

LMP CAPITAL & INCOME FUND INC.
Form N-Q
May 27, 2010

**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)

55 Water Street, New York, NY
(Address of principal executive offices)

10041
(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: 1-888-777-0102

Date of fiscal year end: December 31

Date of reporting period: March 31, 2010

ITEM 1. SCHEDULE OF INVESTMENTS

LMP CAPITAL AND INCOME FUND INC.

FORM N-Q

MARCH 31, 2010

Schedule of investments (unaudited)

March 31, 2010

LMP CAPITAL AND INCOME FUND INC.

	SHARES	VALUE
SECURITY		
COMMON STOCKS 70.5%		
CONSUMER DISCRETIONARY 7.4%		
Hotels, Restaurants & Leisure 2.8%		
McDonald's Corp.	185,000	\$ 12,343,200
Media 3.2%		
Charter Communications Inc.	11,990	413,655(a)
Reed Elsevier PLC	680,000	5,422,631
Thomson Corp.	238,000	8,639,400
<i>Total Media</i>		14,475,686
Specialty Retail 1.4%		
Home Depot Inc.	197,210	6,379,744
TOTAL CONSUMER DISCRETIONARY		33,198,630
CONSUMER STAPLES 14.3%		
Beverages 1.7%		
PepsiCo Inc.	115,360	7,632,218
Food & Staples Retailing 1.9%		
Wal-Mart Stores Inc.	155,850	8,665,260
Food Products 4.4%		
H.J. Heinz Co.	310,000	14,139,100
Kraft Foods Inc., Class A Shares	177,440	5,365,785
<i>Total Food Products</i>		19,504,885
Household Products 6.3%		
Kimberly-Clark Corp.	210,000	13,204,800
Procter & Gamble Co.	236,500	14,963,355
<i>Total Household Products</i>		28,168,155
TOTAL CONSUMER STAPLES		63,970,518
ENERGY 8.3%		
Energy Equipment & Services 0.8%		
Diamond Offshore Drilling Inc.	40,000	3,552,400
Oil, Gas & Consumable Fuels 7.5%		
BP PLC, ADR	200,000	11,414,000
Spectra Energy Corp.	442,820	9,976,735
Total SA, ADR	210,000	12,184,200
<i>Total Oil, Gas & Consumable Fuels</i>		33,574,935
TOTAL ENERGY		37,127,335
FINANCIALS 8.8%		
Insurance 4.1%		
Chubb Corp.	149,360	7,744,316
Travelers Cos. Inc.	196,160	10,580,870
<i>Total Insurance</i>		18,325,186
Real Estate Investment Trusts (REITs) 2.4%		
Annaly Capital Management Inc.	406,000	6,975,080
Chimera Investment Corp.	1,000,000	3,890,000
<i>Total Real Estate Investment Trusts (REITs)</i>		10,865,080
Thriffs & Mortgage Finance 2.3%		
New York Community Bancorp Inc.	300,000	4,962,000

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People's United Financial Inc.	333,000	5,208,120
<i>Total Thrifts & Mortgage Finance</i>		<i>10,170,120</i>
TOTAL FINANCIALS		39,360,386
HEALTH CARE 6.5%		
Pharmaceuticals 6.5%		
Bristol-Myers Squibb Co.	220,000	5,874,000
GlaxoSmithKline PLC, ADR	88,000	3,389,760
Johnson & Johnson	175,000	11,410,000
Novartis AG, ADR	123,670	6,690,547
Pfizer Inc.	100,000	1,715,000
TOTAL HEALTH CARE		29,079,307

See Notes to Financial Statements.

Schedule of investments (**unaudited**) (**continued**)

March 31, 2010

LMP CAPITAL AND INCOME FUND INC.

	SHARES	VALUE
SECURITY		
INDUSTRIALS 8.2%		
Aerospace & Defense 2.4%		
Honeywell International Inc.	50,000	\$ 2,263,500
Lockheed Martin Corp.	100,000	8,322,000
<i>Total Aerospace & Defense</i>		