |
| Options written at value ⁴ | 2,655,965 | | |
| Reverse repurchase agreements | 55,599,144 | 6,532,310 | 10,114,533 |
| Margin variation payable | 87,405 | | |
| Interest expense payable | 167,936 | 20,943 | 29,193 |
| Income dividends payable Common Shares | 805,068 | 268,872 | |
| Investment advisory fees payable | 373,142 | 202,401 | 109,324 |
| Swaps payable | 39,704 | 24,058 | 12,029 |
| Officer's and Directors'/Trustees' fees payable | 52,033 | 34,579 | 42,906 |
| Other affiliates payable | 4,832 | 3,960 | 3,288 |
| Other accrued expenses payable | 320,259 | 126,901 | 175,658 |
| Total liabilities | 60,791,208 | 7,599,085 | 10,679,462 |
| Preferred Shares at Redemption Value | | | |
| \$25,000 per share liquidation preference, plus unpaid dividends ^{5,6} | 231,034,617 | 172,990,679 | 70,427,967 |
| Net Assets Applicable to Common Shareholders | \$ 449,718,644 | \$ 238,932,927 | \$ 122,746,759 |
| Net Assets Applicable to Common Shareholders Consist of | | | |
| Paid in capital | \$1,162,690,058 | \$ 942,284,951 | \$ 427,796,553 |

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| | | | |
|--|-----------------------|-----------------------|-----------------------|
| Undistributed (distributions in excess of) net investment income | (10,505,565) | 3,560,550 | 926,651 |
| Accumulated net realized loss | (335,736,920) | (412,226,968) | (171,329,065) |
| Net unrealized appreciation/depreciation | (366,728,929) | (294,685,606) | (134,647,380) |
| Net Assets Applicable to Common Shareholders | \$ 449,718,644 | \$ 238,932,927 | \$ 122,746,759 |
| Net asset value per Common Share ^{7,8,9} | \$ 8.68 | \$ 5.87 | \$ 6.65 |
| ¹ Investments at cost unaffiliated | \$ 985,982,951 | \$ 683,669,352 | \$ 306,206,665 |
| ² Investments at cost affiliated | \$ 110,469,494 | \$ 15,858,851 | \$ 27,905,614 |
| ³ Foreign currency at cost | \$ 44 | | \$ 459 |
| ⁴ Premiums received from options written | \$ 3,525,366 | | |
| ⁵ Preferred Shares par value per share | \$ 0.001 | \$ 0.10 | \$ 0.001 |
| ⁶ Preferred Shares outstanding | 9,240 | 6,914 | 2,817 |
| ⁷ Common Shares par value per share | \$ 0.001 | \$ 0.10 | \$ 0.001 |
| ⁸ Common Shares outstanding | 51,828,157 | 40,726,447 | 18,455,769 |
| ⁹ Common Shares authorized | Unlimited | 200 Million | Unlimited |

See Notes to Financial Statements.

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Statements of Operations

| | BlackRock Broad Investment Grade 2009 Term Trust Inc. ¹ (BCT) | BlackRock Enhanced Capital and Income Fund, Inc. (CII) | BlackRock Floating Rate Income Trust (BGT) |
|--|---|---|---|
| Six Months Ended April 30, 2009 (Unaudited) | | | |
| Investment Income | | | |
| Interest | \$ 1,084,163 | \$ 1,162 | \$ 15,683,044 |
| Dividends | | 9,158,804 | |
| Foreign withholding tax | | (61,689) | |
| Income affiliated | 3,963 | 117,920 | 14,951 |
| Facility and other fees | | | 236,640 |
| Total income | 1,088,126 | 9,216,197 | 15,934,635 |
| Expenses | | | |
| Investment advisory | 94,465 | 2,238,504 | 1,355,134 |
| Borrowing costs | | | 186,411 |
| Accounting services | | 74,173 | 26,466 |
| Professional | 24,741 | 61,582 | 108,570 |
| Commissions for Preferred Shares | | | 49,911 |
| Transfer agent | 134 | 39,897 | 12,765 |
| Officer and Directors/Trustees | 1,627 | 36,977 | 17,951 |
| Custodian | | 27,016 | 20,696 |
| Printing | 6,314 | 11,795 | 45,241 |
| Registration | 735 | 7,689 | 4,473 |
| Miscellaneous | 15,572 | 30,582 | 54,155 |
| Total expenses excluding interest expense and excise tax | 143,588 | 2,528,215 | 1,881,773 |
| Interest expense | 5,834 | | 957,677 |
| Excise tax | 21,458 | | |
| Total expenses | 170,880 | 2,528,215 | 2,839,450 |
| Less fees waived by advisor | (94,820) | | (362,723) |
| Less fees paid indirectly | | | (1,202) |
| Total expenses after fees waived and paid indirectly | 76,060 | 2,528,215 | 2,475,525 |
| Net investment income | 1,012,066 | 6,687,982 | 13,459,110 |
| Realized and Unrealized Gain (Loss) | | | |
| Net realized gain (loss) from: | | | |
| Investments | (64,787) | (102,120,893) | (27,314,395) |
| Futures and swaps | (3,633,196) | (617,742) | (1,179,288) |
| Options written | | 39,752,145 | |
| Foreign currency | | | 6,150,221 |
| | (3,697,983) | (62,986,490) | (22,343,462) |

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Net change in unrealized appreciation/depreciation on:

| | | | |
|---|--------------------|--------------------|--------------------|
| Investments | 234,258 | 62,613,115 | 24,208,128 |
| Futures and swaps | (1,300,662) | (2,194,743) | 398,524 |
| Options written | | 1,287,486 | |
| Foreign currency | | (736) | (7,654,500) |
| Unfunded corporate loans | | | 115,405 |
| | (1,066,404) | 61,705,122 | 17,067,557 |
| Total realized and unrealized loss | (4,764,387) | (1,281,368) | (5,275,905) |

Dividends to Preferred Shareholders From

Net investment income (513,027)

Net Increase (Decrease) in Net Assets Applicable to Common

Shareholders Resulting from Operations \$ (3,752,321) \$ 5,406,614 \$ 7,670,178

¹ Consolidated Statement of Operations.

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

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Statements of Operations (concluded)

| | BlackRock | | | |
|--|---|---|---|--|
| | Preferred and Corporate Income Strategies Fund, Inc. (PSW) | BlackRock Preferred and Equity Advantage Trust (BTZ) | BlackRock Preferred Income Strategies Fund, Inc. (PSY) | BlackRock Preferred Opportunity Trust (BPP) |
| Six Months Ended April 30, 2009 (Unaudited) | | | | |
| Investment Income | | | | |
| Interest | \$ 4,193,718 | \$ 22,724,607 | \$ 20,943,130 | \$ 10,060,215 |
| Dividends | 1,223,319 | 10,126,655 | 6,181,475 | 2,889,040 |
| Income affiliated | 75,608 | 126,627 | 99,137 | 63,379 |
| Total income | 5,492,645 | 32,977,889 | 27,223,742 | 13,012,634 |
| Expenses | | | | |
| Investment advisory | 343,940 | 2,492,250 | 1,501,656 | 781,510 |
| Professional | 49,668 | 76,181 | 57,451 | 51,771 |
| Commissions for preferred shares | 43,510 | 223,155 | 209,806 | 84,914 |
| Transfer agent | 24,693 | 21,284 | 75,885 | 17,498 |
| Accounting services | 12,465 | 89,424 | 66,201 | 47,506 |
| Printing | 10,113 | 92,196 | 41,232 | 40,278 |
| Custodian | 6,317 | 20,513 | 17,977 | 10,677 |
| Registration | 5,306 | 9,696 | 7,954 | 5,126 |
| Officer and Directors/Trustees | 5,119 | 39,243 | 22,994 | 14,683 |
| Miscellaneous | 28,957 | 74,154 | 57,784 | 36,049 |
| Total expenses excluding interest expense | 530,088 | 3,138,096 | 2,058,940 | 1,090,012 |
| Interest expense | 68,721 | 1,391,946 | 178,103 | 313,736 |
| Total expenses | 598,809 | 4,530,042 | 2,237,043 | 1,403,748 |
| Less fees waived by advisor | (2,150) | (14,192) | (1,701) | (5,837) |
| Less fees paid indirectly | (606) | (4) | (665) | |
| Total expenses after fees waived and paid indirectly | 596,053 | 4,515,846 | 2,234,677 | 1,397,911 |
| Net investment income | 4,896,592 | 28,462,043 | 24,989,065 | 11,614,723 |
| Realized and Unrealized Gain (Loss) | | | | |
| Net realized gain (loss) from: | | | | |
| Investments | (44,702,534) | (179,398,894) | (147,118,699) | (91,974,803) |
| Futures and swaps | (2,066,162) | (5,104,785) | (9,385,889) | (4,216,346) |
| Foreign currency | 4,366 | 22,255 | 34,450 | 1,348 |
| Options written | | 6,134,486 | | |
| | (46,764,330) | (178,346,938) | (156,470,138) | (96,189,801) |
| Net change in unrealized appreciation/depreciation on: | | | | |
| Investments | 29,041,941 | 86,888,893 | 73,495,194 | 58,035,000 |

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| | | | | |
|---|-----------------|--------------|--------------|--------------|
| Futures and swaps | 607,761 | 4,276,885 | 1,798,797 | 1,027,644 |
| Foreign currency | (4,272) | (158,263) | (32,957) | (1,043) |
| Options written | | 2,438,064 | | |
| | 29,645,430 | 93,445,579 | 75,261,034 | 59,061,601 |
| Total realized and unrealized loss | (17,118,900) | (84,901,359) | (81,209,104) | (37,128,200) |
| Dividends to Preferred Shareholders From | | | | |
| Net investment income | (461,748) | (2,028,125) | (2,320,269) | (455,588) |
| Net Decrease in Net Assets Applicable to Common Shareholders | | \$ | \$ | \$ |
| Resulting from Operations | \$ (12,684,056) | (58,467,441) | (58,540,308) | (25,969,065) |

See Notes to Financial Statements.

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APRIL 30, 2009

Statements of Changes in Net Assets

| | BlackRock Broad Investment Grade | | BlackRock Enhanced Capital and Income Fund (CII) | | |
|---|---|------------------|--|---------------------------|-------------------|
| | 2009 Term Trust Inc. (BCT) ¹ | | | | |
| | Six Months Ended | Year Ended | Six Months Ended | Period January 1, 2008 to | Year Ended |
| | April 30, 2009 | October 31, 2008 | April 30, 2009 | October 31, 2008 | December 31, 2007 |
| | (Unaudited) | | (Unaudited) | | |
| Increase (Decrease) in Net Assets: | | | | | |
| Operations | | | | | |
| Net investment income | \$ 1,012,066 | \$ 1,227,860 | \$ 6,687,982 | \$ 2,834,944 | \$ 3,828,423 |
| Net realized gain (loss) | (3,697,983) | (278,156) | (62,986,490) | 5,942,502 | 24,442,607 |
| Net change in unrealized appreciation/depreciation | (1,066,404) | (916,689) | 61,705,122 | (83,432,417) | (17,410,396) |
| Net increase (decrease) in net assets resulting from operations | (3,752,321) | 33,015 | 5,406,614 | (74,654,971) | 10,860,634 |
| Dividends and Distributions to Shareholders From | | | | | |
| Net investment income | | (1,738,771) | (41,449,498) | (2,820,467) | (4,178,081) |
| Net realized loss | | | | (7,621,956) | (25,569,419) |
| Tax return of capital | | | | (7,292,188) | |
| Decrease in net assets resulting from dividends and distributions to shareholders | | (1,738,771) | (41,449,498) | (17,734,611) | (29,747,500) |
| Capital Share Transactions | | | | | |
| Value of shares issued resulting from reorganization | | | 420,968,153 | | |
| Net Assets | | | | | |
| Total increase (decrease) in net assets | (3,752,321) | (1,705,756) | 384,925,269 | (92,389,582) | (18,886,866) |
| Beginning of period | 37,863,223 | 39,568,979 | 167,995,858 | 260,385,440 | 279,272,306 |
| End of period | \$ 34,110,902 | \$ 37,863,223 | \$ 552,921,127 | \$ 167,995,858 | \$ 260,385,440 |
| End of period undistributed (distributions in excess of) net investment income | \$ 5,560,434 | \$ 4,548,368 | (34,555,889) | \$ 205,627 | |

¹ Consolidated Statement of Changes in Net Assets.

| | BlackRock Floating Rate Income Trust (BGT) | | BlackRock Preferred and Corporate Income Strategies Fund, Inc. (PSW) | | |
|---|--|---------------------------|--|------------------|------------------|
| | Six Months Ended | Period January 1, 2008 to | Year Ended | Six Months Ended | Year Ended |
| | April 30, 2009 | October 31, 2008 | December 31, 2007 | April 30, 2009 | October 31, 2008 |
| | (Unaudited) | | | (Unaudited) | |
| | | | | | |
| Increase (Decrease) in Net Assets Applicable to Common Shareholders: | | | | | |
| Operations | | | | | |
| Net investment income | \$ 13,459,110 | \$ 33,370,850 | \$ 47,903,772 | \$ 4,896,592 | \$ 17,531,692 |

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| | | | | | |
|---|--------------|---------------|--------------|--------------|---------------|
| Net realized loss | (22,343,462) | (19,428,459) | (10,326,522) | (46,764,330) | (40,404,468) |
| Net change in unrealized appreciation/depreciation | 17,067,557 | (136,762,427) | (22,345,656) | 29,645,430 | (83,863,786) |
| Dividends to Preferred Shareholders from net investment income | (513,027) | (5,542,312) | (12,723,631) | (461,748) | (4,921,335) |
| Net increase (decrease) in net assets applicable to Common Shareholders | | | | | |
| resulting from operations | 7,670,178 | (128,362,348) | 2,507,963 | (12,684,056) | (111,657,897) |

Dividends and Distributions to Common Shareholders

| | | | | | |
|---|--------------|--------------|--------------|-------------|--------------|
| From | | | | | |
| Net investment income | (27,127,153) | (24,133,870) | (26,833,571) | (5,917,238) | (12,521,666) |
| Tax return of capital | | | (8,473,282) | | (545,246) |
| Decrease in net assets resulting from dividends and distributions | | | | | |
| to Common Shareholders | (27,127,153) | (24,133,870) | (35,306,853) | (5,917,238) | (13,066,912) |

Capital Share Transactions

| | | | | | |
|----------------------------------|--|--|---------|--------|--|
| Reinvestment of common dividends | | | 820,433 | 23,886 | |
|----------------------------------|--|--|---------|--------|--|

Net Assets Applicable to Common Shareholders

| | | | | | |
|--|----------------|----------------|----------------|---------------|---------------|
| Total decrease in net assets | (19,456,975) | (152,496,218) | (31,978,457) | (18,577,408) | (124,724,809) |
| Beginning of period | 264,589,888 | 417,086,106 | 449,064,563 | 76,429,860 | 201,154,669 |
| End of period | \$ 245,132,913 | \$ 264,589,888 | \$ 417,086,106 | \$ 57,852,452 | \$ 76,429,860 |
| End of period undistributed (distributions in excess of) net investment income | \$ (5,519,372) | \$ 8,661,698 | \$ 219,332 | \$ (199,202) | \$ 1,283,192 |

See Notes to Financial Statements.

