

LMP CAPITAL & INCOME FUND INC.
Form N-Q
May 28, 2009

**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, 2009

ITEM 1. SCHEDULE OF INVESTMENTS

LMP CAPITAL AND INCOME FUND INC.

FORM N-Q

MARCH 31, 2009

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LMP Capital and Income Fund Inc.

Schedule of Investments (unaudited)

March 31, 2009

Shares	Security	Value
COMMON STOCKS 55.2%		
CONSUMER DISCRETIONARY 3.7%		
Media 3.7%		
129,580	Lamar Advertising Co., Class A Shares *	\$ 1,263,405
116,200	Thomson Reuters PLC (a)	2,599,374
59,121	Time Warner Cable Inc.	1,466,206
235,533	Time Warner Inc.	4,545,794
119,000	Walt Disney Co.	2,161,040
511,700	Warner Music Group Corp. *	1,202,495
	TOTAL CONSUMER DISCRETIONARY	13,238,314
CONSUMER STAPLES 4.6%		
Food Products 1.5%		
243,040	Kraft Foods Inc., Class A Shares	5,417,361
Household Products 3.1%		
141,640	Kimberly-Clark Corp.	6,531,020
94,150	Procter & Gamble Co.	4,433,524
	Total Household Products	10,964,544
	TOTAL CONSUMER STAPLES	16,381,905
ENERGY 8.1%		
Energy Equipment & Services 2.4%		
227,720	Halliburton Co.	3,522,829
182,820	National-Oilwell Varco Inc. *	5,248,762
	Total Energy Equipment & Services	8,771,591
Oil, Gas & Consumable Fuels 5.7%		
60,255	Devon Energy Corp.	2,692,796
858,910	El Paso Corp.	5,368,187
50,930	Petrohawk Energy Corp. *	979,384
32,620	Range Resources Corp.	1,342,639
193,700	Spectra Energy Corp.	2,738,918
147,510	Total SA, ADR	7,236,841
	Total Oil, Gas & Consumable Fuels	20,358,765
	TOTAL ENERGY	29,130,356
EXCHANGE TRADED FUND 2.6%		
116,790	UltraShort S&P500 ProShares	9,238,089
FINANCIALS 6.5%		
Capital Markets 3.6%		
465,630	Charles Schwab Corp.	7,217,265
307,220	Invesco Ltd.	4,258,069
252,687	Och-Ziff Capital Management Group	1,533,810
	Total Capital Markets	13,009,144
Insurance 2.5%		
63,350	Arch Capital Group Ltd. *	3,412,031
140,050	Travelers Cos. Inc.	5,691,632
	Total Insurance	9,103,663
Real Estate Investment Trusts (REITs) 0.4%		
89,730	Redwood Trust Inc.	1,377,356
	TOTAL FINANCIALS	23,490,163
HEALTH CARE 4.5%		
Health Care Equipment & Supplies 1.2%		
24,090	Alcon Inc.	2,190,022
66,820	Medtronic Inc.	1,969,185
	Total Health Care Equipment & Supplies	4,159,207

See Notes to Schedule of Investments.

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LMP Capital and Income Fund Inc.

Schedule of Investments (unaudited) (continued)

March 31, 2009

Shares	Security	Value
Health Care Technology 1.2%		
418,520	HLTH Corp. *	\$ 4,331,682
Pharmaceuticals 2.1%		
60,950	Johnson & Johnson	3,205,970
117,560	Novartis AG, ADR	4,447,295
	Total Pharmaceuticals	7,653,265
	TOTAL HEALTH CARE	16,144,154
INDUSTRIALS 9.0%		
Aerospace & Defense 2.7%		
109,960	L-3 Communications Holdings Inc.	7,455,288
69,120	TransDigm Group Inc. *	2,269,901
	Total Aerospace & Defense	9,725,189
Commercial Services & Supplies 1.9%		
505,984	Covanta Holding Corp. *	6,623,330
Industrial Conglomerates 4.4%		
411,970	General Electric Co.	4,165,017
410,360	McDermott International Inc. *	5,494,720
143,710	United Technologies Corp.	6,176,656
	Total Industrial Conglomerates	15,836,393
	TOTAL INDUSTRIALS	32,184,912
INFORMATION TECHNOLOGY 7.3%		
Communications Equipment 1.5%		
208,990	Nokia Oyj, ADR	2,438,913
76,810	QUALCOMM Inc.	2,988,677
	Total Communications Equipment	5,427,590
Computers & Peripherals 1.4%		
446,720	EMC Corp. *	5,092,608
Software 4.4%		
73,400	Adobe Systems Inc. *	1,570,026
391,560	Microsoft Corp.	7,192,958
381,060	Oracle Corp. *	6,885,754
	Total Software	15,648,738
	TOTAL INFORMATION TECHNOLOGY	26,168,936
MATERIALS 5.7%		
Chemicals 2.7%		
93,290	Air Products & Chemicals Inc.	5,247,562
54,310	Monsanto Co.	4,513,161
	Total Chemicals	9,760,723
Metals & Mining 3.0%		
60,600	Agnico-Eagle Mines Ltd.	3,449,352
72,500	Barrick Gold Corp.	2,350,450
177,080	Commercial Metals Co.	2,045,274
64,000	Newmont Mining Corp.	2,864,640
	Total Metals & Mining	10,709,716
	TOTAL MATERIALS	20,470,439
TELECOMMUNICATION SERVICES 1.8%		
Wireless Telecommunication Services 1.8%		
207,170	American Tower Corp., Class A Shares *	6,304,183
UTILITIES 1.4%		
Gas Utilities 1.4%		
159,460	National Fuel Gas Co.	4,890,638
		197,642,089

TOTAL COMMON STOCKS

(Cost \$300,326,461)

See Notes to Schedule of Investments.

