BLACKROCK EQUITY DIVIDEND TRUST
Form N-14 8C
October 05, 2011

As filed with the Securities and Exchange Commission on October 5, 2011
Securities Act File No. 333-
Investment Company Act File No. 811-21784

SECURITIES AND EXCHANGE COMMISSION

**WASHINGTON, D.C. 20549**

FORM N-14

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

o Pre-Effective Amendment No.
o Post-Effective Amendment No.
(Check appropriate box or boxes)

BLACKROCK ENHANCED EQUITY DIVIDEND TRUST

(Exact Name of Registrant as Specified in Charter)

100 BELLEVUE PARKWAY
WILMINGTON, DELAWARE 19809

(Address of Principal Executive Offices: Number, Street, City, State, Zip Code)

(800) 882-0052

(Area Code and Telephone Number)

John M. Perlowski
President and Chief Executive Officer
BlackRock Enhanced Equity Dividend Trust
55 East 52nd Street
New York, NY 10055
(Name and Address of Agent for Service)

With copies to:

| | |
|---|---|
| **Thomas A. DeCapo, Esq.** | **Ira P. Shapiro, Esq.** |
| **Skadden, Arps, Slate, Meagher & Flom LLP** | **BlackRock Advisors, LLC** |
| **One Beacon Street** | **55 East 52nd Street** |

**Boston, Massachusetts 02108** **New York, NY 10055**

**AS SOON AS PRACTICABLE AFTER THE EFFECTIVE DATE OF THIS REGISTRATION STATEMENT**

(Approximate Date of Proposed Public Offering)

CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT OF 1933

| **Title of Securities Being Registered** | **Amount Being Registered** | **Proposed Maximum Offering Price Per Unit** | **Proposed Maximum Aggregate Offering Price(1)** | **Amount of Registration Fee** |
|---|---|---|---|---|
| Common Shares of Beneficial Interest $0.001 par value | N/A | N/A | $1,000,000 | $114.60 |

(1) Estimated solely for the purpose of calculating the filing registration fee, pursuant to Rule 457(o) under the Securities Act of 1933.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

EXPLANATORY NOTE

This Registration Statement is organized as follows:

a. Letter to Shareholders of BlackRock Equity Dividend Trust ("BDV"), BlackRock Strategic Equity Dividend Trust ("BDT") and BlackRock Enhanced Equity Dividend Trust ("BDJ"), each a registered investment company and statutory trust organized under the laws of the State of Delaware.
b. Questions and Answers to Shareholders of BDV, BDT and BDJ.
c. Notice of Joint Special Meeting of Shareholders of BDV, BDT and BDJ.
d. Joint Proxy Statement/Prospectus for BDV, BDT and BDJ.
e. Reorganization Statement of Additional Information regarding the proposed Reorganizations of BDV and BDT into BDJ.
f. Part C: Other Information.
g. Exhibits.

BLACKROCK EQUITY DIVIDEND TRUST
BLACKROCK STRATEGIC EQUITY DIVIDEND TRUST
BLACKROCK ENHANCED EQUITY DIVIDEND TRUST
100 Bellevue Parkway
Wilmington, Delaware 19809
(800) 882-0052

, 2011

Dear Shareholder:

You are cordially invited to attend a joint special shareholder meeting (the "Special Meeting") of BlackRock Equity Dividend Trust ("BDV"), BlackRock Strategic Equity Dividend Trust ("BDT") and BlackRock Enhanced Equity Dividend Trust ("BDJ" and together with BDV and BDT, each a "Fund," and collectively, the "Funds"), each a Delaware statutory trust, to be held on Thursday, December 22, 2011 at 9:00 a.m. Before the Special Meeting, I would like to provide you with additional background information and ask for your vote on important proposals affecting the BDV, BDT and BDJ.

Shareholders of each Fund will be asked to consider the following proposals (each, a "Proposal"), which are described in the enclosed Joint Proxy Statement/Prospectus, at the Special Meeting: (i) reorganizing BDV and BDT with and into BDJ (the "Reorganizations"), a fund with the same or substantially similar (but not identical) investment objective and investment policies; and (ii) issuing additional shares of common stock of BDJ (the "Issuances") in connection with the Reorganizations.

The Board of Trustees of each Fund believes each Proposal, as applicable, is in the best interests of its respective fund and shareholders and unanimously recommends that you vote "FOR" each Proposal, as applicable.

The enclosed materials explain these proposals in more detail, and I encourage you to review them carefully. As a shareholder, your vote is important, and we hope that you will respond today to ensure that your shares will be represented at the Special Meeting. You may vote using one of the methods below by following the instructions on your proxy card:

· By touch-tone telephone;
· By internet;
· By returning the enclosed proxy card in the postage-paid envelope; or
· In person at the Special Meeting.

If you do not vote using one of these methods, you may be contacted by , our proxy solicitor, to vote your shares over the telephone.

As always, we appreciate your support.

Sincerely,

John M. Perlowski
President and Chief Executive Officer

BlackRock Equity Dividend Trust

BlackRock Strategic Equity Dividend Trust
BlackRock Enhanced Equity Dividend Trust

Please vote now. Your vote is important.

To avoid the wasteful and unnecessary expense of further solicitation, we urge you to indicate your voting instructions on the enclosed proxy card, date and sign it and return it promptly in the envelope provided, or record your voting instructions by telephone or via the internet, no matter how large or small your holdings may be. If you submit a properly executed proxy but do not indicate how you wish your shares to be voted, your shares will be voted "For" each Proposal, as applicable. If your shares are held through a broker, you must provide voting instructions to your broker about how to vote your shares in order for your broker to vote your shares at the Special Meeting.

, 2011

IMPORTANT NOTICE

TO SHAREHOLDERS OF
BLACKROCK EQUITY DIVIDEND TRUST
BLACKROCK STRATEGIC EQUITY DIVIDEND TRUST
BLACKROCK ENHANCED EQUITY DIVIDEND TRUST

QUESTIONS & ANSWERS

Although we recommend that you read the entire Joint Proxy Statement/Prospectus, we have provided for your convenience a brief overview of the issues to be voted on.

Q: Why is a shareholder meeting being held?

A: *Shareholders of BlackRock Equity Dividend Trust (BDV) and BlackRock Strategic Equity Dividend Trust (BDT):* You are being asked to vote on the reorganization (each, a "Reorganization") of each of BDV and BDT (each such fund being referred to herein as a "Target Fund") into BlackRock Enhanced Equity Dividend Trust ("BDJ" or the "Acquiring Fund" and, together with the Target Funds, the "Funds"), a closed-end fund that pursues an investment objective and has investment policies that are either the same or substantially similar (but not identical) to those of each of the Target Funds and has the same investment adviser, BlackRock Advisors, LLC (the "Investment Advisor"), as the Target Funds. The term "Combined Fund" will refer to BDJ as the surviving Fund after the Reorganizations.

*Shareholders of BlackRock Enhanced Equity Dividend Trust (BDJ):* You are being asked to vote on the issuance of additional shares of common stock of the Acquiring Fund in connection with the Reorganizations.

Q: Why are the Reorganizations being recommended?

A: The Board of Trustees of each Fund (collectively, the "Boards") anticipates that the Reorganizations will benefit the shareholders of each of the Target Funds and the Acquiring Fund by providing certain of the following benefits as applicable to each Fund: the potential for a lower operating expense ratio, a higher degree of option overwrite at a relatively lower cost, portfolio management and administrative efficiencies, enhanced market liquidity, marketing benefits and a distribution yield comparable to the current distribution yield of BDJ (assuming all other conditions remain the same). Because each Fund will vote separately on its respective Reorganization, there are multiple potential combinations of Reorganizations. The Boards of the Funds and the Investment Advisor believe that the most likely result of the potential combinations of Reorganizations is the combination of all the Funds. However, if the Reorganization of a Target Fund is not approved, the Investment Advisor anticipates that it may recommend alternative proposals to the Board of each Target Fund, which may include dividend adjustments and/or modifications to each of the Target Fund's investment strategies.

Under current market conditions and all other things being equal, the distribution yield of the Combined Fund is expected to be comparable to the current distribution yield of BDJ which, all things being equal, should help the Combined Fund trade at or about the price at which BDJ currently trades. The current distribution yield of BDJ is significantly higher than those of the Target Funds. Of course, no assurance can be given that the common shares of the Combined Fund will trade at or about the current market price of BDJ after the Reorganization. As of July 31, 2011 and on a historical average basis, each Target Fund is trading/has traded at a wider discount than that of BDJ. Beginning in early August 2011, BDV and the Acquiring Fund have traded at similar discounts, with BDV trading at a narrower discount than BDJ from time-to-time. To the extent each Target Fund is trading at a wider discount than that of BDJ at the time of the Reorganizations, Target Fund Shareholders would have the potential for an economic benefit by the narrowing of the discount. To the extent each Target Fund is trading at a narrower discount than that of BDJ at the time of the Reorganizations, Target Fund Shareholders may be negatively impacted by the widening of the discount. However, if the Reorganizations of the Target Funds are not approved, the Investment Advisor may recommend alternative proposals to the Board of each Target Fund, which may include dividend adjustments or modifications to the Target Funds' investment strategies.

If the Reorganizations are consummated, the Target Funds will receive the benefit of a higher degree of option overwrite at a cost below where the Investment Advisor would price such services for a new fund. The most recent fund launched with a similar level of overwriting and advised by the Investment Advisor is charged a management fee of 1.00%, whereas the Combined Fund will have a management fee of 0.81%. The costs associated with the proposed Reorganizations, including the costs associated with the shareholder meeting, will be borne directly by the respective Fund incurring the expense or allocated among the Funds proportionately or on another reasonable basis, as appropriate, except that, since the Combined Fund's expenses are expected to be substantially higher than BDV's current expenses, the Advisor has decided to cover BDV's costs of the Reorganization. Therefore, the costs associated with BDV's Reorganization will not be borne directly by BDV. Because of the expected benefits for each Fund, and because, over time, the savings attributable to BDJ's participation in each Reorganization outweigh the costs associated with such Reorganization, the Advisor is recommending that BDT and BDJ each be responsible for its own Reorganization expenses.

The Boards believe that the completion of the Reorganization would result in a reduced Total Expense Ratio (defined below) for BDJ because the Combined Fund’s management fee is expected to be lower than BDJ’s current management fee and because certain fixed administrative costs would be spread across the Combined Fund's larger asset base. The Funds estimate that the completion of all of the Reorganizations would result in a Total Expense Ratio for the Combined Fund of 0.95% on a pro forma basis for the 12-month period ended April 30, 2011, representing a reduction in the Total Expense Ratio for BDJ of 0.21% as a percentage of average net assets attributable to common shares. The Total Expense Ratio for the Combined Fund is expected to have a higher expense ratio than each of the Target Funds, representing an increase of 0.14% for BDV and 0.02% for BDT, each as a percentage of average net assets attributable to common shares; however, the Board of each Target Fund believes that the other benefits of the Reorganization outweigh such additional costs. In addition, the Combined Fund would be competitively priced relative to peers and below the median contractual management fee for Lipper peers. For the 12-month period ended April 30, 2011, the Total Expense Ratios of BDV, BDT and BDJ were 0.81%, 0.93% and 1.16%, respectively. When we use the term "Total Expenses," we mean a Fund's total annual operating expenses. When we use the term "Total Expense Ratio," we mean a Fund's Total Expenses expressed as a percentage of its average net assets attributable to its common shares.

Q: What happens if shareholders of one Target Fund do not approve its Reorganization but shareholders of the other Target Fund do approve their Reorganization?

A: An unfavorable vote on a proposed Reorganization by the shareholders of one Target Fund will not affect the implementation of the Reorganization of the other Target Fund, if the other Reorganization is approved by the shareholders of the other Target Fund and the issuance of additional common shares of the Acquiring Fund is approved by the shareholders of the Acquiring Fund with respect to the other Target Fund. However, if the Reorganizations of the Target Funds are not approved, the Investment Advisor may recommend alternative proposals to the Board of each Target Fund, which may include dividend adjustments or modifications to the Target Funds' investment strategies.

Q: What happens if shareholders of the Acquiring Fund do not approve the issuance of additional common shares in connection with the Reorganization of one Target Fund but do approve the issuance of additional common shares in connection with the Reorganization of the other Target Fund?

A: An unfavorable vote by shareholders of the Acquiring Fund on the issuance of additional common shares in connection with the Reorganization of one Target Fund will not affect the implementation of the Reorganization by the other Target Fund, if the issuance of additional common shares in connection with the other Reorganization is approved by the shareholders of the Acquiring Fund and the other Reorganization is approved by the shareholders of the other Target Fund. However, if the Reorganization of a Target Fund is not approved, the Investment Advisor may recommend alternative proposals to the Board of such Target Fund, which may include dividend adjustments or modifications to such Target Fund's investment strategies.

Q: How similar are the Funds?

A: Each Fund is a Delaware statutory trust and a diversified management investment company registered under the Investment Company Act of 1940 (the "1940 Act"). The Board of each Fund consists of the same directors. Each Fund's common stock is listed on the New York Stock Exchange. The Funds have the same investment adviser and have the same portfolio managers.

Each of the investment objectives and the investment strategies and restrictions of the Funds are the same or substantially similar (but not identical). The Acquiring Fund's primary investment objective is to seek current income and current gains, with a secondary objective of long-term capital appreciation. BDV's investment objective is to provide total return through a combination of current income, capital gains and capital appreciation. BDT's investment objective is to provide total return through a combination of current income, current gains and long-term capital appreciation. Each Fund's investment objective(s) is not a fundamental policy and may be changed without shareholder approval. Each Fund, under normal market conditions, invests at least 80% of its total assets in dividend-paying equities and may invest up to 20% of its total assets in equity securities of issuers that do not pay dividends. BDT differs from the other Funds in that it also invests substantially all of its total assets in small- and mid-capitalization companies, as defined by the Russell Mid Cap Index. Finally, the Acquiring Fund uses an option strategy that writes options on approximately 50-60% of its total assets, whereas the other Funds generally overwrite 10-20% of their respective total assets.

As used throughout this notice, the Joint Proxy Statement/Prospectus and the Statement of Additional Information, "total assets" of a Fund means the Fund's net assets plus the amount of any borrowings for investment purposes. Please see the Joint Proxy Statement/Prospectus for additional comparison information.

Q: How will the Reorganizations be effected?

A: Assuming Target Fund shareholders approve the Reorganizations of the Target Funds and Acquiring Fund shareholders approve the issuance of additional common shares of the Acquiring Fund, the assets and liabilities of the Target Funds will be combined with those of the Acquiring Fund, and the Target Funds will dissolve.

*Shareholders of the Target Funds*: You will become shareholders of the Acquiring Fund. You will receive newly issued common shares of beneficial interest of the Acquiring Fund, par value $0.001 per share, the aggregate net asset value (not the market value) of which will equal the aggregate net asset value (not the market value) of the common shares of the particular Target Fund you held immediately prior to such Reorganization, less the costs of the Reorganization (though you may receive cash for fractional shares).

*Shareholders of BDJ*: You will remain shareholders of BDJ.

Q: At what prices have common shares of the Target Funds and the Acquiring Fund historically traded?

A: As of July 31, 2011 and on a historical average basis, each Target Fund is trading/has traded at a wider discount than that of BDJ. Beginning in early August 2011, BDV and the Acquiring Fund have traded at similar discounts, with BDV trading at a narrower discount than BDJ from time-to-time. To the extent each Target Fund is trading at a wider discount than that of BDJ at the time of the Reorganizations, Target Fund Shareholders would have the potential for an economic benefit by the narrowing of the discount. To the extent each Target Fund is trading at a narrower discount than that of BDJ at the time of the Reorganizations, Target Fund Shareholders may be negatively impacted by the widening of the discount. In addition, as noted above, if the Reorganization of a Target Fund is not approved, the Investment Advisor anticipates that it may recommend alternative proposals to the Board of each Target Fund, which may include dividend adjustments and/or modifications to each of the Target Fund's investment strategies. There can be no assurance that, after the Reorganizations, common shares of the Combined Fund will trade at, above or below net asset value. In the Reorganizations, shareholders of each Target Fund will receive common shares of the Acquiring Fund based on the relative net asset values (not the market values) of each respective Fund's common shares. The market value of the common shares of the Combined Fund may be less than the market value of the common shares of your Fund prior to the Reorganizations.

Q: Will I have to pay any sales load, commission or other similar fees in connection with the Reorganizations?

A: You will pay no sales loads or commissions in connection with the Reorganizations. However, regardless of whether the Reorganizations are completed, the costs associated with the proposed Reorganizations, including the costs associated with the shareholder meeting, will be borne directly by the respective Fund incurring the expense or allocated among the Funds proportionately or on another reasonable basis, as appropriate, except that, since the Combined Fund's expenses are expected to be substantially higher than BDV's current expenses, the Advisor has decided to cover BDV's costs of the Reorganization. Therefore, the costs associated with BDV's Reorganization will not be borne directly by BDV. Because of the expected benefits for each Fund, and because, over time, the savings attributable to BDJ's participation in each Reorganization outweigh the costs associated with such Reorganization, the Advisor is recommending that BDT and BDJ each be responsible for its own Reorganization expenses. Such costs are estimated to be $1,302,135 in the aggregate, of which $457,189 is estimated to be attributable to BDV, $356,083 is estimated to be attributable to BDT and $488,863 is estimated to be attributable to BDJ. Neither the Funds nor the Investment Advisor will pay any expenses of shareholders arising out of or in connection with the Reorganizations.

Q: Will I have to pay any U.S. federal taxes as a result of the Reorganizations?

A: Each of the Reorganizations is intended to qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"). If a Reorganization so qualifies, in general, shareholders of a Target Fund will recognize no gain or loss for U.S. federal income tax purposes upon the exchange of their Target Fund common shares for Acquiring Fund common shares pursuant to the Reorganization (except with respect to cash received in lieu of fractional shares). Additionally, the Target Fund will recognize no gain or loss for U.S. federal income tax purposes as a result of the transfer of all of its assets and liabilities in exchange for the Acquiring Fund common shares or as a result of its dissolution. Neither the Acquiring Fund nor its shareholders will recognize any gain or loss for U.S. federal income tax purposes pursuant to either Reorganization.