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Statements of Changes in Net Assets

| | BlackRock Preferred and Equity Advantage Trust (BTZ) | | BlackRock Preferred Income Strategies Fund, Inc. (PSY) | |
|--|--|---------------------|--|--|
| | Six Months | Year | Six Months | Year |
| | Ended | Ended | Ended | Ended |
| | April 30, 2009 | October 31, 2008 | April 30, 2009 | October 31, 2008 |
| Increase (Decrease) in Net Assets Applicable to Common Shareholders: | (Unaudited) | 2008 | (Unaudited) | 2008 |
| Operations | | | | |
| Net investment income | \$ 28,462,043 | \$ 68,908,426 | \$ 24,989,065 | \$ 70,160,283 |
| Net realized loss | (178,346,938) | (113,133,432) | (156,470,138) | (147,042,661) |
| Net change in unrealized appreciation/depreciation | 93,445,579 | (408,221,553) | 75,261,034 | (333,625,419) |
| Dividends to Preferred Shareholders from net investment income | (2,028,125) | (17,100,517) | (2,320,269) | (19,937,495) |
| Net decrease in net assets applicable to Common Shareholders resulting from operations | (58,467,441) | (469,547,076) | (58,540,308) | (430,445,292) |
| Dividends and Distributions to Common Shareholders From | | | | |
| Net investment income | (40,425,962) | (46,857,132) | (26,315,321) | (46,831,403) |
| Tax return of capital | | (43,518,226) | | (9,002,427) |
| Decrease in net assets resulting from dividends and distributions to Common Shareholders | (40,425,962) | (90,375,358) | (26,315,321) | (55,833,830) |
| Capital Share Transactions | | | | |
| Reinvestment of common dividends | | | 656,314 | |
| Net Assets Applicable to Common Shareholders | | | | |
| Total decrease in net assets applicable to Common Shareholders | (98,893,403) | (559,922,434) | (84,199,315) | (486,279,122) |
| Beginning of period | 548,612,047 | 1,108,534,481 | 323,132,242 | 809,411,364 |
| End of period | \$ 449,718,644 | \$ 548,612,047 | \$ 238,932,927 | \$ 323,132,242 |
| End of period undistributed (distributions in excess of) net investment income | \$ (10,505,565) | \$ 3,486,479 | \$ 3,560,550 | \$ 7,207,075 |
| | | | BlackRock Preferred Opportunity Trust (BPP) | |
| | | | Six Months | Year |
| | | | Ended | Ended |
| | | | April 30, 2009 | December 31, |
| | | | (Unaudited) | 2007 |
| | | | | 2008 |
| | | | | Period January 1, 2008 to October 31, |
| | | | | 2008 |
| | | | | 2007 |
| Increase (Decrease) in Net Assets Applicable to Common Shareholders: | | | | |
| Operations | | | | |
| Net investment income | | \$ 11,614,723 | \$ 27,233,861 | \$ 37,729,277 |
| Net realized loss | | (96,189,801) | (47,985,932) | (24,690,221) |
| Net change in unrealized appreciation/depreciation | | 59,061,601 | (149,715,592) | (61,889,014) |

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Dividends and distributions to Preferred Shareholders from:

| | | | |
|--|--------------|---------------|--------------|
| Net investment income | (455,588) | (5,653,232) | (11,458,715) |
| Net realized gain | | | (87,490) |
| Net decrease in net assets applicable to Common Shareholders resulting from operations | (25,969,065) | (176,120,895) | (60,396,163) |

Dividends and Distributions to Common Shareholders From

| | | | |
|--|--------------|--------------|--------------|
| Net investment income | (13,079,067) | (15,206,928) | (29,219,599) |
| Net realized gain | | | (312,510) |
| Tax return of capital | | (5,480,035) | (2,820,986) |
| Decrease in net assets resulting from dividends and distributions to Common Shareholders | (13,079,067) | (20,686,963) | (32,353,095) |

Capital Share Transactions

| | | | |
|----------------------------------|---------|---------|---------|
| Reinvestment of common dividends | 484,056 | 101,702 | 770,755 |
|----------------------------------|---------|---------|---------|

Net Assets Applicable to Common Shareholders

| | | | |
|---|----------------|----------------|----------------|
| Total decrease in net assets | (38,564,076) | (196,706,156) | (91,978,503) |
| Beginning of period | 161,310,835 | 358,016,991 | 449,995,494 |
| End of period | \$ 122,746,759 | \$ 161,310,835 | \$ 358,016,991 |
| End of period undistributed net investment income | \$ 926,651 | \$ 2,846,583 | \$ (2,571,328) |

See Notes to Financial Statements.

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Statements of Cash Flows

| | BlackRock Floating Rate Income Trust, Inc. (BGT) | BlackRock Preferred and Equity Advantage Trust (BTZ) |
|--|---|---|
| Six Months Ended April 30, 2009 (Unaudited) | | |
| Cash Provided by Operating Activities | | |
| Net increase (decrease) in net assets resulting from operations, excluding dividends to Preferred Shareholders | \$ 8,183,205 | \$ (56,439,316) |
| Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by operating activities: | | |
| Decrease in receivables | 1,487,518 | 9,371,241 |
| Increase in prepaid expenses and other assets | (62,758) | (13,694) |
| Increase (decrease) in other liabilities | 384,537 | (4,203,629) |
| Net realized and unrealized loss | 10,249,030 | 86,450,217 |
| Amortization of premium and discount on investments | (949,688) | 74,835 |
| Proceeds from sales and paydowns of long-term investments | 108,857,166 | 255,013,236 |
| Purchases of long-term securities | (43,594,589) | (178,628,324) |
| Net (purchases) sales of short-term investments | (1,650,981) | 92,566,359 |
| Premiums received from options written | | 29,731,457 |
| Premiums paid on closing options written | | (23,645,491) |
| Net cash provided by operating activities | 82,903,440 | 210,276,891 |
| Cash Used for Financing Activities | | |
| Cash receipts from borrowings | 27,000,000 | |
| Cash payments from borrowings | (96,150,000) | |
| Cash receipts from reverse repurchase agreements | 1,209,375 | 75,433,383 |
| Cash payments from reverse repurchase agreements | (1,209,375) | (243,346,311) |
| Collateral for futures | | (600,000) |
| Cash dividends paid to common shareholders | (27,129,733) | (40,515,297) |
| Cash dividends paid to preferred shareholders | (522,803) | (2,091,589) |
| Net cash used for financing activities | (96,802,536) | (211,119,814) |
| Cash Impact from Foreign Currency Fluctuations | | |
| Cash impact from foreign currency fluctuations | 194,890 | 3 |
| Cash | | |
| Net decrease in cash | (13,704,206) | (842,920) |
| Cash at beginning of period | 15,549,045 | 856,180 |
| Net cash at end of period | \$ 1,844,839 | \$ 13,260 |
| Cash Flow Information | | |
| Cash paid during the period for interest | \$ 1,025,034 | \$ 2,487,768 |

See Notes to Financial Statements.

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BlackRock Broad Investment Grade Term
Trust Inc. (BCT)

Financial Highlights

| | Six Months | | | | | |
|--|---|-------------------|-----------|-----------|-----------|-----------|
| | Ended April 30, 2009 (Unaudited) | 2008 | 2007 | 2006 | 2005 | 2004 |
| Per Share Operating Performance | | | | | | |
| Net asset value, beginning of period | \$ 12.80 | \$ 13.38 | \$ 13.79 | \$ 14.63 | \$ 15.98 | \$ 16.02 |
| Net investment income | 0.34 ¹ | 0.42 ¹ | 0.48 | 0.65 | 0.80 | 0.61 |
| Net realized and unrealized gain (loss) | (1.60) | (0.41) | 0.01 | (0.05) | (0.87) | 0.25 |
| Net increase (decrease) from investment operations | (1.26) | 0.01 | 0.49 | 0.60 | (0.07) | 0.86 |
| Dividends and distributions from: | | | | | | |
| Net investment income | | (0.59) | (0.90) | (1.42) | (1.03) | (0.90) |
| Net realized gain | | | | (0.02) | (0.25) | |
| Total dividends and distributions | | (0.59) | (0.90) | (1.44) | (1.28) | (0.90) |
| Net asset value, end of period | \$ 11.54 | \$ 12.80 | \$ 13.38 | \$ 13.79 | \$ 14.63 | \$ 15.98 |
| Market price, end of period | \$ 11.19 | \$ 12.50 | \$ 15.15 | \$ 15.08 | \$ 15.86 | \$ 15.80 |
| Total Investment Return² | | | | | | |
| Based on net asset value | (9.84)% ³ | (0.07)% | 2.95% | 3.53% | (0.82)% | 5.52% |
| Based on market price | (10.48)% ³ | (13.82)% | 6.60% | 4.44% | 8.74% | 5.45% |
| Ratios to Average Net Assets | | | | | | |
| Total expenses after fees waived and excluding interest expense and excise tax | 0.30% ⁴ | 0.27% | 1.16% | 1.14% | 1.19% | 1.11% |
| Total expenses after fees waived | 0.46% ⁴ | 0.95% | 1.86% | 1.14% | 2.37% | 2.48% |
| Total expenses | 1.04% ⁴ | 1.65% | 1.86% | 1.14% | 2.37% | 2.48% |
| Net investment income | 6.18% ⁴ | 3.09% | 3.50% | 4.50% | 5.23% | 3.83% |
| Supplemental Data | | | | | | |
| Net assets, end of period (000) | \$ 34,111 | \$ 37,863 | \$ 39,569 | \$ 40,781 | \$ 43,276 | \$ 47,255 |
| Reverse repurchase agreements outstanding, end of period (000) | \$ 2,273 | | | | | \$ 19,263 |
| Reverse repurchase agreements average daily balance (000) | \$ 1,615 | | | | \$ 7,865 | \$ 22,055 |
| Portfolio turnover | 3% | 114% | 10% | 8% | 116% | 20% |
| Asset coverage, end of period per \$1,000 | \$ 16,007 | | | | | \$ 3,453 |

¹ Based on average shares outstanding.

² Total investment returns based on market price, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Total investment returns exclude the effects of sales charges.

³ Aggregate total investment return.

⁴ Annualized.

See Notes to Financial Statements.

**BlackRock Enhanced Capital and Income Fund, Inc.
(CII)**
Financial Highlights

| | Six Months Ended | Period January 1, 2008 to | | | Period April 30, 2004 ¹ to | |
|---|-------------------------------|---------------------------------|-------------------|-------------------|---|-------------------------|
| | | Year Ended December 31, | | | | |
| | April 30, 2009 (Unaudited) | October 31, 2008 | 2007 | 2006 | 2005 | December 31, 2004 |
| Per Share Operating Performance | | | | | | |
| Net asset value, beginning of period | \$ 13.78 | \$ 21.36 | \$ 22.91 | \$ 20.31 | \$ 20.76 | \$ 19.10 ² |
| Net investment income | 0.17 ³ | 0.23 ³ | 0.31 ³ | 0.37 ³ | 0.46 ³ | 0.46 |
| Net realized and unrealized gain (loss) | (0.04) | (6.36) | 0.58 | 3.69 | 0.29 | 1.84 |
| Net increase (decrease) from investment operations | 0.13 | (6.13) | 0.89 | 4.06 | 0.75 | 2.30 |
| Dividends and distributions from: | | | | | | |
| Net investment income | (0.97) | (0.23) | (0.34) | (0.33) | (0.47) | (0.48) |
| Net realized gain | | (0.62) | (2.10) | (1.13) | (0.73) | (0.11) |
| Tax return of capital | | (0.60) | | | | (0.01) |
| Total dividends and distributions | (0.97) | (1.45) | (2.44) | (1.46) | (1.20) | (0.60) |
| Capital charges with respect to the issuance of shares | | | | | | (0.04) |
| Net asset value, end of period | \$ 12.94 | \$ 13.78 | \$ 21.36 | \$ 22.91 | \$ 20.31 | \$ 20.76 |
| Market price, end of period | \$ 11.38 | \$ 12.37 | \$ 20.06 | \$ 20.41 | \$ 17.21 | \$ 18.32 |
| Total Investment Return⁴ | | | | | | |
| Based on net asset value | 2.12% ⁵ | (29.46)% ⁵ | 4.79% | 21.70% | 4.69% | 12.30% ⁵ |
| Based on market price | 0.05% ⁵ | (32.58)% ⁵ | 10.47% | 27.95% | 0.52% | (5.36)% ⁵ |
| Ratios to Average Net Assets | | | | | | |
| Total expenses after fees waived and excluding interest expense | 0.96% ⁶ | 1.01% ⁶ | 1.19% | 1.42% | 1.47% | 1.20% ⁶ |
| Total expenses after fees waived | 0.96% ⁶ | 1.10% ⁶ | 1.96% | 3.54% | 2.96% | 1.96% ⁶ |
| Total expenses | 0.96% ⁶ | 1.10% ⁶ | 1.96% | 3.54% | 2.96% | 2.19% ⁶ |
| Net investment income | 2.54% ⁶ | 1.46% ⁶ | 1.36% | 1.75% | 2.28% | 3.52% ⁶ |
| Supplemental Data | | | | | | |
| Net assets, end of period (000) | \$ 552,921 | \$ 167,996 | \$ 260,385 | \$ 279,272 | \$ 260,638 | \$ 266,345 |
| Loan outstanding, end of period (000) | | | | \$ 100,000 | \$ 109,000 | \$ 109,000 |
| Average loan outstanding during the period (000) | | | \$ 38,788 | \$ 107,504 | \$ 109,000 | \$ 98,750 |
| Portfolio turnover | 36% | 45% | 63% | 38% | 61% | 20% |
| Asset coverage, end of period per \$1,000 | | | | \$ 3,793 | \$ 3,391 | \$ 3,444 |

¹ Commencement of operations.

² Net asset value, beginning of period, reflects a deduction of \$0.90 per share sales charge from initial offering price of \$20.00 per share.

³ Based on average shares outstanding.

⁴ Total investment returns based on market price, which can be significantly greater or lesser than the net asset value, may result in substantially

different returns. Total investment
returns exclude the effects of sales charges.

⁵ Aggregate total investment return.

⁶ Annualized.

See Notes to Financial Statements.

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Financial Highlights

BlackRock Floating Rate Income Trust
(BGT)

| | Period | | Year Ended December | | | Period |
|---|----------------------------------|------------------------|---------------------|----------|---------------------|------------------------------------|
| | Six Months Ended | January 1, 2008 to | 31, | | | August 30, 2004 ¹ to |
| | April 30, 2009 (Unaudited) | October 31, 2008 | 2007 | 2006 | 2005 | December 31, 2004 |
| Per Share Operating Performance | | | | | | |
| Net asset value, beginning of period | \$ 11.24 | \$ 17.71 | \$ 19.11 | \$ 19.13 | \$ 19.21 | \$ 19.10 ² |
| Net investment income | 0.58 ³ | 1.42 ³ | 2.03 | 1.99 | 1.64 | 0.33 |
| Net realized and unrealized gain (loss) | (0.24) | (6.62) | (1.39) | (0.06) | (0.17) | 0.35 |
| Dividends and distributions to Preferred Shareholders from: | | | | | | |
| Net investment income | (0.02) | (0.24) | (0.54) | (0.48) | (0.33) | (0.04) |
| Net realized gain | | | | (0.01) | (0.00) ⁴ | |
| Net increase (decrease) from investment operations | 0.32 | (5.44) | 0.10 | 1.44 | 1.14 | 0.64 |
| Dividends and distributions to Common Shareholders from: | | | | | | |
| Net investment income | (1.15) | (1.03) | (1.14) | (1.44) | (1.22) | (0.37) |
| Net realized gain | | | | (0.02) | (0.00) ⁴ | |
| Tax return of capital | | | (0.36) | | | |
| Total dividends and distributions | (1.15) | (1.03) | (1.50) | (1.46) | (1.22) | (0.37) |
| Capital charges with respect to issuance of: | | | | | | |
| Common Shares | | | | | | (0.04) |
| Preferred Shares | | | | | | (0.12) |
| Total capital charges | | | | | | (0.16) |
| Net asset value, end of period | \$ 10.41 | \$ 11.24 | \$ 17.71 | \$ 19.11 | \$ 19.13 | \$ 19.21 |
| Market price, end of period | \$ 9.85 | \$ 9.63 | \$ 15.78 | \$ 19.27 | \$ 17.16 | \$ 18.63 |
| Total Investment Return⁵ | | | | | | |
| Based on net asset value | 5.03% ⁶ | (31.62)% ⁶ | 0.98% | 7.93% | 6.63% | 2.57% ⁶ |
| Based on market price | 16.00% ⁶ | (34.24)% ⁶ | (10.92)% | 21.31% | (1.34)% | (5.00)% ⁶ |
| Ratios to Average Net Assets Applicable to Common Shareholders | | | | | | |
| Total expenses after fees waived and paid indirectly and excluding | | | | | | |
| interest expense ⁷ | 1.34% ⁸ | 1.21% ⁸ | 1.16% | 1.19% | 1.15% | 0.97% ⁸ |
| Total expenses after fees waived and paid indirectly ⁷ | 2.18% ⁸ | 1.89% ⁸ | 1.33% | 1.43% | 1.23% | 0.97% ⁸ |
| Total expenses ⁷ | 2.50% ⁸ | 2.22% ⁸ | 1.67% | 1.75% | 1.56% | 1.26% ⁸ |
| Net investment income ⁷ | 11.87% ⁸ | 10.56% ⁸ | 10.83% | 10.38% | 8.52% | 5.04% ⁸ |
| Dividends to Preferred Shareholders | 0.45% ⁸ | 1.75% ⁸ | 2.88% | 2.51% | 1.71% | 0.62% ⁸ |

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| | | | | | | |
|---|---------------------|--------------------|------------|------------|------------|--------------------|
| Net investment income to Common Shareholders | 11.42% ⁸ | 8.81% ⁸ | 7.95% | 7.87% | 6.81% | 4.42% ⁸ |
| Supplemental Data | | | | | | |
| Net assets applicable to Common Shareholders, end of period (000) | \$ 245,133 | \$ 264,590 | \$ 417,086 | \$ 449,065 | \$ 449,219 | \$ 451,126 |
| Preferred Shares outstanding at liquidation preference, end of period (000) | \$ 58,800 | \$ 58,800 | \$ 243,450 | \$ 243,450 | \$ 243,450 | \$ 243,450 |
| Loan outstanding, end of period (000) | \$ 54,000 | \$ 123,150 | | | | |
| Average loan outstanding during the period (000) | \$ 78,005 | \$ 71,542 | | | | |
| Reverse repurchase agreements outstanding, end of period (000) | | | | \$ 26,108 | | |
| Reverse repurchase agreements average daily balance (000) | \$ 419 | \$ 238 | \$ 10,524 | \$ 19,562 | \$ 10,722 | \$ 114 |
| Portfolio turnover | 10% | 25% | 41% | 50% | 46% | 11% |
| Asset coverage per Preferred Share, end of period | \$ 129,228 | \$ 137,505 | \$ 67,849 | \$ 73,810 | \$ 71,139 | \$ 71,330 |

¹ Commencement of operations.