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LMP Capital and Income Fund Inc.

Schedule of Investments (unaudited) (continued)

March 31, 2009

Shares	Security	Value
CONVERTIBLE PREFERRED STOCKS 1.6%		
ENERGY 0.5%		
Oil, Gas & Consumable Fuels 0.5%		
3,200	El Paso Corp., 4.990%	\$ 1,856,800
MATERIALS 1.1%		
Metals & Mining 1.1%		
4,350	Freeport-McMoRan Copper & Gold Inc., 5.500%	3,959,587
	TOTAL CONVERTIBLE PREFERRED STOCKS	
	(Cost \$5,096,416)	5,816,387
PREFERRED STOCKS 0.1%		
FINANCIALS 0.1%		
Consumer Finance 0.1%		
809	Preferred Blocker Inc., 7.000% (b)	161,117
Thrifts & Mortgage Finance 0.0%		
25,950	Federal Home Loan Mortgage Corp. (FHLMC), 8.375% (c)*	11,937
300	Federal National Mortgage Association (FNMA), 7.000% (c)*	180
17,650	Federal National Mortgage Association (FNMA), 8.250% (c)*	12,532
	Total Thrifts & Mortgage Finance	24,649
	TOTAL PREFERRED STOCKS	
	(Cost \$1,296,392)	185,766
Face Amount		
ASSET-BACKED SECURITIES 1.7%		
FINANCIALS 1.7%		
Home Equity 1.6%		
\$ 505,456	Asset-Backed Funding Certificates, 2.697% due 1/25/34 (d)	233,167
126,653	Countrywide Asset-Backed Certificates, 1.772% due 6/25/34 (d)	10,144
709,178	Credit-Based Asset Servicing & Securitization LLC, 5.704% due 12/25/36	385,256
73,417	Finance America Net Interest Margin Trust, 5.250% due 6/27/34 (a)(b)(e)(f)	73
157,651	Fremont Home Loan Trust, 2.172% due 2/25/34 (d)	43,058
1,820,000	Green Tree, 8.970% due 4/25/38 (b)(d)	1,334,599
	GSAA Home Equity Trust:	
1,770,000	0.822% due 3/25/37 (d)	299,445
1,790,000	0.792% due 7/25/37 (a)(d)	412,561
1,720,000	0.822% due 5/25/47 (d)	523,372
610,028	GSAMP Trust, 1.672% due 11/25/34 (d)	261,169
484,290	Lehman XS Trust, 0.592% due 6/25/46 (d)	363,217
508,274	MASTR Specialized Loan Trust, 0.739% due 5/25/37 (b)(d)	203,309
1,332,535	Option One Mortgage Loan Trust, 1.572% due 5/25/34 (d)	778,386
657,017	RAAC, 0.902% due 10/25/46 (b)(d)	289,008
433,112	Renaissance Home Equity Loan Trust, 2.422% due 3/25/34 (d)	133,942
141,210	Sail Net Interest Margin Notes: 7.750% due 4/27/33 (b)(e)(f)	16

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	71,380	5.500% due 3/27/34 (b)(e)(f)	7
	445,644	Structured Asset Securities Corp., 0.724% due 11/25/37 (a)(d)	319,227
		Total Home Equity	5,589,956
Student Loan	0.1%		
	350,000	Nelnet Student Loan Trust, 2.639% due 4/25/24 (d)	304,769
		TOTAL ASSET-BACKED SECURITIES	
		(Cost \$10,585,271)	5,894,725
COLLATERALIZED MORTGAGE OBLIGATIONS	2.2%		
	260,000	American Home Mortgage Investment Trust, 1.322% due 11/25/45 (d)	27,328
	1,298,056	BCAP LLC Trust, 0.712% due 10/25/36 (d)	503,830
	150,139	Bear Stearns ARM Trust, 5.778% due 2/25/36 (d)	73,052

See Notes to Schedule of Investments.

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Schedule of Investments (unaudited) (continued)

March 31, 2009

Face Amount	Security	Value
\$ 28,596	Countrywide Alternative Loan Trust: 6.000% due 2/25/34	\$ 26,486
1,435,404	0.755% due 7/20/46 (d)	519,128
60,576	Federal Home Loan Mortgage Corp. (FHLMC): 6.000% due 3/15/34 (c)(d)	60,205
508,620	PAC, 6.000% due 4/15/34 (c)(d)	509,188
746,067	Harborview Mortgage Loan Trust, 1.626% due 11/19/35 (d)	14,921
2,110,000	JPMorgan Mortgage Trust: 5.888% due 6/25/37 (a)(d)	894,336
1,060,000	6.000% due 8/25/37	414,073
823,320	MASTR ARM Trust, 4.532% due 9/25/33 (d)	619,436
1,511,121	MASTR Reperforming Loan Trust, 4.895% due 5/25/36 (a)(b)(d)	1,087,837
296,042	Merit Securities Corp., 2.023% due 9/28/32 (b)(d)	213,055
288,456	MLCC Mortgage Investors Inc.: 1.442% due 4/25/29 (d)	110,666
458,914	1.402% due 5/25/29 (d)	170,976
1,023,626	RBS Greenwich Capital, Mortgage Pass-Through Certificates, 7.000% due 4/25/35	682,079
1,680,695	Structured ARM Loan Trust: 5.372% due 5/25/35 (d)	819,914
611,800	5.892% due 5/25/36 (d)	303,092
206,995	Thornburg Mortgage Securities Trust: 6.200% due 7/25/37 (d)	129,634
214,921	6.209% due 7/25/37 (d)	149,617
738,372	Washington Mutual Mortgage Pass-Through Certificates, 2.813% due 6/25/46 (a)(d)	232,587
758,300	Wells Fargo Alternative Loan Trust, 0.903% due 6/25/37 (d)	325,338
	TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS	
	(Cost \$12,943,748)	7,886,778
COLLATERALIZED SENIOR LOANS 2.9%		
CONSUMER DISCRETIONARY 1.0%		
Diversified Consumer Services 0.1%		
246,875	Thomson Learning Hold, Term Loan B, 2.910% due 7/5/14 (d)	167,875
Hotels, Restaurants & Leisure 0.1%		
14,607	Aramark Corp.:	
229,916	Letter of Credit Facility Deposits, 1.875% due 1/31/14 (d)	12,726
	Term Loan, 6.705% due 1/31/14	200,314
	Total Hotels, Restaurants & Leisure	213,040
Media 0.8%		
247,492	Charter Communications, Term Loan B, 3.732% due 3/15/14 (d)	203,149
246,714	CMP Susquehanna Corp., Term Loan, 2.491% due 6/7/13 (d)	89,064
495,601	Idearc Inc., Term Loan B, Senior Notes, 3.220% due 11/1/14 (d)	191,426
235,250	LodgeNet Entertainment Corp., Term Loan B, 3.220% due 4/4/14 (d)	136,837

