LMP CAPITAL & INCOME FUND INC.
Form N-CSR
January 28, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED

MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-21467

LMP Capital and Income Fund Inc.

(Exact name of registrant as specified in charter)

620 Eighth Avenue, 49^{th} 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: November 30, 2013

ITEM 1. REPORT TO STOCKHOLDERS.

The **Annual Report** to Stockholders is filed herewith.

Annual Report November 30, 2013

LMP

CAPITAL AND INCOME FUND INC. (SCD)

INVESTMENT PRODUCTS: NOT FDIC INSURED NO BANK GUARANTEE MAY LOSE VALUE

What s inside

Fund objective

The Fund s investment objective is total return with an emphasis on income.

Letter from the chairman

Dear Shareholder,

We are pleased to provide the annual report of LMP Capital and Income Fund Inc. for the twelve-month reporting period ended November 30, 2013. Please read on for a detailed look at prevailing economic and market conditions during the Fund s reporting period and to learn how those conditions have affected Fund performance.

As always, we remain committed to providing you with excellent service and a full spectrum of investment choices. We also remain committed to supplementing the support you receive from your financial advisor. One way we accomplish this is through our website, www.lmcef.com. Here you can gain immediate access to market and investment information, including:

- Fund prices and performance,
- Market insights and commentaries from our portfolio managers, and
- A host of educational resources.

We look forward to helping you meet your financial goals.

Sincerely,

Kenneth D. Fuller

Chairman, President and Chief Executive Officer

December 27, 2013

Investment commentary

Economic review

The U.S. economy continued to grow over the twelve months ended November 30, 2013 (the reporting period). Looking back, U.S. gross domestic product (GDP)[i] growth, as reported by the U.S. Department of Commerce, was an anemic 0.1% during the fourth quarter of 2012. This weakness was partially driven by moderating private inventory investment and federal government spending. Economic growth then accelerated, as first quarter 2013 GDP growth was 1.1%, supported by strengthening consumer spending. GDP growth in the second quarter further improved to 2.5%. This was partially due to increases in exports and non-residential fixed investments, along with a smaller decline in federal government spending versus the previous quarter. The U.S. Department of Commerce s final reading for third quarter 2013 GDP growth, released after the reporting period ended, was 4.1%. Stronger growth was driven, in part, by an increase in private inventory investment, a deceleration in imports and accelerating state and local government spending.

The U.S. job market improved during the reporting period, although unemployment remained elevated from a historical perspective. When the period began, unemployment, as reported by the U.S. Department of Labor, was 7.8%. Unemployment fell to 7.7% in February 2013 and edged lower over much of the next seven months to reach 7.2% in September 2013. After rising to 7.3% in October, unemployment then fell to 7.0% in November, its lowest reading since November 2008. Falling unemployment during the period was partially due to a decline in the workforce participation rate, which was 63% in November, close to its lowest level since 1978.

While sales of existing-homes have declined in recent months given rising mortgage rates, home prices continued to move higher. According to the National Association of Realtors (NAR), existing-home sales fell 4.3% on a seasonally adjusted basis in November 2013 versus the previous month and were 1.2% lower than in November 2012. However, the NAR reported that the median existing-home price for all housing types was $196,300 in November 2013, up 9.4% from November 2012. The inventory of homes available for sale in November 2013 was 0.9% lower than the previous month at a 5.1 month supply at the current sales pace and was 5.0% higher than in November 2012.

The manufacturing sector expanded during the majority of the reporting period, although it experienced a temporary soft patch. Based on the Institute for Supply Management s Purchasing Managers Index (PMI)[ii], manufacturing expanded during the first five months of the reporting period. It then contracted in May 2013, with a PMI of 49.0 (a reading below 50 indicates a contraction, whereas a reading above 50 indicates an expansion). This represented the PMI s lowest reading since June 2009. However, this was a short-term setback, as the PMI rose over the next six months and was 57.3 in November, the best reading since April 2011.