² Net asset value, beginning of period, reflects a deduction of \$0.90 per share sales charge from initial offering price of \$20.00 per share.

³ Based on average shares outstanding.

⁴ Amount is less than \$(0.01) per share.

⁵ Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns.

Total investment returns exclude the effects of sales charges.

⁶ Aggregate total investment return.

⁷ Do not reflect the effect of dividends to Preferred Shareholders.

⁸ Annualized.

See Notes to Financial Statements.

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**BlackRock Preferred and Corporate Income Strategies Fund,
Inc. (PSW)**

Financial Highlights

| | Six Months | | | | | |
|---|---|-------------------|------------------------|------------------------|------------------------|------------------------|
| | Ended April 30, 2009 (Unaudited) | 2008 | 2007 | 2006 | 2005 | 2004 |
| Per Share Operating Performance | | | | | | |
| Net asset value, beginning of period | \$ 7.43 | \$ 19.54 | \$ 22.25 | \$ 22.36 | \$ 23.69 | \$ 24.38 |
| Net investment income | 0.48 ¹ | 1.70 ¹ | 2.01 ¹ | 2.14 ¹ | 2.16 | 2.19 |
| Net realized and unrealized gain (loss) | (1.68) | (12.06) | (2.41) | 0.07 | (1.09) | (0.70) |
| Dividends to Preferred Shareholders from net investment income | (0.04) | (0.48) | (0.71) | (0.63) | (0.40) | (0.18) |
| Net increase (decrease) from investment operations | (1.24) | (10.84) | (1.11) | 1.58 | 0.67 | 1.31 |
| Dividends and distributions to Common Shareholders from: | | | | | | |
| Net investment income | (0.57) | (1.22) | (1.18) | (1.69) | (2.00) | (2.00) |
| Tax return of capital | | (0.05) | (0.42) | | | |
| Total dividends and distributions | (0.57) | (1.27) | (1.60) | (1.69) | (2.00) | (2.00) |
| Net asset value, end of period | \$ 5.62 | \$ 7.43 | \$ 19.54 | \$ 22.25 | \$ 22.36 | \$ 23.69 |
| Market price, end of period | \$ 5.55 | \$ 7.00 | \$ 17.29 | \$ 21.26 | \$ 21.03 | \$ 22.84 |
| Total Investment Return² | | | | | | |
| Based on net asset value | (15.87)% ³ | (58.09)% | (5.03)% | 7.97% | 3.25% | 5.86% |
| Based on market price | (11.81)% ³ | (55.38)% | (12.05)% | 9.69% | 0.73% | 5.44% |
| Ratios to Average Net Assets Applicable to Common Shareholders | | | | | | |
| Total expenses after fees waived and paid indirectly and excluding | | | | | | |
| interest expense ⁴ | 1.78% ⁵ | 1.48% | 1.29% | 1.29% | 1.26% | 1.26% |
| Total expenses after fees waived and paid indirectly ⁴ | 2.01% ⁵ | 2.00% | 1.32% | 1.29% | 1.26% | 1.26% |
| Total expenses ⁴ | 2.02% ⁵ | 2.00% | 1.32% | 1.29% | 1.26% | 1.27% |
| Net investment income ⁴ | 16.51% ⁵ | 10.79% | 9.38% | 9.70% | 9.23% | 9.04% |
| Dividends to Preferred Shareholders | 1.56% ⁵ | 3.03% | 3.29% | 2.84% | 1.71% | 0.76% |
| Net investment income to Common Shareholders | 14.95% ⁵ | 7.76% | 6.09% | 6.86% | 7.52% | 8.28% |
| Supplemental Data | | | | | | |
| Net assets applicable to Common Shareholders, end of period (000) | \$ 57,852 | \$ 76,430 | \$ 201,155 | \$ 228,734 | \$ 229,850 | \$ 243,492 |
| Preferred Shares outstanding at liquidation preference, end of period (000) | \$ 40,250 | \$ 68,250 | \$ 136,500 | \$ 136,500 | \$ 136,500 | \$ 136,500 |
| Reverse repurchase agreements outstanding, end of period (000) | \$ 5,061 | \$ 4,024 | \$ 590 | | | |
| Reverse repurchase agreements average daily balance (000) | \$ 5,453 | \$ 25,692 | \$ 2,690 | | | |
| Portfolio turnover | 20% | 119% | 88% | 19% | 25% | 27% |
| Asset coverage per Preferred Share, end of period | \$ 60,936 | \$ 53,009 | \$ 61,846 ⁶ | \$ 66,907 ⁶ | \$ 67,115 ⁶ | \$ 69,600 ⁶ |

¹ Based on average shares outstanding.

² Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns.

Total investment returns exclude the effects of sales charges.

³ Aggregate total investment return.

⁴ Do not reflect the effect of dividends to Preferred Shareholders.

⁵ Annualized.

⁶ Amounts have been recalculated to conform with current period presentation.

See Notes to Financial Statements.

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BlackRock Preferred and Equity Advantage Trust
(BTZ)

Financial Highlights

| | Six Months Ended April 30, 2009 (Unaudited) | Year Ended October 31, 2008 | Period December 27, 2006 ¹ to October 31, 2007 |
|--|--|---|--|
| Per Share Operating Performance | | | |
| Net asset value, beginning of period | \$ 10.59 | \$ 21.39 | \$ 23.88 ² |
| Net investment income | 0.55 ³ | 1.33 ³ | 1.25 |
| Net realized and unrealized loss | (1.64) | (10.06) | (1.86) |
| Dividends to Preferred Shareholders from net investment income | (0.04) | (0.33) | (0.31) |
| Net decrease from investment operations | (1.13) | (9.06) | (0.92) |
| Dividends and distributions to Common Shareholders from: | | | |
| Net investment income | (0.78) | (0.90) | (0.93) |
| Tax return of capital | | (0.84) | (0.47) |
| Total dividends and distributions | (0.78) | (1.74) | (1.40) |
| Capital charges with respect to issuance of: | | | |
| Common Shares | | | (0.04) |
| Preferred Shares | | | (0.13) |
| Total capital charges | | | (0.17) |
| Net asset value, end of period | \$ 8.68 | \$ 10.59 | \$ 21.39 |
| Market price, end of period | \$ 8.05 | \$ 9.36 | \$ 18.65 |
| Total Investment Return⁴ | | | |
| Based on net asset value | (8.73)% ⁵ | (44.27)% | (4.42)% ⁵ |
| Based on market price | (4.23)% ⁵ | (43.51)% | (20.34)% ⁵ |
| Ratios to Average Net Assets Applicable to Common Shareholders | | | |
| Total expenses after fees waived and paid indirectly and excluding interest expense ⁶ | 1.39% ⁷ | 1.21% | 1.04% ⁷ |
| Total expenses after fees waived and paid indirectly ⁶ | 2.01% ⁷ | 1.65% | 1.88% ⁷ |
| Total expenses ⁶ | 2.02% ⁷ | 1.65% | 1.90% ⁷ |
| Net investment income ⁶ | 12.69% ⁷ | 7.63% | 6.50% ⁷ |
| Dividends to Preferred Shareholders | 0.90% ⁷ | 1.89% | 1.64% ⁷ |
| Net investment income to Common Shareholders | 11.79% ⁷ | 5.74% | 4.86% ⁷ |
| Supplemental Data | | | |
| Net assets applicable to Common Shareholders, end of period (000) | \$ 449,719 | \$ 548,612 | \$ 1,108,534 |
| Preferred Shares outstanding at liquidation preference, end of period (000) | \$ 231,000 | \$ 231,000 | \$ 462,000 |
| Reverse repurchase agreements outstanding, end of period (000) | \$ 55,599 | \$ 223,512 | \$ 88,291 |
| Reverse repurchase agreements average daily balance (000) | \$ 93,409 | \$ 107,377 | \$ 96,468 |
| Portfolio turnover | 28% | 126% | 35% |

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| | | | |
|---|-----------|-----------|-----------|
| Asset coverage per Preferred Share, end of period | \$ 73,675 | \$ 84,384 | \$ 89,737 |
|---|-----------|-----------|-----------|

¹ Commencement of operations.

² Net asset value, beginning of period, reflects a deduction of \$1.12 per share sales charge from initial offering price of \$25.00 per share.

³ Based on average shares outstanding.

⁴ Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns.

Total investment returns exclude the effects of sales charges.

⁵ Aggregate total investment return.

⁶ Do not reflect the effect of dividends to Preferred Shareholders.

⁷ Annualized.

See Notes to Financial Statements.

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Financial Highlights

BlackRock Preferred Income Strategies
Fund, Inc. (PSY)

| | Six Months | | | | | |
|---|---|------------|------------|------------|------------|------------|
| | Ended April 30, 2009 (Unaudited) | 2008 | 2007 | 2006 | 2005 | 2004 |
| Per Share Operating Performance | | | | | | |
| Net asset value, beginning of period | \$ 7.96 | \$ 19.93 | \$ 22.36 | \$ 22.26 | \$ 23.48 | \$ 24.53 |
| Net investment income ¹ | 0.61 | 1.73 | 2.02 | 2.03 | 2.09 | 2.14 |
| Net realized and unrealized gain (loss) | (1.99) | (11.84) | (2.35) | 0.32 | (0.91) | (0.78) |
| Dividends and distributions to Preferred Shareholders from: | | | | | | |
| Net investment income | (0.06) | (0.49) | (0.73) | (0.65) | (0.40) | (0.18) |
| Net realized gain | | | | | | (0.01) |
| Net increase (decrease) from investment operations | (1.44) | (10.60) | (1.06) | 1.70 | 0.78 | 1.17 |
| Dividends and distributions to Common Shareholders from: | | | | | | |
| Net investment income | (0.65) | (1.15) | (1.16) | (1.51) | (2.00) | (2.13) |
| Net realized gain | | | | | | (0.09) |
| Tax return of capital | | (0.22) | (0.21) | (0.09) | | |
| Total dividends and distributions | (0.65) | (1.37) | (1.37) | (1.60) | (2.00) | (2.22) |
| Net asset value, end of period | \$ 5.87 | \$ 7.96 | \$ 19.93 | \$ 22.36 | \$ 22.26 | \$ 23.48 |
| Market price, end of period | \$ 6.05 | \$ 8.10 | \$ 16.94 | \$ 20.12 | \$ 21.20 | \$ 22.87 |
| Total Investment Return² | | | | | | |
| Based on net asset value | (17.88)% ³ | (55.71)% | (4.35)% | 8.77% | 3.73% | 5.22% |
| Based on market price | (16.83)% ³ | (46.97)% | (9.65)% | 2.77% | 1.43% | 6.12% |
| Ratios to Average Net Assets Applicable to Common Shareholders | | | | | | |
| Total expenses after fees waived and paid indirectly and excluding | | | | | | |
| interest expense ⁴ | 1.65% ⁵ | 1.40% | 1.23% | 1.23% | 1.20% | 1.19% |
| Total expenses after fees waived and paid indirectly ⁴ | 1.79% ⁵ | 1.90% | 1.27% | 1.23% | 1.20% | 1.19% |
| Total expenses ⁴ | 1.79% ⁵ | 1.90% | 1.27% | 1.23% | 1.20% | 1.19% |
| Net investment income ⁴ | 20.01% ⁵ | 10.71% | 9.29% | 9.26% | 8.96% | 8.93% |
| Dividends to Preferred Shareholders | 1.86% ⁵ | 3.04% | 3.34% | 2.96% | 1.73% | 0.74% |
| Net investment income to Common Shareholders | 18.15% ⁵ | 7.67% | 5.95% | 6.30% | 7.23% | 8.19% |
| Supplemental Data | | | | | | |
| Net assets applicable to Common Shareholders, end of period (000) | \$ 238,933 | \$ 323,132 | \$ 809,411 | \$ 907,897 | \$ 903,601 | \$ 952,973 |
| Preferred Shares outstanding at liquidation preference, end of period (000) | \$ 172,850 | \$ 275,000 | \$ 550,000 | \$ 550,000 | \$ 550,000 | \$ 550,000 |
| Reverse repurchase agreements outstanding, end of period (000) | 6,532 | \$ 54,369 | | | | |
| Reverse repurchase agreements average daily balance (000) | 23,965 | \$ 94,908 | \$ 14,375 | | | |

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| | | | | | | |
|---|-----------|-----------|------------------------|------------------------|------------------------|------------------------|
| Portfolio turnover | 15% | 120% | 81% | 18% | 28% | 23% |
| Asset coverage per Preferred Share, end of period | \$ 59,578 | \$ 54,408 | \$ 61,817 ⁶ | \$ 66,294 ⁶ | \$ 66,077 ⁶ | \$ 68,319 ⁶ |

¹ Based on average shares outstanding.

² Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns.

Total investment returns exclude the effects of sales charges.

³ Aggregate total investment return.

⁴ Do not reflect the effect of dividends to Preferred Shareholders.

⁵ Annualized.

⁶ Amounts have been recalculated to conform with current period presentation.

See Notes to Financial Statements.