On or prior to the closing date of the Reorganization (the "Closing Date"), each of the Target Funds will declare a distribution to its shareholders that, together with all previous distributions, will have the effect of distributing to each respective Target Fund's shareholders all of its investment company taxable income (computed without regard to the deduction for dividends paid), if any, through the Closing Date, all of its net capital gains, if any, through the Closing Date, and all of its net tax-exempt interest income, if any, through the Closing Date. Such a distribution will be taxable to each Target Fund's shareholders for U.S. federal income tax purposes.

The Funds' shareholders should consult their own tax advisers regarding the U.S. federal income tax consequences of the Reorganizations, as well as the effects of state, local and non-U.S. tax laws, including possible changes in tax laws.

Q: Why is the vote of shareholders of the Acquiring Fund being solicited in connection with the Reorganizations?

A: Although the Acquiring Fund will continue its legal existence and operations after the Reorganizations, the rules of the New York Stock Exchange (on which the Acquiring Fund's common shares are listed) require the Acquiring Fund's shareholders to approve the issuance of additional common shares in connection with the Reorganizations. If the issuance of additional common shares of the Acquiring Fund is not approved, none of the Reorganizations will occur.

Q: How does the Board of my Fund suggest that I vote?

A: After careful consideration, the Board of your Fund recommends that you vote "**FOR**" each of the items proposed for your Fund.

Q: How do I vote my proxy?

A: You may cast your vote by mail, phone, internet or in person at the Special Meeting. To vote by mail, please mark your vote on the enclosed proxy card and sign, date and return the card in the postage-paid envelope provided. If you choose to vote by phone or internet, please refer to the instructions found on the proxy card accompanying this Joint Proxy Statement/Prospectus. To vote by phone or internet, you will need the "control number" that appears on the proxy card.

Q: Whom do I contact for further information?

A: You may contact your financial advisor for further information. You may also call , the Funds' proxy solicitor, at .

Please vote now. Your vote is important.

To avoid the wasteful and unnecessary expense of further solicitation, we urge you to indicate your voting instructions on the enclosed proxy card, date and sign it and return it promptly in the envelope provided, or record your voting instructions by telephone or via the internet, no matter how large or small your holdings may be. If you submit a properly executed proxy but do not indicate how you wish your common shares to be voted, your shares will be voted "For" each Proposal, as applicable. If your shares are held through a broker, you must provide voting instructions to your broker about how to vote your shares in order for your broker to vote your common shares at the Special Meeting.

BLACKROCK EQUITY DIVIDEND TRUST
BLACKROCK STRATEGIC EQUITY DIVIDEND TRUST
BLACKROCK ENHANCED EQUITY DIVIDEND TRUST
100 Bellevue Parkway
Wilmington, Delaware 19809
(800) 882-0052

NOTICE OF JOINT SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON THURSDAY, DECEMBER 22, 2011

Notice is hereby given that a joint special meeting of shareholders (the "Special Meeting") of BlackRock Equity Dividend Trust ("BDV"), BlackRock Strategic Equity Dividend Trust ("BDT") and BlackRock Enhanced Equity Dividend Trust ("BDJ") will be held at the offices of BlackRock, Inc., 1 University Square Drive, Princeton, NJ 08540-6455, on Thursday, December 22, 2011 at 9:00 a.m. for the following purposes:

1. The Reorganizations of the Target Funds

Shareholders of BlackRock Equity Dividend Trust (BDV):

Proposal 1(A): The shareholders of BDV are being asked to approve an Agreement and Plan of Reorganization between BDV and BDJ (the "BDV Reorganization Agreement"), the termination of BDV's registration under the Investment Company Act of 1940 (the "1940 Act") and the dissolution of BDV under Delaware law.

*Shareholders of BlackRock Strategic Equity Dividend Trust (BDT):*

Proposal 1(B): The shareholders of BDT are being asked to approve an Agreement and Plan of Reorganization between BDT and BDJ (the "BDT Reorganization Agreement"), the termination of BDT's registration under the 1940 Act and the dissolution of BDT under Delaware law.

2. Issuances of Additional Acquiring Fund Shares

Shareholders of BlackRock Enhanced Equity Dividend Trust (BDJ):

Proposal 2(A): The shareholders of BDJ are being asked to approve the issuance of additional shares of common stock of BDJ in connection with the BDV Reorganization Agreement between BDV and BDJ.

Proposal 2(B): The shareholders of BDJ are being asked to approve the issuance of additional shares of common stock of BDJ in connection with the BDT Reorganization Agreement between BDT and BDJ.

Shareholders of record as of the close of business on October 26, 2011 are entitled to vote at the Special Meeting or any adjournment thereof.

**THE BOARD OF TRUSTEES (EACH, A "BOARD") OF EACH OF BDV, BDT AND BDJ REQUESTS THAT YOU VOTE YOUR SHARES BY INDICATING YOUR VOTING INSTRUCTIONS ON THE ENCLOSED PROXY CARD, DATING AND SIGNING SUCH PROXY CARD AND RETURNING IT IN THE ENVELOPE PROVIDED, WHICH IS ADDRESSED FOR YOUR CONVENIENCE AND NEEDS NO POSTAGE IF MAILED IN THE UNITED STATES, OR BY RECORDING YOUR VOTING INSTRUCTIONS BY TELEPHONE OR VIA THE INTERNET.**

THE BOARDS OF BDV AND BDT RECOMMEND THAT YOU CAST YOUR VOTE:

- FOR THE REORGANIZATION OF YOUR FUND PURSUANT TO THE REORGANIZATION AGREEMENT AS DESCRIBED IN THE JOINT PROXY STATEMENT/PROSPECTUS, THE TERMINATION OF YOUR FUND'S REGISTRATION UNDER THE 1940 ACT AND THE DISSOLUTION OF YOUR FUND UNDER DELAWARE LAW.

THE BOARD OF BDJ RECOMMENDS THAT YOU CAST YOUR VOTE:

- FOR THE ISSUANCE OF ADDITIONAL SHARES OF COMMON STOCK OF YOUR FUND IN CONNECTION WITH THE REORGANIZATION AGREEMENT.

**IN ORDER TO AVOID THE ADDITIONAL EXPENSE OF FURTHER SOLICITATION, WE ASK THAT YOU MAIL YOUR PROXY CARD OR RECORD YOUR VOTING INSTRUCTIONS BY TELEPHONE OR VIA THE INTERNET PROMPTLY.**

For the Board of Trustees of
BlackRock Equity Dividend Trust
BlackRock Strategic Equity Dividend Trust and
BlackRock Enhanced Equity Dividend Trust

John M. Perlowski
*President and Chief Executive Officer*
*BlackRock Equity Dividend Trust*
*BlackRock Strategic Equity Dividend Trust* and
*BlackRock Enhanced Equity Dividend Trust*

, 2011

YOUR VOTE IS IMPORTANT.

PLEASE VOTE PROMPTLY BY SIGNING AND RETURNING THE
ENCLOSED PROXY CARD OR BY RECORDING YOUR VOTING INSTRUCTIONS BY TELEPHONE
OR VIA THE INTERNET, NO MATTER HOW MANY SHARES YOU OWN.

The information in this Joint proxy statement/prospectus is not complete and may be changed. We may not sell these securities until the Registration Statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED OCTOBER 5, 2011

JOINT PROXY STATEMENT/PROSPECTUS

BLACKROCK EQUITY DIVIDEND TRUST
BLACKROCK STRATEGIC EQUITY DIVIDEND TRUST
BLACKROCK ENHANCED EQUITY DIVIDEND TRUST

100 Bellevue Parkway
Wilmington, Delaware 19809
(800) 882-0052

JOINT SPECIAL MEETING OF SHAREHOLDERS

December 22, 2011

This Joint Proxy Statement/Prospectus is furnished to you as a shareholder of BlackRock Equity Dividend Trust ("BDV"), BlackRock Strategic Equity Dividend Trust ("BDT") and/or BlackRock Enhanced Equity Dividend Trust ("BDJ"), each a Delaware statutory trust and a diversified, closed-end management investment company registered under the Investment Company Act of 1940 (the "1940 Act"). A joint special meeting (the "Special Meeting") of shareholders of BDV, BDT and BDJ (each, a "Fund" and collectively, the "Funds") will be held at the offices of BlackRock, Inc. ("BlackRock"), 1 University Square Drive, Princeton, NJ 08540-6455, on Thursday, December 22, 2011 at 9:00 a.m. to consider the items listed below and discussed in greater detail elsewhere in this Joint Proxy Statement/Prospectus. If you are unable to attend the Special Meeting or any adjournment thereof, the Board of Trustees (each, a "Board") of each Fund requests that you vote your common shares by completing and returning the enclosed proxy card or by recording your voting instructions by telephone or via the Internet. The approximate mailing date of this Joint Proxy Statement/Prospectus and accompanying form of proxy is November 23, 2011.

The purposes of the Special Meeting are:

1. The Reorganizations of the Target Funds

Shareholders of BlackRock Equity Dividend Trust (BDV):

Proposal 1(A): The shareholders of BDV are being asked to approve an Agreement and Plan of Reorganization between BDV and BDJ (the "BDV Reorganization Agreement"), the termination of BDV's registration under the 1940 Act and the dissolution of BDV under Delaware law.

*Shareholders of BlackRock Strategic Equity Dividend Trust (BDT):*

Proposal 1(B): The shareholders of BDT are being asked to approve an Agreement and Plan of Reorganization between BDT and BDJ (the "BDT Reorganization Agreement" and, together with the BDV Reorganization Agreement, the "Reorganization Agreements"), the termination of BDT's registration under the 1940 Act and the dissolution of BDT under Delaware law.

2. Issuances of Additional Acquiring Fund Shares

Shareholders of BlackRock Enhanced Equity Dividend Trust (BDJ):

Proposal 2(A): The shareholders of BDJ are being asked to approve the issuance of additional shares of common stock of BDJ in connection with the BDV Reorganization Agreement between BDV and BDJ.

Proposal 2(B): The shareholders of BDJ are being asked to approve the issuance of additional shares of common stock of BDJ in connection with the BDT Reorganization Agreement between BDT and BDJ.

Shareholders of record as of the close of business on October 26, 2011 are entitled to vote at the Special Meeting or any adjournment thereof.

BDV and BDT are sometimes referred to herein as the "Target Funds," and BDJ is sometimes referred to herein as the "Acquiring Fund." The Reorganization Agreements that Target Fund shareholders are being asked to consider involve transactions that will be referred to in this Joint Proxy Statement/Prospectus individually as a "Reorganization." The Fund surviving any or all Reorganizations is referred to herein as the "Combined Fund."

The Reorganizations seek to combine three funds that are substantially similar (but not identical) to achieve certain economies of scale and other operational efficiencies for the Funds. In each Reorganization, the Acquiring Fund will acquire substantially all of the assets and assume substantially all of the liabilities of each Target Fund in exchange for an equal aggregate value of newly-issued common shares of the Acquiring Fund, par value $0.001 per share ("Acquiring Fund Shares"). Each Target Fund will distribute Acquiring Fund Shares to common shareholders of such Target Fund, and will then terminate its registration under the 1940 Act and dissolve under Delaware law. The aggregate net asset value of Acquiring Fund Shares received by the shareholders of the Target Fund in each Reorganization will equal the aggregate net asset value of Target Fund common shares held by such shareholders immediately prior to such Reorganization, less the direct costs of such Reorganization, as applicable (although shareholders may receive cash for their fractional common shares).

Each Target Fund will terminate its registration under the 1940 Act after the completion of its Reorganization. The Acquiring Fund will continue to operate after the Reorganization as a registered, diversified, closed-end management investment company with the investment objective and policies described in this Joint Proxy Statement/Prospectus.

In connection with each Reorganization, the shareholders of the Acquiring Fund are being asked to approve the issuance of additional common shares of the Acquiring Fund.

The Board of each Fund has determined that including these proposals in one Joint Proxy Statement/Prospectus will reduce costs and is in the best interests of each Fund's shareholders.

In the event that shareholders of a Target Fund do not approve its Reorganization, such Target Fund would continue to exist and operate on a stand-alone basis. In the event the Acquiring Fund shareholders do not approve the issuance of Acquiring Fund Shares in connection with a Reorganization, then the affected Target Fund would ii

continue to exist and operate on a stand-alone basis. However, if the Reorganization of a Target Fund is not approved, the Funds' investment adviser, BlackRock Advisors, LLC (the "Investment Advisor") anticipates that it may recommend alternative proposals to the Board of each Target Fund, which may include dividend adjustments and/or modifications to each of the Target Fund's investment strategies. An unfavorable vote by one of the Target Funds or the Acquiring Fund with respect to one of the Reorganizations will not affect the implementation of the Reorganization by the other Target Fund.

This Joint Proxy Statement/Prospectus sets forth concisely the information that shareholders of each Fund should know before voting on the proposals for their Fund and constitutes an offering of Acquiring Fund Shares. Please read it carefully and retain it for future reference. A Statement of Additional Information, dated , 2011, relating to this Joint Proxy Statement/Prospectus (the "Statement of Additional Information") has been filed with the Securities and Exchange Commission (the "SEC") and is incorporated herein by reference. Copies of each Fund's most recent annual report and semi-annual report can be obtained on a web site maintained by BlackRock at www.blackrock.com. In addition, each Fund will furnish, without charge, a copy of the Statement of Additional Information, its most recent annual report or semi-annual report to any shareholder upon request. Any such request should be directed to BlackRock by calling (800) 882-0052 or by writing to the respective Fund at Park Avenue Plaza, 55 East 52nd Street, New York, New York 10055. The Statement of Additional Information and the annual and semi-annual reports of each Fund are available on the EDGAR Database on the Securities and Exchange Commission's Internet site at www.sec.gov. The address of the principal executive offices of the Funds is 100 Bellevue Parkway, Wilmington, Delaware 19809, and the telephone number is (800) 882-0052.

The Funds are subject to the informational requirements of the Securities Exchange Act of 1934 and, in accordance therewith, file reports, proxy statements, proxy materials and other information with the SEC. Materials filed with the SEC can be reviewed and copied at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549 or downloaded from the SEC's web site at www.sec.gov. Information on the operation of the SEC's Public Reference Room may be obtained by calling the SEC at (202) 551-8090. You may also request copies of these materials, upon payment at the prescribed rates of a duplicating fee, by electronic request to the SEC's e-mail address (publicinfo@sec.gov) or by writing the Public Reference Branch, Office of Consumer Affairs and Information Services, Securities and Exchange Commission, Washington, DC 20549-0102.

BlackRock will update performance information for the Funds, as well as certain other information for the Funds, on a monthly basis on its website in the "Closed-End Funds" section of www.blackrock.com. Shareholders are advised to periodically check the website for updated performance information and other information about the Funds.

Please note that only one copy of shareholder documents, including annual or semi-annual reports and proxy materials may be delivered to two or more shareholders of the Funds who share an address, unless the Funds have received instructions to the contrary. 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. To request a separate copy of any shareholder document, or for instructions as to how to request a separate copy of these documents or as to how to request a single copy if multiple copies of these documents are received, shareholders should contact the Fund at the address and phone number set forth above.

The common shares of BlackRock Enhanced Equity Dividend Trust are listed on the New York Stock Exchange ("NYSE") under the ticker symbol "BDJ" and will continue to be so listed subsequent to the Reorganization. The common shares of BlackRock Equity Dividend Trust are listed on the NYSE under the ticker symbol "BDV." The common shares of BlackRock Strategic Equity Dividend Trust are listed on the NYSE under the ticker symbol "BDT." Reports, proxy statements and other information concerning the Funds may be inspected at the offices of the NYSE Amex, 20 Broad Street, New York, New York 10005.

This Joint Proxy Statement/Prospectus serves as a prospectus of the Acquiring Fund in connection with the issuance of Acquiring Fund Shares in the Reorganization. No person has been authorized to give any information or make any representation not contained in this Joint Proxy Statement/Prospectus and, if so given or made, such information or representation must not be relied upon as having been authorized. This Joint Proxy Statement/Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction in which, or to any person to whom, it is unlawful to make such offer or solicitation.

Photographic identification and proof of ownership will be required for admission to the meeting. For directions to the meeting, please contact , the firm assisting us in the solicitation of proxies, at .

**THE SEC HAS NOT APPROVED OR DISAPPROVED THESE SECURITIES OR PASSED UPON THE ADEQUACY OF THIS JOINT PROXY STATEMENT/PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

The date of this Joint Proxy Statement/Prospectus is , 2011.

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SUMMARY

*The following is a summary of certain information contained elsewhere in this Joint Proxy Statement/Prospectus and is qualified in its entirety by reference to the more complete information contained in this Joint Proxy Statement/Prospectus and in the Statement of Additional Information. Shareholders should read the entire Joint Proxy Statement/Prospectus carefully.*

PROPOSAL 1: THE REORGANIZATIONS OF THE TARGET FUNDS

The Proposed Reorganization

The Board of each Fund, including the trustees (the "Trustees") who are not "interested persons" of each Fund (as defined in the 1940 Act) (the "Independent Trustees"), has unanimously approved each Reorganization Agreement. If the shareholders of a Target Fund approve their Reorganization Agreement and the shareholders of the Acquiring Fund approve the issuance of additional Acquiring Fund Shares in connection with the Reorganization, as applicable (see "Proposal 2: Issuances of Additional Acquiring Fund Shares"), Acquiring Fund Shares will be issued to such Target Fund in exchange for substantially all of the assets of such Target Fund and the assumption of substantially all of the liabilities of such Target Fund. Each Target Fund will then distribute the Acquiring Fund Shares to its shareholders, terminate its registration under the 1940 Act and dissolve under Delaware law. The aggregate net asset value of Acquiring Fund Shares received by a Target Fund's shareholders in each Reorganization will equal the aggregate net asset value of that Target Fund's common shares held immediately prior to such Reorganization, less the direct costs of such Reorganization, as applicable (although shareholders may receive cash for their fractional common shares). In the Reorganizations, shareholders of each Target Fund will receive common shares of the Acquiring Fund based on the relative net asset value, not the market value, of each respective Fund's common shares. The market value of the common shares of the Combined Fund may be less than the market value of the common shares of a Target Fund prior to the Reorganization.