The Federal Reserve Board (Fed)[iii] took a number of actions as it sought to meet its dual mandate of fostering maximum employment and price stability. As has been the case since December 2008, the Fed kept

Investment commentary (cont d)

the federal funds rate[iv] at a historically low range between zero and 0.25%. At its meeting in December 2012, the Fed announced that it would continue purchasing $40 billion per month of agency mortgage-backed securities (MBS), as well as initially purchasing $45 billion per month of longer-term Treasuries. At its meeting that ended on June 19, 2013, the Fed did not make any material changes to its official policy statement. However, in a press conference following the meeting, Fed Chairman Bernanke said the Committee currently anticipates that it would be appropriate to moderate the monthly pace of purchases later this year; and if the subsequent data remain broadly aligned with our current expectations for the economy, we would continue to reduce the pace of purchases in measured steps through the first half of next year, ending purchases around midyear. In a surprise to many investors, at its meeting that ended on September 18, 2013, the Fed did not taper its asset purchase program and said that it decided to await more evidence that progress will be sustained before adjusting the pace of its purchases. Fed Chairman Bernanke also brought up the potential for a partial government shutdown on October 1 and the debt ceiling debate as reasons for maintaining its current policy. As expected, at its meeting that concluded on October 30, 2013, the Fed maintained its asset purchase program. Finally, at the Fed s meeting that concluded on December 18, 2013, after the reporting period ended, the Fed announced that it would begin reducing its monthly asset purchases, saying In light of the cumulative progress toward maximum employment and the improvement in the outlook for labor market conditions, the Committee decided to modestly reduce the pace of its asset purchases. Beginning in January, the Committee will add to its holdings of agency mortgage-backed securities at a pace of $35 billion per month rather than $40 billion per month, and will add to its holdings of longer-term Treasury securities at a pace of $40 billion per month rather than $45 billion per month.

As always, thank you for your confidence in our stewardship of your assets.

Sincerely,

Kenneth D. Fuller

Chairman, President and

Chief Executive Officer

December 27, 2013

All investments are subject to risk including the possible loss of principal. Past performance is no guarantee of future results.

[i] Gross domestic product (GDP) is the market value of all final goods and services produced within a country in a given period of time.

[ii] The Institute for Supply Management s PMI is based on a survey of purchasing executives who buy the raw materials for manufacturing at more than 350 companies. It offers an early reading on the health of the manufacturing sector.

[iii] The Federal Reserve Board (Fed) is responsible for the formulation of policies designed to promote economic growth, full employment, stable prices and a sustainable pattern of international trade and payments.

[iv] The federal funds rate is the rate charged by one depository institution on an overnight sale of immediately available funds (balances at the Federal Reserve) to another depository institution; the rate may vary from depository institution to depository institution and from day to day.

Fund overview

Q. What is the Fund s investment strategy?

A. The Fund s investment objective is total return with an emphasis on income. The Fund invests in a broad range of equity and fixed-income securities of both U.S. and foreign issuers, including up to 25% of its total assets in energy master limited partnerships (MLPs). The Fund will vary its allocation between equity and fixed-income securities depending on the investment manager s view of economic, market or political conditions, fiscal and monetary policy and security valuation. Depending on the investment manager s view of these factors, which may vary from time to time, the investment manager may allocate substantially all of the investments in the portfolio to equity securities or fixed-income securities.

The Fund s investment manager applies a rigorous, bottom-up research process to identify companies with strong fundamentals, skilled and committed management teams and a clear market advantage. Through patient management, the Fund seeks to capture earnings growth from companies offering new or innovative technologies, products and services.

Peter Vanderlee, CFA of ClearBridge Investments, LLC (prior to December 5, 2012, known as ClearBridge Advisors, LLC) (ClearBridge), one of the Fund s subadvisers, oversees the Fund s allocation between equity and fixed-income securities, as well as the Fund s equity investments in general, with a focus on dividend-paying securities. The ClearBridge portfolio management team also includes Mark McAllister, CFA, Tim Daubenspeck and Tatiana Thibodeau, who are focused on their respective areas of expertise: Mr. McAllister on real estate investment trusts (REITs[i]), Mr. Daubenspeck on telecommunications, and Ms. Thibodeau on utilities. They manage the equity side of the Fund with a bottom-up approach focused on the risk and reward of each investment opportunity.