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Financial Highlights

BlackRock Preferred Opportunity Trust
(BPP)

| | Six Months Ended | Period January 1, 2008 to | Year Ended December 31, | | | | Period February 28, 2003 ¹ to |
|---|----------------------------------|------------------------------------|----------------------------|----------|----------|----------|---|
| | April 30, 2009 (Unaudited) | October 31, 2008 | 2007 | 2006 | 2005 | 2004 | December 31, 2003 |
| Per Share Operating Performance | | | | | | | |
| Net asset value, beginning of period | \$ 8.77 | \$ 19.47 | \$ 24.52 | \$ 24.43 | \$ 25.88 | \$ 25.58 | \$ 23.88 ² |
| Net investment income | 0.63 ³ | 1.48 ³ | 2.05 | 2.05 | 2.11 | 2.22 | 1.72 |
| Net realized and unrealized gain (loss) | (2.02) | (10.74) | (4.72) | 0.62 | (0.82) | 0.33 | 1.93 |
| Dividends and distributions to Preferred Shareholders from: | | | | | | | |
| Net investment income | (0.02) | (0.31) | (0.62) | (0.46) | (0.26) | (0.16) | (0.10) |
| Net realized gain | | | | (0.12) | (0.13) | (0.02) | |
| Net increase (decrease) from investment operations | (1.41) | (9.57) | (3.29) | 2.09 | 0.90 | 2.37 | 3.55 |
| Dividends and distributions to Common Shareholders from: | | | | | | | |
| Net investment income | (0.71) | (0.83) | (1.59) | (1.58) | (1.74) | (2.00) | (1.66) |
| Net realized gain | | | (0.02) | (0.42) | (0.61) | (0.07) | |
| Tax return of capital | | (0.30) | (0.15) | | | | |
| Total dividends and distributions | (0.71) | (1.13) | (1.76) | (2.00) | (2.35) | (2.07) | (1.66) |
| Capital charges with respect to: | | | | | | | |
| Common shares | | | | | | | (0.05) |
| Preferred shares | | | | | | | (0.14) |
| Total capital charges | | | | | | | (0.19) |
| Net asset value, end of period | \$ 6.65 | \$ 8.77 | \$ 19.47 | \$ 24.52 | \$ 24.43 | \$ 25.88 | \$ 25.58 |
| Market price, end of period | \$ 7.08 | \$ 8.51 | \$ 17.31 | \$ 26.31 | \$ 24.20 | \$ 25.39 | \$ 24.83 |
| Total Investment Return⁴ | | | | | | | |
| Based on net asset value | (15.77)% ⁵ | (51.22)% ⁵ | (13.86)% | 8.89% | 3.81% | 10.15% | 14.65% ⁵ |
| Based on market price | (7.59)% ⁵ | (46.76)% ⁵ | (28.62)% | 17.98% | 4.83% | 11.01% | 6.28% ⁵ |
| Ratios to Average Net Assets Applicable to Common Shareholders | | | | | | | |
| Total expenses after fees waived and paid indirectly and | | | | | | | |
| excluding interest expense ⁶ | 1.70% ⁷ | 1.39% ⁷ | 1.24% | 1.25% | 1.22% | 1.19% | 1.16% ⁷ |
| Total expenses after fees waived and paid indirectly ⁶ | 2.19% ⁷ | 1.96% ⁷ | 1.45% | 1.62% | 1.51% | 1.44% | 1.52% ⁷ |
| Total expenses ⁶ | 2.20% ⁷ | 1.96% ⁷ | 1.46% | 1.62% | 1.51% | 1.44% | 1.52% ⁷ |
| Net investment income ⁶ | 18.19% ⁷ | 10.53% ⁷ | 8.90% | 8.46% | 8.37% | 8.66% | 8.35% ⁷ |

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| | | | | | | | |
|--|---------------------|--------------------|-------|-------|-------|-------|--------------------|
| Dividends to Preferred Shareholders | 0.72% ⁷ | 2.19% ⁷ | 2.70% | 1.89% | 1.27% | 0.62% | 0.48% ⁷ |
| Net investment income to Common Shareholders | 17.47% ⁷ | 8.34% ⁷ | 6.20% | 6.58% | 7.10% | 8.04% | 7.87% ⁷ |

Supplemental Data

| | | | | | | | |
|---|------------|------------|------------|------------|------------|------------|------------|
| Net assets applicable to Common Shareholders, end of period (000) | \$ 122,747 | \$ 161,311 | \$ 358,017 | \$ 449,995 | \$ 447,190 | \$ 473,809 | \$ 468,243 |
| Preferred Shares outstanding at liquidation preference, end of period (000) | \$ 70,425 | \$ 110,400 | \$ 220,800 | \$ 220,800 | \$ 220,800 | \$ 220,800 | \$ 220,841 |
| Reverse repurchase agreements outstanding, end of period (000) | \$ 10,115 | \$ 44,281 | | | | | \$ 3,486 |
| Reverse repurchase agreements average daily balance (000) | \$ 21,161 | \$ 51,995 | \$ 903 | \$ 1,303 | \$ 2,904 | \$ 782 | \$ 19,822 |
| Portfolio turnover | 15% | 121% | 97% | 91% | 77% | 88% | 98% |
| Asset coverage per Preferred Share, end of period | \$ 68,575 | \$ 61,540 | \$ 65,554 | \$ 75,965 | \$ 75,642 | \$ 78,650 | \$ 78,021 |

¹ Commencement of operations.

² Net asset value, beginning of period, reflects a deduction of \$1.12 per share sales charge from initial offering price of \$25.00 per share.

³ Based on average shares outstanding.

⁴ Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns.

Total investment returns exclude the effects of sales charges.

⁵ Aggregate total investment return.

⁶ Do not reflect the effect of dividends to Preferred Shareholders.

⁷ Annualized.

See Notes to Financial Statements.

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Notes to Financial Statements (Unaudited)

1. Organization and Significant Accounting Policies

BlackRock Broad Investment Grade 2009 Term Trust Inc. (Broad Investment Grade), BlackRock Enhanced Capital and Income Fund, Inc. (Capital and Income), BlackRock Preferred and Corporate Income Strategies Fund, Inc. (Preferred and Corporate) and BlackRock Preferred Income Strategies Fund, Inc. (Preferred Income) are registered as diversified, closed-end management investment companies under the Investment Company Act of 1940, as amended (the 1940 Act). BlackRock Floating Rate Income Trust (formerly BlackRock Global Floating Rate Income Trust) (Floating Rate), BlackRock Preferred and Equity Advantage Trust (Preferred and Equity) and BlackRock Preferred Opportunity Trust (Preferred Opportunity) are registered as non-diversified, closed-end management investment companies under the 1940 Act. Broad Investment Grade, Capital and Income, Preferred and Corporate and Preferred Income are organized as Maryland corporations. Floating Rate, Preferred and Equity and Preferred Opportunity are organized as Delaware statutory trusts. Broad Investment Grade, Capital and Income, Floating Rate, Preferred and Corporate, Preferred and Equity, Preferred Income and Preferred Opportunity are individually referred to as a Fund and collectively as the Funds. On November 29, 2007, Broad Investment Grade s Board of Directors approved a Plan of Liquidation and Dissolution, which provided Broad Investment Grade would liquidate substantially all of its assets on or about the close of business on December 31, 2009. The Funds financial statements are prepared in conformity with accounting principles generally accepted in the United States of America, which may require the use of management accruals and estimates. Actual results may differ from these estimates. The Funds determine and make available for publication the net asset value of their Common Shares on a daily basis.

On December 3, 1999, Broad Investment Grade transferred a substantial portion of its total assets to a 100% owned registered investment company subsidiary called BCT Subsidiary, Inc. The financial statements and these notes to the financial statements for Broad Investment Grade are consolidated and include the operations of both Broad Investment Grade and its wholly owned subsidiary after elimination of all intercompany transactions and balances.

The following is a summary of significant accounting policies followed by the Funds:

Valuation of Investments: The Funds value their bond investments on the basis of last available bid prices or current market quotations provided by dealers or pricing services selected under the supervision of the Fund s Board of Directors/Trustees (the Board). Floating rate loan interests are valued at the mean between the last available bid prices from one or more brokers or dealers as obtained from a pricing service. In determining the value of a particular investment, pricing services may use certain information

with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments, various relationships observed in the market between investments, and calculated yield measures based on valuation technology commonly employed in the market for such investments. Financial futures contracts traded on exchanges are valued at their last sale price. TBA commitments are valued at the current market value of the underlying securities. Swap agreements are valued

utilizing quotes received daily by the Funds pricing service or through brokers, which are derived using daily swap curves and trades of underlying securities. Short-term securities with maturities less than 60 days may be valued at amortized cost, which approximates market value. The fair value of asset-backed and mortgage-backed securities are estimated based on models that consider the estimated cash flows of each tranche of the entity, establishes a benchmark yield and develops an estimated tranche specific spread to the benchmark yield based on the unique attributes of the tranche. Investments in open-end investment companies are valued at net asset value each business day. The Funds value their investments in BlackRock Liquidity Series, LLC Cash Sweep Series at fair value, which is ordinarily based upon their pro-rata ownership in the net assets of the underlying fund.

Equity investments traded on a recognized securities exchange or the NASDAQ Global Market System are valued at the last reported sale price that day or the NASDAQ official closing price, if applicable. For equity investments traded on more than one exchange, the last reported sale price on the exchange where the stock is primarily traded is used. Equity investments traded on a recognized exchange for which there were no sales on that day are valued at the last available bid price. If no bid price is available, the prior day's price will be used, unless it is determined that such prior day's price no longer reflects the fair value of the security.

Exchange-traded options are valued at the mean between the last bid and ask prices at the close of the options market in which the options trade. An exchange-traded option for which there is no mean price is valued at the last bid (long positions) or ask (short positions) price. If no bid or ask price is available, the prior day's price will be used unless it is determined that the prior day's price no longer reflects the fair value of the option. Over-the-counter options are valued by an independent pricing service using a mathematical model which incorporates a number of market data factors, such as the trades and prices of the underlying securities.

In the event that application of these methods of valuation results in a price for an investment which is deemed not to be representative of the market value of such investment, the investment will be valued by a method approved by the Board as reflecting fair value (Fair Value Assets). When determining the price for Fair Value Assets, the investment advisor and/or sub-advisor seeks to determine the price that each Fund might reasonably expect to receive from the current sale of that asset in an arm's-length transaction. Fair value determinations shall be based upon all available factors that the investment advisor and/or sub-advisor deems relevant. The

pricing of all Fair Value Assets is subsequently reported to the Board or a committee thereof.

Generally, trading in foreign securities is substantially completed each day at various times prior to the close of business on the New York Stock Exchange (NYSE). The values of such securities used in computing the net assets of each Fund are determined as of such times. Foreign currency exchange rates will be determined as of the close of business on the NYSE. Occasionally, events affecting the values of such securities and such exchange rates may occur between the times at which they are determined and the close of business on the NYSE that may not be reflected in the

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Notes to Financial Statements (continued)

computation of each Fund's net assets. If events (for example, a company announcement, market volatility or a natural disaster) occur during such periods that are expected to materially affect the value of such securities, those securities may be valued at their fair value as determined in good faith by the Board or by the investment advisor using a pricing service and/or procedures approved by the Board. Foreign currency exchange contracts are valued at the mean between the bid and ask prices. Interpolated values are derived when the settlement date of the contract is an interim date for which quotations are not available.

Derivative Financial Instruments: Each Fund may engage in various portfolio investment strategies both to increase the returns of the Funds and to hedge, or protect, their exposure to interest rate movements and movements in the securities markets. Losses may arise if the value of the contract decreases due to an unfavorable change in the price of the underlying security, or if the counterparty does not perform under the contract.

Financial futures contracts Each Fund may purchase or sell financial futures contracts and options on such financial futures contracts. Futures contracts are contracts for delayed delivery of securities at a specific future date and at a specific price or yield. Pursuant to the contract, the Fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as margin variation and are recorded by the Fund as unrealized gains or losses. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. The use of futures transactions involves the risk of an imperfect correlation in the movements in the price of futures contracts, interest rates and the underlying assets, and the possible inability of counterparties to meet the terms of their contracts.

Forward currency contracts A forward currency contract is an agreement between two parties to buy and sell a currency at a set exchange rate on a future date. Each Fund may enter into forward currency contracts as a hedge against either specific transactions or portfolio positions. Forward currency contracts, when used by the Fund, help to manage the overall exposure to the foreign currency backing some of the investments held by the Fund. The contract is marked-to-market daily and the change in market value is recorded by the Fund as an unrealized gain or loss. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value at the time it was opened and the value at the time it was closed. The use of forward currency contracts involves the risk that counterparties may not meet the terms of the agreement and market risk of unanticipated movements in the value of a foreign currency relative to the US dollar.

Options Each Fund may purchase and write call and put options. A call option gives the purchaser of the option the right (but not the obligation) to buy, and obligates the seller to sell (when the option is exercised), the underlying position at the exercise price at any time or at a specified time during the option period. A put option gives the holder the right to sell and obligates the writer to buy the underlying position at the exercise price at any time or at a specified time during the option period.

When a Fund purchases (writes) an option, an amount equal to the premium paid (received) by the Fund is reflected as an asset and an equivalent liability. The amount of the asset (liability) is subsequently marked-to-market to reflect the current market value of the option written. When a security is purchased or sold through an exercise of an option, the related premium paid (or received) is added to (or deducted from) the basis of the security acquired or deducted from (or added to) the proceeds of the security sold. When an option expires (or the Funds enter into a closing transaction), the Funds realize a gain or loss on the option to the extent of the premiums received or paid (or gain or loss to the extent the cost of the closing transaction exceeds the premium received or paid). When the Fund writes a call option, such option is covered, meaning that the Fund holds the underlying security subject to being called by the option counterparty, or cash in an amount sufficient to cover the obligation. When the Fund writes a put option, such option is covered by cash in an amount sufficient to cover the obligation.

In purchasing and writing options, the Funds bear the market risk of an unfavorable change in the price of the underlying security or index. Exercise of a written option could result in the Funds purchasing a security at a price different from the current market value. The Funds may execute transactions in both listed and over-the-counter options. Transactions in certain over-the-counter options may expose the Funds to the risk of default by the counterparty to the transaction.

Swaps Each Fund may enter into swap agreements, in which the Fund and a counterparty agree to make periodic net payments on a specified notional amount. These periodic payments received or made by the Funds are recorded in the accompanying Statements of Operations as realized gains or losses, respectively. Swaps are marked-to-market daily and changes in value are recorded as unrealized appreciation (depreciation). When the swap is terminated, the Funds will record a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Funds' basis in the contract, if any. Swap transactions involve, to varying degrees, elements of credit and market risk in excess of the amounts recognized on the Statements of Assets and Liabilities. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreements may default on its obligation to perform or disagree as to the meaning of the contractual terms in the agreements, and that there may be unfavorable changes in interest rates

and/or market values associated with these transactions.

Credit default swaps Each Fund may enter into credit default swaps for investment purposes or to manage its credit risk. The Funds enter into credit default agreements to provide a measure of protection against the default of an issuer (as buyer protection) and/or gain credit exposure to an issuer to which it is not otherwise exposed (as seller of protection). Credit default swaps are agreements in which one party pays fixed periodic payments to a counterparty in consideration for a guarantee from the counterparty to make a specific payment should a negative credit event take place (e.g. bankruptcy, failure to pay, obligation accelerators, repudiation, moratorium or restructuring). The Funds may either buy or sell

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Notes to Financial Statements (continued)

(write) credit default swaps. As a buyer, a Fund will either receive from the seller an amount equal to the notional amount of the swap and deliver the referenced security or underlying securities comprising of an index or receive a net settlement of cash equal to the notional amount of the swap less the recovery value of the security or underlying securities comprising of an index. As a seller (writer), a Fund will either pay the buyer an amount equal to the notional amount of the swap and take delivery of the referenced security or underlying securities comprising of an index or pay a net settlement of cash equal to the notional amount of the swap less the recovery value of the security or underlying securities comprising of an index. In the event of default by the counterparty, a Fund may recover amounts paid under the agreement either partially or in total by offsetting any payables and/or receivables with collateral held or pledged.

Interest rate swaps Each Fund may enter into interest rate swaps for investment purposes or to manage its interest rate risk. Interest rate swaps are agreements in which one party pays a floating rate of interest on a notional principal amount and receives a fixed rate of interest on the same notional principal amount for a specified period of time. Alternatively, a party may pay a fixed rate and receive a floating rate. In more complex swaps, the notional principal amount may decline (or amortize) over time.

Total return swaps Each Fund may enter into interest rate swaps for investment purposes or to manage its interest rate risk. Total return swaps are agreements in which one party commits to pay interest in exchange for a market-linked return. To the extent the total return of the security or index underlying the transaction exceeds or falls short of the offsetting interest rate obligation, the Fund will receive a payment from or make a payment to the counterparty.

