

LMP CAPITAL & INCOME FUND INC.

Form N-Q

October 24, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED

MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number **811-21467**

LMP Capital and Income Fund Inc

(Exact name of registrant as specified in charter)

620 Eighth Avenue, 49th Floor, New York, NY 10018

(Address of principal executive offices) (Zip code)

Robert I. Frenkel, Esq.

Legg Mason & Co., LLC

100 First Stamford Place

Stamford, CT 06902

(Name and address of agent for service)

Registrant's telephone number, including area code: (888)777-0102

Date of fiscal year end: **November 30**

Date of reporting period: **August 31, 2016**

ITEM 1. SCHEDULE OF INVESTMENTS.

LMP CAPITAL AND INCOME FUND INC.

FORM N-Q

AUGUST 31, 2016

LMP CAPITAL AND INCOME FUND INC.**Schedule of investments (unaudited)****August 31, 2016**

SECURITY	SHARES	VALUE
COMMON STOCKS - 67.1%		
CONSUMER DISCRETIONARY - 3.5%		
Media - 3.5%		
National CineMedia Inc.	235,000	\$ 3,513,250 ^(a)
Regal Entertainment Group, Class A Shares	301,000	6,435,380 ^(a)
TOTAL CONSUMER DISCRETIONARY		9,948,630
CONSUMER STAPLES - 3.3%		
Household Products - 3.3%		
Kimberly-Clark Corp.	52,000	6,659,120
Procter & Gamble Co.	31,000	2,706,610
TOTAL CONSUMER STAPLES		9,365,730
FINANCIALS - 1.9%		
Insurance - 1.9%		
MetLife Inc.	127,000	5,511,800
HEALTH CARE - 11.1%		
Pharmaceuticals - 11.1%		
AstraZeneca PLC, ADR	180,000	5,905,800
Bristol-Myers Squibb Co.	96,000	5,509,440 ^(a)
GlaxoSmithKline PLC, ADR	41,000	1,781,860
Johnson & Johnson	38,000	4,534,920 ^(a)
Merck & Co. Inc.	123,000	7,723,170 ^(a)
Pfizer Inc.	176,000	6,124,800 ^(a)
TOTAL HEALTH CARE		31,579,990
INDUSTRIALS - 6.7%		
Aerospace & Defense - 4.2%		
Lockheed Martin Corp.	49,800	12,099,906 ^(a)
Electrical Equipment - 0.6%		
Emerson Electric Co.	33,000	1,738,440
Industrial Conglomerates - 1.2%		
General Electric Co.	110,000	3,436,400 ^(a)
Transportation Infrastructure - 0.7%		
Macquarie Infrastructure Corp.	24,000	1,918,560
TOTAL INDUSTRIALS		19,193,306
INFORMATION TECHNOLOGY - 7.5%		
Communications Equipment - 0.6%		
Cisco Systems Inc.	55,500	1,744,920

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IT Services - 0.6%		
Paychex Inc.	29,000	1,759,430
Semiconductors & Semiconductor Equipment - 3.2%		
Intel Corp.	152,500	5,473,225 ^(a)
Maxim Integrated Products Inc.	50,000	2,036,000 ^(a)
Microchip Technology Inc.	28,000	1,733,480
<i>Total Semiconductors & Semiconductor Equipment</i>		9,242,705
Software - 2.4%		
Microsoft Corp.	121,000	6,952,660 ^(a)
Technology Hardware, Storage & Peripherals - 0.7%		
Apple Inc.	17,250	1,830,225
TOTAL INFORMATION TECHNOLOGY		21,529,940
MATERIALS - 2.0%		
Chemicals - 1.0%		
Dow Chemical Co.	52,000	2,789,280

See Notes to Schedule of Investments.

LMP CAPITAL AND INCOME FUND INC.

Schedule of investments (unaudited) (cont d)

August 31, 2016

	SECURITY	SHARES	VALUE
Containers & Packaging - 1.0%			
	International Paper Co.	61,000	\$ 2,957,890
TOTAL MATERIALS			5,747,170
REAL ESTATE - 21.2%			
Equity Real Estate Investment Trusts (REITs) - 21.2%			
	Alexandria Real Estate Equities Inc.	21,000	2,311,890
	American Capital Agency Corp.	205,000	3,958,550 ^(a)
	Annaly Capital Management Inc.	371,000	3,973,410 ^(a)
	AvalonBay Communities Inc.	5,600	980,056
	DCT Industrial Trust Inc.	37,500	1,826,625 ^(a)
	DuPont Fabros Technology Inc.	23,800	1,009,120
	EPR Properties	55,800	4,370,256 ^(a)
	Equity Residential	32,500	2,108,275
	Hospitality Properties Trust	140,500	4,283,845 ^(a)
	Kilroy Realty Corp.	24,000	1,743,120 ^(a)
	Ramco-Gershenson Properties Trust	132,000	2,564,760 ^(a)
	Retail Properties of America Inc., Class A Shares	155,000	2,635,000 ^(a)
	Senior Housing Properties Trust	61,000	1,362,740 ^(a)
	Simon Property Group Inc.	18,610	4,009,897 ^(a)
	Spirit Realty Capital Inc.	272,386	3,609,114 ^(a)
	Starwood Property Trust Inc.	360,000	8,244,000 ^(a)
	STORE Capital Corp.	52,500	1,555,575
	Urstadt Biddle Properties Inc., Class A Shares	85,000	1,930,350 ^(a)
	Weyerhaeuser Co.	255,627	8,141,720
TOTAL REAL ESTATE			60,618,303
TELECOMMUNICATION SERVICES - 7.1%			
Diversified Telecommunication Services - 5.8%			
	AT&T Inc.	206,000	8,421,280 ^(a)
	Verizon Communications Inc.	153,000	8,006,490 ^(a)
<i>Total Diversified Telecommunication Services</i>			16,427,770
Wireless Telecommunication Services - 1.3%			
	Vodafone Group PLC, ADR	125,000	3,831,250 ^(a)
TOTAL TELECOMMUNICATION SERVICES			20,259,020
UTILITIES - 2.8%			
Electric Utilities - 2.3%			
	Great Plains Energy Inc.	114,000	3,096,240 ^(a)
	PPL Corp.	97,000	3,373,660 ^(a)
<i>Total Electric Utilities</i>			6,469,900
Multi-Utilities - 0.5%			
	CenterPoint Energy Inc.	69,000	1,550,430

TOTAL UTILITIES 8,020,330

TOTAL COMMON STOCKS 191,774,219
 (Cost - \$145,675,162)

	RATE		
CONVERTIBLE PREFERRED STOCKS - 8.7%			
ENERGY - 2.1%			
Oil, Gas & Consumable Fuels - 2.1%			
Anadarko Petroleum Corp.	7.500%	157,000	5,997,400
HEALTH CARE - 2.7%			
Pharmaceuticals - 2.7%			
Allergan PLC	5.500%	9,250	7,702,105
INDUSTRIALS - 0.5%			
Machinery - 0.5%			
Stanley Black & Decker Inc.	6.250%	11,000	1,398,210

See Notes to Schedule of Investments.

LMP CAPITAL AND INCOME FUND INC.

Schedule of investments (unaudited) (cont d)

August 31, 2016

	SECURITY	RATE	SHARES	VALUE
REAL ESTATE - 1.4%				
Equity Real Estate Investment Trusts (REITs) - 1.4%				
	American Tower Corp.	5.250%	23,500	\$ 2,598,160
	American Tower Corp.	5.500%	13,550	1,471,259
TOTAL REAL ESTATE				4,069,419