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1,000,000		Newsday LLC, Term Loan, 9.750% due 7/15/13	912,500
246,843		Regal Cinemas Corp., Term Loan B, 4.970% due 10/19/10 (d)	228,947
250,000		UPC Broadband Holding BV, Term Loan N, 2.247% due 3/30/14 (d)	217,250
1,000,000		Virgin Media Inc., Term Loan, 7.500% due 1/15/14	908,750
		Total Media	2,887,923
Multiline Retail	0.0%		
250,000		Neiman Marcus Group Inc., Term Loan B, 2.985% due 3/13/13 (d)	145,274
Specialty Retail	0.0%		
246,851		Michaels Stores Inc., Term Loan B, 3.327% due 10/31/13 (d)	137,890
		TOTAL CONSUMER DISCRETIONARY	3,552,002

See Notes to Schedule of Investments.

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LMP Capital and Income Fund Inc.

Schedule of Investments (unaudited) (continued)

March 31, 2009

Face Amount	Security	Value
HEALTH CARE 0.2%		
Health Care Equipment & Supplies 0.1%		
\$ 198,000	Bausch & Lomb Inc.:	\$ 170,032
50,000	Term Loan, 4.709% due 4/11/15 (d)	42,938
	Term Loan B, 3.768% due 4/11/15 (d)	212,970
	Total Health Care Equipment & Supplies	
Health Care Providers & Services 0.1%		
15,468	Community Health Systems Inc.:	13,407
226,754	Delayed Draw Term Loan, 7.756% due 7/2/14	196,538
240,196	Term Loan B, 3.436% due 7/2/14 (d)	204,947
	HCA Inc., Term Loan B, 3.709% due 11/1/13 (d)	414,892
	Total Health Care Providers & Services	627,862
	TOTAL HEALTH CARE	
INDUSTRIALS 0.1%		
Aerospace & Defense 0.1%		
283,146	Dubai Aerospace Enterprise, Term Loan:	142,989
287,234	6.550% due 7/31/14 (d)	145,053
	7.280% due 7/31/14 (d)	288,042
	Total Aerospace & Defense	
Airlines 0.0%		
177,694	United Airlines Inc., Term Loan B, 2.563% due 1/12/14 (d)	86,725
Commercial Services & Supplies 0.0%		
246,241	US Investigations Services Inc., Term Loan B, 3.977% due 2/21/15 (d)	199,557
	TOTAL INDUSTRIALS	574,324
INFORMATION TECHNOLOGY 0.1%		
IT Services 0.1%		
562,875	First Data Corp., Term Loan, 3.219% due 10/15/14 (d)	380,961
MATERIALS 0.6%		
Chemicals 0.2%		
268,147	Lyondell Chemical Co., Term Loan:	143,906
268,147	0.000% due 12/15/09 (d)	266,136
726,834	5.660% due 12/15/09 (d)	176,712
	0.000% due 12/20/14 (d)	586,754
	Total Chemicals	
Containers & Packaging 0.1%		
492,613	Graphic Packaging International, Term Loan C, 3.579% due 5/16/14 (d)	433,499
Paper & Forest Products 0.3%		
930,601	Georgia-Pacific Corp., Term Loan, 4.544% due 12/23/13 (d)	823,145
247,500	NewPage Corp., Term Loan, Tranche B, 4.807% due 11/5/14 (d)	170,280
	Total Paper & Forest Products	993,425
	TOTAL MATERIALS	2,013,678
TELECOMMUNICATION SERVICES 0.6%		
Diversified Telecommunication Services 0.4%		
5,115	Cablevision Systems Corp., Term Loan B, 2.083% due 3/30/13 (d)	4,653
168,750	Insight Midwest, Term Loan B, 2.500% due 4/10/14 (d)	148,440
993,639	Intelsat Corp., Term Loan, 5.288% due 6/30/13 (d)	866,453
500,000	Level 3 Communications Inc., Term Loan, 5.772% due 3/1/14 (d)	378,000

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Wireless Telecommunication Services	0.2%	Total Diversified Telecommunication Services	1,397,546
992,366		MetroPCS Wireless Inc., Term Loan, 2.970% due 2/20/14 (d)	905,672
		TOTAL TELECOMMUNICATION SERVICES	2,303,218

See Notes to Schedule of Investments.

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LMP Capital and Income Fund Inc.