A portfolio management team at Western Asset Management Company (Western Asset) manages the fixed-income portion of the Fund. The fixed-income portfolio management team includes portfolio managers Stephen A. Walsh, Keith J. Gardner, Mark Lindbloom, Michael C. Buchanan and Ryan Brist. Their focus is on portfolio structure, including sector allocation, duration[ii] weighting and term-structure decisions. It is anticipated that Mr. Walsh will step down as a member of the Fund s portfolio management team effective on or about March 31, 2014 and that S. Kenneth Leech will join the Fund s portfolio management team at that time. Mr. Leech has been employed by Western Asset as an investment professional for more than 20 years.

Q. What were the overall market conditions during the Fund s reporting period?

A. Major U.S. indices rose steadily throughout the past year, setting new highs repeatedly. The early weeks of 2013 echoed the beginning of 2012 as stocks posted double-digit returns, pushing the major indices to all-time highs despite widespread commentary about low growth, stubbornly high unemployment, the European debt crisis and tightening government budgets.

During the second quarter, equity market volatility increased, as U.S. Treasury yields increased from multi-decade lows and

Fund overview (cont d)

mortgage rates soared. The Federal Reserve Board (Fed[iii]) indicated that quantitative easing programs may be wound down, colloquially referred to as tapering. Although the Fed s monetary policy-setting committee left the target short-term interest rate unchanged and maintained the unprecedented $85 billion-a-month bond-buying program, Fed Chairman Ben Bernanke indicated that the central bank could start reducing asset purchases later during 2013. Market reaction was swift, especially in fixed income prices.

The S&P 500 Index[iv] breached the 1,700 level in the third quarter as investors focused on U.S. output, the timing of Fed policy action, tensions surrounding the Syrian chemical weapons attacks and the Congressional budget debate. August saw a sell-off, however, as the U.S. weighed options concerning Syria s civil unrest. In mid-September, the Fed surprised many investors by announcing plans to maintain its current accommodative policy. Though stocks rallied on the decision, they subsided as House Republicans and the Democrat-controlled Senate squabbled over the 2014 budget and spending authorizations. Congress remained deadlocked, ultimately resulting in a sixteen-day partial government shutdown. Equities recovered after Congress ended the partial government shutdown by approving temporary spending measures and pushing the debt ceiling debate out to early 2014.

Major equity indices continued their ascent in November and the S&P 500 Index and Dow Jones Industrial Average (DJIA[v]) for the first time ever topped 1,800 and 16,000, respectively, and the NASDAQ Composite Index[vi] breached the 4,000 threshold for the first time since the tech bubble bust. The S&P 500 Index was up 29.1% year-to-date through the end of November and on pace for its best year since 2003. U.S. gross domestic product (GDP[ii]) grew at an annualized rate of 4.1% in the third quarter, up from 2.5% in the second quarter and significantly above economists original estimate of 2.0%. Meanwhile, the Department of Labor reported that U.S. employers hired over 400K workers in October and November, dropping the unemployment rate to 7.0% in November, the lowest level since 2008.

Q. How did we respond to these changing market conditions?

A. During the year, we increased our allocation towards common stocks & related equity. We believe that dividend paying stocks offer an attractive risk-reward as balance sheets are flush with cash, free cash flow is abundant and payout ratios are still low by historical standards. This sets the stage for continued strength in dividends and the potential to see payout increases over time. Meanwhile, the demand for income-generating securities remains elevated, and this demand is not being fully satisfied by fixed-income markets as rates continue to be low by historical standards.

Also, during the year, we continued to have a constructive stance on energy MLPs where the weightings ended the period at 24%, in line with last year. We continue to believe that the resurgence of energy production in the U.S. represents a significant opportunity for energy MLPs.

With respect to REITs, our allocation decreased during the year. This reduction was mostly a result of moving into attractive opportunities within the MLP and common stock & related equity asset classes. While we remain confident in our current REIT investments, we believed that the better risk-reward was available in stocks and MLPs.

Throughout the reporting period, the fixed-income portion of the Fund continued to represent approximately 1% of its total assets. To a great extent, this allocation was held in non-agency mortgage-backed securities (MBS). On one occasion during the reporting period in August/September 2013 we pared our exposure to non-agency MBS given their strong performance and in order to reduce the fixed-income portion of the portfolio s overall risk exposure.