Foreign Currency Transactions: Foreign currency amounts are translated into United States dollars on the following basis: (i) market value of investment securities, assets and liabilities at the current rate of exchange; and (ii) purchases and sales of investment securities, income and expenses at the rates of exchange prevailing on the respective dates of such transactions.

The Funds report foreign currency related transactions as components of realized gains for financial reporting purposes, whereas such components are treated as ordinary income for federal income tax purposes.

Asset-Backed and Mortgage-Backed Securities: Certain Funds may invest in asset-backed securities. Asset-backed securities are generally issued as pass-through certificates, which represent undivided fractional ownership interests in an underlying pool of assets, or as debt instruments, which are also known as collateralized obligations, and are generally issued as the debt of a special purpose entity organized solely for the purpose of owning such assets and issuing such debt. Asset-backed securities are often backed

by a pool of assets representing the obligations of a number of different parties. The yield characteristics of certain asset-backed securities may differ from traditional debt securities. One such major difference is that all or a principal part of the obligations may be prepaid at any time because the underlying assets (i.e., loans) may be prepaid at any time. As a result, a decrease in interest rates in the market may result in increases in the level

of prepayments as borrowers, particularly mortgagors, refinance and repay their loans. An increased prepayment rate with respect to an asset-backed security subject to such a prepayment feature will have the effect of shortening the maturity of the security. If a Fund has purchased such an asset-backed security at a premium, a faster than anticipated prepayment rate could result in a loss of principal to the extent of the premium paid.

Certain Funds may purchase in the secondary market certain mortgage pass through securities. There are a number of important differences among the agencies and instrumentalities of the U.S. Government that issue mortgage-related securities and among the securities that they issue. For example, mortgage-related securities guaranteed by the Government National Mortgage Association (GNMA) are guaranteed as to the timely payment of principal and interest by GNMA and such guarantee is backed by the full faith and credit of the United States. However, mortgage-related securities issued by the Federal National Mortgage Association (FNMA) include FNMA guaranteed Mortgage Pass-Through Certificates, which are solely the obligations of the FNMA, are not backed by or entitled to the full faith and credit of the United States and are supported by the right of the issuer to borrow from the Treasury.

Certain Funds invest a significant portion of its assets in securities backed by commercial or residential mortgage loans or in issuers that hold mortgage and other asset-backed securities. Please see the Schedules of Investments for these securities. Changes in economic conditions, including delinquencies and/or defaults on assets underlying these securities, can affect the value, income and/or liquidity of such positions.

Collateralized Mortgage Obligations: Certain Funds may invest in multiple class pass-through securities, including collateralized mortgage obligations (CMOs). These multiple class securities may be issued by GNMA, US government agencies or instrumentalities or by trusts formed by private originators of, or investors in, mortgage loans. In general, CMOs are debt obligations of a legal entity that are collateralized by, and multiple class pass-through securities represent direct ownership interests in, a pool of residential or commercial mortgage loans or mortgage pass-through securities (the Mortgage Assets), the payments on which are used to make payments on the CMOs or multiple pass-through securities. Classes of CMOs include interest only (IOs), principal only (POs), planned amortization classes (PACs) and targeted amortization classes (TACs). IOs and POs are stripped mortgage-backed securities representing interests in a pool of mortgages, the cash flow from which has been separated into interest and principal components. IOs receive the interest portion of the cash flow while POs receive the principal portion. IOs and POs can be extremely

volatile in response to changes in interest rates. As interest rates rise and fall, the value of IOs tends to move in the same direction as interest rates. POs perform best when prepayments on the underlying mortgages rise since this increases the rate at which the investment is returned and the yield to maturity on the PO. When payments on mortgages underlying a PO are slower than anticipated, the life of the PO is lengthened and the yield to maturity is reduced. If the underlying mortgage assets experience greater than anticipated pre-payments of principal, the Funds may not fully recoup its initial investment in IOs.

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Stripped Mortgage-Backed Securities: The Funds may invest in stripped mortgage-backed securities issued by the U.S. government, its agencies and instrumentalities. Stripped mortgage-backed securities are usually structured with two classes that receive different proportions of the interest and principal distributions on a pool of mortgage assets. The Funds also may invest in stripped mortgage-backed securities that are privately issued.

Capital Trusts and Trust Preferreds: These securities are typically issued by corporations, generally in the form of interest-bearing notes with preferred securities characteristics, or by an affiliated business trust of a corporation, generally in the form of beneficial interests in subordinated debentures or similarly structured securities. The securities can be structured as either fixed or adjustable coupon securities that can have either a perpetual or stated maturity date. Dividends can be deferred without creating an event of default or acceleration, although maturity cannot take place unless all cumulative payment obligations have been met. The deferral of payments does not affect the purchase or sale of these securities in the open market. Payments on these securities are treated as interest rather than dividends for federal income tax purposes. These securities can have a rating that is slightly below that of the issuing company's senior debt securities.

Preferred Stock: Certain Funds may invest in preferred stocks. Preferred stock has a preference over common stocks in liquidation (and generally in receiving dividends as well) but is subordinated to the liabilities of the issuer in all respects. As a general rule, the market value of preferred stock with a fixed dividend rate and no conversion element varies inversely with interest rates and perceived credit risk, while the market price of convertible preferred stock generally also reflects some element of conversion value. Because preferred stock is junior to debt securities and other obligations of the issuer, deterioration in the credit quality of the issuer will cause greater changes in the value of a preferred stock than in a more senior debt security with similar stated yield characteristics. Unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Preferred stock also may be subject to optional or mandatory redemption provisions.

Floating Rate Loans: Certain Funds may invest in floating rate loans, which are generally non-investment grade, made by banks, other financial institutions and privately and publicly offered corporations. Floating rate loans are senior in the debt structure of a corporation. Floating rate loans generally pay interest at rates that are periodically determined by reference to a base lending rate plus a premium. The base lending rates are generally (i) the lending rate offered by one or more European banks, such as LIBOR (London InterBank Offered Rate), (ii) the prime rate offered by one or more U.S. banks or (iii) the certificate of deposit rate. The Funds consider these investments to be investments in debt securities for purposes of their investment policies.

A Fund earns and/or pays facility and other fees on floating rate loans. Other fees earned/paid include commitment, amendment, consent, commissions and prepayment penalty fees. Facility, amendment and consent fees are typically amortized as premium and/or accreted as discount over the term of the loan. Commitment, commission and various other fees are

recorded as income. Prepayment penalty fees are recorded on the accrual basis. When a Fund buys a floating rate loan it may receive a facility fee and when it sells a floating rate loan it may pay a facility fee. On an ongoing basis, a Fund may receive a commitment fee based on the undrawn portion of the underlying line of credit portion of a floating rate loan. In certain circumstances, a Fund may receive a prepayment penalty fee upon the prepayment of a floating rate loan by a borrower. Other fees received by a Fund may include covenant waiver fees and covenant modification fees.

A Fund may invest in multiple series or tranches of a loan. A different series or tranche may have varying terms and carry different associated risks.

Floating rate loans are usually freely callable at the issuer's option. The Funds may invest in such loans in the form of participations in loans (Participations) and assignments of all or a portion of loans from third parties. Participations typically will result in the Funds having a contractual relationship only with the lender, not with the borrower. The Funds will have the right to receive payments of principal, interest and any fees to which it is entitled only from the lender selling the Participation and only upon receipt by the lender of the payments from the borrower.

In connection with purchasing Participations, the Funds generally will have no right to enforce compliance by the borrower with the terms of the loan agreement relating to the loans, nor any rights of offset against the borrower, and a Fund may not benefit directly from any collateral supporting the loan in which it has purchased the Participation.

As a result, a Fund will assume the credit risk of both the borrower and the lender that is selling the Participation. The Fund's investments in loan participation interests involve the risk of insolvency of the financial intermediaries who are parties to the transactions. In the event of the insolvency of the lender selling the Participation, a Fund may be treated as general creditors of the lender and may not benefit from any offset between the lender and the borrower.

Reverse Repurchase Agreements: The Funds may enter into reverse repurchase agreements with qualified third party broker-dealers. In a reverse repurchase agreement, each Fund sells securities to a bank or broker-dealer and agrees to repurchase the securities at a mutually agreed upon date and price. Interest on the value of the reverse repurchase agreements issued and outstanding is based upon market rates determined at the time of issuance. The Funds may utilize reverse repurchase agreements when it is anticipated that the interest income to be earned from the investment of the proceeds of the transaction is greater than the interest expense of the transaction. Reverse repurchase agreements involve leverage risk and also

the risk that the market value of the securities that each Fund is obligated to repurchase under the agreement may decline below the repurchase price. In the event the buyer of securities under a reverse repurchase agreement files for bankruptcy or becomes insolvent, each Fund's use of the proceeds of the agreement may be restricted pending determination by the other party, or its trustee or receiver, whether to enforce each Fund's obligation to repurchase the securities.

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Defensive Positions: Each of Preferred and Corporate, Preferred Income, Preferred and Equity and Preferred Opportunity may vary its investment policies for temporary defensive purposes during periods in which the investment advisor believes that conditions in the securities markets or other economic, financial or political conditions warrant. Under such conditions, the Funds for temporary defensive purposes may invest up to 100% of its total assets in, as applicable and described in each Fund's prospectus, U.S. government securities, certificates of deposit, repurchase agreements that involve purchases of debt securities, bankers' acceptances and other bank obligations, commercial paper, money market funds and/or other debt securities deemed by the investment advisor to be consistent with a defensive posture, or may hold its assets in cash.

Zero-Coupon Bonds: The Funds may invest in zero-coupon bonds, which are normally issued at a significant discount from face value and do not provide for periodic interest payments. Zero-coupon bonds may experience greater volatility in market value than similar maturity debt obligations which provide for regular interest payments.

Segregation and Collateralization: In cases in which the 1940 Act and the interpretive positions of the Securities and Exchange Commission (SEC) require that each Fund segregates assets in connection with certain investments (e.g., dollar rolls, TBAs beyond normal settlement, options, swaps, written swaptions, written options, forward foreign currency contracts, short sales or financial futures contracts) or certain borrowings (e.g., reverse repurchase agreements), each Fund will, consistent with certain interpretive letters issued by the SEC, designate on its books and records cash or other liquid securities having a market value at least equal to the amount that would otherwise be required to be physically segregated. Furthermore, based on requirements and agreements with certain exchanges and third party broker-dealers, the Funds may also be required to deliver or deposit securities as collateral for certain investments (e.g., financial futures contracts, reverse repurchase agreements, swaps and written options).

Investment Transactions and Investment Income: Investment transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on security transactions are determined on the identified cost basis. Dividend income is recorded on the ex-dividend dates. Dividends from foreign securities where the ex-dividend date may have passed are subsequently recorded when the Funds have determined the ex-dividend date. Interest income is recognized on the accrual basis. The Funds amortize all premiums and discounts on debt securities. Consent fees are compensation for agreeing to changes in the terms of debt instruments and are included in interest income on the Statements of Operations.

Dividends and Distributions: Dividends from net investment income are declared and paid monthly (quarterly for Capital and Income). Effective

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November 2008, Broad Investment Grade discontinued its monthly distribution in an effort to meet its termination target of \$15. Distributions of capital gains are recorded on the ex-dividend dates. If the total dividends and distributions made in any tax year exceeds net investment income and accumulated realized capital gains, a portion of the total distribution may be treated as a tax return of capital.

Income Taxes: It is each Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no federal income tax provision is required. Under the applicable foreign tax laws, a withholding tax may be imposed on interest, dividends and capital gains at various rates. As part of a tax planning strategy, Broad Investment Grade has retained a portion of its taxable income and will pay excise tax on the undistributed amounts.

Each Fund files US federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on Broad Investment Grade's, Preferred and Corporate's, Preferred and Equity's and Preferred Income's US federal tax returns remains open for the four years ended October 31, 2008. The statute of limitations on Capital and Income's, Floating Rate's and Preferred Opportunity's US federal tax returns remains open for the three years ended December 31, 2007 and the period ended October 31, 2008. The statute of limitations on each Fund's state and local tax returns may remain open for an additional year depending upon the jurisdiction.

Recent Accounting Pronouncement: In March 2008, Statement of Financial Accounting Standards No. 161, Disclosures about Derivative Instruments and Hedging Activities—an amendment of FASB Statement No. 133 (FAS 161), was issued. FAS 161 is intended to improve financial reporting for derivative instruments by requiring enhanced disclosure that enables investors to understand how and why an entity uses derivatives, how derivatives are accounted for and how derivative instruments affect an entity's results of operations and financial position. FAS 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. The impact on the Funds' financial statement disclosures, if any, is currently being assessed.

Deferred Compensation and BlackRock Closed-End Share Equivalent Investment Plan: Under the deferred compensation plan approved by each Fund's Board, non-interested Directors or Trustees (Independent Directors or Trustees) defer a portion of their annual complex-wide compensation. Deferred amounts earn an approximate return as though equivalent dollar amounts have been invested in common shares of other certain BlackRock Closed-End Funds selected by the Independent Directors or Trustees. This has approximately the same economic effect for the Independent Directors or Trustees as if the Independent Directors or Trustees had invested the deferred amounts directly in other certain BlackRock Closed-End Funds.

The deferred compensation plan is not funded and obligations thereunder

represent general unsecured claims against the general assets of each Fund. Each Fund may, however, elect to invest in common shares of other certain BlackRock Closed-End Funds selected by the Independent Directors or Trustees in order to match its deferred compensation obligations. Investments to cover each Fund's deferred compensation liability are included in other assets on the Statements of Assets and Liabilities. Dividends and distributions from the BlackRock Closed-End Fund investments under the plan are included in income affiliated on the Statements of Operations.

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Other: Expenses directly related to each Fund are charged to that Fund. Other operating expenses shared by several Funds are pro-rated among those funds on the basis of relative net assets or other appropriate methods.

Custodian fees may be reduced by amounts calculated on uninvested cash balances, which are shown on the Statements of Operations as fees paid indirectly.

2. Investment Advisory Agreement and Other Transactions with Affiliates:

Each Fund entered into an Investment Advisory Agreement with BlackRock Advisors, LLC (the Advisor), an indirect, wholly owned subsidiary of BlackRock, Inc. (BlackRock), to provide investment advisory and administration services. The PNC Financial Services Group, Inc. (PNC) and Bank of America Corporation (BAC) are the largest stockholders of BlackRock. BAC became a stockholder of BlackRock following its acquisition of Merrill Lynch & Co., Inc. (Merrill Lynch) on January 1, 2009. Prior to that date, both PNC and Merrill Lynch were considered affiliates of the Funds under the 1940 Act. Subsequent to the acquisition, PNC remains an affiliate, but due to the restructuring of Merrill Lynch's ownership interest of BlackRock, BAC is not deemed to be an affiliate under the 1940 Act.

The Advisor is responsible for the management of each Fund's portfolio and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of the Funds. For such services, each Fund pays the Advisor a monthly fee at the following annual rates of each Fund's average daily (weekly for Broad Investment Grade, Floating Rate, Preferred and Equity and Preferred Opportunity) net assets (including any assets attributable to borrowings or the proceeds from the issuance of Preferred Shares) minus the sum of accrued liabilities (other than debt representing financial leverage) as follows:

| Fund | Advisory Fee Rates |
|-------------------------|-------------------------------|
| Broad Investment Grade | 0.55% |
| Capital and Income | 0.85% |
| Floating Rate | 0.75% |
| Preferred and Corporate | 0.60% |
| Preferred and Equity | 0.65% |
| Preferred Income | 0.60% |
| Preferred Opportunity | 0.65% |

The Advisor has voluntarily agreed to waive a portion of the investment advisory fees or other expenses on Floating Rate as a percentage of its average weekly net assets as follows: 0.20% for the first five years of the Fund's

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operations (through August 30, 2010), 0.10% in year seven (through August 30, 2011) and 0.05% in year eight (through August 30, 2012).