Background and Reasons for the Proposed Reorganization

The Reorganizations seek to combine three funds that are either the same or substantially similar (but not identical) to achieve certain economies of scale and other operational efficiencies. The Boards of each Target Fund (each, a "Target Fund Board"), based upon its evaluation of all relevant information, anticipates that the Reorganization would benefit shareholders of its Target Fund. The Board of the Acquiring Fund (the "Acquiring Fund Board"), based upon its evaluation of all relevant information, anticipates that the Reorganizations would benefit shareholders of the Acquiring Fund. Because each Fund will vote separately on its respective Reorganization, there are multiple potential combinations of Reorganizations.

The Acquiring Fund's primary investment objective is to seek current income and current gains, with a secondary objective of long-term capital appreciation. BDV's investment objective is to provide total return through a combination of current income, capital gains and capital appreciation. BDT's investment objective is to provide total return through a combination of current income, current gains and long-term capital appreciation. Each Fund's investment objective(s) is not a fundamental policy and may be changed without shareholder approval. Each Fund, under normal market conditions, invests at least 80% of its total assets in dividend-paying equities and may invest up to 20% of its total assets in equity securities of issuers that do not pay dividends. BDT differs from the other Funds in that it also invests substantially all of its total assets in small- and mid-capitalization companies, as defined by the Russell Mid Cap Index. Finally, the Acquiring Fund uses an option strategy that writes options on approximately 50-60% of its total assets, whereas the other Funds generally overwrite 10-20% of their respective total assets.

The Boards have reviewed data presented by the Investment Advisor and believe that the Reorganizations generally would result in a reduced Total Expense Ratio (as defined below) for the Acquiring Fund, as the Combined Fund's management fee is expected to be lower than the Acquiring Fund's current management fee and certain fixed administrative costs would be spread across the Combined Fund's larger asset base. If the Reorganizations are approved, the Combined Fund will pay the Investment Advisor a monthly fee at an annual rate of 0.81% of the Combined Fund's average weekly value of its total assets minus the sum of its accrued liabilities ("average weekly managed assets"). Because the Combined Fund has no present intention of borrowing for investment purposes, the Combined Fund's "managed assets" will generally be equal to the Combined Fund's net assets. However, if the Combined Fund borrows for investment purposes, "managed assets" will mean the total assets of the Combined Fund minus the sum of the accrued liabilities (other than the aggregate indebtedness constituting financial leverage).

When we use the term "Total Expenses," we mean a Fund's total annual operating expenses. When we use the term "Total Expense Ratio," we mean a Fund's Total Expenses expressed as a percentage of its average net assets attributable to its common shares. For the 12-month period ended April 30, 2011, the Total Expense Ratios of BDV, BDT and BDJ were 0.81%, 0.93% and 1.16%, respectively. The Funds estimate that the completion of all of the Reorganizations would result in a Total Expense Ratio for the Combined Fund of 0.95% on a pro forma basis for the 12-month period ended April 30, 2011, representing a reduction in the Total Expense Ratio for BDJ of 0.21% as a percentage of average net assets attributable to common shares. The Total Expense Ratio for the Combined Fund is expected to have a higher expense ratio than each of the Target Funds, representing an increase of 0.14% for BDV and 0.02% for BDT, each as a percentage of average net assets attributable to common shares; however, the Board of each Target Fund believes that the other benefits of the Reorganization outweigh such additional costs.

If any of the Reorganizations is approved, the Investment Advisor will reduce the advisory fee payable by the Acquiring Fund by 19 basis points, from 1.00% of average weekly managed assets to 0.81% of average weekly managed assets. These reductions in fees will be effective on the date any Reorganization becomes effective and will not decrease or modify the nature or level of the services that the Investment Advisor will provide to the Acquiring Fund relative to what the Investment Advisor currently provides to the Acquiring Fund. If the shareholders of each Target Fund approves its proposed Reorganization, the advisory fee payable by BDV would increase by 16 basis points, from 0.65% of average weekly managed assets to 0.81% of average weekly managed assets, and the advisory fee payable by BDT would increase by 6 basis points, from 0.75% of average weekly managed assets to 0.81% of average weekly managed assets. In addition, the Combined Fund would be competitively priced relative to peers and below the median contractual management fee for Lipper peers. Despite each Target Fund bearing higher costs, the Target Funds will receive the benefit of a higher degree of option overwrite at a cost below where the Investment Advisor would price such services for a new fund. The most recent fund launched with a similar level of overwriting and advised by the Investment Advisor is charged a management fee of 1.00%; whereas the Combined Fund is expected to have a management fee of 0.81%.

In approving the proposed Reorganizations, the Board of each Fund, including the Independent Trustees, determined that participation in the Reorganizations is in the best interests of each Fund and its shareholders and that the interests of each Fund's shareholders will not be diluted with respect to the net asset value of such Fund as a result of the Reorganization. Before reaching these conclusions, the Board of each Fund, including the Independent Trustees, engaged in a thorough review process relating to the proposed Reorganizations. The Boards of the Funds also received a memorandum outlining, among other things, the legal standards and certain other considerations relevant to the Boards' deliberations. The Boards of the Funds, including all of the Independent Trustees, approved the Reorganization at a meeting held on September 8-9, 2011.

The primary factors considered by the Board of each Fund with regard to the Reorganization include, but are not limited to, the following:

1.

The Combined Fund is expected to have a lower Total Expense Ratio than the Acquiring Fund prior to the Reorganization. Even though the ratio of each Target Fund is expected to increase, the Board of each Target Fund believes that the other benefits of the Reorganization outweigh the increase.

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The Funds estimate that the completion of the Reorganization would result in a Total Expense Ratio for the Combined Fund of 0.95% on a pro forma basis for the 12-month period ended April 30, 2011, representing an decrease in the Total Expense Ratio of 0.21% for BDJ and representing an increase in the Total Expense Ratio of 0.14% for BDV and 0.02% for BDT, each as a percentage of average net assets attributable to common shares.

2. The Target Funds will receive the benefit of a higher degree of option overwrite at a cost below where the Investment Advisor would price such services for a new fund and below the median of BDJ's Lipper Peer Group. The most recent fund launched with a similar level of overwriting and advised by the Investment Advisor is charged a management fee of 1.00%; whereas the Combined Fund is expected to have a management fee of 0.81%.
3. The expectation that, if the Reorganizations of the Target Funds are not approved, the Investment Advisor may recommend alternative proposals to the Board of each Target Fund, which may include dividend adjustments or modifications to the Target Funds' investment strategies.
4. The Acquiring Fund will incur a lower contractual management fee rate as a shareholder of the Combined Fund.
5. Each Fund's shareholders will remain invested in a diversified, NYSE-listed, closed-end management investment company that will have substantially greater net assets and either the same or substantially similar (but not identical) investment objectives and policies and, as a result, the style and risk/return profile of the Combined Fund will remain comparable to those of each Target Fund shareholders' current investments, subject to the differences described in "Comparison of the Funds."

Each Fund's shareholders would continue to own a closed-end fund that (i) has the same investment adviser and portfolio managers as BDJ, (ii) has comparable risk-return attributes as BDJ, (iii) similarly focuses its investments substantially on those that will pay out dividends, and (iv) trades at market price on the NYSE. See "Investment Objectives and Policies" for additional information regarding the Funds' investment objective(s) and policies.

6. Under current market conditions and all other things being equal, the distribution yield of the Combined Fund is expected to be comparable to the current distribution yield of BDJ which, all things being equal, should help the Combined Fund trade at or about the price at which BDJ currently trades. The current distribution yield of BDJ is significantly higher than those of the Target Funds. Of course, no assurance can be given that the common shares of the Combined Fund will trade at or about the current market price of BDJ after the Reorganization.
7. As of July 31, 2011 and on a historical average basis, each Target Fund is trading/has traded at a wider discount than that of BDJ. Beginning in early August 2011, BDV and the Acquiring Fund have traded at similar discounts, with BDV trading at a narrower discount than BDJ from time-to-time. To the extent each Target Fund is trading at a wider discount than that of BDJ at the time of the Reorganizations, Target Fund Shareholders would have the potential for an economic benefit by the narrowing of the discount. To the extent each Target Fund is trading at a narrower discount than that of BDJ at the time of the Reorganizations, Target Fund Shareholders may be negatively impacted by the widening of the discount.
8. The Combined Fund is expected to achieve certain operating and administrative efficiencies from its larger net asset size. The larger net asset size of the Combined Fund could permit the Combined Fund to achieve certain economies of scale as certain fixed and variable costs can be spread over a larger asset base and the larger Combined Fund may realize greater investment flexibility and investment options, greater

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diversification of portfolio investments, the ability to trade in larger positions, more favorable transaction terms, better trade execution, more consistent implementation of investment strategies, additional research coverage and greater liquidity.

9. The Combined Fund may experience potential benefits from having fewer closed-end funds in the market, including potential benefits from a more efficient secondary market and an increased focus by investors on the remaining funds in the market (including the Combined Fund), and fewer similar funds in the same fund complex, including potential benefits from easier product differentiation for shareholders (including shareholders of the Combined Fund).
10. The Combined Fund may provide greater secondary market liquidity for its common shares as it would be larger than any of the Funds.
11. Shareholders will recognize no gain or loss for U.S. federal income tax purposes as a result of the Reorganizations (except with respect to cash received in lieu of fractional shares), as each Reorganization is intended to qualify as a "reorganization" within the meaning of Section 368(a) of the United States Internal Revenue Code of 1986, as amended (the "Code").
12. Shareholders will benefit from the continuing experience and expertise of the portfolio management team designated for the Combined Fund and the team's commitment to the investment style and strategies to be used in managing the assets of the Combined Fund. See "Management of the Funds." The portfolio guidelines of the Combined Fund will either be the same or substantially similar (but not identical) to that of each Target Fund, as described in greater detail elsewhere in this Joint Proxy Statement/Prospectus. As a result, it is not anticipated that there will be significant disposition of the holdings in each Target Fund as a result of the Reorganization. In addition, nothing will require the Funds to dispose of holdings in the Target Fund's portfolio if, in the reasonable judgment of the Boards or the Investment Advisor, such disposition would adversely affect the tax-free nature of the Reorganization for U.S. federal income tax purposes.
13. Other than the higher degree of option overwrite for each of the Target Funds, the Shareholders will receive substantially the same services after their Reorganization.
14. The aggregate net asset value of the shares of the Combined Fund that the Target Fund shareholders will receive in the Reorganization is expected to equal the aggregate net asset value of the Target Fund shares that the Target Fund shareholders owned immediately prior to the Reorganization, and the net asset value of Target Fund shares will not be diluted as a result of the Reorganization.
15. While the capital loss carryforwards of the Combined Fund attributable to each Target Fund that participates in a Reorganization will be subject to tax loss limitation rules by reason of such Target Fund undergoing an ownership change in the Reorganization, the Boards of the Target Funds currently expect that such tax loss limitation rules should not have a material adverse effect on the Combined Fund's utilization of each Target Fund's capital loss carryforward as compared with what each Target Fund's utilization of its own capital loss carryforward would be without the Reorganization. The Board of the Acquiring Fund considered that the Combined Fund's utilization of the Acquiring Fund's capital loss carryforward might be significantly less favorable as compared with what the Acquiring Fund's utilization of its capital loss carryforward would be without the Reorganization. The actual effect of the loss limitation rules depends on many variables and assumptions, including projected performance, and is, therefore, highly uncertain.

Considering these and other reasons, the Board of each Target Fund unanimously concluded that completion of the Reorganizations is in the best interests of each Target Fund and its shareholders and that the interests of the shareholders of each Target Fund will not be diluted as a result of the Reorganizations. This determination was made on the basis of each Trustee's business judgment after consideration of all of the factors taken as a whole with respect to each Target Fund and its shareholders, although individual trustees may have placed different weight and assigned different degrees of materiality to various factors. See "Reasons for the Reorganizations."

If a Reorganization is not approved by a Target Fund's shareholders, such Target Fund will continue to operate for the time being as a stand alone Delaware statutory trust, and will continue to be advised by the Investment Advisor. However, if the Reorganization of a Target Fund is not approved, the Investment Advisor anticipates that it may recommend alternative proposals to the Board of each Target Fund, which may include dividend adjustments and/or modifications to each of the Target Fund's investment strategies. An unfavorable vote by one of the Target Funds or the Acquiring Fund with respect to one of the Reorganizations will not affect the implementation of the Reorganization by the other Funds.

Expenses

The Boards believe that the completion of the Reorganization would result in a reduced Total Expense Ratio for the Acquiring Fund because the Combined Fund’s management fee is expected to be lower than the Acquiring Fund’s current management fee and because certain fixed administrative costs would be spread across the Combined Fund's larger asset base.

For the 12-month period ended April 30, 2011, the Total Expense Ratios of BDV, BDT and BDJ were 0.81%, 0.93% and 1.16%, respectively. The Funds estimate that the completion of the Reorganizations would result in a Total Expense Ratio for the Combined Fund of 0.95% on a pro forma basis for the 12-month period ended April 30, 2011, representing a reduction in the Total Expense Ratio of 0.21% for BDJ and an increase in the Total Expense Ratio of 0.14% for BDV and 0.02% for BDT, each as a percentage of average net assets attributable to common shares. However, the Board of each Target Fund believes that the other benefits of the Reorganization outweigh the increase in the Total Expense Ratio of the Target Fund.

Appraisal Rights

Shareholders of the Target Funds do not have appraisal rights for their common shares.

Comparison of the Funds

A summary comparison of the significant investment strategies and operating policies used by the Funds as of the date of June 30, 2011 is set forth in the table below. See "Proposal 1: The Reorganizations of the Target Funds—Comparison of the Funds" for a more detailed comparison of the Funds. After the Reorganization, the investment strategies and significant operating policies of the Combined Fund will be those of BDJ.

| Acquiring Fund | Target Funds | |
|---|---|---|
| BDJ | BDV | BDT |
| **Total Assets under Management** | **Total Assets under Management** | **Total Assets under Management** |
| As of June 30, 2011: $607,115,667 | As of June 30, 2011: $583,988,568 | As of June 30, 2011: $316,319,642 |

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| Acquiring Fund | Target Funds | |
|---|---|---|
| BDJ | BDV | BDT |
| **Investment Objective(s)** | **Investment Objective(s)** | **Investment Objective(s)** |
| · Primary investment objective is to provide current income and current gains, with a secondary objective of long-term capital appreciation. | · To provide total return through a combination of current income, capital gains, and long-term capital appreciation. | · To provide total return through a combination of current income, current gains, and long-term capital appreciation. |
| · Seeks to achieve these objectives by investing in common stocks that pay dividends and have the potential for capital appreciation and by utilizing an option writing strategy to enhance distributions to its shareholders. | · Seeks to achieve these objectives by investing in common stocks that pay dividends and have the potential for capital appreciation. | · Seeks to achieve its investment objective by investing substantially all of its total assets in common stocks of small to mid-capitalization issuers that pay dividends and have the potential for capital appreciation. |
| **Investment Policies** | **Investment Policies** | **Investment Policies** |
| · Invests at least 80% of its total assets in dividend-paying equities, under normal market conditions. | · Same as Acquiring Fund. | · Same as Acquiring Fund. |
| · May invest up to 20% of its total assets in equity securities of issuers that do not pay dividends, under normal market conditions. | · Same as Acquiring Fund. | · Same as Acquiring Fund. |
| | | · Invests at least 80% of its total assets in small- and mid-capitalization companies, as defined by the Russell Mid Cap Index. |
| **Option Strategy** | **Option Strategy** | **Option Strategy** |
| · Employs a strategy of writing (selling) covered call and put options on common stocks, indices of securities, | · May purchase and sell derivative instruments such as exchange-listed and over-the-counter put and call | · May purchase and sell futures contracts, exchange-listed and over-the-counter put and call options |

| | | |
|---|---|---|
| sectors of securities and baskets of securities. This option strategy is intended to generate current gains from option premiums as a means to enhance distributions payable to the Fund's shareholders. | options on securities, financial futures, equity indices, and other financial instruments, purchase and sell financial futures contracts and options thereon and engage in swaps. | on securities, equity and other indices and futures contracts and forward foreign currency contracts, and may enter into various interest rate transactions. |
| · Generally writes covered put and call options with respect to approximately 50% to 60% of its total assets, although this percentage may vary from time to time with market conditions. | · Currently employs a strategy of overwriting 10-20% of its total assets, although this percentage may vary from time to time with market conditions. | · Same as BDV. |

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| Acquiring Fund<br>BDJ | Target Funds<br>BDV | <br>BDT |
|---|---|---|
| **Leverage** | **Leverage** | **Leverage** |
| · Currently does not intend to incur indebtedness or issue preferred shares for investment purposes. | · Same as Acquiring Fund. | · Same as Acquiring Fund. |
| · May borrow in an amount up to 5% of its total assets for temporary or emergency purposes. | · Same as Acquiring Fund. | · Same as Acquiring Fund. |
| · May borrow funds for investment purposes and/or issue debt securities or preferred shares in an aggregate amount of approximately $33^{1}/_{3}\%$ of its total assets to purchase additional securities. | · Same as Acquiring Fund. | · Same as Acquiring Fund. |
| **Foreign Securities** | **Foreign Securities** | **Foreign Securities** |
| · May, but has no present intention to, invest up to 20% of its total assets in foreign securities, which may include securities denominated in U.S. dollars or in foreign currencies or multinational currency units. | · Same as Acquiring Fund. | · Same as Acquiring Fund. |
| · May, but has no present intention to, invest in foreign securities of emerging market issuers, but investments in such securities will not comprise more than 10% of its total assets. | | |
| **Preferred Securities** | **Preferred Securities** | **Preferred Securities** |
| · May, but has no present intention to, invest up to 20% of its total assets in preferred securities. | · Same as Acquiring Fund. | · Same as Acquiring Fund. |
| **Short-term Debt Securities** | **Short-term Debt Securities** | **Short-term Debt Securities** |

| | | |
|---|---|---|
| · May, for temporary defensive purposes or to keep cash on hand, invest up to 100% of its total assets in cash equivalents and short-term debt securities. | · Same as Acquiring Fund. | · Same as Acquiring Fund. |