Schedule of Investments (unaudited) (continued)

March 31, 2009

Face Amount	Security	Value
UTILITIES 0.3%		
Electric Utilities 0.1%		
\$ 493,731	TXU Corp., Term Loan B, 6.169% due 10/10/14 (d)	\$ 327,560
Independent Power Producers & Energy Traders 0.2%		
994,975	Calpine Corp., Term Loan B, 4.335% due 3/29/14 (d)	762,745
	TOTAL UTILITIES	1,090,305
	TOTAL COLLATERALIZED SENIOR LOANS	
	(Cost \$12,962,488)	10,542,350
CONVERTIBLE BONDS & NOTES 1.0%		
INFORMATION TECHNOLOGY 1.0%		
Internet Software & Services 1.0%		
5,343,000	VeriSign Inc., 3.250% due 8/15/37 (Cost - \$3,544,009)	3,533,059
CORPORATE BONDS & NOTES 26.2%		
CONSUMER DISCRETIONARY 3.0%		
Auto Components 0.1%		
280,000	Allison Transmission Inc., Senior Notes, 11.250% due 11/1/15 (b)(g)	113,400
155,000	Keystone Automotive Operations Inc., Senior Subordinated Notes, 9.750% due 11/1/13	31,000
1,507,000	Visteon Corp., Senior Notes: 8.250% due 8/1/10	82,885
845,000	12.250% due 12/31/16 (b)	46,475
	Total Auto Components	273,760
Automobiles 0.1%		
110,000	Ford Motor Co., Debentures, 8.875% due 1/15/22	33,550
600,000	General Motors Corp., Senior Debentures: 8.250% due 7/15/23	73,500
1,300,000	8.375% due 7/15/33	162,500
	Total Automobiles	269,550
Diversified Consumer Services 0.1%		
230,000	Education Management LLC/Education Management Finance Corp., Senior Subordinated Notes, 10.250% due 6/1/16	216,200
Hotels, Restaurants & Leisure 0.9%		
1,000,000	Boyd Gaming Corp., Senior Subordinated Notes, 6.750% due 4/15/14	585,000
255,000	Buffets Inc., Senior Notes, 12.500% due 11/1/14 (e)(f)	1,301
810,000	Caesars Entertainment Inc., Senior Subordinated Notes, 8.125% due 5/15/11	267,300
295,000	Choctaw Resort Development Enterprise, Senior Notes, 7.250% due 11/15/19 (b)	85,550
550,000	Denny's Holdings Inc., Senior Notes, 10.000% due 10/1/12	478,500
160,000	El Pollo Loco Inc., Senior Notes, 11.750% due 11/15/13	117,600
660,000	Inn of the Mountain Gods Resort & Casino, Senior Notes, 12.000% due 11/15/10	72,600
330,000	McDonald's Corp., Medium Term Notes, 5.350% due 3/1/18	348,778
380,000	MGM MIRAGE Inc.: Notes, 6.750% due 9/1/12	134,900
203,000	Senior Subordinated Notes, 9.375% due 2/15/10	38,570
750,000	River Rock Entertainment Authority, Senior Secured Notes, 9.750% due 11/1/11	378,750

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250,000	Sbarro Inc., Senior Notes, 10.375% due 2/1/15	93,750
	Station Casinos Inc.:	
	Senior Notes:	
60,000	6.000% due 4/1/12 (e)(f)	15,300
530,000	7.750% due 8/15/16 (e)(f)	124,550
100,000	Senior Subordinated Notes, 6.875% due 3/1/16 (e)(f)	5,500

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LMP Capital and Income Fund Inc.

Schedule of Investments (unaudited) (continued)

March 31, 2009

Face Amount	Security	Value
Hotels, Restaurants & Leisure 0.9% (continued)		
\$ 500,000	Turning Stone Casino Resort Enterprise, Senior Notes, 9.125% due 12/15/10 (b)	\$ 392,500
	Total Hotels, Restaurants & Leisure	3,140,449
Household Durables 0.3%		
185,000	K Hovnanian Enterprises Inc., Senior Notes, 8.625% due 1/15/17	51,800
485,000	Norcraft Cos. LP/Norcraft Finance Corp., Senior Subordinated Notes, 9.000% due 11/1/11	414,675
700,000	Norcraft Holdings LP/Norcraft Capital Corp., Senior Discount Notes, 9.750% due 9/1/12	556,500
	Total Household Durables	1,022,975
Internet & Catalog Retail 0.0%		
30,000	Expedia Inc., Senior Notes, 8.500% due 7/1/16 (b)	25,650
Media 1.0%		
340,000	Affinion Group Inc., Senior Subordinated Notes, 11.500% due 10/15/15	212,500
3,419,000	CCH I LLC/CCH I Capital Corp., Senior Secured Notes, 11.000% due 10/1/15 (e)(f)	384,637
325,000	CCH II LLC/CCH II Capital Corp., Senior Notes, 10.250% due 10/1/13 (e)(f)	290,875
360,000	Cengage Learning Acquisitions Inc., Senior Notes, 10.500% due 1/15/15 (b)	186,300
85,000	Charter Communications Holdings LLC/Charter Communications Holdings Capital Corp., Senior Discount Notes, 11.750% due 5/15/11 (e)(f)	956
390,000	Charter Communications Inc., Senior Secured Notes, 10.875% due 9/15/14 (b)(e)(f)	380,250
1,320,000	Comcast Corp., 5.700% due 5/15/18	1,240,246
85,000	Dex Media West LLC/Dex Media Finance Co., Senior Notes, 8.500% due 8/15/10	42,925
1,265,000	Idearc Inc., Senior Notes, 8.000% due 11/15/16 (f)	39,531
20,000	News America Inc., Senior Notes, 6.650% due 11/15/37	15,027
655,000	R.H. Donnelley Corp.: Senior Discount Notes, 6.875% due 1/15/13	39,300
450,000	Senior Notes, 8.875% due 1/15/16	28,125
10,000	Time Warner Cable Inc., 5.850% due 5/1/17	8,979
810,000	Time Warner Inc., Senior Notes, 6.875% due 5/1/12	824,984
	Total Media	3,694,635
Multiline Retail 0.4%		
690,000	Dollar General Corp.: Senior Notes, 10.625% due 7/15/15	691,725
330,000	Senior Subordinated Notes, 11.875% due 7/15/17 (g)	325,875
2,105,000	Neiman Marcus Group Inc., Senior Notes, 9.000% due 10/15/15 (g)	686,756
	Total Multiline Retail	1,704,356
Specialty Retail 0.0%		
315,000	Blockbuster Inc., Senior Subordinated Notes, 9.000% due 9/1/12	143,325
Textiles, Apparel & Luxury Goods 0.1%		
270,000	Oxford Industries Inc., Senior Notes, 8.875% due 6/1/11	198,450