Broad Investment Grade has an Administration Agreement with the Advisor. The administration fee paid to the Advisor is computed weekly and payable monthly at an annual rate of 0.15% of the Fund's average daily net assets. The Advisor has voluntarily agreed to waive the investment advisory and administration fees on Broad Investment Grade for the period November 1, 2007 to the Fund's termination in 2009.

The Advisor has agreed to waive its advisory fees by the amount of investment advisory fees each Fund pays to the Advisor indirectly through its

investment in affiliated money market funds. These amounts are shown as fees waived by advisor on the Statements of Operations.

The Funds reimbursed the Advisor the following amounts for certain accounting services, which are included in accounting services in the Statements of Operations. For the six months ended April 30, 2009 the amounts were as follows:

| | |
|-------------------------|----------|
| Capital and Income | \$ 4,554 |
| Floating Rate | \$ 3,259 |
| Preferred and Corporate | \$ 1,366 |
| Preferred and Equity | \$ 7,127 |
| Preferred Income | \$ 5,906 |
| Preferred Opportunity | \$ 3,305 |

BlackRock Financial Management, Inc. (BFM), a wholly owned subsidiary of BlackRock, Inc., serves as sub-advisor for Broad Investment Grade, Floating Rate, Preferred and Equity and Preferred Opportunity. BFM and BlackRock Investment Management LLC (BIM), both affiliates of the Advisor, serve as sub-advisors for Capital and Income. BIM serves as sub-advisor for Preferred and Corporate and Preferred Income. The Advisor pays the subadvisors for services they provide, a monthly fee that is a percentage of the investment advisory fees paid by each Fund to the Advisor.

For the period November 1, 2008 to December 31, 2008 (after which it was no longer considered an affiliate), Merrill Lynch, Pierce, Fenner & Smith Incorporated (MLPF&S), a wholly owned subsidiary of Merrill Lynch, earned commissions on transactions of securities as follows:

| | |
|----------------------|-----------|
| Capital and Income | \$ 31,748 |
| Preferred and Equity | \$ 5,223 |

Certain officers and/or directors or trustees of the Funds are officers and/or

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directors of BlackRock or its affiliates. The Funds reimburse the Advisor for compensation paid to the Funds Chief Compliance Officer.

3. Investments:

Purchases and sales (including paydowns) of investments, excluding short-term securities and US government securities, for the six months ended April 30, 2009 were as follows:

| | Purchases | Sales |
|-------------------------|------------------|----------------|
| Broad Investment Grade | \$ 976,325 | \$ 1,474,012 |
| Capital and Income | \$ 744,809,589 | \$ 170,899,104 |
| Floating Rate | \$ 36,298,860 | \$ 100,264,618 |
| Preferred and Corporate | \$ 18,804,259 | \$ 58,215,838 |
| Preferred and Equity | \$ 178,529,294 | \$ 253,434,355 |
| Preferred Income | \$ 68,895,190 | \$ 208,691,894 |
| Preferred Opportunity | \$ 32,602,854 | \$ 111,502,899 |

For the six months ended April 30, 2009, purchases and sales of US government securities were as follows:

| | Purchases | Sales |
|----------------------|------------------|--------------|
| Preferred and Equity | \$ 494,173 | \$ 482,813 |

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Notes to Financial Statements (continued)

Transactions in options written for the six months ended April 30, 2009 for Capital and Income and Preferred and Equity were as follows:

Capital and Income

| | Contracts | Premiums Received |
|--|------------------|------------------------------|
| Outstanding call options written, beginning of period | 1,225 | \$ 3,449,258 |
| Options written | 248,950 | 88,029,757 |
| Options expired | (36,941) | (11,000,964) |
| Options closed | (48,353) | (67,709,114) |
| Options exercised | (33,722) | (2,692,233) |
| Outstanding call options written, end of period | 131,159 | \$ 10,076,704 |

| | Contracts | Premiums Received |
|---|------------------|------------------------------|
| Outstanding put options written, beginning of period | | |
| Options written | 600 | \$ 51,500 |
| Options closed | (600) | (51,500) |
| Outstanding put options written, end of period | | |

Preferred and Equity

| | Contracts | Premiums Received |
|--|------------------|------------------------------|
| Outstanding call options written, beginning of period | 1,150 | \$ 4,556,037 |
| Options written | 11,234 | 25,175,420 |
| Options expired | (1,905) | (4,347,543) |
| Options closed | (9,070) | (21,858,548) |
| Outstanding call options written, end of period | 1,409 | \$ 3,525,366 |

4. Reverse Repurchase Agreements:

For the six months ended April 30, 2009, the daily weighted average interest rate on the reverse repurchase agreements were as follows:

| | |
|-------------------------|-------|
| Broad Investment Grade | 0.73% |
| Floating Rate | 2.54% |
| Preferred and Corporate | 2.53% |
| Preferred and Equity | 3.00% |
| Preferred Income | 1.49% |

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Preferred Opportunity

2.98%

5. Commitments:

Floating Rate may invest in floating rate loans. In connection with these investments, the Fund may, with its Advisor, also enter into unfunded corporate loans (commitments). Commitments may obligate the Fund to furnish temporary financing to a borrower until permanent financing can be arranged. In connection with these commitments, the Fund earns a commitment fee, typically set as a percentage of the commitment amount. Such fee income, which is classified in the Statements of Operations as facility and other fees, is recognized ratably over the commitment period. As of April 30, 2009, the Fund had the following unfunded loan commitments:

| Borrower | Underlying Commitment (000) | Value of Underlying Loan (000) |
|--|--|---|
| Bausche & Lomb, Inc | \$ 20 | \$ 21 |
| Golden Nugget, Inc | \$ 45 | \$ 20 |
| Smurfit-Stone Container Revolving Credit | \$861 | \$833 |

6. Capital Share Transactions:

Common Shares

There are 200 million of \$0.01 par value shares authorized for Broad Investment Grade. There are 200 million of \$0.10 par value shares authorized for Capital and Income, Preferred and Corporate and Preferred Income. There are an unlimited number of \$0.001 par value shares authorized for Floating Rate, Preferred and Equity and Preferred Opportunity.

Shares issued and outstanding during the six months ended April 30, 2009 and the year ended October 31, 2008 for Preferred and Corporate and Preferred Income and the period January 1, 2008 to October 31, 2008 and the year ended December 31, 2007 for Preferred Opportunity increased by the following amounts as a result of dividend reinvestment:

| | April 30, 2009 | October 31, 2008 | December 31, 2007 |
|-------------------------|---------------------------|-----------------------------|------------------------------|
| Preferred and Corporate | 3,965 | | |
| Preferred Income | 119,907 | | |
| Preferred Opportunity | 64,138 | 5,794 | 30,981 |

Shares issued and outstanding remained constant for Broad Investment Grade, Floating Rate, Preferred and Corporate, and Preferred and Equity for the six months ended April 30, 2009, and the year ended October 31, 2008 (period January 1, 2008 to October 31, 2009 for Floating Rate).

Shares issued and outstanding for Capital and Income increased by 30,542,706 as a result of a reorganization and remained constant during the period January 1, 2008 to October 31, 2008 and the year ended December 31, 2007.

Preferred Shares

The Preferred Shares are redeemable at the option of each Fund, in whole or in part, on any dividend payment date at \$25,000 per share plus any accumulated or unpaid dividends whether or not declared. The Preferred Shares are also subject to mandatory redemption at their liquidation preference plus any accumulated or unpaid dividends, whether or not declared, if certain requirements relating to the composition of the assets and liabilities of the Fund, as set forth in the Fund's Statement of Preferences/Articles Supplementary (Governing Instrument), as applicable, are not satisfied.

From time to time in the future, the Funds that have issued Preferred Shares may effect repurchases of such shares at prices below their liquidation preferences as agreed upon by the Funds and seller. The Funds also may redeem such shares from time to time as provided in the applicable Governing Instrument. The Funds intend to effect such redemptions and/or repurchases to the extent necessary to maintain applicable asset coverage requirements or for such other reasons as the Board may determine.

The holders of Preferred Shares have voting rights equal to the holders of Common Shares (one vote per share) and will vote together with holders of Common Shares (one vote per share) as a single class. However, holders of Preferred Shares, voting as a separate class, are also entitled to elect two Directors/Trustees for each Fund. In addition, the 1940 Act requires that along with approval by shareholders that might otherwise be required, the approval of the holders of a majority of any outstanding Preferred Shares, voting separately as a class would be required to (a) adopt any plan of

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Notes to Financial Statements (continued)

reorganization that would adversely affect the Preferred Shares, (b) change a Fund's subclassification as a closed-end investment company or change its fundamental investment restrictions or (c) change its business so as to cease to be an investment company.

Floating Rate, Preferred and Corporate, Preferred and Equity, Preferred Income and Preferred Opportunity had the following series of Preferred Shares outstanding and effective yields as of April 30, 2009:

| | Series | Shares | Yield | Reset Frequency |
|-------------------------|--------|--------|--------|-----------------|
| Floating Rate | T7 | 784 | 1.581% | 7 |
| | W7 | 784 | 1.581% | 7 |
| | R7 | 784 | 1.572% | 7 |
| Preferred and Corporate | M7 | 805 | 1.571% | 7 |
| | T7 | 805 | 1.581% | 7 |
| Preferred and Equity | T7 | 2,310 | 1.581% | 7 |
| | W7 | 2,310 | 1.581% | 7 |
| | R7 | 2,310 | 1.572% | 7 |
| | F7 | 2,310 | 1.571% | 7 |
| Preferred Income | M7 | 861 | 1.571% | 7 |
| | T7 | 861 | 1.581% | 7 |
| | W7 | 861 | 1.581% | 7 |
| | TH7 | 861 | 1.572% | 7 |
| | F7 | 861 | 1.571% | 7 |
| | W28 | 1,381 | 1.710% | 28 |
| | TH28 | 1,228 | 1.688% | 28 |
| Preferred Opportunity | T7 | 939 | 0.450% | 7 |
| | W7 | 939 | 0.465% | 7 |
| | R7 | 939 | 0.465% | 7 |

Dividends on seven-day Preferred Shares are cumulative at a rate that is reset every seven days based on the results of an auction. Dividends on 28-day Preferred Shares are cumulative at a rate which is reset every 28 days based on the results of an auction. If the Preferred Shares fail to clear the auction on an auction date, the Funds are required to pay the maximum applicable rate on the Preferred Shares to holders of such shares for successive dividend periods until such time as the shares are successfully auctioned. The maximum applicable rate on Preferred Shares are as follows: for Floating Rate, the higher of 125% of the 7-day Telerate/BBA LIBOR rate or 125% over the 7-day Telerate/BBA LIBOR rate; for Preferred and Corporate and Preferred Income, 125% times or 1.25% plus the

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Telerate/BBA LIBOR rate; for Preferred Equity, 150% times or 1.25% plus the Telerate/BBA LIBOR rate; and for Preferred Opportunity 150% of the interest equivalent of the 30-day commercial paper rate. The dividend ranges for the six months ended April 30, 2009, were as follows:

| | Series | Low | High | Average |
|-------------------------|---------------|------------|-------------|----------------|
| Floating Rate | T7 | 1.486% | 3.341% | 1.777% |
| | W7 | 1.483% | 3.266% | 1.774% |
| | R7 | 1.491% | 2.888% | 1.764% |
| Preferred and Corporate | M7 | 1.493% | 3.389% | 1.765% |
| | T7 | 1.486% | 3.341% | 1.777% |
| | Series | Low | High | Average |
| Preferred and Equity | T7 | 1.486% | 3.341% | 1.777% |
| | W7 | 1.483% | 3.266% | 1.774% |
| | R7 | 1.491% | 2.888% | 1.764% |
| | F7 | 1.493% | 2.569% | 1.757% |
| Preferred Income | M7 | 1.493% | 3.389% | 1.828% |
| | T7 | 1.486% | 3.341% | 1.839% |
| | W7 | 1.483% | 3.266% | 1.742% |
| | TH7 | 1.491% | 2.888% | 1.788% |
| | F7 | 1.493% | 2.461% | 1.771% |
| | W28 | 1.579% | 4.525% | 1.767% |
| | TH28 | 1.663% | 5.763% | 2.199% |
| Preferred Opportunity | T7 | 0.375% | 4.210% | 0.998% |
| | W7 | 0.405% | 4.074% | 0.999% |
| | R7 | 0.375% | 4.089% | 1.003% |

Since February 13, 2008, the Preferred Shares of the Funds failed to clear any of their auctions. As a result, the Preferred Shares dividend rates were reset to the maximum applicable rate, which ranged from 0.375% to 5.763%. A failed auction is not an event of default for the Funds but it has a negative impact on the liquidity of Preferred Shares. A failed auction occurs when there are more sellers of a Fund's Preferred Shares than buyers. It is impossible to predict how long this imbalance will last. A successful auction for the Fund's Preferred Shares may not occur for some time, if ever, and even if liquidity does resume, holders of the Preferred Shares may not have the ability to sell the Preferred Shares at its liquidation preference.

A Fund may not declare dividends or make other distributions on Common Shares or purchase any such shares if, at the time of the declaration, distribution or purchase, asset coverage with respect to the outstanding Preferred Shares is less than 200%.

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Prior to December 22, 2008, the Funds paid commissions to certain broker-dealers at the end of each auction at an annual rate of 0.25%, calculated on the aggregate principal amount. In December 22, 2008, commissions paid to broker-dealers on preferred shares that experience a failed auction were reduced to 0.15% on the aggregate principal amount. The Fund will continue to pay commissions of 0.25% on the aggregate principal amount of all shares that successfully clear their auctions. For the period November 1, 2008 to December 31, 2008 (after which it was no longer considered an affiliate), MLPF&S, earned commissions as follows:

| | Commissions |
|-------------------------|--------------------|
| Floating Rate | \$ 683 |
| Preferred and Corporate | \$14,200 |
| Preferred and Equity | \$41,221 |
| Preferred Income | \$42,997 |
| Preferred Opportunity | \$13,434 |

The Funds announced the following redemptions, as of the date indicated, of Preferred Shares at a price of \$25,000 per share plus any accrued and unpaid dividends through the redemption dates:

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Notes to Financial Statements (continued)

May 19, 2008

| | Series | Redemption Date | Shares Redeemed | Aggregate Principal |
|-------------------------|---------------|----------------------------|----------------------------|--------------------------------|
| Floating Rate | T7 | 6/11/2008 | 2,462 | \$61,550,000 |
| | W7 | 6/12/2008 | 2,462 | \$61,550,000 |
| | R7 | 6/13/2008 | 2,462 | \$61,550,000 |
| Preferred and Corporate | M7 | 6/10/2008 | 1,365 | \$34,125,000 |
| | T7 | 6/11/2008 | 1,365 | \$34,125,000 |
| Preferred and Equity | T7 | 6/11/2008 | 2,310 | \$57,750,000 |
| | W7 | 6/12/2008 | 2,310 | \$57,750,000 |
| | R7 | 6/13/2008 | 2,310 | \$57,750,000 |
| | F7 | 6/09/2008 | 2,310 | \$57,750,000 |
| Preferred Income | M7 | 6/10/2008 | 1,400 | \$35,000,000 |
| | T7 | 6/11/2008 | 1,400 | \$35,000,000 |
| | W7 | 6/05/2008 | 1,400 | \$35,000,000 |
| | TH7 | 6/06/2008 | 1,400 | \$35,000,000 |
| | F7 | 6/09/2008 | 1,400 | \$35,000,000 |
| | W28 | 6/05/2008 | 2,000 | \$50,000,000 |
| | TH28 | 6/20/2008 | 2,000 | \$50,000,000 |
| Preferred Opportunity | T7 | 6/11/2008 | 1,472 | \$36,800,000 |
| | W7 | 6/12/2008 | 1,472 | \$36,800,000 |
| | R7 | 6/13/2008 | 1,472 | \$36,800,000 |