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| Acquiring Fund | Target Funds | |
|---|---|---|
| BDJ | BDV | BDT |
| **Puts on Securities, Indices and Futures Contracts** | **Puts on Securities, Indices and Futures Contracts** | **Puts on Securities, Indices and Futures Contracts** |
| · Will not sell puts if, as a result, more than 50% of its total assets would be required to cover its potential obligations under its hedging and other investment transactions. | · Same as Acquiring Fund. | · Same as Acquiring Fund. |
| **Short Sales** | **Short Sales** | **Short Sales** |
| · Will not make a short sale if, after giving effect to such sale, the market value of all securities sold short exceeds 25% of the value of its total assets or the Acquiring Fund's aggregate short sales of a particular class of securities exceeds 25% of the outstanding securities of that class. | · Same as Acquiring Fund. | · Same as Acquiring Fund. |
| **Lending of Securities** | **Lending of Securities** | **Lending of Securities** |
| · Will not lend portfolio securities if, as a result, the aggregate of such loans exceeds $33^1/3$% of the value of the Acquiring Fund's total assets (including such loans). | · Same as Acquiring Fund. | · Same as Acquiring Fund. |
| **Dividends** | **Dividends** | **Dividends** |
| · Intends to make regular quarterly cash distributions of all or a portion of its investment company taxable income to shareholders. | · Same as Acquiring Fund. | · Same as Acquiring Fund. |
| **Investment Advisor and Sub-Advisor** | **Investment Advisor and Sub-Advisor** | **Investment Advisor and Sub-Advisor** |
| · Investment Advisor: BlackRock Advisors, LLC. | · Same as Acquiring Fund. | · Same as Acquiring Fund. |
| · Sub-Advisor: BlackRock Financial Management, Inc. | · Same as Acquiring Fund. | · Same as Acquiring Fund. |

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| Acquiring Fund | Target Funds | |
|---|---|---|
| BDJ | BDV | BDT |
| **Advisory and Sub-Advisory Fee** | **Advisory and Sub-Advisory Fee** | **Advisory and Sub-Advisory Fee** |
| · Advisory: 1.00% of the Acquiring Fund's average weekly managed assets. | · Advisory: 0.65% of the Fund's average weekly managed assets. | · Advisory: 0.75% of the Fund's average weekly managed assets. |
| · Sub-Advisory: Equal to 50% of the advisory fee received by the Investment Advisor. | · Same as Acquiring Fund. | · Same as Acquiring Fund. |
| **Portfolio Management Team** | **Portfolio Management Team** | **Portfolio Management Team** |
| · Kathleen M. Anderson, Managing Director at BlackRock;<br>· Robert M. Shearer, Managing Director at BlackRock; and<br>· Kyle G. McClements, Managing Director at BlackRock. | · Same as Acquiring Fund. | · Same as Acquiring Fund. |
| **Fiscal Year End** | **Fiscal Year End** | **Fiscal Year End** |
| · October 31. | · Same as Acquiring Fund. | · Same as Acquiring Fund. |

Further Information Regarding the Reorganization

Each Target Fund's Board has determined that the Reorganizations are in the best interests of its respective Target Fund and the shareholders of such Fund and that the interests of such shareholders will not be diluted as a result of their Fund's Reorganization. Similarly, the Acquiring Fund's Board has determined that each Reorganization is in the best interests of the Acquiring Fund and its shareholders and that the interests of such shareholders will not be diluted as a result of each Reorganization. As a result of the Reorganizations, however, shareholders of each Fund will hold a reduced percentage of ownership in the larger Combined Fund than they did in any of the individual Funds.

Each Reorganization is intended to qualify as a "reorganization" within the meaning of Section 368(a) of the Code. If a Reorganization so qualifies, in general, shareholders of a Target Fund will recognize no gain or loss for U.S. federal income tax purposes upon the exchange of their Target Fund common shares for Acquiring Fund Shares pursuant to the Reorganization (except with respect to cash received in lieu of fractional shares). Additionally, the Target Fund will recognize no gain or loss for U.S. federal income tax purposes as a result of the transfer of substantially all of its assets and liabilities in exchange for Acquiring Fund Shares or as a result of its dissolution. Neither the Acquiring Fund nor its shareholders will recognize any gain or loss for U.S. federal income tax purposes pursuant to each Reorganization. It is a condition to the closing of each Reorganization that the respective Target Fund and the Acquiring Fund receive an opinion from Skadden, Arps, Slate, Meagher & Flom LLP ("Skadden Arps"), dated as of the closing date of such Reorganization (the "Closing Date"), regarding the characterization of the Reorganization as a reorganization within the meaning of Section 368(a) of the Code.

The Target Fund Boards request that shareholders of each Target Fund approve their Fund's proposed Reorganization at the Special Meeting to be held on Thursday, December 22, 2011 at 9:00 a.m. Shareholder approval of each Reorganization requires the affirmative vote by Target Fund shareholders of a "majority of the outstanding voting securities" as defined under the 1940 Act (such a majority referred to herein as a "1940 Act

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Majority"), which means the affirmative vote of either (i) 67% or more of the voting securities present at the Special Meeting, if the holders of more than 50% of the outstanding voting securities of each Target Fund are present or represented by proxy or (ii) more than 50% of the outstanding voting securities of the Fund, whichever is less. Subject to the requisite approval of the shareholders of each Target Fund with regard to each Reorganization, it is expected that the Closing Date will be after the close of business on or about February 3, 2012, but it may be at a different time as described herein.

For additional information regarding voting requirements, see "Voting Information and Requirements."

Investing in the Combined Fund following the Reorganization involves risks. For additional information, see "Risk Factors and Special Considerations."

The BDV Board recommends that you vote "**FOR**" BDV's proposed Reorganization.

The BDT Board recommends that you vote "**FOR**" BDT's proposed Reorganization.

PROPOSAL 2: IssuanceS of ADDITIONAL Acquiring Fund Shares

In connection with each proposed Reorganization described under "Proposal 1: The Reorganizations of the Target Funds," the Acquiring Fund will issue additional Acquiring Fund Shares and list such common shares on the NYSE. The Acquiring Fund will acquire substantially all of the assets and assume substantially all of the liabilities of each Target Fund in exchange for newly-issued Acquiring Fund Shares. The Reorganizations will result in no reduction of the net asset value of the Acquiring Fund Shares, other than to reflect the costs of the Reorganizations.

No gain or loss for U.S. federal income tax purposes will be recognized by the Acquiring Fund or its shareholders pursuant to the Reorganizations. The Acquiring Fund Board, based upon its evaluation of all relevant information, anticipates that the Reorganizations will benefit shareholders of the Acquiring Fund. In particular, the Acquiring Fund Board reviewed data presented by the Investment Advisor showing that the Acquiring Fund will experience a reduced Total Expense Ratio as a result of the proposed Reorganization. If any of the Reorganizations are approved, the Investment Advisor will reduce the advisory fee payable by the Acquiring Fund by 19 basis points, from 1.00% of average weekly managed assets to 0.81% of average weekly managed assets. These reductions in fees will be effective on the date any Reorganization becomes effective and will not decrease or modify the nature or level of the services that the Investment Advisor will provide to the Acquiring Fund relative to what the Investment Advisor currently provides to the Acquiring Fund.

The Acquiring Fund Board requests that shareholders of the Acquiring Fund approve the issuance of additional Acquiring Fund Shares in connection with the Reorganizations (the "Issuances") at the Special Meeting to be held on Thursday, December 22, 2011 at 9:00 a.m. The affirmative vote of shareholders representing at least a majority of votes cast on a proposal, provided that the total votes cast on the proposal represents over 50% in interest of all securities entitled to vote on the proposal, is required to approve the issuance of additional common shares for the Reorganization. Subject to the requisite approval of the shareholders of each Fund with regard to the Reorganization, it is expected that the Closing Date will be after the close of business on or about February 3, 2012, but it may be at a different time as described herein. For additional information regarding voting requirements, see "Voting Information and Requirements."

Investing in the Combined Fund following the Reorganization involves risks. For additional information, see "Risk Factors and Special Considerations."

The Acquiring Fund Board recommends that shareholders of BDJ vote "**FOR**" the Issuances of additional Acquiring Fund Shares in connection with each Reorganization.

## RISK FACTORS AND SPECIAL CONSIDERATIONS

### Comparison of Risks

The Funds have either the same or substantially similar (but not identical) investment objectives and principal investment strategies. The Combined Fund will be managed in accordance with the same investment objectives and investment policies, and subject to the same risks, as BDJ. The investment risks associated with an investment in BDJ are substantially the same as those associated with an investment in the Target Funds. Risks that affect the common shares of the Funds include common stock risk, dividend risk, industry and sector risk, risks of investing in REITs and portfolio turnover risk. Even though the Combined Fund will invest in small- and mid-capitalization companies, the risk to the Combined Fund will be less than the risk currently experienced by BDT's portfolio as BDT currently invests substantially all of its assets in such securities. Further, the Combined Fund experiences significantly greater risk with respect to option writing such as options on securities, indices and over-the-counter products. In addition, as exchange-traded closed-end funds, the Funds are subject to the risk that the Funds' common shares may trade at a discount from the Funds' net asset value. Accordingly, the Funds are primarily designed for long-term investors and should not be considered a vehicle for trading purposes.

There are, however, some differences between the Funds. The first difference between the investment policies of the Funds is that BDT, under normal market conditions, invests at least 80% of its total assets in small- and mid-capitalization companies as defined by the Russell Mid Cap Index. The second difference is that the Acquiring Fund generally writes covered put and call options with respect to approximately 50% to 60% of its total assets, whereas BDV and BDT writes covered put and call options with respect to a lesser range of its total assets, 10% to 20%.

See "Risk Factors and Special Considerations" in the Statement of Additional Information for a further discussion of factors affecting the Funds' common shares.

### Risks Related to the Reorganization

#### Expenses

While the Funds currently estimate that the Reorganizations will result in reduced aggregate expenses of the Acquiring Fund by approximately $356,072 per year if all the Reorganizations are completed, approximately $371,273 if only the Reorganization between BDV and BDJ are approved and approximately $1,103,359 if only the Reorganization between BDT and BDJ are approved, the realization of these reduced expenses will not affect holders of the Funds proportionately, and may take longer than expected to be realized or may not be realized at all. The difference between the Reorganization of BDT and BDJ and the other two Reorganizations is that BDV's expenses will increase as a result of the Reorganizations due to the higher management fee of the Combined Fund relative to BDV's current management fee. However, as previously discussed, the increase in the management fee for BDV is a direct result of the benefit its shareholders will receive from the Combined Fund's option overwrite strategy.

After the Reorganizations, the Combined Fund is expected to incur lower Total Expenses on a per common share basis than is currently incurred by the Acquiring Fund. In addition, no matter which Funds complete their Reorganizations, the Combined Fund may incur higher Total Expenses for a period due to expenses associated with the Reorganizations prior to experiencing such savings or may never experience such savings if its fixed costs were to increase or the value of its assets were to decrease.

The Acquiring Fund Board believes that its shareholders should realize lower Total Expense Ratios after the Reorganizations than they would realize if the Reorganizations did not occur after the expenses associated with the Reorganizations have been paid. For the 12-month period ended April 30, 2011, the Total Expense Ratios of BDV, BDT and BDJ were 0.81%, 0.93% and 1.16%, respectively. The Funds estimate that the completion of the Reorganization would result in a Total Expense Ratio for the Combined Fund of 0.95% on a pro forma basis for the 12-month period ended April 30, 2011, representing a reduction in the Total Expense Ratio of 0.21% for BDJ and representing an increase of 0.14% for BDV and 0.02% for BDT, each as a percentage of average net assets attributable to common shares. The Board of each Target Fund believes that the other benefits of the Reorganization outweigh the increase in the Total Expense Ratio of the Target Fund. See "Reasons for the Reorganizations." As of April 30, 2011, the historical and pro forma total annual gross expense ratios applicable to the Reorganizations are as follows:

| BDV Total Annual Gross Expense Ratio | BDT Total Annual Gross Expense Ratio | Acquiring Fund Total Annual Gross Expense Ratio | **Pro Forma Combined Fund (BDV and BDT and Acquiring Fund)** | **Pro Forma Combined Fund (BDV and Acquiring Fund)** | **Pro Forma Combined Fund (BDT and Acquiring Fund)** |
|---|---|---|---|---|---|
| 0.81% | 0.93% | 1.16% | 0.95% | 0.96% | 0.97% |

There can be no assurance that future expenses will not increase or that any expense savings will be realized. Moreover, the level of expense savings will vary depending on the combination of the proposed Reorganizations. To the extent that any of the Reorganizations are not completed, but other Reorganizations are completed, any expected savings by the Acquiring Fund may be reduced. The Boards of the Funds and the Investment Advisor believe that the most likely result of the potential combinations of proposed Reorganizations is the combination of all the Funds.

BDT and the Acquiring Fund will bear expenses incurred in connection with the Reorganizations, including, but not limited to, costs related to the preparation and distribution of materials distributed to each Fund's Board, expenses incurred in connection with the preparation of the Reorganization Agreements and the registration statement on Form N-14, the printing and distribution of this Joint Proxy Statement/Prospectus and any other materials required to be distributed to shareholders, SEC and state securities commission filing fees and legal and audit fees in connection with the Reorganizations, legal fees incurred preparing each Fund's Board materials, attending each Fund's Board meetings and preparing the minutes, auditing fees associated with each Fund's financial statements, stock exchange fees, transfer agency fees, portfolio transfer taxes (if any) and any similar expenses incurred in connection with the Reorganizations, which will be borne directly by the respective Fund incurring the expense or allocated among the Funds proportionately or on another reasonable basis, as appropriate. Because BDT and the Acquiring Fund have already incurred expenses solely and directly attributable to the Reorganizations and because BDT and the Acquiring Fund (and not the Investment Advisor) is responsible for paying those expenses, if such Fund's respective shareholders do not approve their Fund's respective Reorganization, such Fund will continue to be responsible for the expenses arising from its proposed Reorganization even though its proposed Reorganization will not occur and those expenses may be material. Since the Combined Fund's expenses are expected to be substantially higher than BDV's current expenses, the Advisor has decided to cover BDV's costs of the Reorganization. Therefore, the costs associated with BDV's Reorganization will not be borne directly by BDV. Because of the expected benefits outlined above for each Fund, and because, over time, the savings attributable to BDJ's participation in each Reorganization outweigh the costs associated with such Reorganization, the Advisor is recommending that BDT and BDJ each be responsible for its own Reorganization expenses. Neither the Funds nor the Investment Advisor will pay any expenses of shareholders arising out of or in connection with the Reorganizations.

General Risks of Investing in the Funds

*Market Discount Risk*. As with any stock, the price of each Fund's common shares will fluctuate with market conditions and other factors. If shares are sold, the price received may be more or less than the original investment. Each Fund's common shares are designed for long-term investors and should not be treated as trading vehicles. Shares of closed-end management investment companies frequently trade at a discount from their net asset value. The common shares of each Target Fund have in the past generally traded at a greater discount to net asset value than the common shares of the Acquiring Fund. As of July 31, 2011, BDV traded at a -9.20% discount to net asset value and BDT traded at a -11.04% discount to net asset value, whereas BDJ traded at only a -8.19% discount to net asset value. In addition, as noted elsewhere in this prospectus, if the Reorganization of a Target Fund is not approved, the Investment Advisor anticipates that it may recommend alternative proposals to the Board of each Target Fund, which may include dividend adjustments and/or modifications to each of the Target Fund's investment strategies. Upon consummation of the Reorganizations, the Acquiring Fund Shares may trade at a price that is less than the Acquiring Fund's current trading market price. This risk may be greater for investors who sell their shares in a relatively short period of time after completion of the Reorganizations.

*Investment Strategy Risk*. The types of investments that are selected through application of the Funds' investment strategy can be expected to change over time. On March 9, 2011, the Funds' non-fundamental investment objectives or investment policies, as the case may be, were modified by the Boards of the Funds. These new investment policies and strategies took effect on May 9, 2011. In pursuing their investment strategy, the Funds may incur adverse tax or brokerage consequences. Particular risks may be elevated during periods in which the Funds' investment strategy dictates higher levels of investment in particular types of investments.

*Investment and Market Risk*. An investment in each Fund's common shares is subject to investment risk, including the possible loss of the entire principal amount that you invest. An investment in common shares represents an indirect investment in the securities owned by each Fund, substantially all of which are traded on a national securities exchange or in the over-the-counter markets. The value of these securities, like other market investments, may move up or down, sometimes rapidly and unpredictably. Although the Funds can sell stocks of an issuer upon the occurrence of certain events or for tax planning, the Funds generally will not sell stocks of issuers solely due to changes in market price. Each Fund's common shares at any point in time may be worth less than a shareholders' original investment, even after taking into account the reinvestment of the Fund's dividends and distributions.