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		TOTAL CONSUMER DISCRETIONARY	10,689,350
CONSUMER STAPLES	0.6%		
Food & Staples Retailing	0.2%		
	420,073	CVS Caremark Corp., Pass-Through Certificates, 6.943% due 1/10/30 (b)	321,028
	200,000	Kroger Co., Senior Notes: 5.500% due 2/1/13	205,216
	400,000	6.150% due 1/15/20	396,386
		Total Food & Staples Retailing	922,630
Food Products	0.1%		
	125,000	Dole Food Co. Inc., Senior Notes: 7.250% due 6/15/10	115,625

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Schedule of Investments (unaudited) (continued)

March 31, 2009

Face Amount	Security	Value
Food Products 0.1% (continued)		
\$ 261,000	8.875% due 3/15/11	\$ 223,808
	Total Food Products	339,433
Tobacco 0.3%		
150,000	Alliance One International Inc., Senior Notes: 8.500% due 5/15/12	128,250
380,000	11.000% due 5/15/12	355,300
580,000	Reynolds American Inc., 6.750% due 6/15/17	495,883
	Total Tobacco	979,433
	TOTAL CONSUMER STAPLES	2,241,496
ENERGY 3.7%		
Energy Equipment & Services 0.3%		
965,000	Complete Production Services Inc., Senior Notes, 8.000% due 12/15/16	617,600
250,000	Key Energy Services Inc., Senior Notes, 8.375% due 12/1/14	158,750
55,000	Pride International Inc., Senior Notes, 7.375% due 7/15/14	54,450
10,000	Southern Natural Gas Co., Senior Notes, 8.000% due 3/1/32	9,112
460,000	Transocean Inc., Senior Notes, 5.250% due 3/15/13	461,563
	Total Energy Equipment & Services	1,301,475
Oil, Gas & Consumable Fuels 3.4%		
750,000	Amerada Hess Corp., Senior Notes, 6.650% due 8/15/11	765,462
60,000	Anadarko Petroleum Corp., Senior Notes: 5.950% due 9/15/16	51,751
1,040,000	6.450% due 9/15/36	728,788
540,000	Apache Corp., Senior Notes, 5.625% due 1/15/17	553,828
440,000	Belden & Blake Corp., Secured Notes, 8.750% due 7/15/12	308,000
775,000	Chesapeake Energy Corp., Senior Notes: 6.375% due 6/15/15	656,813
400,000	6.500% due 8/15/17	328,000
85,000	Compagnie Generale de Geophysique SA, Senior Notes, 7.500% due 5/15/15	67,575
330,000	ConocoPhillips Holding Co., Senior Notes, 6.950% due 4/15/29	329,458
750,000	Devon Financing Corp. ULC, Notes, 6.875% due 9/30/11	784,793
180,000	El Paso Corp.: Medium-Term Notes: 7.800% due 8/1/31	135,396
1,050,000	7.750% due 1/15/32	787,539
280,000	Senior Notes, 8.250% due 2/15/16	263,200
870,000	Energy Transfer Partners LP, Senior Notes, 6.700% due 7/1/18	788,770
320,000	Enterprise Products Operating LLP, Junior Subordinated Notes, 8.375% due 8/1/66 (d)	214,657
970,000	EXCO Resources Inc., Senior Notes, 7.250% due 1/15/11	756,600
260,000	International Coal Group Inc., Senior Notes, 10.250% due 7/15/14	167,700

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	Kerr-McGee Corp., Notes:	
300,000	6.875% due 9/15/11	306,791
140,000	6.950% due 7/1/24	107,501
	Kinder Morgan Energy Partners LP:	
580,000	Medium-Term Notes, 6.950% due 1/15/38	497,705
	Senior Notes:	
540,000	6.000% due 2/1/17	507,930
100,000	5.950% due 2/15/18	91,198
605,000	OPTI Canada Inc., Senior Secured Notes, 8.250% due 12/15/14	273,763
240,000	Overseas Shipholding Group Inc., Senior Notes, 7.500% due 2/15/24	142,800
410,000	Parker Drilling Co., Senior Notes, 9.625% due 10/1/13	276,750
160,000	Petroplus Finance Ltd., Senior Notes, 7.000% due 5/1/17 (b)	116,000
780,000	SemGroup LP, Senior Notes, 8.750% due 11/15/15 (b)(e)(f)	31,200
260,000	Stone Energy Corp., Senior Subordinated Notes, 8.250% due 12/15/11	137,800
330,000	Teekay Corp., Senior Notes, 8.875% due 7/15/11	318,450
355,000	Whiting Petroleum Corp., Senior Subordinated Notes, 7.250% due 5/1/12	293,763

See Notes to Schedule of Investments.

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LMP Capital and Income Fund Inc.