Performance review

For the twelve months ended November 30, 2013, LMP Capital and Income Fund Inc. returned 30.37% based on its net asset value (NAV[iii]) and 23.50% based on its New York Stock Exchange (NYSE) market price per share. The Fund s unmanaged benchmarks, the Barclays U.S. Aggregate Index[ix] and the S&P 500 Index, returned -1.60% and 30.30%, respectively. The Lipper Income and Preferred Stock Closed-End Funds Category Average[x] returned 9.77% over the same time frame. Please note that Lipper performance returns are based on each fund s NAV.

During the twelve-month period, the Fund made distributions to shareholders totaling $1.12 per share, which included a return of capital of $0.51 per share.* The performance table shows the Fund s twelve-month total return based on its NAV and market price as of November 30, 2013. **Past performance is no guarantee of future results.**

Performance Snapshot as of November 30, 2013 (unaudited)

Price Per Share	12-Month Total Return**
$17.53 (NAV)	30.37%
$15.91 (Market Price)	23.50%

All figures represent past performance and are not a guarantee of future results.

**** Total returns are based on changes in NAV or market price, respectively. Returns reflect the deduction of all Fund expenses, including management fees, operating expenses, and other Fund expenses. Returns do not reflect the deduction of brokerage commissions or taxes that investors may pay on distributions or the sale of shares.**

Total return assumes the reinvestment of all distributions, including returns of capital, at NAV.

Total return assumes the reinvestment of all distributions, including returns of capital, in additional shares in accordance with the Fund s Dividend Reinvestment Plan.

Q. What were the leading contributors to performance?

A. With respect to the equity portion of the portfolio, on an absolute basis, the Fund had positive returns in all ten economic sectors in which it was invested during the reporting period, with the greatest contributions to returns coming from the Energy, Financials, and Industrials sectors.

Relative to the S&P 500 Index, significant contributions to performance included the Fund s stock selection in the Energy and Information Technology (IT) sectors. As for sector allocation, the Fund s overweight in Financials, which outperformed the S&P 500 Index, and its underweight in IT, which underperformed, also contributed to relative performance.

* Distributions paid by the Fund may be comprised of income, capital gains and/or return of capital. For the character of distributions paid during the fiscal year ended November 30, 2013, please refer to page 18 of this report.

Fund overview (cont d)

In terms of individual Fund holdings, leading contributors to performance for the period included Energy Transfer Equity LP, TAL International Group, Seagate Technology, Vodafone Group and Och-Ziff Capital Management Group.

In the fixed-income portion of the Fund, relative to the Barclays U.S. Aggregate Index, the Fund s non-agency MBS exposure had a positive contribution to results. While the sector experienced some periods of volatility during the summer when the Fed first introduced the possibility of tapering their bond purchases, overall they generated strong results over the twelve months ended November 30, 2013. Supporting the non-agency MBS sector was generally strong demand from investors looking to generate incremental yield in the low interest rate environment. In addition, fundamentals improved given the strengthening housing market.

Q. What were the leading detractors from performance?

A. With respect to the equity portion of the portfolio, relative to the S&P 500 Index, both the Fund s overall sector allocation and overall stock selection detracted from performance for the period. In particular, stock selection in the Financials sector detracted meaningfully from relative performance. In terms of allocation, overweights in Utilities[1], Energy and Telecommunication Services, and an underweight in Consumer Discretionary detracted as the former three sectors underperformed the S&P 500 Index, while the latter outperformed.

In terms of individual Fund holdings, leading detractors from performance for the period included Hatteras Financial, Annaly Capital Management, CenturyLink, American Capital Agency and Linn Energy.

In the fixed-income portion of the portfolio, there were no detractors from the Fund s relative performance.

Q. Were there any significant changes to the Fund during the reporting period?

A. Among the largest additions to the Fund s portfolio during the period were Ares Capital, Seadrill, Weyerhaeuser mandatory convertible, Dominion Resources mandatory convertible and Regal Entertainment Group.