November 25, 2008

| | Series | Redemption Date | Shares Redeemed | Aggregate Principal |
|-------------------------|---------------|----------------------------|----------------------------|--------------------------------|
| Preferred and Corporate | M7 | 12/16/08 | 400 | \$10,000,000 |
| | T7 | 12/17/08 | 400 | \$10,000,000 |
| Preferred Income | M7 | 12/16/08 | 229 | \$ 5,725,000 |
| | T7 | 12/17/08 | 229 | \$ 5,725,000 |
| | W7 | 12/18/08 | 229 | \$ 5,725,000 |
| | TH7 | 12/12/08 | 229 | \$ 5,725,000 |
| | F7 | 12/15/08 | 229 | \$ 5,725,000 |
| | W28 | 12/18/08 | 327 | \$ 8,175,000 |
| | TH28 | 1/02/09 | 327 | \$ 8,175,000 |
| Preferred Opportunity | T7 | 12/17/08 | 266 | \$ 6,650,000 |
| | W7 | 12/18/08 | 266 | \$ 6,650,000 |
| | R7 | 12/19/08 | 266 | \$ 6,650,000 |

February 24, 2009

| | Redemption | Shares | Aggregate |
|--|-------------------|---------------|------------------|
|--|-------------------|---------------|------------------|

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| | Series | Date | Redeemed | Principal |
|-------------------------|---------------|-------------|-----------------|------------------|
| Preferred and Corporate | M7 | 3/16/09 | 160 | \$ 4,000,000 |
| | T7 | 3/17/09 | 160 | \$ 4,000,000 |
| Preferred Income | M7 | 3/17/09 | 203 | \$ 5,075,000 |
| | T7 | 3/18/09 | 203 | \$ 5,075,000 |
| | W7 | 3/19/09 | 203 | \$ 5,075,000 |
| | TH7 | 3/13/09 | 203 | \$ 5,075,000 |
| | F7 | 3/16/09 | 203 | \$ 5,075,000 |
| | W28 | 4/09/09 | 292 | \$ 7,300,000 |
| | TH28 | 3/27/09 | 292 | \$ 7,300,000 |

March 26, 2009

| | Series | Redemption Date | Shares Redeemed | Aggregate Principal |
|-----------------------|---------------|------------------------|------------------------|----------------------------|
| Preferred Income | M7 | 4/14/09 | 107 | \$2,675,000 |
| | T7 | 4/15/09 | 107 | \$2,675,000 |
| | W7 | 4/16/09 | 107 | \$2,675,000 |
| | TH7 | 4/13/09 | 107 | \$2,675,000 |
| | F7 | 4/13/09 | 107 | \$2,675,000 |
| | W28 | 5/07/09 | 153 | \$3,825,000 |
| | TH28 | 4/24/09 | 153 | \$3,825,000 |
| Preferred Opportunity | T7 | 4/15/09 | 267 | \$6,675,000 |
| | W7 | 4/16/09 | 267 | \$6,675,000 |
| | R7 | 4/17/09 | 267 | \$6,675,000 |

All of the Funds, except Floating Rate, financed the Preferred Share redemptions with cash received from reverse repurchase agreements. Floating Rate financed the Preferred Share redemptions with cash received from a loan.

Shares issued and outstanding for the year ended October 31, 2007 (December 31, 2007 for Floating Rate and Preferred Opportunity) remained constant.

7. Short Term Borrowings:

On March 5, 2009, Floating Rate terminated its revolving credit agreement with Citicorp and entered into a senior committed secured, 364-day revolving line of credit and a separate security agreement with State Street Bank and Trust Company (SSB). The SSB line of credit provides the Fund with a maximum commitment of \$134 million. The Fund has granted a security interest in substantially all of its assets to SSB.

Advances are made by SSB to Floating Rate at Floating Rate s option at

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either (a) the higher of 1.00% above the Fed Effective Rate or 1.00% above the Overnight LIBOR Rate and (b) 1.00% above 7-day, 30-day, or 60-day LIBOR Rate. In addition, Floating Rate pays a facility fee and a commitment fee based upon SSBs total commitment to Floating Rate. For the six months ended April 30, 2009, the daily weighted average interest rate was 2.46%.

Under the Investment Company Act of 1940, Floating Rate may not declare dividends or make other distributions on Common Shares if, at the time of the declaration, distribution or purchase, asset coverage with respect to the outstanding indebtedness is less than 300%.

8. Capital Loss Carryforwards:

As of October 31, 2008, the Funds had capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates:

| Expires October 31, (November 30, for Broad Investment Grade) | Broad Investment Grade | Floating Rate | Preferred and Corporate | Preferred and Equity | Preferred Income | Preferred Opportunity |
|---|------------------------------|-------------------|-------------------------------|-------------------------|----------------------|--------------------------|
| 2011 | \$ 1,120,207 | | \$ 1,276,621 | | | |
| 2012 | 684,360 | | 10,243,141 | | \$ 62,733,648 | |
| 2013 | | | 5,058,900 | | 17,911,331 | |
| 2014 | 471,992 | | 8,481,628 | | 12,145,117 | |
| 2015 | | \$ 3,268,804 | 6,724,694 | \$ 49,741,712 | 19,582,978 | \$ 18,184,893 |
| 2016 | | 24,616,531 | 40,232,230 | 113,355,213 | 140,413,243 | 58,197,929 |
| | | \$ | \$ | | | |
| Total | \$ 2,276,559 | 27,885,335 | 72,017,214 | \$163,096,925 | \$252,786,317 | \$ 76,382,822 |

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Notes to Financial Statements (concluded)

9. Reorganization:

On November 3, 2008 (the Reorganization Date), BlackRock Enhanced Capital and Income Fund, Inc. (Capital and Income) acquired all of the assets and certain stated liabilities of BlackRock Enhanced Equity Yield Fund, Inc. (Equity Yield) and BlackRock Enhanced Equity Yield and Premium Fund, Inc. (Equity Yield and Premium). The reorganization was pursuant to an Agreement and Plan of Reorganization, which was approved by the shareholders of Equity Yield and Equity Yield and Premium on August 29, 2008. Under the Agreement and Plan of Reorganization, 20,954,427 common shares of Equity Yield and 16,812,195 common shares of Equity Yield and Premium were exchanged for 16,900,492 and 13,642,214 common shares, respectively, of Capital and Income. The conversion ratios were 0.80653563 and 0.81144752 for Equity Yield and Equity Yield and Premium, respectively. The assets of Equity Yield and Equity Yield and Premium, each consisting of securities and related receivables less liabilities, were converted on a tax-free basis. On the Reorganization Date, the net assets of Capital and Income were valued at \$591,399,963 (including net assets of \$232,938,216 for the Equity Yield which was comprised of \$329,483,363 of paid-in capital, \$16,478,636 of accumulated losses and \$80,066,511 of unrealized depreciation; and net assets of \$188,029,937 for the Equity Yield and Premium which was comprised of \$270,207,354 of paid-in capital, \$15,306,982 of accumulated losses and \$66,870,435 of unrealized depreciation).

10. Subsequent Events:

The Funds paid net investment income dividends on May 29, 2009 to shareholders of record on May 15, 2009 in the following amounts:

| | |
|-------------------------|------------|
| Floating Rate | \$0.100000 |
| Preferred and Corporate | \$0.080800 |
| Preferred and Equity | \$0.130000 |
| Preferred Income | \$0.094583 |
| Preferred Opportunity | \$0.105000 |

The dividends declared on Preferred Shares for the period May 1, 2009 through May 31, 2009 were as follows:

| | | Dividends |
|---------------|---------------|------------------|
| | Series | Declared |
| Floating Rate | T7 | \$23,755 |
| | W7 | \$29,745 |
| | R7 | \$23,841 |

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| | | |
|-------------------------|------|----------|
| Preferred and Corporate | M7 | \$26,869 |
| | T7 | \$26,161 |
| Preferred and Equity | T7 | \$69,574 |
| | W7 | \$69,639 |
| | R7 | \$69,636 |
| | F7 | \$69,771 |
| Preferred Income | M7 | \$26,097 |
| | T7 | \$26,088 |
| | W7 | \$26,062 |
| | TH7 | \$32,606 |
| | F7 | \$32,434 |
| | W28 | \$45,918 |
| | TH28 | \$40,303 |
| | | |
| Preferred Opportunity | T7 | \$ 8,533 |
| | W7 | \$ 9,277 |
| | R7 | \$ 8,356 |

The Funds' distribution rates declared on June 1, 2009 were as follows:

| | Per Share |
|-------------------------|------------------|
| | Amount |
| Floating Rate | \$0.0750 |
| Preferred and Corporate | \$0.0600 |
| Preferred and Equity | \$0.1000 |
| Preferred Income | \$0.0750 |
| Preferred Opportunity | \$0.0725 |

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Officers and Directors/Trustees

Richard E. Cavanagh, Chairman of the Board and Director/Trustee

Karen P. Robards, Vice Chair of the Board, Chair of the

Audit Committee and Director/Trustee

G. Nicholas Beckwith, III, Director/Trustee

Richard S. Davis, Director/Trustee

Kent Dixon, Director/Trustee

Frank J. Fabozzi, Director/Trustee

Kathleen F. Feldstein, Director/Trustee

James T. Flynn, Director/Trustee

Henry Gabbay, Director/Trustee

Jerrold B. Harris, Director/Trustee

R. Glenn Hubbard, Director/Trustee

W. Carl Kester, Director/Trustee

Donald C. Burke, Fund President and Chief Executive Officer

Anne F. Ackerley, Vice President

Neal J. Andrews, Chief Financial Officer

Jay M. Fife, Treasurer

Brian P. Kindelan, Chief Compliance Officer of the Funds

Howard B. Surloff, Secretary

Custodians

State Street Bank and Trust Company¹

Boston, MA 02101

Brown Brothers Harriman & Co.²

Boston, MA 02109

Transfer Agents

Common Shares

Computershare Trust Companies, N.A.¹

Canton, MA 02021

BNY Mellon Shareowner Services²

Jersey City, NJ 07310

Auction Agent

Preferred Shares

BNY Mellon Shareowner Services³

Jersey City, NJ 07310

Accounting Agent

State Street Bank and Trust Company
Princeton, NJ 08540

Independent Registered Public Accounting Firm

Deloitte & Touche LLP
Princeton, NJ 08540

Legal Counsel

Skadden, Arps, Slate, Meagher & Flom LLP
New York, NY 10036

Address of the Funds

100 Bellevue Parkway
Wilmington, DE 19809

¹ For all Funds except Capital and Income.

² For Capital and Income.

³ For Floating Rate, Preferred and Corporate, Preferred and Equity, Preferred Income and Preferred Opportunity.

BlackRock Enhanced Capital and Income Fund, Inc. is managed by a team of investment professionals. Effective January 1 and February 2, 2009 Kurt

Schansinger and Kyle McClements, respectively joined Kevin Rendino as the Fund's co-portfolio managers responsible for the day-to-day management

of the Fund's portfolio and the selection of its investments. Mr. Rendino has been a member of the Fund's management team since 2004 and Messrs.

Schansinger and McClements since 2009.

Kevin Rendino is Managing Director of BlackRock, Inc. since 2006 and head of BlackRock's Basic Value Equity team; Managing Director of Merrill

Lynch Investment Managers, L.P. (MLIM) from 2000 to 2006.

Kurt Schansinger is Managing Director of BlackRock, Inc. since 2006; Managing Director of MLIM from 2000 to 2006.

Kyle McClements is Director of BlackRock, Inc. since 2006; Vice President of BlackRock, Inc. from 2005 to 2006; Vice President of State Street

Research & Management from 2004 to 2005.

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Officers and Directors/Trustees (concluded)

BlackRock Floating Rate Income Trust is managed by a team of investment professionals. Effective May 8, 2009, Leland T. Hart and C. Adrian Marshall

joined James E. Keenan as the Fund's co-portfolio managers responsible for the day-to-day management of the Fund's portfolio and the selection of

its investments. Mr. Keenan has been a member of the Fund's management team since 2007 and Messrs. Hart and Marshall since 2009.

Leland T. Hart is Managing Director of BlackRock Inc. since 2009; Partner of R3 Capital Partners (R3) in 2009 and Managing Director thereof from

2008 to 2009; Managing Director of Lehman Brothers from 2006 to 2008 and Executive Director thereof from 2003 to 2006.

James E. Keenan is Managing Director of BlackRock, Inc. since 2008 and Director thereof from 2004 to 2008; Head of the Leveraging Finance

Portfolio team, senior high yield trader at Columbia management from 2003 to 2004.

C. Adrian Marshall is Director of BlackRock, Inc. since 2007 and Vice President thereof from 2004 to 2007.

BlackRock Preferred and Equity Advantage Trust is managed by a team of investment professionals. Effective February 2, 2009, Debra Jelilian and Kyle

McClements joined John Burger and Daniel Chen as the Fund's co-portfolio managers responsible for the day-to-day management of the Fund's portfo-

lio and the selection of its investments. Messrs. Burger and Chen have been members of the Fund's management team since 2006 and Ms. Jelilian

and Mr. McClements since 2009.

John Burger is Managing Director of BlackRock, Inc. since 2006; Managing Director of MLIM from 2004 to 2006 and Director thereof from 1996 to 2004.

Daniel Chen is Director of BlackRock, Inc. since 2007; Vice President of BlackRock, Inc. from 2004 to 2007; Associate of BlackRock, Inc. from 2001

to 2004.

Debra Jelilian is Managing Director of BlackRock, Inc. since 2009; Director of BlackRock, Inc. from 2006 to 2009; Director of MLIM from 1999 to 2006.

Kyle McClements is Director of BlackRock, Inc. since 2006; Vice President of BlackRock, Inc. from 2005 to 2006; Vice President of State Street

Research & Management from 2004 to 2005.

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Additional Information

Section 19 Notices

The amounts and sources of distributions reported are only estimates and are not being provided for tax reporting purposes. The actual amounts and sources for tax reporting purposes will depend upon each Fund's investment experience during the year and may be subject to changes based on the tax regulations. Shareholders should not draw any conclusions about the Funds

investment performance from the amount of distributions or from the terms of each Funds' Plan. The Funds will send you a Form 1099-DIV each calendar year that will tell you how to report these distributions for federal income tax purposes.

| | Total Fiscal Year-to-Date Cumulative Distributions by Character | | | | Percentage of Fiscal Year-to-Date Cumulative Distributions by Character | | | |
|-------------------------|--|----------|-----------|-----------|--|----------|-----------|-----------|
| | Net | Net | | Total Per | Net | Net | | Total Per |
| | Investment | Realized | Return of | Common | Investment | Realized | Return of | Common |
| | Income | Capital | Capital | Share | Income | Capital | Capital | Share |
| Capital and Income | \$0.21095 | \$ | \$0.75905 | \$0.97000 | 22% | 0% | 78% | 100% |
| Floating Rate | \$0.99690 | \$ | \$0.15523 | \$1.15213 | 87% | 0% | 13% | 100% |
| Preferred and Corporate | \$0.46131 | \$ | \$0.11349 | \$0.57480 | 80% | 0% | 20% | 100% |
| Preferred and Equity | \$0.52135 | \$ | \$0.25865 | \$0.78000 | 67% | 0% | 33% | 100% |
| Preferred Income | \$0.56706 | \$ | \$0.08044 | \$0.64750 | 88% | 0% | 12% | 100% |
| Preferred Opportunity | \$0.62651 | \$ | \$0.08349 | \$0.71000 | 88% | 0% | 12% | 100% |

General Information

Capital and Income's Board recently approved a change to the Fund's option writing policy. The Fund has the authority to write (i.e., sell) put options on the types of securities or instruments that may be held by the Fund, provided that such put options are covered, meaning that such options are secured by segregated, liquid instruments. Under the original policy, the Fund was limited from selling puts if, as a result, more than 50% of the Fund's assets would be required to cover its potential obligations under its hedging and other investment transactions. The Board approved the elimination of this 50% requirement. When the Fund writes covered put options, it bears the risk of loss if the value of the underlying stock declines below the exercise price minus the put premium. If the option is exercised, the Fund could incur a loss if it is required to purchase the stock underlying the put option at a price greater than the market price of the stock at the time of exercise plus the put premium the Fund received when it wrote the option. While the Fund's potential gain in writing a covered put option

is limited to distributions earned on the liquid assets securing the put option plus the premium received from the purchaser of the put option, the Fund risks a loss equal to the entire exercise price of the option minus the put premium.