*Common Stock Risk*. Each Fund generally invests in any type of common stock. Although common stocks have historically generated higher average total returns than fixed-income securities over the long term, common stocks also have experienced significantly more volatility in those returns and in recent years have significantly under performed relative to fixed-income securities. An adverse event, such as an unfavorable earnings report, may depress the value of a particular common stock held by the Fund. Also, the price of common stocks is sensitive to general movements in the stock market and a drop in the stock market may depress the price of common stocks to which the Fund has exposure. Common stock prices fluctuate for several reasons including changes in investors' perceptions of the financial condition of an issuer or the general condition of the relevant stock market, or when political or economic events affecting the issuers occur. In addition, common stocks prices may be particularly sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase.

*Dividend Risk*. Dividends on common stock are not fixed but are declared at the discretion of an issuer's board of directors. There is no guarantee that the issuers of the common stocks in which each Fund invests will declare dividends in the future or that if declared they will remain at current levels or increase over time. "Qualified dividend income" received by each Fund and passed through to shareholders will generally be eligible for the reduced tax rate applicable to individuals for taxable years beginning before January 1, 2013. There is no assurance as to what portion of each Fund's distributions will constitute qualified dividend income. Dividends received by each Fund from REIT shares and certain foreign securities, if any, generally will not constitute "qualified dividend income" eligible for the reduced tax rate applicable to "qualified dividend income" and therefore it is possible that,

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depending upon the composition of the stocks in the Fund's portfolio after application of the Fund's investment strategy, a significant portion of the Fund's distributions will not constitute qualifying dividends eligible for the reduced tax rate.

*Risks Associated with the Funds' Option Strategies.* The ability of each Fund to achieve its investment objective is dependent on the successful implementation of its option strategy. Each Fund enters into options on securities, exchange-listed options, over-the-counter options and, to a lesser extent, index options. The Acquiring Fund generally writes covered put and call options with respect to approximately 50% to 60% of its total assets, whereas BDV and BDT writes covered put and call options with respect to a lesser range of its total assets, 10% to 20%. Each of the Acquiring Fund's and Target Fund's option strategy may vary from time to time with market conditions. Risks that may adversely affect the ability of each Fund to successfully implement its option strategies include the following:

*Risks Associated with Options on Securities*. There are several risks associated with transactions in options on securities used in connection with each Fund's option strategy. For example, there are significant differences between the securities and options markets that could result in an imperfect correlation between these markets, causing a given transaction not to achieve its objectives. A decision as to whether, when and how to use options involves the exercise of skill and judgment, and even a well conceived transaction may be unsuccessful to some degree because of market behavior or unexpected events.

As the writer of a covered call option, each Funds forgoes, during the option's life, the opportunity to profit from increases in the market value of the security covering the call option above the sum of the premium and the strike price of the call, but have retained the risk of loss should the price of the underlying security decline. As each Fund writes covered puts and calls over more of its portfolio, its ability to benefit from capital appreciation becomes more limited. During the life of an option, the writer of an option has no control over the time when it may be required to fulfill its obligation as a writer of the option. Once an option writer has received an exercise notice, it cannot effect a closing purchase transaction in order to terminate its obligation under the option and must deliver the underlying security at the exercise price.

When each Fund writes covered put options, the Fund 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 each 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, each Fund risks a loss equal to the entire exercise price of the option minus the put premium.

*Exchange-Listed Option Risk*. There can be no assurance that a liquid market will exist when each Fund seeks to close out an option position on an options exchange. Reasons for the absence of a liquid secondary market on an exchange include the following: (i) there may be insufficient trading interest in certain options; (ii) restrictions may be imposed by an exchange on opening transactions or closing transactions or both; (iii) trading halts, suspensions or other restrictions may be imposed with respect to particular classes or series of options; (iv) unusual or unforeseen circumstances may interrupt normal operations on an exchange; (v) the facilities of an exchange or the Options Clearing Corporation may not at all times be adequate to handle current trading volume; or (vi) one or more exchanges could, for economic or other reasons, decide or be compelled at some future date to discontinue the trading of options (or a particular class or series of options). If trading were discontinued, the secondary market on that exchange (or in that class or series of options) would cease to exist. However, outstanding options on that exchange that had been issued by the Options Clearing Corporation as a result of trades on that exchange would continue to be exercisable in accordance with its terms. If each Fund was unable to close out a covered call option that it had written on a security, it would not be able to sell the underlying security unless the option expired without exercise.

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The hours of trading for options on an exchange may not conform to the hours during which the underlying securities are traded. To the extent that the options markets close before the markets for the underlying securities, significant price and rate movements can take place in the underlying markets that cannot be reflected in the options markets. Call options are marked to market daily and their value will be affected by changes in the value and dividend rates of the underlying common stocks, an increase in interest rates, changes in the actual or perceived volatility of the stock market and the underlying common stocks and the remaining time to the options' expiration. Additionally, the exercise price of an option may be adjusted downward before the option's expiration as a result of the occurrence of certain corporate events affecting the underlying equity security, such as extraordinary dividends, stock splits, merger or other extraordinary distributions or events. A reduction in the exercise price of an option would reduce each Fund's capital appreciation potential on the underlying security.

*Over-the-Counter Option Risk.* Each Fund may write (sell) unlisted ("OTC" or "over-the-counter") options, and options written by the Fund with respect to non-U.S. securities, indices or sectors generally will be OTC Options. OTC Options differ from exchange-listed options in that they are two-party contracts, with exercise price, premium and other terms negotiated between buyer and seller, and generally do not have as much market liquidity as exchange-listed options. The counterparties to these transactions typically will be major international banks, broker-dealers and financial institutions. Each Fund may be required to treat as illiquid securities being used to cover certain written OTC Options. The OTC Options written by the Fund will not be issued, guaranteed or cleared by the Options Clearing Corporation. In addition, each Fund's ability to terminate the OTC Options may be more limited than with exchange-traded options. Banks, broker-dealers or other financial institutions participating in such transaction may fail to settle a transaction in accordance with the terms of the option as written. In the event of default or insolvency of the counterparty, the Fund may be unable to liquidate an OTC Option position.

*Index Option Risk.* Each Fund may sell index put and call options from time to time. The purchaser of an index put option has the right to any depreciation in the value of the index below the exercise price of the option on or before the expiration date. The purchaser of an index call option has the right to any appreciation in the value of the index over the exercise price of the option on or before the expiration date. Because the exercise of an index option is settled in cash, sellers of index call options, such as the Fund, cannot provide in advance for their potential settlement obligations by acquiring and holding the underlying securities. The Fund will lose money if it is required to pay the purchaser of an index option the difference between the cash value of the index on which the option was written and the exercise price and such difference is greater than the premium received by the Fund for writing the option. The value of index options written by the Fund, which will be priced daily, will be affected by changes in the value and dividend rates of the underlying common stocks in the respective index, changes in the actual or perceived volatility of the stock market and the remaining time to the options' expiration. The value of the index options also may be adversely affected if the market for the index options becomes less liquid or smaller. Distributions paid by each Fund on its common shares may be derived in part from the net index option premiums it receives from selling index put and call options, less the cost of paying settlement amounts to purchasers of the options that exercise their options. Net index option premiums can vary widely over the short- and long-term.

*Securities Lending Risk.* Each Fund may lend its portfolio securities to banks or dealers which meet the creditworthiness standards established by the Board of such Fund. Securities lending is subject to the risk that loaned securities may not be available to the respective Fund on a timely basis and the Fund may, therefore, lose the opportunity to sell the securities at a desirable price. Any loss in the market price of securities loaned by a Fund that occurs during the term of the loan would be borne by such Fund and would adversely affect such Fund's performance. Also, there may be delays in recovery, or no recovery, of securities loaned or even a loss of rights in the collateral should the borrower of the securities fail financially while the loan is outstanding.

*Industry and Sector Risk.* Each Fund may invest a significant portion of its assets in the securities of, and options with exposure to, issuers in any single industry or sector of the economy if the application of each Fund's investment strategy results in such a focus. If the Fund is focused in an industry or sector, it may present more risks than if it were broadly diversified over numerous industries and sectors of the economy. Each Fund's portfolio may be more heavily weighted in one or more other industries or sectors in the future.

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*Risks of Investing in Real Estate Investment Trusts (REITs).* In pursuing its investment strategy, each Fund may invest in shares of REITs. REITs possess certain risks which differ from an investment in common stocks. REITs are financial vehicles that pool investor's capital to purchase or finance real estate. REITs may concentrate their investments in specific geographic areas or in specific property types, i.e., hotels, shopping malls, residential complexes and office buildings. The market value of REIT shares and the ability of the REITs to distribute income may be adversely affected by several factors, including, rising interest rates, changes in the national, state and local economic climate and real estate conditions, perceptions of prospective tenants of the safety, convenience and attractiveness of the properties, the ability of the owners to provide adequate management, maintenance and insurance, the cost of complying with the Americans with Disabilities Act, increased competition from new properties, the impact of present or future environmental legislation and compliance with environmental laws, changes in real estate taxes and other operating expenses, adverse changes in governmental rules and fiscal policies, adverse changes in zoning laws and other factors beyond the control of the issuers of the REITs. In addition, distributions received by each Fund from REITs may consist of dividends, capital gains and/or return of capital. As REITs generally pay a higher rate of dividends (on a pre-tax basis) than operating companies, to the extent application of the Trust's investment strategy results in the Trust investing in REIT shares, the percentage of each Fund's dividend income received from REIT shares will likely exceed the percentage of the Fund's portfolio which is comprised of REIT shares. Generally, dividends received by each Fund from REIT shares will not constitute "qualified dividend income" eligible for the reduced tax rate applicable to "qualified dividend income." Therefore, the tax rate applicable to that portion of the dividend income attributable to REIT shares held by each Fund that shareholders of the Fund receive will be taxed at a higher rate than dividends eligible for the reduced tax rate applicable to "qualified dividend income."

*Market Capitalization Risk.* BDT, under normal market conditions, invests at least 80% of its total assets in small- and mid- capitalization companies, as defined by the Russell Mid Cap Index. BDV and the Acquiring Fund may also invest in companies with small capitalizations, but does so to a much lesser extent. Smaller company stocks can be more volatile than, and perform differently from, larger company stocks. There may be less trading in a smaller company's stock, which means that buy and sell transactions in that stock could have a larger impact on the stock's price than is the case with larger company stocks. Further, smaller companies may have fewer business lines; changes in any one line of business, therefore, may have a greater impact on a smaller company's stock price than is the case for a larger company.

*Portfolio Turnover Risk.* Each Fund will engage in portfolio trading as dictated by its investment strategy, regardless of any income tax consequences or brokerage costs to shareholders. Each Fund cannot accurately predict its annual portfolio turnover rate. Each Fund's annual portfolio turnover rate may be greater than 100%. Additionally, there are no limits on the rate of portfolio turnover, and investments may be sold without regard to length of time held when the Fund's investment strategy so dictates. A higher portfolio turnover rate results in correspondingly greater brokerage commissions and other transactional expenses that are borne by the Acquiring Fund. High portfolio turnover may result in the realization of net short term capital gains by the Acquiring Fund which, when distributed to shareholders, will be taxable as ordinary income.

*Illiquid Securities Risk.* Each Fund may invest in instruments that, at the time of investment, are illiquid. Certain publicly traded securities, particularly securities of smaller capitalized or less seasoned issuers, may from time to time lack an active secondary market and may be subject to more abrupt or erratic price movements than securities of larger, more established companies or stock market averages in general. In the absence of an active secondary market, each Fund's ability to purchase or sell such securities at a fair price may be impaired or delayed.

*Strategic Transactions.* Strategic transactions in which each Fund may engage also involve certain risks and special considerations, including engaging in hedging and risk management transactions such as options, futures, swaps and other derivatives transactions. Strategic transactions generally will be entered into to seek to manage the risks of each Fund's portfolio of securities, but may have the effect of limiting the gains from favorable market movements.

Strategic transactions involve risks, including (1) that the loss on the strategic transaction position may be larger than the gain in the portfolio position being hedged and (2) that the derivative instruments used in strategic transactions may not be liquid and may require each Fund to pay additional amounts of money. Successful use of

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strategic transactions depends on the Investment Advisor's ability to predict correctly market movements which cannot be assured. Losses on strategic transactions may reduce each Fund's net asset value and its ability to pay dividends if they are not offset by gains on the portfolio positions being hedged. Each Fund may also lend the securities it owns to others, which allows the Fund the opportunity to earn additional income. Although the Fund will require the borrower of the securities to post collateral for the loan and the terms of the loan will require that the Fund be able to reacquire the loaned securities if certain events occur, the Fund is still subject to the risk that the borrower of the securities may default, which could result in the Fund losing money, which would result in a decline in the Fund's net asset value. Each Fund may also purchase securities for delayed settlement. This means that each Fund is generally obligated to purchase the securities at a future date for a set purchase price, regardless of whether the value of the securities is more or less than the purchase price at the time of settlement. For additional information regarding the risks associated with strategic transactions, see "Appendix D—General Characteristics and Risks of Strategic Transactions" in the Statement of Additional Information.

*Anti-Takeover Provisions.* The Acquiring Fund's Agreement and Declaration of Trust includes provisions that could limit the ability of other entities or persons to acquire control of the Acquiring Fund or convert the Acquiring Fund to open-end status. These provisions could deprive the holders of common shares of opportunities to sell their common shares at a premium over the then current market price of the common shares or at net asset value. See " Certain Provisions of the Charter."

*Market Disruption and Geopolitical Risk.* The aftermath of the war in Iraq, instability in Afghanistan, Pakistan, Egypt, Libya and other regions of the Middle East and possible terrorist attacks in the United States and around the world and other similar events may result in market volatility, may have long-term effects on the U.S. and worldwide financial markets and may cause further economic uncertainties in the United States and worldwide. The Fund does not know how long the securities markets may be affected by these events and cannot predict the effects of these events or similar events in the future on the U.S. economy and securities markets. There can be no assurance that these events and other market disruptions will not have other material and adverse implications for the Fund.

*Counterparty Risk* Each Fund will be subject to credit risk with respect to the counterparties to the derivative contracts purchased by a Fund. If a counterparty becomes bankrupt or otherwise fails to perform its obligations under a derivative contract due to financial difficulties, the Funds may experience significant delays in obtaining any recovery under the derivative contract in bankruptcy or other reorganization proceeding. The Funds may obtain only a limited recovery or may obtain no recovery in such circumstances.

*Recent Events*. The debt and equity capital markets in the United States have been negatively impacted by significant write-offs in the financial services sector relating to subprime mortgages and the repricing of credit risk in the broadly syndicated market, among other things. These events, along with the deterioration of the housing market, the failure of major financial institutions and the resulting United States federal government actions have led to worsening general economic conditions, which have materially and adversely impacted the broader financial and credit markets and have reduced the availability of debt and equity capital for the market as a whole and financial firms in particular.

These events have been adversely affecting the willingness of some lenders to extend credit, in general, which may make it more difficult for issuers of debt securities to obtain financings or refinancings for their investment or lending activities or operations. There is a risk that such issuers will be unable to successfully complete such financings or refinancings. In particular, because of the current conditions in the credit markets, issuers of debt securities may be subject to increased cost for debt, tightening underwriting standards and reduced liquidity for loans they make, securities they purchase and securities they issue.

These events may increase the volatility of the value of securities owned by a Fund and/or result in sudden and significant valuation increases or declines in its portfolio. These events also may make it more difficult for a Fund to accurately value its securities or to sell its securities on a timely basis. These events could adversely affect the ability of a Fund to borrow for investment purposes, if it chose to do so, and increase the cost of such borrowings,

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which would reduce returns to the holders of common shares. A significant decline in the value of a Fund's portfolios would likely result in a significant decline in the value of your investment in a Fund.

These events have adversely affected the broader economy, and may continue to do so, which in turn may adversely affect the ability of issuers of securities owned by a Fund to make payments of principal and interest when due, lead to lower credit ratings and increase defaults. There is also a risk that developments in sectors of the credit markets in which a Fund does not invest may adversely affect the liquidity and the value of securities in sectors of the credit markets in which a Fund does invest, including securities owned by Fund. Such developments could, in turn, reduce the value of securities owned by a Fund and adversely affect the net asset value of a Fund's common shares.

Prolonged continuation or further deterioration of current market conditions could adversely impact a Fund's portfolio.

*Government Intervention in Financial Markets***.** The recent instability in the financial markets discussed above has led the U.S. Government to take a number of unprecedented actions designed to support certain financial institutions and segments of the financial markets that have experienced extreme volatility, and in some cases a lack of liquidity, including through direct purchases of equity in financial institutions. Federal, state, and other governments, their regulatory agencies or self-regulatory organizations may take actions that affect the regulation of the instruments in which a Fund invests, or the issuers of such instruments, in ways that are unforeseeable. Legislation or regulation may also change the way in which a Fund is regulated. Such legislation or regulation could limit or preclude a Fund's ability to achieve its investment objective.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), which was signed into law in July 2010, is expected to result in a significant revision of the U.S. financial regulatory framework. The Dodd-Frank Act significantly revises and expands the rulemaking, supervisory and enforcement authority of federal bank, securities and commodities regulators. The Dodd-Frank Act, among other things, grants regulatory authorities such as the Commodity Futures Trading Commission and SEC broad rulemaking authority to implement various provisions of the Dodd-Frank Act including comprehensive regulation of the over-the-counter derivatives market. It is unclear how these regulators will exercise these revised and expanded powers and whether they will undertake rulemaking, supervisory or enforcement actions that would adversely affect the Funds or investments made by the Funds. Possible regulatory actions taken under these revised and expanded powers may include actions related to financial consumer protection, proprietary trading and derivatives. There can be no assurance that future regulatory actions authorized by the Dodd-Frank Act will not have a material adverse effect on a Fund or will not impair the ability of the Fund to achieve its investment objective.