Some of the largest existing holdings that were sold over the course of the period were Linn Energy, CenturyLink, MetLife mandatory convertible, Windstream Holdings and Diamond Offshore Drilling.

Looking for additional information?

The Fund is traded under the symbol SCD and its closing market price is available in most newspapers under the NYSE listings. The daily NAV is available on-line under the symbol XSCDX on most financial websites. *Barron s* and the *Wall Street Journal s* Monday edition both carry closed-end fund tables that provide additional information. In addition, the Fund issues a quarterly press release that can be found on most major financial websites as well as www.lmcef.com.

In a continuing effort to provide information concerning the Fund, shareholders may call 1-888-777-0102 (toll free), Monday through Friday from 8:00 a.m. to 5:30 p.m. Eastern Time, for the Fund s current NAV, market price and other information.

Thank you for your investment in LMP Capital and Income Fund Inc. As always, we

[1] Utilities consists of the following industries: Electric, Natural Gas and Other Utility.

appreciate that you have chosen us to manage your assets and we remain focused on achieving the Fund s investment goals.

Sincerely,

Tim Daubenspeck

Portfolio Manager

ClearBridge Investments, LLC

Mark McAllister

Portfolio Manager

ClearBridge Investments, LLC

Tatiana Thibodeau

Portfolio Manager

ClearBridge Investments, LLC

Peter Vanderlee, CFA

Portfolio Manager

ClearBridge Investments, LLC

Western Asset Management Company

(Fixed-Income Portion)

December 16, 2013

RISKS: Stock and bond prices are subject to fluctuation. As interest rates rise, bond prices fall, reducing the value of the fixed-income securities held by the Fund. Investing in foreign securities is subject to certain risks not associated with domestic investing, such as currency fluctuations and changes in political and economic conditions. These risks are magnified in emerging or developing markets. High-yield bonds involve greater credit and liquidity risks than investment grade bonds. The repositioning of the Fund s portfolio may increase a shareholder s risk of loss associated with an investment in the Fund s shares. The Fund s investments in energy-related MLPs subjects it to the risks of investing in MLPs and the energy sector, including the risks of declines in energy and commodity prices, decreases in energy demand, adverse weather conditions, natural or other disasters, changes in government regulation, and changes in tax laws. Funds that invest in securities related to the real estate industry are subject to the risks of real estate markets, including fluctuating property values, changes in interest rates and other *mortgage-related risks. The Fund may use derivatives, such as options and futures, which can be illiquid, may disproportionately increase losses, and have a potentially large impact on Fund performance. Leverage may magnify gains and increase losses in the Fund s portfolio.*

Portfolio holdings and breakdowns are as of November 30, 2013 and are subject to change and may not be representative of the portfolio managers current or future investments. The Fund s top ten holdings (as a percentage of net assets) as of November 30, 2013 were: Energy Transfer Equity LP (6.0%), NextEra Energy Inc., 5.889% (4.7%), TAL International Group Inc. (4.4%), Vodafone Group PLC, ADR (4.3%), Enterprise Products Partners LP (4.2%), Och-Ziff Capital Management Group LLC (4.2%), Ares Capital Corp. (4.0%), MetLife Inc., 5.000% (3.4%), United Technologies Corp., 7.500% (3.3%) and Seagate Technology PLC (2.9%). Please refer to pages 8 through 13 for a list and percentage breakdown of the Fund s holdings.

The mention of sector breakdowns is for informational purposes only and should not be construed as a recommendation to purchase or

Fund overview (cont d)

sell any securities. The information provided regarding such sectors is not a sufficient basis upon which to make an investment decision. Investors seeking financial advice regarding the appropriateness of investing in any securities or investment strategies discussed should consult their financial professional. The Fund s top five sector holdings (as a percentage of net assets) as of November 30, 2013 were: Financials (37.3%), Diversified Energy Infrastructure (14.5%), Utilities (14.3%), Industrials (12.1%) and Health Care (8.4%). The Fund s portfolio composition is subject to change at any time.

All investments are subject to risk including the possible loss of principal. Past performance is no guarantee of future results. All index performance reflects no deduction for fees, expenses or taxes. Please note that an investor cannot invest directly in an index.