Schedule of Investments (unaudited) (continued)

March 31, 2009

Face Amount	Security	Value
Oil, Gas & Consumable Fuels 3.4% (continued)		
\$ 100,000	Williams Cos. Inc.:	
470,000	Notes, 8.750% due 3/15/32	\$ 90,960
	Senior Notes, 7.750% due 6/15/31	381,589
170,000	XTO Energy Inc., Senior Notes:	
350,000	7.500% due 4/15/12	178,168
300,000	5.650% due 4/1/16	334,504
	5.500% due 6/15/18	279,143
	Total Oil, Gas & Consumable Fuels	12,054,345
	TOTAL ENERGY	13,355,820
FINANCIALS 5.5%		
Capital Markets 0.6%		
300,000	Bear Stearns Co. Inc., Senior Notes, 6.400% due 10/2/17	292,444
30,000	Goldman Sachs Capital II, Junior Subordinated Bonds, 5.793% due 6/1/12 (d)(h)	12,498
600,000	Goldman Sachs Group Inc., Senior Notes, 6.150% due 4/1/18	548,967
1,200,000	Kaupthing Bank HF, Subordinated Notes, 7.125% due 5/19/16 (b)(e)(f)	3,000
50,000	Lehman Brothers Holdings Capital Trust VII, Medium-Term Notes, 5.857% due 5/31/12 (d)(f)(h)	5
1,110,000	Lehman Brothers Holdings Inc., Medium-Term Notes: 6.750% due 12/28/17 (f)	111
130,000	Senior Notes, 6.200% due 9/26/14 (f)	17,225
520,000	Merrill Lynch & Co. Inc.:	
100,000	Notes, 6.875% due 4/25/18	407,322
940,000	Senior Notes, 5.450% due 2/5/13	82,043
	Morgan Stanley, Medium-Term Notes, 5.625% due 1/9/12	905,051
	Total Capital Markets	2,268,666
Commercial Banks 1.0%		
20,000	BAC Capital Trust XIV, Junior Subordinated Notes, 5.630% due 3/15/12 (d)(h)	4,402
13,635	Fifth Third Bank, Notes, 2.870% due 8/10/09	13,188
290,000	Glitmir Banki HF, Notes, 6.375% due 9/25/12 (b)(e)(f)	32,625
100,000	HBOS Capital Funding LP, Tier 1 Notes, Perpetual Bonds, 6.071% due 6/30/14 (b)(d)(h)	24,034
1,300,000	Resona Preferred Global Securities Cayman Ltd., Bonds, 7.191% due 7/30/15 (b)(d)(h)	598,571
1,400,000	Shinsei Finance Cayman Ltd., Junior Subordinated Bonds, 6.418% due 7/20/16 (b)(d)(h)	238,162
700,000	SunTrust Capital, Trust Preferred Securities, 6.100% due 12/15/36 (d)	393,330
1,520,000	Wachovia Corp., Medium Term Notes, 5.500% due 5/1/13	1,402,767
690,000	Wells Fargo & Co., Senior Notes, 5.625% due 12/11/17	630,614
380,000	Wells Fargo Capital X, Capital Securities, 5.950% due 12/15/36	257,186
	Total Commercial Banks	3,594,879
Consumer Finance 2.0%		
300,000	Aiful Corp., Notes, 6.000% due 12/12/11 (b)	75,033

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610,000	American Express Co., Subordinated Debentures, 6.800% due 9/1/66 (d)	294,543
300,000	Caterpillar Financial Services Corp., Medium-Term Notes, 5.450% due 4/15/18	257,823
	Ford Motor Credit Co.:	
	Notes:	
750,000	5.700% due 1/15/10	642,531
1,050,000	7.000% due 10/1/13	702,704
	Senior Notes:	
135,000	9.750% due 9/15/10	111,091
1,600,000	9.875% due 8/10/11	1,211,731
310,000	12.000% due 5/15/15	235,150
170,000	8.000% due 12/15/16	111,870

See Notes to Schedule of Investments.

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LMP Capital and Income Fund Inc.

Schedule of Investments (unaudited) (continued)

March 31, 2009

Face Amount	Security	Value
Consumer Finance 2.0% (continued)		
\$ 208,000	GMAC LLC: Senior Notes: 7.750% due 1/19/10 (b)	\$ 174,774
1,000,000	6.875% due 9/15/11 (b)	710,980
1,203,000	6.625% due 5/15/12 (b)	807,514
61,000	7.500% due 12/31/13 (b)	29,345
184,000	6.750% due 12/1/14 (b)	107,038
1,043,000	8.000% due 11/1/31 (b)	502,611
53,000	Subordinated Notes, 8.000% due 12/31/18 (b)	15,401
500,000	John Deere Capital Corp., Medium-Term Notes, 5.350% due 4/3/18	464,645
1,340,000	SLM Corp., Senior Notes, 8.450% due 6/15/18	724,683
	Total Consumer Finance	7,179,467
Diversified Financial Services 1.4%		
150,000	AAC Group Holding Corp., Senior Discount Notes, 10.250% due 10/1/12 (b)	85,500
100,000	Aiful Corp., Notes, 5.000% due 8/10/10 (b)	35,008
970,000	Bank of America Corp.: Senior Notes, 5.650% due 5/1/18	810,607
100,000	Subordinated Notes, 5.420% due 3/15/17	60,863
125,000	Capital One Bank, Notes, 5.750% due 9/15/10	124,799
550,000	Citigroup Inc., Notes, 6.875% due 3/5/38	480,885
125,000	Countrywide Home Loans Inc., Medium-Term Notes, 4.125% due 9/15/09	123,536
850,000	General Electric Capital Corp.: Senior Notes, 5.625% due 5/1/18	740,353
20,000	Subordinated Debentures, 6.375% due 11/15/67 (d)	9,724
200,000	Glen Meadow Pass-Through Certificates, 6.505% due 2/12/67 (b)(d)	45,094
1,320,000	JPMorgan Chase & Co., Subordinated Notes, 6.125% due 6/27/17	1,216,273
370,000	Leucadia National Corp., Senior Notes: 8.125% due 9/15/15	294,612
70,000	7.125% due 3/15/17	48,300
620,000	Vanguard Health Holdings Co., I LLC, Senior Discount Notes, step bond to yield 10.257% due 10/1/15 (d)	517,700
300,000	Vanguard Health Holdings Co., II LLC, Senior Subordinated Notes, 9.000% due 10/1/14	266,250
	Total Diversified Financial Services	4,859,504
Insurance 0.4%		
1,170,000	American International Group Inc., Medium-Term Notes, 5.850% due 1/16/18	458,647
650,000	MetLife Inc., Junior Subordinated Debentures, 6.400% due 12/15/36	273,462
600,000	Pacific Life Global Funding, Notes, 5.150% due 4/15/13 (b)	565,610
140,000	Travelers Cos. Inc., Junior Subordinated Debentures, 6.250% due 3/15/37 (d)	74,390
	Total Insurance	1,372,109