The ultimate impact of the Dodd-Frank Act, and any resulting regulation, is not yet certain and a Fund and issuers of securities in which the Fund invests may be affected by the new legislation and regulation in ways that are currently unknown, unanticipated or unforeseeable. The regulation of various types of derivative instruments pursuant to the Dodd-Frank Act may adversely affect a Fund as well as issuers of securities in which the Fund invests that utilize derivatives strategies for hedging or other purposes. The implementation of the Dodd-Frank Act could also adversely affect a Fund by increasing transaction and/or regulatory compliance costs. In addition, greater regulatory scrutiny may increase a Fund's and the Investment Advisor's exposure to potential liabilities. Increased regulatory oversight could also impose administrative burdens on a Fund and the Investment Advisor, including, without limitation, responding to investigations and implementing new policies and procedures. Any of these developments could reduce the profitability of a Fund by exposing it to additional costs, taxes, liabilities, enforcement actions and reputational risk.

*Legislation Risk.* At any time after the date of this Joint Proxy Statement/Prospectus, legislation may be enacted that could negatively affect the assets of a Fund or the issuers of such assets. Changing approaches to regulation may have a negative impact on the entities in which a Fund invests. Legislation or regulation may also change the way in which a Fund itself is regulated. There can be no assurance that future legislation, regulation or

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deregulation will not have a material adverse effect on a Fund or will not impair the ability of the Fund to achieve its investment objective.

EXPENSE TABLE FOR SHAREHOLDERS

Total Expenses Table for Shareholders of the Funds as of April 30, 2011

The table below illustrates the anticipated reduction in Total Expenses expected as a result of the Reorganizations. When we use the term "Total Expenses," we mean a Fund's total annual operating expenses. When we use the term "Total Expense Ratio," we mean a Fund's Total Expenses expressed as a percentage of its average net assets attributable to its common shares. The table sets forth (i) the Total Expenses paid by each Fund for the 12-month period ended April 30, 2011 and (ii) the pro forma Total Expenses for the Combined Fund, assuming the Reorganization had taken place on April 30, 2011. As shown below, the Reorganizations of the Funds are expected to result in a lower Total Expense Ratio for shareholders of the Acquiring Fund for the period covered; however, the Board of each Target Fund believes that the other benefits of the Reorganizations outweigh such additional costs, as discussed in this Joint Proxy Statement/Prospectus.

| | BDV | BDT | BDJ | Combined Fund (All Funds) (a) | Combined Fund (BDV and Acquiring Fund) (a) | Combined Fund (BDT and Acquiring Fund) (a) |
|---|---|---|---|---|---|---|
| Shareholder Transaction Expenses | | | | | | |
| Maximum Sales Load (as a percentage of the offering price) imposed on purchases of common shares (b) | None | None | None | None | None | None |
| Dividend Reinvestment and Cash Purchase Plan Fees | None | None | None | None | None | None |
| Annual Total Expenses (as a percentage of average net assets attributable to common shares) | | | | | | |
| Investment Management Fees (c) | 0.65% | 0.75% | 1.00% | 0.81% | 0.81% | 0.81% |
| Other Expenses | 0.16% | 0.18% | 0.15% | 0.14% | 0.15% | 0.15% |
| Acquired Fund Fees and Expenses | -- | -- | 0.01% | -- | -- | 0.01% |
| Total Annual Fund Operating Expenses | 0.81% | 0.93% | 1.16% | 0.95% | 0.96% | 0.97% |

(a) Assumes the Reorganizations had taken place on April 30, 2011.

(b) No sales load will be charged in connection with the issuance of the Acquiring Fund Shares as part of the Reorganizations. Common shares are not available for purchase from the Funds but may be purchased on the NYSE through a broker-dealer subject to individually negotiated commission rates. Common shares purchased in the secondary market may be subject to brokerage commissions or other charges.

(c) The Investment Advisor's contractual management fee for each Fund as a percentage of its average weekly total assets and average common net assets is indicated in the table below.

| **As a percentage of** | **BDV** | **BDT** | **BDJ** | **Combined Fund (All Funds)** | **Combined Fund (BDV and Acquiring Fund)** | **Combined Fund (BDT and Acquiring Fund)** |
|---|---|---|---|---|---|---|
| Managed Assets | 0.65% | 0.75% | 1.00% | 0.81% | 0.81% | 0.81% |

The following example is intended to help you compare the costs of investing in the common shares of the Combined Fund pro forma if the Reorganization is completed with the costs of investing in BDV, BDT and the Acquiring Fund without the Reorganization. An investor in common shares would pay the following expenses on a $1,000 investment, assuming (1) the Total Expense Ratio for each Fund set forth in the table above and (2) a 5% annual return throughout the period:

| | **1 Year** | **3 Years** | **5 Years** | **10 Years** |
|---|---|---|---|---|
| BDV | $8 | $26 | $45 | $100 |
| BDT | $9 | $30 | $51 | $114 |
| Acquiring Fund | $12 | $37 | $64 | $141 |
| Combined Fund (All Target Funds into Acquiring Fund) | $10 | $30 | $53 | $117 |
| Combined Fund (BDV and Acquiring Fund) | $10 | $31 | $53 | $118 |
| Combined Fund (BDT and Acquiring Fund) | $10 | $31 | $54 | $119 |

The examples set forth above assume common shares of each Fund were owned as of the completion of the Reorganizations and the reinvestment of all dividends and distributions and uses a 5% annual rate of return as mandated by SEC regulations. The examples should not be considered a representation of past or future expenses or annual rates of return. Actual expenses or annual rates of return may be more or less than those assumed for purposes of the examples.

BDT and the Acquiring Fund will bear expenses incurred in connection with the Reorganizations that are not reflected in "Other Expenses," including, but not limited to, costs related to the preparation and distribution of materials distributed to each Fund's Board, expenses incurred in connection with the preparation of the Reorganization Agreements and the registration statement on Form N-14, the printing and distribution of this Joint Proxy Statement/Prospectus and any other materials required to be distributed to shareholders, SEC and state securities commission filing fees and legal and audit fees in connection with the Reorganizations, legal fees incurred preparing each Fund's Board materials, attending each Fund's Board meetings and preparing the minutes, auditing fees associated with each Fund's financial statements, stock exchange fees, transfer agency fees, portfolio transfer taxes (if any) and any similar expenses incurred in connection with the Reorganizations, which will be borne directly by the respective Fund incurring the expense or allocated among the Funds proportionately or on another reasonable basis, as appropriate. Because BDT and the Acquiring Fund have already incurred expenses solely and directly attributable to the Reorganizations and because BDT and the Acquiring Fund (and not the Investment Advisor) is responsible for paying those expenses, if such Fund's respective shareholders do not approve their Fund's respective Reorganization, such Fund will continue to be responsible for the expenses arising from its proposed Reorganization even though its proposed Reorganization will not occur and those expenses may be material. Since the Combined Fund's expenses are expected to be substantially higher than BDV's current expenses, the Advisor has decided to cover BDV's costs of the Reorganization. Therefore, the costs associated with BDV's Reorganization will not be borne directly by BDV. Because of the expected benefits outlined above for each Fund, and because, over time, the savings attributable to BDJ's participation in each Reorganization outweigh the costs associated with such Reorganization, the Advisor is recommending that BDT and BDJ each be responsible for its own Reorganization expenses. Such expenses are estimated to be $1,302,135 in the aggregate, of which $457,189 is estimated to be attributable to BDV, $356,083 is estimated to be attributable to BDT, and $488,863 is estimated to be attributable to BDJ. Neither the Funds nor the Investment Advisor will pay any expenses of shareholders arising out of or in connection with the Reorganizations.

REASONS FOR THE REORGANIZATIONS

The factors considered by the Boards with regard to the Reorganizations include, but are not limited to, the following:

1. The Combined Fund is expected to have a lower Total Expense Ratio than the Acquiring Fund prior to the Reorganization. Even though the ratio of each Target Fund is expected to increase, the Board of each Target Fund

believes that the other benefits of the Reorganization outweigh the increase.

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The Funds estimate that the completion of the Reorganization would result in a Total Expense Ratio for the Combined Fund of 0.95% on a pro forma basis for the 12-month period ended April 30, 2011, representing a reduction in the Total Expense Ratio of 0.21% for BDJ and representing an increase in the Total Expense Ratio of 0.14% for BDV and 0.02% for BDT, each as a percentage of average net assets attributable to common shares.

2. The Target Funds will receive the benefit of a higher degree of option overwrite at a cost below where the Investment Advisor would price such services for a new fund and below the median of BDJ's Lipper Peer Group. The most recent fund launched with a similar level of overwriting and advised by the Investment Advisor is charged a management fee of 1.00%; whereas the Combined Fund is expected to have a management fee of 0.81%.
3. The expectation that, if the Reorganizations of the Target Funds are not approved, the Investment Advisor may recommend alternative proposals to the Board of each Target Fund, which may include dividend adjustments or modifications to the Target Funds' investment strategies.
4. The Acquiring Fund will incur a lower contractual management fee rate as a shareholder of the Combined Fund.
5. Each Fund's shareholders will remain invested in a diversified, NYSE-listed, closed-end management investment company that will have substantially greater net assets and either the same or substantially similar (but not identical) investment objectives and policies and, as a result, the style and risk/return profile of the Combined Fund will remain comparable to those of each Target Fund shareholders' current investments, subject to the differences described in "Comparison of the Funds."

Each Fund's shareholders would continue to own a closed-end fund that (i) has the same investment adviser and portfolio managers as BDJ, (ii) has comparable risk-return attributes as BDJ, (iii) similarly focuses its investments substantially on those that will pay out dividends, and (iv) trades at market price on the NYSE. See "Investment Objectives and Policies" for additional information regarding the Funds' investment objective(s) and policies.

6. Under current market conditions and all other things being equal, the distribution yield of the Combined Fund is expected to be comparable to the current distribution yield of BDJ which, all things being equal, should help the Combined Fund trade at or about the price at which BDJ currently trades. The current distribution yield of BDJ is significantly higher than those of the Target Funds. Of course, no assurance can be given that the common shares of the Combined Fund will trade at or about the current market price of BDJ after the Reorganization.
7. As of July 31, 2011 and on a historical average basis, each Target Fund is trading/has traded at a wider discount than that of BDJ. Beginning in early August 2011, BDV and the Acquiring Fund have traded at similar discounts, with BDV trading at a narrower discount than BDJ from time-to-time. To the extent each Target Fund is trading at a wider discount than that of BDJ at the time of the Reorganizations, Target Fund Shareholders would have the potential for an economic benefit by the narrowing of the discount. To the extent each Target Fund is trading at a narrower discount than that of BDJ at the time of the Reorganizations, Target Fund Shareholders may be negatively impacted by the widening of the discount.
8. The Combined Fund is expected to achieve certain operating and administrative efficiencies from its larger net asset size. The larger net asset size of the Combined Fund could permit the Combined Fund to achieve certain economies of scale as certain fixed and variable costs can be spread over a larger asset base and the larger Combined Fund may realize greater investment flexibility and investment options, greater

diversification of portfolio investments, the ability to trade in larger positions, more favorable transaction terms, better trade execution, more consistent implementation of investment strategies, additional research coverage and greater liquidity.

9. The Combined Fund may experience potential benefits from having fewer closed-end funds in the market, including potential benefits from a more efficient secondary market and an increased focus by investors on the remaining funds in the market (including the Combined Fund), and fewer similar funds in the same fund complex, including potential benefits from easier product differentiation for shareholders (including shareholders of the Combined Fund).
10. The Combined Fund may provide greater secondary market liquidity for its common shares as it would be larger than any of the Funds.
11. Shareholders will recognize no gain or loss for U.S. federal income tax purposes as a result of the Reorganizations (except with respect to cash received in lieu of fractional shares), as each Reorganization is intended to qualify as a "reorganization" within the meaning of Section 368(a) of the United States Internal Revenue Code of 1986, as amended (the "Code").
12. Shareholders will benefit from the continuing experience and expertise of the portfolio management team designated for the Combined Fund and the team's commitment to the investment style and strategies to be used in managing the assets of the Combined Fund. See "Management of the Funds." The portfolio guidelines of the Combined Fund will either be the same or substantially similar (but not identical) to that of each Target Fund, as described in greater detail elsewhere in this Joint Proxy Statement/Prospectus. As a result, it is not anticipated that there will be significant disposition of the holdings in each Target Fund as a result of the Reorganization. In addition, nothing will require the Funds to dispose of holdings in the Target Fund's portfolio if, in the reasonable judgment of the Boards or the Investment Advisor, such disposition would adversely affect the tax-free nature of the Reorganization for U.S. federal income tax purposes.
13. Other than the higher degree of option overwrite for each of the Target Funds, the Shareholders will receive substantially the same services after their Reorganization.
14. The aggregate net asset value of the shares of the Combined Fund that the Target Fund shareholders will receive in the Reorganization is expected to equal the aggregate net asset value of the Target Fund shares that the Target Fund shareholders owned immediately prior to the Reorganization, and the net asset value of Target Fund shares will not be diluted as a result of the Reorganization.
15. While the capital loss carryforwards of the Combined Fund attributable to each Target Fund that participates in a Reorganization will be subject to tax loss limitation rules by reason of such Target Fund undergoing an ownership change in the Reorganization, the Boards of the Target Funds currently expect that such tax loss limitation rules should not have a material adverse effect on the Combined Fund's utilization of each Target Fund's capital loss carryforward as compared with what each Target Fund's utilization of its own capital loss carryforward would be without the Reorganization. The Board of the Acquiring Fund considered that the Combined Fund's utilization of the Acquiring Fund's capital loss carryforward might be significantly less favorable as compared with what the Acquiring Fund's utilization of its capital loss carryforward would be without the Reorganization. The actual effect of the loss limitation rules depends on many variables and assumptions, including projected performance, and is, therefore, highly uncertain.

The Board of each Fund believes that the Reorganizations would benefit shareholders of the Funds, (i) based on a number of factors, including that shareholders would not be diluted with respect to net asset value; (ii) the relative similarity of the investment strategies and policies of the Funds; (iii) the larger net asset base of the Combined Fund after the Reorganizations; (iv) the capabilities of the management team of the Combined Fund that would manage the Combined Fund; and (v) the possibility of achieving economies of scale going forward. Considering these and other reasons, the Board of each Fund unanimously concluded that completion of the Reorganizations is in the best interests of each Fund and its shareholders and that the interests of the shareholders of each Fund will not be diluted with respect to net asset value as a result of the Reorganizations. This determination was made on the basis of each Trustee's business judgment after consideration of all of the factors taken as a whole with respect to each Fund and its shareholders, although individual Trustees may have placed different weight on various factors and assigned different degrees of materiality to various factors, particularly if all of the Reorganizations are approved, which the Boards believe is the most likely result of all of the potential combinations of proposed reorganizations.

PROPOSAL 1: THE REORGANIZATIONS OF THE TARGET FUNDS

The Reorganizations seek to combine three funds that are either the same or substantially similar (but not identical) to achieve certain economies of scale and other operational efficiencies. Each Fund is registered as a diversified, closed-end management investment company under the 1940 Act. Each Fund's common shares are listed on the NYSE. The Funds have the same investment adviser. Each of the investment objectives and the investment strategies and restrictions of the Funds are the same or substantially similar (but not identical). The Acquiring Fund's primary investment objective is to seek current income and current gains, with a secondary objective of long-term capital appreciation. BDV's investment objective is to provide total return through a combination of current income, capital gains and capital appreciation. BDT's investment objective is to provide total return through a combination of current income, current gains and long-term capital appreciation. Each Fund's investment objective(s) is not a fundamental policy and may be changed without shareholder approval. Each Fund, under normal market conditions, invests at least 80% of its total assets in dividend-paying equities and may invest up to 20% of its total assets in equity securities of issuers that do not pay dividends. BDT differs from the other Funds in that it also invests substantially all of its total assets in small- and mid-capitalization companies, as defined by the Russell Mid Cap Index. Finally, the Acquiring Fund uses an option strategy that writes options on approximately 50-60% of its total assets, whereas the other Funds generally overwrite 10-20% of their respective total assets.

The Board of each Fund, including the Independent Trustees, has unanimously approved each Reorganization Agreement. In each Reorganization, the Acquiring Fund will acquire substantially all of the assets and assume substantially all of the liabilities of each Target Fund in exchange for an equal aggregate value of Acquiring Fund Shares. Each Target Fund will distribute Acquiring Fund Shares to common shareholders of such Target Fund, and will then terminate its registration under the 1940 Act and dissolve under Delaware law. The aggregate net asset value of Acquiring Fund Shares received by Target Fund investors in each Reorganization will equal the aggregate net asset value of Target Fund common shares held immediately prior to that Reorganization, less the costs of that Reorganization (although shareholders may receive cash for their fractional common shares). The Acquiring Fund will continue to operate as a registered, diversified, closed-end investment company with the investment objective and policies described in this Joint Proxy Statement/Prospectus.

The Boards have reviewed data presented by the Investment Advisor and believe that the Reorganization generally would result in a reduced Total Expense Ratio for the Acquiring Fund, as the Combined Fund’s management fee is expected to be lower than the Acquiring Fund’s current management fee and certain fixed administrative costs would be spread across the Combined Fund's larger asset base. If the Reorganizations are approved, the Combined Fund will pay the Investment Advisor a monthly fee at an annual rate of 0.81% of the Combined Fund's average weekly managed assets. Because the Combined Fund has no present intention of borrowing for investment purposes, the Combined Fund's managed assets will generally be equal to the Combined Fund's net assets.