The information provided is not intended to be a forecast of future events, a guarantee of future results or investment advice. Views expressed may differ from those of the firm as a whole.

[i] Real estate investment trusts (REITs) invest in real estate or loans secured by real estate and issue shares in such investments, which can be illiquid.

[ii] Duration is the measure of the price sensitivity of a fixed-income security to an interest rate change of 100 basis points. Calculation is based on the weighted average of the present values for all cash flows.

[iii] The Federal Reserve Board (Fed) is responsible for the formulation of policies designed to promote economic growth, full employment, stable prices and a sustainable pattern of international trade and payments.

[iv] The S&P 500 Index is an unmanaged index of 500 stocks and is generally representative of the performance of larger companies in the U.S.

[v] The Dow Jones Industrial Average (DJIA) is a widely followed measurement of the stock market. The average is comprised of thirty stocks that represent leading companies in major industries. These stocks, widely held by both individual and institutional investors, are considered to be all blue-chip companies.

[vi] The NASDAQ Composite Index is a market-value weighted index, which measures all securities listed on the NASDAQ stock market.

[vii] Gross domestic product (GDP) is the market value of all final goods and services produced within a country in a given period of time.

[viii] Net asset value (NAV) is calculated by subtracting total liabilities and outstanding preferred stock (if any) from the closing value of all securities held by the Fund (plus all other assets) and dividing the result (total investments) by the total number of the common shares outstanding. The NAV fluctuates with changes in the market prices of securities in which the Fund has invested. However, the price at which an investor may buy or sell shares of the Fund is the Fund s market price as determined by supply of and demand for the Fund s shares.

[ix] The Barclays U.S. Aggregate Index is a broad-based bond index comprised of government, corporate, mortgage- and asset-backed issues, rated investment grade or higher, and having at least one year to maturity.

[x] Lipper, Inc., a wholly-owned subsidiary of Reuters, provides independent insight on global collective investments. Returns are based on the eleven-month period ended November 30, 2013, including the reinvestment of all distributions, including returns of capital, if any, calculated among the 21 funds in the Fund s Lipper category.

Fund at a glance (unaudited)

Investment breakdown (%) as a percent of total investments

The bar graph above represents the composition of the Fund s investments as of November 30, 2013 and November 30, 2012. The Fund is actively managed. As a result, the composition of the Fund s investments is subject to change at any time.
Prior year percentages have been restated to reflect current period classifications.

Schedule of investments

November 30, 2013

LMP Capital and Income Fund Inc.

Security	Shares	Value
Common Stocks 65.9%		
Consumer Discretionary 1.5%		
Media 1.5%		
Regal Entertainment Group, Class A Shares	239,000	$ *4,655,720*
Consumer Staples 1.8%		
Household Products 1.8%		
Kimberly-Clark Corp.	53,000	*5,785,480* (a)
Energy 2.7%		
Energy Equipment & Services 2.7%		
Seadrill Ltd.	202,000	*8,627,420*
Financials 23.7%		
Capital Markets 7.4%		
Ares Capital Corp.	682,000	12,535,160 (a)
Blackstone Group LP	68,000	1,943,440
Golub Capital BDC Inc.	110,000	2,069,100
Medley Capital Corp.	476,170	6,823,516 (a)
Total Capital Markets		*23,371,216*
Real Estate Investment Trusts (REITs) 16.3%		
American Capital Agency Corp.	158,000	3,220,040 (a)
Annaly Capital Management Inc.	782,000	7,945,120 (a)
CYS Investments Inc.	235,000	1,880,000
DCT Industrial Trust Inc.	150,000	1,119,000
EPR Properties	41,000	2,061,890 (a)
Equity Residential	19,300	994,722
Excel Trust Inc.	131,000	1,535,320 (a)
Hatteras Financial Corp.	115,070	1,922,819 (a)
HCP Inc.	41,000	1,507,570 (a)
Health Care REIT Inc.	27,000	1,511,730 (a)
Highwoods Properties Inc.	26,000	933,920 (a)
Hospitality Properties Trust	119,000	3,233,230 (a)
Inland Real Estate Corp.	185,000	2,005,400 (a)
Kilroy Realty Corp.	24,000	1,208,400 (a)
Liberty Property Trust	49,000	1,587,110 (a)
OMEGA Healthcare Investors Inc.	31,000	1,013,390 (a)
Ramco-Gershenson Properties Trust	132,000	2,112,000 (a)
Regency Centers Corp.	22,000	1,030,480 (a)
Retail Properties of America Inc., Class A Shares	70,000	933,100
Senior Housing Properties Trust	50,000	1,132,500 (a)
Simon Property Group Inc.	6,600	989,010

See Notes to Financial Statements.

