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BLACKROCK ENHANCED CAPITAL & INCOME FUND, INC.

Form N-Q

March 25, 2014

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: 811-21506

Name of Fund: BlackRock Enhanced Capital and Income Fund, Inc. (CII)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock Enhanced Capital and Income Fund, Inc., 55 East 52nd Street, New York, NY 10055

Registrant's telephone number, including area code: (800) 882-0052, Option 4

Date of fiscal year end: 10/31/2014

Date of reporting period: 01/31/2014

Item 1 Schedule of Investments

Schedule of Investments January 31, 2014 (Unaudited)

BlackRock Enhanced Capital and Income Fund, Inc. (CII)
(Percentages shown are based on Net Assets)

	Shares	Value
Common Stocks		
Aerospace & Defense 0.3%		
Triumph Group, Inc.	31,300	\$ 2,141,546
Air Freight & Logistics 0.0%		
Royal Mail PLC (a)	11,200	110,102
Airlines 5.6%		
Japan Airlines Co. Ltd.	582,000	29,393,364
United Continental Holdings, Inc. (a)(b)	177,800	8,150,352
		37,543,716
Automobiles 4.4%		
General Motors Co. (a)(b)	691,700	24,956,536
Renault SA	48,400	4,204,488
		29,161,024
Beverages 0.7%		
PepsiCo, Inc. (b)	54,500	4,379,620
Building Products 2.2%		
Owens Corning (a)(b)	392,300	14,966,245
Capital Markets 0.4%		
Legg Mason, Inc. (b)	60,200	2,549,470
Chemicals 4.3%		
CF Industries Holdings, Inc. (b)	126,300	29,157,618
Commercial Banks 1.1%		
U.S. Bancorp.	177,600	7,056,048
Communications Equipment 2.5%		
QUALCOMM, Inc. (b)	228,200	16,937,004
Computers & Peripherals 2.9%		
Apple Inc. (b)	38,900	19,473,340
Consumer Finance 1.7%		
Discover Financial Services	151,300	8,117,245
Springleaf Holdings, Inc. (a)	134,300	3,217,828
		11,335,073
Diversified Financial Services 6.0%		
Atlas Mara Co-Nvest Ltd. (a)	200,000	2,250,000
Berkshire Hathaway, Inc., Class B (a)(b)	87,600	9,776,160
Citigroup, Inc. (b)	221,930	10,526,140
JPMorgan Chase & Co. (b)	315,700	17,477,152
		40,029,452
Diversified Telecommunication Services 0.2%		
AT&T Inc. (b)	48,400	1,612,688
Energy Equipment & Services 0.8%		
Noble Corp. PLC (b)	168,500	5,228,555
Food & Staples Retailing 3.5%		
Metro AG	283,500	11,655,607
Wal-Mart Stores, Inc. (b)	154,900	11,567,932
		23,223,539
Food Products 0.3%		
Unilever NV	51,300	1,915,542
Common Stocks	Shares	Value
Health Care Providers & Services 4.5%		
Express Scripts Holding Co. (a)(b)	79,000	\$ 5,900,510
UnitedHealth Group, Inc. (b)	337,800	24,416,184
		30,316,694
Household Durables 0.4%		
Tempur Sealy International, Inc. (a)	60,200	2,967,258
Insurance 9.3%		