For the 12-month period ended April 30, 2011, the Total Expense Ratios of BDV, BDT and BDJ were 0.81%, 0.93% and 1.16%, respectively. The Funds estimate that the completion of all of the Reorganizations would result in a Total Expense Ratio for the Combined Fund of 0.95% on a pro forma basis for the 12-month period ended

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April 30, 2011, representing a reduction in the Total Expense Ratio for BDJ of 0.21% as a percentage of average net assets attributable to common shares. The Total Expense Ratio for the Combined Fund is expected to have a higher expense ratio than each of the Target Funds, representing an increase of 0.14% for BDV and 0.02% for BDT, each as a percentage of average net assets attributable to common shares; however, the Board of each Target Fund believes that the other benefits of the Reorganization outweigh such additional costs. The table below shows the projected Total Expense Ratios on a pro forma basis for each possible combination of Funds for the 12-month period ended April 30, 2011 and shows the projected change in the Total Expense Ratio of each Fund, each as a percentage of average net assets attributable to common shares.

| | **Pro Forma Combined Fund (All Funds)** | **Pro Forma Combined Fund (BDV and Acquiring Fund)** | **Pro Forma Combined Fund (BDT Acquiring Fund)** |
|---|---|---|---|
| Total Expense Ratios | 0.95% | 0.96% | 0.97% |
| Change in BDV Total Expense Ratio | 0.14% | 0.15% | N/A |
| Change in BDT Total Expense Ratio | 0.02% | N/A | 0.04% |
| Change in BDJ Total Expense Ratio | -0.21% | -0.20% | -0.19% |

If any of the Reorganizations is approved, the Investment Advisor will reduce the advisory fee payable by the Acquiring Fund by 19 basis points, from 1.00% of average weekly managed assets to 0.81% of average weekly managed assets. These reductions in fees will be effective on the date any Reorganization becomes effective and will not decrease or modify the nature or level of the services that the Investment Advisor will provide to the Acquiring Fund relative to what the Investment Advisor currently provides to the Acquiring Fund. If the shareholders of each Target Fund approves its proposed Reorganization, the advisory fee payable by BDV would increase by 16 basis points, from 0.65% of average weekly managed assets to 0.81% of average weekly managed assets, and the advisory fee payable by BDT would increase by 6 basis points, from 0.75% of average weekly managed assets to 0.81% of average weekly managed assets. In addition, the Combined Fund would be competitively priced relative to peers and below the median contractual management fee for Lipper peers. Despite each Target Fund bearing higher costs, the Target Funds will receive the benefit of a higher degree of option overwrite at a cost below where the Investment Advisor would price such services for a new fund. The most recent fund launched with a similar level of overwriting and advised by the Investment Advisor is charged a management fee of 1.00%; whereas the Combined Fund is expected to have a management fee of 0.81%.

In approving the proposed Reorganizations, the Board of each Fund, including the Independent Trustees, determined that participation in the Reorganizations is in the best interests of each Fund and its shareholders and that the interests of each Fund's shareholders will not be diluted with respect to the net asset value of such Fund as a result of its Reorganization. Before reaching these conclusions, the Board of each Fund, including the Independent Trustees, engaged in a thorough review process relating to the proposed Reorganizations. The Boards of the Funds also received a memorandum outlining, among other things, the legal standards and certain other considerations relevant to the Boards' deliberations. The Boards of the Funds, including all of the Independent Trustees, approved the Reorganization at a meeting held on September 8-9, 2011.

Considering these and other reasons, the Board of each Target Fund unanimously concluded that completion of the Reorganizations is in the best interests of each Target Fund and its shareholders and that the interests of the shareholders of each Target Fund will not be diluted as a result of the Reorganizations. This determination was made on the basis of each Trustee's business judgment after consideration of all of the factors taken as a whole with respect to each Target Fund and its shareholders, although individual trustees may have placed different weight and assigned different degrees of materiality to various factors. See "Reasons for the Reorganization."

If a Reorganization is not approved by a Target Fund's shareholders, such Target Fund will continue to operate for the time being as a stand alone Delaware statutory trust, and will continue to be advised by the

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Investment Advisor. However, if the Reorganization of a Target Fund is not approved, the Investment Advisor anticipates that it may recommend alternative proposals to the Board of each Target Fund, which may include dividend adjustments and/or modifications to each of the Target Fund's investment strategies. An unfavorable vote by one of the Target Funds or the Acquiring Fund with respect to one of the Reorganizations will not affect the implementation of the Reorganization by the other Funds.

The Target Fund Boards have determined that the Reorganizations are in the best interests of each Target Fund and the shareholders of each Target Fund and that the interests of such shareholders will not be diluted as a result of their Fund's Reorganization. Similarly, the Acquiring Fund Board has determined that each Reorganization is in the best interests of the Acquiring Fund and its shareholders and that the interests of such shareholders will not be diluted as a result of each Reorganization. As a result of the Reorganizations, however, shareholders of each Fund will hold a reduced percentage of ownership in the larger Combined Fund than they did in any of the individual Funds.

Each Reorganization is intended to qualify as a "reorganization" within the meaning of Section 368(a) of the Code. If a Reorganization so qualifies, in general, shareholders of a Target Fund will recognize no gain or loss for U.S. federal income tax purposes upon the exchange of their Target Fund common shares for Acquiring Fund Shares pursuant to the Reorganization (except with respect to cash received in lieu of fractional shares). Additionally, the Target Fund will recognize no gain or loss for U.S. federal income tax purposes by reason of the Reorganization. Neither Acquiring Fund nor its shareholders will recognize any gain or loss for U.S. federal income tax purposes pursuant to each Reorganization. It is a condition to the closing of each Reorganization that the respective Target Fund and the Acquiring Fund receive an opinion from Skadden Arps, dated as of the Closing Date, regarding the characterization of the Reorganization as a reorganization within the meaning of Section 368(a) of the Code.

The Target Fund Boards request that shareholders of each Target Fund approve their Fund's proposed Reorganization at the Special Meeting to be held on Thursday, December 22, 2011 at 9:00 a.m. Shareholder approval of each Reorganization requires the affirmative vote by Target Fund shareholders of a "majority of the outstanding voting securities" as defined under the 1940 Act (such a majority referred to herein as a "1940 Act Majority"), which means the affirmative vote of either (i) 67% or more of the voting securities present at the Special Meeting, if the holders of more than 50% of the outstanding voting securities of the Fund are present or represented by proxy or (ii) more than 50% of the outstanding voting securities of the Fund, whichever is less. Subject to the requisite approval of the shareholders of each Target Fund with respect to each Reorganization, it is expected that the Closing Date will be after the close of business on or about February 3, 2012, but it may be at a different time as described herein.

For additional information regarding voting requirements, see "Voting Information and Requirements."

Investing in the Combined Fund following the Reorganization involves risks. For additional information, see "Risk Factors and Special Considerations."

The BDV Board recommends that you vote "**FOR**" BDV's proposed Reorganization.

The BDT Board recommends that you vote "**FOR**" BDT's proposed Reorganization.

INVESTMENT OBJECTIVES AND POLICIES

The structure, organization and investment policies of the Funds are substantially similar. Each Fund is a diversified closed-end management investment company registered under the 1940 Act. Each Fund's common shares are also listed for trading under the NYSE. The investment objectives of the Funds are substantially similar. The Acquiring Fund's primary investment objective is to provide current income and current gains, with a secondary objective of long-term capital appreciation. BDV's investment objective is to provide total return through a combination of current income, capital gains and long-term capital appreciation. BDT's investment objective is to provide total return through a combination of current income, current gains, and long-term capital appreciation. The investment objective(s) of each Fund is not a fundamental policy of the Fund and may be changed without shareholder approval.

The Acquiring Fund seeks to achieve its investment objective by investing in common stocks that pay dividends and have the potential for capital appreciation and by utilizing an option writing strategy to enhance distributions to its shareholders. The Acquiring Fund uses an option strategy that writes options on approximately 50-60% of its total assets. BDV seeks to achieve its investment objectives by investing in common stocks that pay dividends and have the potential for capital appreciation. BDT seeks to achieve its investment objective by investing substantially all of its total assets in common stocks of small to mid-capitalization issuers that pay dividends and have the potential for capital appreciation. BDV and BDT generally overwrite 10-20% of their respective total assets.

The Funds' investment policies and restrictions are the same or substantially similar (but not identical). Under normal market conditions, each Fund invests substantially all of its total assets in dividend-paying equities and each Fund may invest up to 20% of its total assets in equity securities of issuers that do not pay dividends. BDT differs from the other Funds in that it also invests substantially all of its total assets in small- and mid-capitalization companies, as defined by the Russell Mid Cap Index. For a comparison of the Funds, see "—Comparison of the Funds."

On March 9, 2011, the Investment Advisor announced changes to certain non-fundamental investment policies of BlackRock Dividend Achievers™ Trust (BDV), BlackRock Strategic Dividend Achievers™ Trust (BDT) and BlackRock Enhanced Dividend Achievers™ Trust (BDJ). Each Fund would no longer use Mergent's Dividend Achievers™ as the underlying universe for investment in equity securities. Instead, each Fund broadened its investment guidelines to invest across the broader spectrum of dividend-paying equities. The investment strategy described in the Funds' non-fundamental investment objectives or investment policies, as the case may be for each Fund, was modified to remove reference to "above average" dividend-paying equities. As described above, each Fund is now permitted to invest up to 20% in equity securities of issuers that do not pay dividends. Each Fund also removed investment policies limiting the market cap, position size or number of holdings permitted in such Fund. The Board of each Fund took this action as a consequence of recent market events, during which a number of companies reduced, suspended or failed to raise their dividends over the past several years, resulting in their exclusion from consideration as Dividend Achievers™ and reducing the number of available companies for purchase by the Funds. These new investment policies took effect on May 9, 2011, at which time each Fund removed "Dividend Achievers™" from its name. The names of BDV, BDT and BDJ were changed to BlackRock Equity Dividend Trust, BlackRock Strategic Equity Dividend Trust and BlackRock Enhanced Equity Dividend Trust, respectively.[1]

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[1] "Dividend Achievers™" is a trademark of Indxis, Inc., a subsidiary of Mergent, Inc.

The Acquiring Fund currently does not intend to incur indebtedness or issue preferred shares for investment purposes.

Each Fund is classified as diversified within the meaning of the 1940 Act, which means that it is must satisfy the 5% and 10% requirements (described below) with respect to 75% of its total assets. Each Fund's investments will be limited so as to qualify the Fund as a "regulated investment company" for purposes of Federal tax laws. Requirements for qualification include limiting its investments so that, at the close of each quarter of the taxable year, (i) not more than 25% of the market value of the Fund's total assets will be invested in (A) the securities of a single issuer (other than U.S. Government securities and securities of other regulated investment companies), (B) the securities of two or more issuers (other than securities of other regulated investment companies) controlled by the Fund and engaged in the same, similar or related trades or businesses, or (C) the securities of one or more qualified publicly traded partnerships, and (ii) with respect to 50% of the market value of its total assets, not more than 5% of the market value of its total assets will be invested in the securities of a single issuer and the Fund will not own more than 10% of the outstanding voting securities of a single issuer (other than U.S. Government securities and securities of other regulated investment companies).

To the extent the Acquiring Fund invests in dividend-paying common stocks, the Investment Adviser currently intends to emphasize those securities that: (i) are eligible to pay "qualified dividend" income, and/or (ii) make payments that are eligible for the dividends received deduction allowed to corporate taxpayers (the "Dividends Received Deduction") pursuant to Section 243 of the Code. The current U.S. federal income tax rate on long-term capital gains and qualified dividend income is generally 15% for individuals. Long-term capital gains and qualified dividend income included in distributions of a regulated investment company (a "RIC") to its individual shareholders are generally passed through to such shareholders and taxed at such reduced rates. Pursuant to Section 243 of the Code, corporations generally may deduct 70% of the dividend income they receive from domestic corporations. Corporate shareholders of a RIC generally are permitted to claim a deduction with respect to that portion of their dividend distributions attributable to amounts that the RIC designates as qualifying for the Dividends Received Deduction. Although the Acquiring Fund has the ability to borrow money for investment purposes, it has no current intention to do so. If, however, the Acquiring Fund did use leverage, the use of leverage through borrowings may reduce the amount of dividends it can designate as qualifying for the Dividends Received Deduction which will, in turn, limit the tax benefit to a corporate shareholder of investing in the Acquiring Fund. Corporate shareholders should consider whether an investment in the Acquiring Fund is appropriate in light of the Acquiring Fund's ability to borrow. No assurance can be given as to what percentage of the dividends paid on the Acquiring Fund's common stock will be eligible for: (i) the reduced U.S. federal income tax rate for qualified dividend income and long-term capital gains for individuals, or (ii) the Dividends Received Deduction for corporate shareholders of the Acquiring Fund. The 15% U.S. federal income tax rate applicable to long-term capital gains and qualified dividend income is scheduled to expire on December 31, 2012. After this date, absent extension or modification of the relevant legislative provisions, long-term capital gains distributions paid by the Acquiring Fund to the individual shareholder generally will be taxable at the previously applicable maximum 20% rate, and distributions attributable to qualified dividend income will be taxed to the individual shareholder at ordinary income tax rates.

Common Stock

Common stock generally represents an equity ownership interest in an issuer. Under normal market conditions, the Funds' common stock portfolios will consist substantially of dividend-paying common stocks. BDT differs from the other Funds in that it also invests substantially all of its total assets in small- and mid-capitalization companies, as defined by the Russell Mid Cap Index. Although common stocks have historically generated higher average total returns than fixed-income securities over the long term, common stocks also have experienced significantly more volatility in those returns and in recent years have significantly under performed relative to fixed-income securities. An adverse event, such as an unfavorable earnings report, may depress the value of a particular common stock held by the Fund. Also, prices of common stocks are sensitive to general movements in the stock market and a drop in the stock market may depress the price of common stocks to which the Fund has exposure. Common stock prices fluctuate for several reasons including changes in investors' perceptions of the financial

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condition of an issuer or the general condition of the relevant stock market, or when political or economic events affecting the issuers occur. In addition, common stock prices may be particularly sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase.

Options in General

Each Fund may invest in options under their respective investment policies. An option on a security is a contract that gives the holder of the option, in return for a premium, the right to buy from (in the case of a call) or sell to (in the case of a put) the writer of the option the security underlying the option at a specified exercise or "strike" price. The writer of an option on a security has the obligation upon exercise of the option to deliver the underlying security upon payment of the exercise price or to pay the exercise price upon delivery of the underlying security. Certain options, known as "American style" options may be exercised at any time during the term of the option. Other options, known as "European style" options, may be exercised only on the expiration date of the option.

If an option written by each Fund expires unexercised, the Fund realizes on the expiration date a capital gain equal to the premium received by the Fund at the time the option was written. If an option purchased by each Fund expires unexercised, the Fund realizes a capital loss equal to the premium paid. Prior to the earlier of exercise or expiration, an exchange-traded option may be closed out by an offsetting purchase or sale of an option of the same series (type, underlying security, exercise price and expiration). There can be no assurance, however, that a closing purchase or sale transaction can be effected when each Fund desires. Each Fund may sell put or call options it has previously purchased, which could result in a net gain or loss depending on whether the amount realized on the sale is more or less than the premium and other transaction costs paid on the put or call option when purchased. Each Fund will realize a capital gain from a closing purchase transaction if the cost of the closing option is less than the premium received from writing the option, or, if it is more, the Fund will realize a capital loss. If the premium received from a closing sale transaction is more than the premium paid to purchase the option, each Fund will realize a capital gain or, if it is less, the Fund will realize a capital loss. Net gains from each Fund's option strategy will be short-term capital gains which, for federal income tax purposes, will constitute net investment company taxable income.

*Call Options and Covered Call Writing.* Each Fund follows a strategy known as "covered call option writing," which is a strategy designed to generate current gains from option premiums as a means to enhance distributions payable to the Acquiring Fund's shareholders. Each Fund may write (sell) options listed on an exchange and OTC options. As the Fund writes covered calls over more of its portfolio, its ability to benefit from capital appreciation becomes more limited.

As part of its strategy, it may not sell "naked" call options on individual securities, i.e., options representing more shares of the stock than are held in the portfolio. A call option written by the Fund on a security is "covered" if the Fund owns the security underlying the call or has an absolute and immediate right to acquire that security without additional cash consideration (or, if additional cash consideration is required, cash or other assets determined to be liquid by the Investment Adviser (in accordance with procedures established by the Board) in such amount are segregated by the Fund's custodian) upon conversion or exchange of other securities held by the Fund. A call option is also covered if the Fund holds a call on the same security as the call written where the exercise price of the call held is (i) equal to or less than the exercise price of the call written, or (ii) greater than the exercise price of the call written, provided the difference is maintained by the Fund in segregated assets determined to be liquid by the Investment Adviser as described above.

The standard contract size for a single option is 100 shares of the common stock. There are four items needed to identify any option: (1) the underlying security, (2) the expiration month, (3) the strike price and (4) the type (call or put). For example, ten XYZ Co. October $40 call options provide the right to purchase 1,000 shares of XYZ Co. on or before July 31, 2011 at $40 per share. A call option whose strike price is above the current price of

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the underlying stock is called "out-of-the-money." Most of the options that will be sold by each Fund are expected to be out-of-the-money, allowing for potential appreciation in addition to the proceeds from the sale of the option. An option whose strike price is below the current price of the underlying stock is called "in-the-money" and will be sold by the Fund as a defensive measure to protect against a possible decline in the underlying stock.

The following is a conceptual example of a covered call transaction, making the following assumptions: (1) a common stock currently trading at $37.15 per share; (2) a six-month call option is written with a strike price of $40 (i.e., 7.7% higher than the current market price); and (3) the writer receives $2.45 (or 6.6% of the common stock's value) as premium income. This example is not meant to represent the performance of any actual common stock, option contract or the Fund itself. Under this scenario, before giving effect to any change in the price of the stock, the covered-call writer receives the premium, representing 6.6% of the common stock's value, regardless of the stock's performance over the six-month period until option expiration. If the stock remains unchanged, the option will expire and there would be a 6.6% return for the 6-month period. If the stock were to decline in price by 6.6%, the strategy would "break even," thus offering no gain or loss. If the stock were to climb to a price of $40 or above, the option would be exercised and the stock would return 7.7% coupled with the option premium of 6.6% for a total return of 14.3%. Under this scenario, the investor would not benefit from any appreciation of the stock above $40, and thus be limited to a 14.3% total return. The premium income from writing the call option serves to offset some of the unrealized loss on the stock in the event that the price of the stock declines, but if the stock were to decline more than 6.6% under this scenario, the investor's downside protection is eliminated, and the stock could eventually become worthless.