Security	Shares	Value
Real Estate Investment Trusts (REITs) continued		
Spirit Realty Capital Inc.	272,386	$ 2,704,793
Starwood Property Trust Inc.	190,000	5,295,300 [(a)]
Urstadt Biddle Properties, Class A Shares	85,000	1,620,100 [(a)]
Westfield Group	202,000	1,912,254 [(a)]
Total Real Estate Investment Trusts (REITs)		*51,409,198*
Total Financials		**74,780,414**
Health Care 8.4%		
Pharmaceuticals 8.4%		
AstraZeneca PLC, ADR	75,000	4,289,250
Bristol-Myers Squibb Co.	123,950	6,368,551 [(a)]
GlaxoSmithKline PLC, ADR	167,360	8,856,691 [(a)]
Merck & Co. Inc.	58,000	2,890,140
Pfizer Inc.	126,000	3,997,980
Total Health Care		**26,402,612**
Industrials 8.6%		
Aerospace & Defense 2.6%		
Lockheed Martin Corp.	57,650	*8,167,275* [(a)]
Electrical Equipment 1.6%		
Eaton Corp. PLC	69,000	*5,013,540* [(a)]
Trading Companies & Distributors 4.4%		
TAL International Group Inc.	254,000	*13,878,560* [(a)]
Total Industrials		**27,059,375**
Information Technology 4.2%		
Computers & Peripherals 2.9%		
Seagate Technology PLC	187,360	*9,188,134* [(a)]
Semiconductors & Semiconductor Equipment 1.3%		
Intel Corp.	163,340	*3,894,026*
Total Information Technology		**13,082,160**
Materials 1.4%		
Metals & Mining 0.6%		
Freeport-McMoRan Copper & Gold Inc.	56,000	*1,942,640*
Paper & Forest Products 0.8%		
International Paper Co.	50,000	*2,332,500*
Total Materials		**4,275,140**
Telecommunication Services 7.9%		
Diversified Telecommunication Services 3.5%		
AT&T Inc.	158,750	5,589,587 [(a)]
Verizon Communications Inc.	110,280	5,472,094 [(a)]
Total Diversified Telecommunication Services		*11,061,681*

See Notes to Financial Statements.

Schedule of investments (cont d)

November 30, 2013

LMP Capital and Income Fund Inc.

Security	Rate	Shares	Value
Wireless Telecommunication Services 4.4%			
Crown Castle International Corp.		1,230	$ 123,861
Vodafone Group PLC, ADR		367,550	13,632,430 [(a)]
Total Wireless Telecommunication Services			*13,756,291*
Total Telecommunication Services			**24,817,972**
Utilities 5.7%			
Electric Utilities 3.1%			
Great Plains Energy Inc.		334,000	7,929,160 [(a)]
NextEra Energy Inc.		40,000	1,991,200
Total Electric Utilities			*9,920,360*
Independent Power Producers & Energy Traders 0.7%			
NRG Yield Inc., Class A Shares		56,960	*2,059,104*
Multi-Utilities 1.9%			
Integrys Energy Group Inc.		34,000	1,827,160 [(a)]
National Grid PLC		340,000	4,311,650 [(a)]
Total Multi-Utilities			*6,138,810*
Total Utilities			**18,118,274**
Total Common Stocks (Cost $166,046,106)			**207,604,567**
	Rate		
Convertible Preferred Stocks 20.2%			
Financials 8.1%			
Insurance 3.4%			
MetLife Inc.	5.000%	352,000	*10,862,720* [(a)]
Real Estate Investment Trusts (REITs) 4.7%			
Health Care REIT Inc.	6.500%	117,800	6,349,420 [(a)]
Weyerhaeuser Co.	6.375%	151,000	8,314,438
Total Real Estate Investment Trusts (REITs)			*14,663,858*
Total Financials			**25,526,578**
Industrials 3.5%			
Industrial Conglomerates 3.2%			
United Technologies Corp.	7.500%	157,000	*10,261,520*
Machinery 0.3%			
Stanley Black & Decker Inc.	6.250%	8,700	*887,400*
Total Industrials			**11,148,920**
Utilities 8.6%			
Electric Utilities 7.0%			
NextEra Energy Inc.	5.889%	263,000	14,680,660
PPL Corp.	8.750%	142,000	7,513,220
Total Electric Utilities			*22,193,880*