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Real Estate Investment Trusts (REITs)	0.1%		
	220,000	Forest City Enterprises Inc., Senior Notes, 6.500% due 2/1/17	82,500
	85,000	Ventas Realty LP/Ventas Capital Corp., Senior Notes, 6.500% due 6/1/16	73,950
		Total Real Estate Investment Trusts (REITs)	156,450
Real Estate Management & Development	0.0%		
	140,400	Ashton Woods USA LLC, Ashton Woods Finance Co., Senior Subordinated Notes, step bond to yield 23.322% due 6/30/15 (a)(b)(e)(f)	52,948
	570,000	Realogy Corp., Senior Subordinated Notes, 12.375% due 4/15/15	99,750
		Total Real Estate Management & Development	152,698
		TOTAL FINANCIALS	19,583,773
HEALTH CARE	2.5%		
Health Care Equipment & Supplies	0.2%		
	690,000	Biomet Inc., Senior Notes, 10.375% due 10/15/17 (g)	586,500
Health Care Providers & Services	2.1%		
	550,000	Cardinal Health Inc., Senior Notes, 5.800% due 10/15/16	505,931

See Notes to Schedule of Investments.

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LMP Capital and Income Fund Inc.

Schedule of Investments (unaudited) (continued)

March 31, 2009

Face Amount	Security	Value
Health Care Providers & Services 2.1% (continued)		
\$ 220,000	DaVita Inc.:	
730,000	Senior Notes, 6.625% due 3/15/13	\$ 214,500
	Senior Subordinated Notes, 7.250% due 3/15/15	705,362
	HCA Inc., Senior Secured Notes:	
800,000	9.125% due 11/15/14	754,000
215,000	9.250% due 11/15/16	196,188
1,880,000	9.625% due 11/15/16 (g)	1,504,000
425,000	IASIS Healthcare LLC/IASIS Capital Corp., Senior Subordinated Notes, 8.750% due 6/15/14	401,625
	Tenet Healthcare Corp., Senior Notes:	
400,000	7.375% due 2/1/13	320,000
525,000	9.000% due 5/1/15 (b)	509,250
525,000	10.000% due 5/1/18 (b)	510,562
600,000	UnitedHealth Group Inc., Senior Notes, 5.250% due 3/15/11	605,411
1,000,000	US Oncology Holdings Inc., Senior Notes, 6.904% due 3/15/12 (d)(g)	605,000
	WellPoint Inc., Senior Notes:	
720,000	5.000% due 1/15/11	722,374
30,000	5.875% due 6/15/17	28,247
	Total Health Care Providers & Services	7,582,450
Pharmaceuticals 0.2%		
320,000	Abbott Laboratories, Senior Notes, 5.600% due 11/30/17	338,754
445,000	Leiner Health Products Inc., Senior Subordinated Notes, 11.000% due 6/1/12 (e)(f)	2,225
370,000	Wyeth, Notes, 5.950% due 4/1/37	349,589
	Total Pharmaceuticals	690,568
	TOTAL HEALTH CARE	8,859,518
INDUSTRIALS 1.9%		
Aerospace & Defense 0.1%		
2,430,000	Hawker Beechcraft Acquisition Co., Senior Notes, 8.875% due 4/1/15 (g)	285,525
Airlines 0.1%		
	Continental Airlines Inc., Pass-Through Certificates:	
94,289	8.312% due 4/2/11 (a)	73,545
380,000	7.339% due 4/19/14	237,500
800,000	DAE Aviation Holdings Inc., Senior Notes, 11.250% due 8/1/15 (b)	204,000
	Total Airlines	515,045
Building Products 0.3%		
	Associated Materials Inc.:	
625,000	Senior Discount Notes, 11.250% due 3/1/14	190,625
1,110,000	Senior Subordinated Notes, 9.750% due 4/15/12	882,450
1,790,000	NTK Holdings Inc., Senior Discount Notes, step bond to yield 21.028% due 3/1/14	116,350
	Total Building Products	1,189,425
Commercial Services & Supplies 0.6%		
220,000	Allied Waste North America Inc., Senior Notes, 6.875% due 6/1/17	200,502
550,000	DynCorp International LLC/DIV Capital Corp., Senior Subordinated Notes, 9.500% due 2/15/13	518,375

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600,000		Interface Inc., Senior Subordinated Notes, 9.500% due 2/1/14	429,000
440,000		Rental Services Corp., Senior Notes, 9.500% due 12/1/14	217,800
790,000		US Investigations Services Inc., Senior Subordinated Notes, 10.500% due 11/1/15 (b)	606,325
225,000		Waste Management Inc., Senior Notes, 6.375% due 11/15/12	226,747
		Total Commercial Services & Supplies	2,198,749
Construction & Engineering	0.3%		
1,000,000		CSC Holdings Inc., Senior Notes, 8.500% due 6/15/15 (b)	982,500

See Notes to Schedule of Investments.

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LMP Capital and Income Fund Inc.