During the period there were no material changes in the Funds' investment objectives or policies or to the Funds' charters or by-laws that were not approved by the shareholders or in the principal risk factors associated with investment in the Funds.

During this period there have been no changes in the persons who are primarily responsible for the day-to-day management of the Funds' portfolios, other than those disclosed on pages 63 and 64 of this report.

Floating Rate's Board recently approved a change to the Fund's name from BlackRock Global Floating Rate Income Trust to BlackRock Floating Rate Income Trust.

Quarterly performance, semi-annual and annual reports and other information regarding the Funds may be found on BlackRock's website, which can be accessed at <http://www.blackrock.com>. This reference to BlackRock's website is intended to allow investors public access to information regarding the Funds and does not, and is not intended to, incorporate BlackRock's website into this report.

Electronic Delivery

Electronic copies of most financial reports are available on the Funds' websites or shareholders can sign up for e-mail notifications of quarterly statements, annual and semi-annual reports by enrolling in the Funds' electronic delivery program.

Shareholders Who Hold Accounts with Investment Advisors, Banks or Brokerages:

Please contact your financial advisor to enroll. Please note that not all investment advisors, banks or brokerages may offer this service.

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Additional Information (concluded)

General Information (concluded)

Householding

The Funds will mail only one copy of shareholder documents, including annual and semi-annual reports and proxy statements, to shareholders with multiple accounts at the same address. This practice is commonly called householding and it is intended to reduce expenses and eliminate duplicate mailings of shareholder documents. Mailings of your shareholder documents may be householded indefinitely unless you instruct us otherwise. If you do not want the mailing of these documents to be combined with those for other members of your household, please contact the Funds at (800) 441-7762.

Availability of Quarterly Schedule of Investments

The Funds file their complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Funds Forms N-Q are available on the SEC's website at <http://www.sec.gov> and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference

Room may be obtained by calling (800) SEC-0330. The Funds Forms N-Q may also be obtained upon request and without charge by calling (800) 441-7762.

Availability of Proxy Voting Record

Information about how each Fund voted proxies relating to securities held in each Fund's portfolio during the most recent 12-month period ended June 30, 2008 is available upon request and without charge (1) at www.blackrock.com or by calling (800) 441-7762 and (2) on the Securities and Exchange Commission's website at <http://www.sec.gov>.

Availability of Proxy Voting Policies and Procedures

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities is available (1) without charge, upon request, by calling toll-free (800) 441-7762; (2) at www.blackrock.com; and (3) on the Securities and Exchange Commission's website at <http://www.sec.gov>.

BlackRock Privacy Principles

BlackRock is committed to maintaining the privacy of its current and former fund investors and individual clients (collectively, Clients) and to safeguarding their non-public personal information. The following information is provided to help you understand what personal information BlackRock collects, how we protect that information and why in certain cases we share such

information with select parties.

If you are located in a jurisdiction where specific laws, rules or regulations require BlackRock to provide you with additional or different privacy-related rights beyond what is set forth below, then BlackRock will comply with those specific laws, rules or regulations.

BlackRock obtains or verifies personal non-public information from and about you from different sources, including the following: (i) information we receive from you or, if applicable, your financial intermediary, on applications, forms or other documents; (ii) information about your transactions with us, our affiliates, or others; (iii) information we receive from a consumer reporting agency; and (iv) from visits to our websites.

BlackRock does not sell or disclose to non-affiliated third parties any non-public personal information about its Clients, except as permitted by law or as is necessary to respond to regulatory requests or to service Client accounts. These non-affiliated third parties are required to protect the confidentiality and security of this information and to use it only for its intended purpose.

We may share information with our affiliates to service your account or to provide you with information about other BlackRock products or services that may be of interest to you. In addition, BlackRock restricts access to non-public personal information about its Clients to those BlackRock employees with a legitimate business need for the information. BlackRock maintains physical, electronic and procedural safeguards that are designed to protect the non-public personal information of its Clients, including procedures relating to the proper storage and disposal of such information.

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This report is transmitted to shareholders only. It is not a prospectus. Past performance results shown in this report should not be considered a representation of future performance. BlackRock Floating Rate Income Trust, BlackRock Preferred and Corporate Income Strategies Fund, Inc., BlackRock Preferred and Equity Advantage Trust, BlackRock Preferred Income Strategies Fund, Inc. and BlackRock Preferred Opportunity Trust leverage their Common Shares, which creates risk for Common Shareholders, including the likelihood of greater volatility of net asset value and market price of Common Shares, and the risk that fluctuations in short-term interest rates may reduce the Common Shares yield. Statements and other information herein are as dated and are subject to change.

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Item 2 Code of Ethics Not Applicable to this semi-annual report

Item 3 Audit Committee Financial Expert Not Applicable to this semi-annual report

Item 4 Principal Accountant Fees and Services Not Applicable to this semi-annual report

Item 5 Audit Committee of Listed Registrants Not Applicable to this semi-annual report

Item 6 Investments

(a) The registrant's Schedule of Investments is included as part of the Report to Stockholders filed under Item 1 of this form.

(b) Not Applicable due to no such divestments during the semi-annual period covered since the previous Form N-CSR filing.

Item 7 Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies Not Applicable to this semi-annual report

Item 8 Portfolio Managers of Closed-End Management Investment Companies as of April 30, 2009

(a) Not Applicable

(b) Effective February 2, 2009, the registrant is managed by a team of investment professionals comprised of Mr. John Burger, Managing Director at BlackRock, Mr. Daniel Chen, Director at BlackRock, Ms. Debra L. Jelilian, Managing Director at BlackRock and Mr. Kyle G. McClements, Director at BlackRock. Messrs. Burger, Chen and McClements and Ms. Jelilian are the registrant's co-portfolio managers and are responsible for the day-to-day management of the Fund's portfolio and the selection of its investments. Messrs. Burger and Chen have been members of the registrant's management team since 2006. Ms. Jelilian and Mr. McClements joined the registrant's management team in 2009.

| Manager | Portfolio | Biography | | | | |
|-------------------------------|--|--|----------------|---|----------------------------------|----------------|
| | | | | | | |
| Jelilian | Debra L. | Managing Director of BlackRock, Inc. since 2009; Director of BlackRock, Inc. from 2006 to 2009; Director of Merrill Lynch Investment Managers, L.P. from 1999 to 2006. | | | | |
| McClements | Kyle G. | Director of BlackRock, Inc. since 2006; Vice President of BlackRock, Inc. from 2005 to 2006; Vice President of State Street Research & Management from 2004 to 2005. | | | | |
| (a)(2) As of April 30, 2009: | | | | | | |
| (i) Name of Portfolio Manager | (ii) Number of Other Accounts Managed and Assets by Account Type | | | (iii) Number of Other Accounts and Assets for Which Advisory Fee is Performance-Based | | |
| | Other Registered Investment Companies | Other Pooled Investment Vehicles | Other Accounts | Other Registered Investment Companies | Other Pooled Investment Vehicles | Other Accounts |
| | | | | | | |

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| | | | | | | |
|--------------------|----------------|-----------------|----------------|-----|-----|---------------|
| Debra L. Jelilian | 31 | 34 | 35 | 0 | 0 | 1 |
| | \$16.4 Billion | \$16.3 Billion | \$34.2 Billion | \$0 | \$0 | \$848 Million |
| Kyle G. McClements | 11 | 6 | 0 | 0 | 0 | 0 |
| | \$4.22 Billion | \$411.9 Million | \$0 | \$0 | \$0 | \$0 |

(iv) Potential Material Conflicts of Interest

BlackRock and its affiliates (collectively, herein BlackRock) has built a professional working environment, firm-wide compliance culture and compliance procedures and systems designed to protect against potential incentives that may favor one account over another. BlackRock has adopted policies and procedures that address the allocation of investment opportunities, execution of portfolio transactions, personal trading by employees and other potential conflicts of interest that are designed to ensure that all client accounts are treated equitably over time. Nevertheless, BlackRock furnishes investment management and advisory services to numerous clients in addition to the Fund, and BlackRock may, consistent with applicable law, make investment recommendations to other clients or accounts (including accounts which are hedge funds or have performance or higher fees paid to BlackRock, or in which portfolio managers have a personal interest in the receipt of such fees), which may be the same as or different from those made to the Fund. In addition, BlackRock, its affiliates and significant shareholders and any officer, director, stockholder or employee may or may not have an interest in the securities whose purchase and sale BlackRock recommends to the Fund. BlackRock, or any of its affiliates or significant shareholders, or any officer, director, stockholder, employee or any member of their families may take different actions than those recommended to the Fund by BlackRock with respect to the same securities. Moreover, BlackRock may refrain from rendering any advice or services concerning securities of companies of which any of BlackRock s (or its affiliates or significant shareholders) officers, directors or employees are directors or officers, or companies as to which BlackRock or any of its affiliates or significant shareholders or the officers, directors and employees of any of them has any substantial economic interest or possesses material non-public information. Each portfolio manager also may manage accounts whose investment strategies may at times be opposed to the strategy utilized for a fund. In this connection, it should be noted that Ms. Jelilian currently manages certain accounts that are subject to performance fees. In addition, a portfolio manager may assist in managing certain hedge funds and may be entitled to receive a portion of any incentive fees earned on such funds and a portion of such incentive fees may be voluntarily or involuntarily deferred. Additional portfolio managers may in the future manage other such accounts or funds and may be entitled to receive incentive fees.

As a fiduciary, BlackRock owes a duty of loyalty to its clients and must treat each client fairly. When BlackRock purchases or sells securities for more than one account, the trades must be allocated in a manner consistent with its fiduciary duties. BlackRock attempts to allocate investments in a fair and equitable manner among client accounts, with no account receiving preferential treatment. To this end, BlackRock has adopted a policy that is intended to ensure that investment opportunities are allocated fairly and equitably among client accounts over time. This policy also seeks to achieve reasonable efficiency in client transactions and provide BlackRock with sufficient flexibility to allocate investments in a manner that is consistent with the particular investment discipline and client base.

(a)(3) As of April 30, 2009:

Portfolio Manager Compensation Overview

BlackRock s financial arrangements with its portfolio managers, its competitive compensation and its career path emphasis at all levels reflect the value senior management places on key resources. Compensation may include a variety of components and may vary from year to year based on a number of factors. The principal components of compensation include a base salary, a performance and revenue-based discretionary bonus, participation in various benefits programs and one or more of the incentive compensation programs

established by BlackRock such as its Long-Term Retention and Incentive Plan and Restricted Stock Program.

Base compensation. Generally, portfolio managers receive base compensation based on their seniority and/or their position with the firm. Senior portfolio managers who perform additional management functions within the portfolio management group or within BlackRock may receive additional compensation for serving in these other capacities.

Discretionary Incentive Compensation

Discretionary incentive compensation is a function of several components: the performance of BlackRock, Inc., the performance of the portfolio manager's group within BlackRock, the investment performance, including risk-adjusted returns, of the firm's assets under management or supervision by that portfolio manager relative to predetermined benchmarks, and the individual's seniority, role within the portfolio management team, teamwork and contribution to the overall performance of these portfolios and BlackRock. In most cases, including for the portfolio managers of the Fund, these benchmarks are the same as the benchmark or benchmarks against which the performance of the Fund or other accounts managed by the portfolio managers are measured. BlackRock's Chief Investment Officers determine the benchmarks against which the performance of funds and other accounts managed by each portfolio manager is compared and the period of time over which performance is evaluated. With respect to the Ms. Jelilian and Mr. McClements, such benchmarks include:

| Portfolio Manager | Applicable Benchmarks |
|--------------------------|--|
| Debra L. Jelilian | A combination of market-based indices (e.g., The S&P 500 Index), certain customized indices and certain fund industry peer groups. |
| Kyle G. McClements | A combination of Lipper peer groups and a subset of other closed-end funds. |

BlackRock's Chief Investment Officers make a subjective determination with respect to the portfolio manager's compensation based on the performance of the funds and other accounts managed by each portfolio manager relative to the various benchmarks noted above. Performance is measured on a pre-tax basis over various time periods including 1, 3 and 5-year periods, as applicable.

Distribution of Discretionary Incentive Compensation

Discretionary incentive compensation is distributed to portfolio managers in a combination of cash and BlackRock, Inc. restricted stock units which vest ratably over a number of years. The BlackRock, Inc. restricted stock units, if properly vested, will be settled in BlackRock, Inc. common stock. Typically, the cash bonus, when combined with base salary, represents more than 60% of total compensation for the portfolio managers. Paying a portion of annual bonuses in stock puts compensation earned by a portfolio manager for a given year at risk based on BlackRock's ability to sustain and improve its performance over future periods.

Long-Term Retention and Incentive Plan (LTIP) The LTIP is a long-term incentive plan that seeks to reward certain key employees. Prior to 2006, the plan provided

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for the grant of awards that were expressed as an amount of cash that, if properly vested and subject to the attainment of certain performance goals, will be settled in cash and/or in BlackRock, Inc. common stock. Beginning in 2006, awards are granted under the LTIP in

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the form of BlackRock, Inc. restricted stock units that, if properly vested and subject to the attainment of certain performance goals, will be settled in BlackRock, Inc. common stock. Ms. Jelilian and Mr. McClements have each received awards under the LTIP.

Deferred Compensation Program A portion of the compensation paid to eligible BlackRock employees may be voluntarily deferred into an account that tracks the performance of certain of the firm's investment products. Each participant in the deferred compensation program is permitted to allocate his deferred amounts among the various investment options. Ms. Jelilian and Mr. McClements have each participated in the deferred compensation program.

Other compensation benefits. In addition to base compensation and discretionary incentive compensation, portfolio managers may be eligible to receive or participate in one or more of the following:

Incentive Savings Plans BlackRock, Inc. has created a variety of incentive savings plans in which BlackRock employees are eligible to participate, including a 401(k) plan, the BlackRock Retirement Savings Plan (RSP), and the BlackRock Employee Stock Purchase Plan (ESPP). The employer contribution components of the RSP include a company match equal to 50% of the first 6% of eligible pay contributed to the plan capped at \$4,000 per year, and a company retirement contribution equal to 3-5% of eligible compensation. The RSP offers a range of investment options, including registered investment companies managed by the firm. BlackRock contributions follow the investment direction set by participants for their own contributions or, absent employee investment direction, are invested into a balanced portfolio. The ESPP allows for investment in BlackRock common stock at a 5% discount on the fair market value of the stock on the purchase date. Annual participation in the ESPP is limited to the purchase of 1,000 shares or a dollar value of \$25,000. Ms. Jelilian and Mr. McClements are eligible to participate in these plans.

(a)(4) *Beneficial Ownership of Securities* as of April 30, 2009.

| Portfolio Manager | Dollar Range of Equity Securities Beneficially Owned |
|--------------------------|---|
| Debra L. Jelilian | None |
| Kyle G. McClements | None |

Item 9 Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers Not Applicable

Item 10 Submission of Matters to a Vote of Security Holders The registrant's Nominating and Governance Committee will consider nominees to the board of directors recommended by shareholders when a vacancy becomes available. Shareholders who wish to recommend a nominee should send nominations that include biographical information and set forth the qualifications of the proposed nominee to the registrant's Secretary. There have been no material changes to these procedures.

Item 11 Controls and Procedures

- 11(a) The registrant's principal executive and principal financial officers or persons performing similar functions have concluded that the registrant's disclosure controls and procedures (as
-

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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.

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

Item 12 Exhibits attached hereto

12(a)(1) Code of Ethics Not Applicable to this semi-annual report

12(a)(2) Certifications Attached hereto

12(a)(3) Not Applicable

12(b) Certifications Attached hereto

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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: June 19, 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/ Donald C. Burke

Donald C. Burke

Chief Executive Officer (principal executive officer) of

BlackRock Preferred and Equity Advantage Trust

Date: June 19, 2009

By: /s/ Neal J. Andrews

Neal J. Andrews

Chief Financial Officer (principal financial officer) of

BlackRock Preferred and Equity Advantage Trust

Date: June 19, 2009