For conventional listed call options, the option's expiration date can be up to nine months from the date the call options are first listed for trading. Longer-term call options can have expiration dates up to three years from the date of listing. It is anticipated that most options that are written against the Fund stock holdings will be repurchased prior to the option's expiration date, generating a gain or loss in the options. If the options were not to be repurchased, the option holders would exercise their rights and buy the stock from the Fund at the strike price, if the stock traded at a higher price than the strike price. In general, each Fund intends to continue to hold its common stocks rather than allowing them to be called away by the option holders. See "Risks Factors and Special Considerations."

*Put Options*. Each Fund may utilize put options. Put options are contracts that give the holder of the option, in return for a premium, the right to sell to the writer of the option the security underlying the option at a specified exercise price at any time during the term of the option. These strategies may produce a considerably higher return than the each Fund's primary strategy of covered call writing, but involve a higher degree of risk and potential volatility.

The Fund writes (sells) put options on individual securities only if the put option is "covered." A put option written by the Fund on a security is "covered" if the Fund segregates or earmarks assets determined to be liquid by the Investment Adviser, as described above, equal to the exercise price. A put option is also covered if the Fund holds a put on the same security as the put written where the exercise price of the put held is (i) equal to or greater than the exercise price of the put written, or (ii) less than the exercise price of the put written, provided the difference is maintained by the Fund in segregated or earmarked assets determined to be liquid by the Investment Adviser, as described above.

The following is a conceptual example of a put transaction, making the following assumptions: (1) a common stock currently trading at $37.15 per share; (2) a six-month put option written with a strike price of $35.00 (i.e., 94.2% of the current market price); and (3) the writer receives $ 1.10 (or 2.95% of the common stock's value) as premium income. This example is not meant to represent the performance of any actual common stock, option contract or the Fund itself. Under this scenario, before giving effect to any change in the price of the stock, the put writer receives the premium, representing 2.95% of the common stock's value, regardless of the stock's performance over the six-month period until the option expires. If the stock remains unchanged, appreciates in value or declines less than 5.8% in value, the option will expire and there would be a 2.95% return for the 6-month period. If the stock

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were to decline by 5.8% or more, the Fund would lose an amount equal to the amount by which the stock's price declined minus the premium paid to the Fund. The stock's price could lose its entire value, in which case the Fund would lose $33.90 ($35.00 minus $1.10).

*Options on Indices.* Each Fund sells put and call options on indices of securities. Options on an index differ from options on securities because (i) the exercise of an index option requires cash payments and does not involve the actual purchase or sale of securities, (ii) the holder of an index option has the right to receive cash upon exercise of the option if the level of the index upon which the option is based is greater, in the case of a call, or less, in the case of a put, than the exercise price of the option and (iii) index options reflect price fluctuations in a group of securities or segments of the securities market rather than price fluctuations in a single security.

As the seller of an index put or call option, the Fund receives cash (the premium) from the purchaser. The purchaser of an index put option has the right to any depreciation in the value of the index below a fixed price (the exercise price) on or before a certain date in the future (the expiration date). The purchaser of an index call option has the right to any appreciation in the value of the index over a fixed price (the exercise price) on or before a certain date in the future (the expiration date). The Fund, in effect, agrees to accept the potential depreciation (in the case of a put) or sell the potential appreciation (in the case of a call) in the value of the relevant index in exchange for the premium. If, at or before expiration, the purchaser exercises the put or call option sold by the Fund, the Fund will pay the purchaser the difference between the cash value of the index and the exercise price of the index option. The premium, the exercise price and the market value of the index determine the gain or loss realized by the Fund as the seller of the index put or call option.

The Fund may execute a closing purchase transaction with respect to an index option it has sold and sell another option (with either a different exercise price or expiration date or both). The Fund's objective in entering into such a closing transaction will be to optimize net index option premiums. The cost of a closing transaction may reduce the net index option premiums realized from the sale of the index option.

The Fund covers its obligations when it sells index options. An index option is considered "covered" if the Fund maintains with its custodian assets determined to be liquid in an amount equal to the contract value of the index. An index put option also is covered if the Fund holds a put on the same index as the put written where the exercise price of the put held is (i) equal to or more than the exercise price of the put written, or (ii) less than the exercise price of the put written, provided the difference is maintained by the Fund in segregated assets determined to be liquid. An index call option also is covered if the Fund holds a call on the same index as the call written where the exercise price of the call held is (i) equal to or less than the exercise price of the call written, or (ii) greater than the exercise price of the call written, provided the difference is maintained by the Fund in segregated assets determined to be liquid.

*Limitation on Option Writing Strategy.* The Acquiring Fund generally intends to write covered put and call options with respect to approximately 50% to 60% of its portfolio, although this percentage may vary from time to time with market conditions. The Target Funds intends to write covered put and call options with respect to approximately 10% to 20% of its net assets. As each Fund writes covered calls over more of its portfolio, its ability to benefit from capital appreciation becomes more limited. The number of covered put and call options on securities each Fund can write is limited by the total assets the Fund holds, and further limited by the fact that all options represent 100 share lots of the underlying common stock. In connection with its option writing strategy, each Fund will not write "naked" or uncovered put and call options. Furthermore, the Fund's exchange-listed option transactions will be subject to limitations established by each of the exchanges, boards of trade or other trading facilities on which such options are traded. These limitations govern the maximum number of options in each class that may be written or purchased by a single investor or group of investors acting in concert, regardless of whether the options are written or purchased on the same or different exchanges, boards of trade or other trading facilities or are held or written in one or more accounts or through one or more brokers. Thus, the number of options which each Fund may write or purchase may be affected by options written or purchased by other investment advisory

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clients of the Investment Advisor. An exchange, board of trade or other trading facility may order the liquidation of positions found to be in excess of these limits, and it may impose certain other sanctions.

*Strategic Transactions.* Each Fund may, but is not required to, use various strategic transactions described below to, facilitate portfolio management, mitigate risks and generate total return (although it has no present intention to use such transactions to generate total return). Such strategic transactions are generally accepted under modern portfolio management and are regularly used by many mutual funds, closed-end funds and other institutional investors. Although BlackRock seeks to use the practices to further each Fund's investment objectives, no assurance can be given that these practices will achieve this result. Each Fund may purchase and sell derivative instruments such as exchange-listed and over-the-counter put and call options on securities, financial futures, equity indices, and other financial instruments, purchase and sell financial futures contracts and options thereon and engage in swaps. Each Fund also may purchase derivative instruments that combine features of these instruments. Collectively, all of the above are referred to as "Strategic Transactions." Each Fund generally seeks to use Strategic Transactions as a portfolio management or hedging technique to seek to protect against possible adverse changes in the market value of securities held in or to be purchased for the Fund's portfolio, protect the value of the Fund's portfolio, facilitate the sale of certain securities for investment purposes, or establish positions in the derivatives markets as a temporary substitute for purchasing or selling particular securities. Each Fund may use Strategic Transactions to enhance potential gain (although it has no current intention to do so) although the Fund will commit variation margin for Strategic Transactions that involve futures contracts only in accordance with the rules of the Commodity Futures Trading Commission.

Strategic Transactions have risks, including the imperfect correlation between the value of such instruments and the underlying assets, the possible default of the other party to the transaction or illiquidity of the derivative instruments. Furthermore, the ability to successfully use Strategic Transactions depends on the Investment Advisor's ability to predict pertinent market movements, which cannot be assured. Thus, the use of Strategic Transactions may result in losses greater than if they had not been used, may require each Fund to sell or purchase portfolio securities at inopportune times or for prices other than current market values, may limit the amount of appreciation the Fund can realize on an investment, or may cause the Fund to hold a security that it might otherwise sell. Additionally, amounts paid by each Fund as premiums and cash or other assets held in margin accounts with respect to Strategic Transactions are not otherwise available to the Fund for investment purposes. Appendix D to the Statement of Additional Information contains further information about the characteristics, risks and possible benefits of Strategic Transactions.

*Other Investments*. Each Fund may invest up to 20% of its total assets in other investments including preferred securities and foreign securities. In addition, each Fund may, although each Fund has no present intention to do so, engage in borrowings for investment purposes and/or issue preferred shares as leverage. For more information, see "Investment Policies and Techniques" and "Additional Risks" in the Statement of Additional Information.

*Short-Term Debt Securities; Temporary Defensive Position; Invest-Up Period.* During periods in which Advisors determine that it is temporarily unable to follow each Fund's investment strategy or that it is impractical to do so, the Fund may deviate from its investment strategy and invest all or any portion of its assets in cash or cash equivalents. The Advisors' determination that it is temporarily unable to follow the Fund's investment strategy or that it is impractical to do so will generally occur only in situations in which a market disruption event has occurred and where trading in the securities selected through application of the Fund's investment strategy is extremely limited or absent. In such a case, shares of the Fund may be adversely affected and the Fund may not pursue or achieve its investment objectives.

Other Investment Policies

See "Investment Objectives and Policies of the Funds—Other Investment Policies" in the Statement of Additional Information for a discussion of the Funds' other investment policies.

Information Regarding Strategic Transactions

Each Fund may enter into certain hedging and risk management transactions ("Strategic Transactions"). Strategic Transactions involve the use of derivative instruments. Such instruments may include, options and certain financial futures contracts and options thereon. Strategic Transactions may be used to attempt to protect against possible changes in the market value of a Fund's portfolio resulting from fluctuations in the debt securities markets and changes in interest rates, to protect the Fund's unrealized gains in the value of its portfolio securities, to facilitate the sale of such securities for investment purposes and to establish a position in the securities markets as a temporary substitute for purchasing particular securities. Any or all of these Strategic Transactions may be used at any time. There is no particular strategy that requires use of one technique rather than another. Use of any Strategic Transaction is a function of market conditions. The ability of a Fund to use Strategic Transactions successfully will depend on the Investment Advisors' ability to predict pertinent market movements as well as sufficient correlation among the instruments, which cannot be assured. There is no assurance that these derivative strategies will be available at any time or that the Investment Advisors will determine to use them for hedging or risk management purposes or, if used, that the strategies will be successful. The Strategic Transactions that the Funds may use are described in the Statement of Additional Information under "Investment Objectives and Policies of the Funds—Information Regarding Strategic Transactions."

The principal risks relating to the use of Strategic Transactions are: (a) less than perfect correlation between the prices of the instrument and the market value of the securities in a Fund's portfolio; (b) possible lack of a liquid secondary market for closing out a position in such instruments; (c) losses resulting from interest rate or other market movements not anticipated by the Investment Advisors; and (d) the obligation to meet additional variation margin or other payment requirements, all of which could result in the Fund being in a worse position than if such techniques had not been used. Certain provisions of the Code may also restrict or affect the ability of the Fund to engage in Strategic Transactions. Appendix D to the Statement of Additional Information contains further information about the characteristics, risks and possible benefits of Strategic Transactions.

COMPARISON OF THE FUNDS

Investment Objectives

The investment objectives of the Funds are substantially similar (but not identical). The Acquiring Fund's primary investment objective is to seek current income and current gains, with a secondary objective of long-term capital appreciation. BDV's investment objective is to provide total return through a combination of current income, capital gains and capital appreciation. BDT's investment objective is to provide total return through a combination of current income, current gains and long-term capital appreciation. Each Fund's investment objective(s) is not a fundamental policy and may be changed without shareholder approval. Each Fund, under normal market conditions, invests at least 80% of its total assets in dividend-paying equities and may invest up to 20% of its total assets in equity securities of issuers that do not pay dividends. BDT differs from the other Funds in that it also invests substantially all of its total assets in small- and mid-capitalization companies, as defined by the Russell Mid Cap Index. Finally, the Acquiring Fund uses an option strategy that writes options on approximately 50-60% of its total assets, whereas the other Funds generally overwrite 10-20% of their respective total assets.

Investment Strategies and Restrictions

The Funds have either the same or substantially similar (but not identical) investment strategies and restrictions. A comparison of the significant investment strategies and operating policies used by the Funds is set forth in the table below. The investment strategies and significant operating policies of the Combined Fund will be those of BDJ.

| Acquiring Fund | Target Funds | |
|---|---|---|
| BDJ | BDV | BDT |
| **Total Assets under Management** | **Total Assets under Management** | **Total Assets under Management** |
| As of June 30, 2011: $607,115,667 | As of June 30, 2011: $583,988,568 | As of June 30, 2011: $316,319,642 |
| **Investment Objective(s)** | **Investment Objective(s)** | **Investment Objective(s)** |
| · Primary investment objective is to provide current income and current gains, with a secondary objective of long-term capital appreciation. | · To provide total return through a combination of current income, capital gains, and long-term capital appreciation. | · To provide total return through a combination of current income, current gains, and long-term capital appreciation. |
| · Seeks to achieve these objectives by investing in common stocks that pay dividends and have the potential for capital appreciation and by utilizing an option writing strategy to enhance distributions to its shareholders. | · Seeks to achieve these objectives by investing in common stocks that pay dividends and have the potential for capital appreciation. | · Seeks to achieve its investment objective by investing substantially all of its total assets in common stocks of small to mid-capitalization issuers that pay dividends and have the potential for capital appreciation. |
| **Investment Policies** | **Investment Policies** | **Investment Policies** |
| · Invests at least 80% of its total assets in dividend-paying equities, under normal market conditions. | · Same as Acquiring Fund. | · Same as Acquiring Fund. |
| · May invest up to 20% of its total assets in equity securities of issuers that do not pay dividends, under normal market conditions. | · Same as Acquiring Fund. | · Same as Acquiring Fund. |

· Invests at least 80% of its total assets in small- and mid-capitalization companies, as defined by the Russell Mid Cap Index.

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| Acquiring Fund | Target Funds | |
|---|---|---|
| BDJ | BDV | BDT |
| **Option Strategy** | **Option Strategy** | **Option Strategy** |
| · Employs a strategy of writing (selling) covered call and put options on common stocks, indices of securities, sectors of securities and baskets of securities. This option strategy is intended to generate current gains from option premiums as a means to enhance distributions payable to the Fund's shareholders. | · May purchase and sell derivative instruments such as exchange-listed and over-the-counter put and call options on securities, financial futures, equity indices, and other financial instruments, purchase and sell financial futures contracts and options thereon and engage in swaps. | · May purchase and sell futures contracts, exchange-listed and over-the-counter put and call options on securities, equity and other indices and futures contracts and forward foreign currency contracts, and may enter into various interest rate transactions. |
| · Generally writes covered put and call options with respect to approximately 50% to 60% of its total assets, although this percentage may vary from time to time with market conditions. | · Currently employs a strategy of overwriting 10-20% of its total assets, although this percentage may vary from time to time with market conditions. | · Same as BDV. |
| **Leverage** | **Leverage** | **Leverage** |
| · Currently does not intend to incur indebtedness or issue preferred shares for investment purposes. | · Same as Acquiring Fund. | · Same as Acquiring Fund. |
| · May borrow in an amount up to 5% of its total assets for temporary or emergency purposes. | · Same as Acquiring Fund. | · Same as Acquiring Fund. |
| · May borrow funds for investment purposes and/or issue debt securities or preferred shares in an aggregate amount of approximately 33 1/3% of its total assets to purchase additional securities. | · Same as Acquiring Fund. | · Same as Acquiring Fund. |

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| Acquiring Fund | Target Funds | |
|---|---|---|
| BDJ | BDV | BDT |
| **Foreign Securities**<br>· May, but has no present intention to, invest up to 20% of its total assets in foreign securities, which may include securities denominated in U.S. dollars or in foreign currencies or multinational currency units.<br>· May, but has no present intention to, invest in foreign securities of emerging market issuers, but investments in such securities will not comprise more than 10% of its total assets. | **Foreign Securities**<br>· Same as Acquiring Fund. | **Foreign Securities**<br>· Same as Acquiring Fund. |
| **Preferred Securities**<br>· May, but has no present intention to, invest up to 20% of its total assets in preferred securities. | **Preferred Securities**<br>· Same as Acquiring Fund. | **Preferred Securities**<br>· Same as Acquiring Fund. |
| **Short-term Debt Securities**<br>· May, for temporary defensive purposes or to keep cash on hand, invest up to 100% of its total assets in cash equivalents and short-term debt securities. | **Short-term Debt Securities**<br>· Same as Acquiring Fund. | **Short-term Debt Securities**<br>· Same as Acquiring Fund. |
| **Puts on Securities, Indices and Futures Contracts**<br>· Will not sell puts if, as a result, more than 50% of its total assets would be required to cover its potential obligations under its hedging and other investment transactions | **Puts on Securities, Indices and Futures Contracts**<br>· Same as Acquiring Fund. | **Puts on Securities, Indices and Futures Contracts**<br>· Same as Acquiring Fund. |
| **Short Sales**<br>· Will not make a short sale if, after giving effect to such sale, the market value of all securities sold short exceeds 25% of the value of its total assets or the Acquiring Fund's aggregate short sales of a particular class of securities exceeds 25% of the outstanding securities of that class. | **Short Sales**<br>· Same as Acquiring Fund. | **Short Sales**<br>· Same as Acquiring Fund. |

| Acquiring Fund | Target Funds | |
|---|---|---|
| BDJ | BDV | BDT |
| **Lending of Securities** | **Lending of Securities** | **Lending of Securities** |
| · Will not lend portfolio securities if, as a result, the aggregate of such loans exceeds $33\frac{1}{3}\%$ of the value of the Acquiring Fund's total assets (including such loans). | · Same as Acquiring Fund. | · Same as Acquiring Fund. |
| **Dividends** | **Dividends** | **Dividends** |
| · Intends to make regular quarterly cash distributions of all or a portion of its investment company taxable income to shareholders. | · Same as Acquiring Fund. | · Same as Acquiring Fund. |
| **Investment Advisor and Sub-Advisor** | **Investment Advisor and Sub-Advisor** | |
| · Investment Advisor: BlackRock Advisors, LLC. | · Same as Acquiring Fund. | |
| · Sub-Advisor: BlackRock Financial Management, Inc. | | |