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The Allstate Corp.	182,500	9,344,000
American International Group, Inc. (b)	756,800	36,296,128
Fidelity National Financial, Inc., Class A (b)	523,300	16,504,882
		62,145,010
Internet & Catalog Retail 2.2%		
Expedia, Inc. (b)	226,300	14,704,974
Internet Software & Services 5.2%		
eBay, Inc. (a)(b)	221,400	11,778,480
Google, Inc., Class A (a)(b)	19,501	23,030,096
		34,808,576
IT Services 4.6%		
Leidos Holdings, Inc. (b)	383,500	17,387,890
Science Applications International Corp.	223,692	8,278,841
Visa, Inc., Class A (b)	22,700	4,890,261
		30,556,992
Leisure Equipment & Products 0.3%		
Brunswick Corp. (b)	52,700	2,184,942
Media 3.4%		
Comcast Corp., Special Class A (b)	298,500	15,626,475
News Corp. Class A (a)	134,100	2,140,236
Nexstar Broadcasting Group, Inc., Class A (b)	38,400	1,845,120
The Walt Disney Co. (b)	45,600	3,311,016
		22,922,847
Metals & Mining 0.8%		
Freeport-McMoRan Copper & Gold, Inc. (b)	166,300	5,389,783
Oil, Gas & Consumable Fuels 8.2%		
HollyFrontier Corp. (b)	283,360	13,119,568
Linn Energy LLC (b)	105,700	3,469,074
Marathon Petroleum Corp. (b)	68,000	5,919,400
PBF Energy, Inc., Class A (b)	389,000	10,086,770
Suncor Energy, Inc.	691,500	22,701,945
		55,296,757
Pharmaceuticals 8.4%		
Eli Lilly & Co. (b)	127,100	6,864,671
Johnson & Johnson	159,600	14,119,812
Merck & Co., Inc. (b)	198,800	10,530,436
Novartis AG ADR (b)	43,300	3,423,731
Pfizer, Inc. (b)	697,800	21,213,120
		56,151,770

Portfolio Abbreviations

To simplify the listings of portfolio holdings in the Schedule of Investments, the names and descriptions of many of the securities have been abbreviated according to the following list:

ADR	American Depositary Receipt	KRW	Korean Won
EUR	Euro	USD	US Dollar
JPY	Japanese Yen		

JANUARY 31, 2014

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Schedule of Investments (continued)

BlackRock Enhanced Capital and Income Fund, Inc. (CII)
(Percentages shown are based on Net Assets)

	Shares	Value
Common Stocks		
Real Estate Investment Trusts (REITs) 1.1%		
Annaly Capital Management, Inc.	497,000	\$ 5,352,690
Cole Real Estate Investment, Inc.	143,100	2,167,965
		7,520,655
Semiconductors & Semiconductor Equipment 3.6%		
Samsung Electronics Co. Ltd.	26,800	23,911,804
Software 1.5%		
Activision Blizzard, Inc.	295,800	5,067,054
Oracle Corp. (b)	141,500	5,221,350
		10,288,404
Wireless Telecommunication Services 5.0%		
Vodafone Group PLC ADR (b)	898,900	33,313,234
Total Common Stocks 95.4%		639,300,282
Warrants (c)		
Diversified Financial Services 0.0%		
Atlas Mara Co-Nvest Ltd., Expires 12/17/17 (a)	200,000	114,000
Total Long-Term Investments (Cost \$580,112,587) 95.4%		639,414,282
Short-Term Securities	Shares	Value
BlackRock Liquidity Funds, TempFund, Institutional Class, 0.03% (d)(e)	19,742,290	\$ 19,742,290
Total Short-Term Securities		
(Cost \$19,742,290) 3.0%		19,742,290
Total Investments Before Options Written		
(Cost \$599,854,877*) 98.4%		659,156,572
Options Written		
(Premiums Received \$7,359,606) (0.8)%		(5,138,495)
Total Investments Net of Options Written 97.6%		654,018,077
Other Assets Less Liabilities 2.4%		16,326,211
Net Assets 100.0%		\$ 670,344,288

Notes to Schedule of Investments

* As of January 31, 2014, gross unrealized appreciation and gross unrealized depreciation based on cost for federal income tax purposes were as follows:

Tax cost	\$ 633,032,234
Gross unrealized appreciation	\$ 70,024,611
Gross unrealized depreciation	(43,900,273)
Net unrealized appreciation	\$ 26,124,338

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(a) Non-income producing security.

(b) All or a portion of security has been pledged/segregated as collateral in connection with outstanding options written.

(c) Warrants entitle the Trust to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date of the warrants, if any.

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

(e) Investments in issuers considered to be an affiliate of the Trust during the period ended January 31, 2014