See Notes to Financial Statements.

LMP Capital and Income Fund Inc.

Security	Rate	Shares	Value
Multi-Utilities 1.6%			
Dominion Resources Inc.	6.125%	90,000	$ *4,935,600*
Total Utilities			**27,129,480**
Total Convertible Preferred Stocks (Cost $56,664,731)			**63,804,978**
		Shares/Units	
Master Limited Partnerships 34.1%			
Crude/Refined Products Pipelines 0.8%			
Kinder Morgan Energy Partners LP		31,941	*2,618,204*
Diversified Energy Infrastructure 14.5%			
Energy Transfer Equity LP		252,000	18,842,040 [(a)]
Energy Transfer Partners LP		67,000	3,628,720
Enterprise Products Partners LP		212,160	13,359,715 [(a)]
Genesis Energy LP		138,000	7,159,440 [(a)]
Regency Energy Partners LP		45,000	1,097,100
Williams Partners LP		30,000	1,541,700 [(a)]
Total Diversified Energy Infrastructure			*45,628,715*
Financials 4.2%			
Och-Ziff Capital Management Group LLC		950,000	*13,195,500* [(a)]
Gathering/Processing 8.3%			
Access Midstream Partners LP		100,000	5,617,000 [(a)]
Crestwood Midstream Partners LP		53,500	1,211,240
DCP Midstream Partners LP		135,021	6,505,312 [(a)]
MarkWest Energy Partners LP		45,000	3,108,150 [(a)]
QEP Midstream Partners LP		47,000	1,064,080
Summit Midstream Partners LP		130,000	4,365,400
Targa Resources Partners LP		25,000	1,276,250
Western Gas Partners LP		47,500	3,024,800 [(a)]
Total Gathering/Processing			*26,172,232*
Liquids Transportation & Storage 4.3%			
Enbridge Energy Partners LP		50,000	1,504,500
Magellan Midstream Partners LP		30,000	1,864,200
Plains All American Pipeline LP		70,000	3,609,900
Susser Petroleum Partners LP		165,000	5,552,250 [(a)]
World Point Terminals LP		47,000	909,920 *
Total Liquids Transportation & Storage			*13,440,770*
Natural Gas Transportation & Storage 0.5%			
TC Pipelines LP		30,000	*1,470,000*
Offshore 0.6%			
Dynagas LNG Partners LP		110,000	*2,062,500* *

See Notes to Financial Statements.

Schedule of investments (cont d)

November 30, 2013

LMP Capital and Income Fund Inc.

Security	Rate	Shares/Units		Value
Refining 0.3%				
Western Refining Logistics LP		32,960	$	*838,502* *
Shipping 0.6%				
Golar LNG Partners LP		61,000		*1,950,780* (a)
Total Master Limited Partnerships (Cost $72,484,096)				**107,377,203**
	Rate	Shares		
Preferred Stocks 1.3%				
Financials 1.3%				
Real Estate Investment Trusts (REITs) 1.3%				
Ashford Hospitality Trust, Series E	9.000%	33,661		870,473 (a)
Glimcher Realty Trust, Series H	7.500%	34,000		812,770
Pebblebrook Hotel Trust, Series A	7.875%	47,512		1,202,054 (a)
Retail Properties of America Inc., Cumulative	7.000%	50,000		1,109,500
Sunstone Hotel Investors Inc., Series D	8.000%	10,530		270,463
Total Preferred Stocks (Cost $4,359,011)				