Schedule of Investments (unaudited) (continued)

March 31, 2009

Face Amount	Security	Value
Road & Rail 0.2%		
\$ 1,195,000	Hertz Corp., Senior Subordinated Notes, 10.500% due 1/1/16	\$ 525,800
50,000	Kansas City Southern de Mexico, Senior Notes, 7.625% due 12/1/13	40,750
	Total Road & Rail	566,550
Trading Companies & Distributors 0.3%		
1,035,000	Ashtead Capital Inc., Notes, 9.000% due 8/15/16 (b)	595,125
440,000	H&E Equipment Services Inc., Senior Notes, 8.375% due 7/15/16	279,400
650,000	Penhall International Corp., Senior Secured Notes, 12.000% due 8/1/14 (b) (e)	214,500
	Total Trading Companies & Distributors	1,089,025
Transportation Infrastructure 0.0%		
150,000	Swift Transportation Co., Senior Secured Notes: 8.984% due 5/15/15 (b)(d)	33,750
405,000	12.500% due 5/15/17 (b)	91,125
	Total Transportation Infrastructure	124,875
	TOTAL INDUSTRIALS	6,951,694
INFORMATION TECHNOLOGY 0.2%		
Electronic Equipment, Instruments & Components 0.0%		
385,000	NXP BV/NXP Funding LLC, Senior Notes, 9.500% due 10/15/15	43,313
IT Services 0.1%		
170,000	Ceridian Corp., Senior Notes, 12.250% due 11/15/15 (g)	65,450
360,000	First Data Corp., Senior Notes, 9.875% due 9/24/15	212,400
	Total IT Services	277,850
Office Electronics 0.1%		
290,000	Xerox Corp., Senior Notes, 6.750% due 2/1/17	221,798
Semiconductors & Semiconductor Equipment 0.0%		
35,000	Freescale Semiconductor Inc.: Senior Notes, 8.875% due 12/15/14	7,525
310,000	Senior Subordinated Notes, 10.125% due 12/15/16	57,350
	Total Semiconductors & Semiconductor Equipment	64,875
	TOTAL INFORMATION TECHNOLOGY	607,836
MATERIALS 1.9%		
Chemicals 0.1%		
90,000	Georgia Gulf Corp., Senior Notes: 9.500% due 10/15/14 (e)	15,525
515,000	10.750% due 10/15/16 (e)	38,625
60,000	Huntsman International LLC, Senior Subordinated Notes, 7.875% due 11/15/14	24,900
100,000	Methanex Corp., Senior Notes, 8.750% due 8/15/12 (a)	95,365
360,000	PPG Industries Inc., Senior Notes, 6.650% due 3/15/18	352,662
	Total Chemicals	527,077
Containers & Packaging 0.0%		
135,000	Plastipak Holdings Inc., Senior Notes, 8.500% due 12/15/15 (b)	95,175
Metals & Mining 1.2%		
1,560,000	Freeport-McMoRan Copper & Gold Inc., Senior Notes, 8.375% due 4/1/17	1,460,658

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650,000	Metals USA Inc., Senior Secured Notes, 11.125% due 12/1/15	393,250
160,000	Noranda Aluminium Acquisition Corp., Senior Notes, 6.595% due 5/15/15 (d)(g)	50,400
2,940,000	Novelis Inc., Senior Notes, 7.250% due 2/15/15	1,190,700
700,000	Ryerson Inc., Senior Secured Notes, 12.250% due 11/1/15 (b)	400,750
100,000	Steel Dynamics Inc., Senior Notes: 7.375% due 11/1/12	78,500
785,000	7.750% due 4/15/16 (b)	541,650

See Notes to Schedule of Investments.

LMP Capital and Income Fund Inc.

Schedule of Investments (unaudited) (continued)

March 31, 2009

Face Amount	Security	Value
Metals & Mining 1.2% (continued)		
\$ 156,000	Vale Overseas Ltd., Notes, 6.875% due 11/21/36	\$ 135,492
	Total Metals & Mining	4,251,400
Paper & Forest Products 0.6%		
1,640,000	Abitibi-Consolidated Co. of Canada, Senior Secured Notes, 13.750% due 4/1/11 (b)(e)(f)	1,418,600
1,185,000	Appleton Papers Inc., Senior Subordinated Notes, 9.750% due 6/15/14	219,225
435,000	NewPage Corp., Senior Secured Notes, 7.420% due 5/1/12 (d)	141,375
750,000	Verso Paper Holdings LLC, 11.375% due 8/1/16	180,000
150,000	Weyerhaeuser Co., Senior Notes, 6.750% due 3/15/12	144,378
	Total Paper & Forest Products	2,103,578
	TOTAL MATERIALS	6,977,230
TELECOMMUNICATION SERVICES 3.9%		
Diversified Telecommunication Services 3.2%		
630,000	AT&T Inc.:	
1,210,000	Global Notes, 5.600% due 5/15/18	614,134
460,000	Senior Notes, 6.400% due 5/15/38	1,079,855
	British Telecommunications PLC, Bonds, 9.125% due 12/15/30	419,027
600,000	Deutsche Telekom International Finance, Senior Notes, 5.750% due 3/23/16	589,503
730,000	Embarq Corp., Senior Notes, 6.738% due 6/1/13	681,326
660,000	Hawaiian Telcom Communications Inc., Senior Subordinated Notes, 12.500% due 5/1/15 (e)(f)	6,600
680,000	Intelsat Bermuda Ltd., Senior Notes, 11.250% due 6/15/16	663,000
	Level 3 Financing Inc., Senior Notes:	
795,000	9.250% due 11/1/14	552,525
30,000	5.474% due 2/15/15 (d)	15,450
1,095,000	Nordic Telephone Co. Holdings, Senior Secured Bonds, 8.875% due 5/1/16 (b)	1,029,300
400,000		