LMP CAPITAL & INCOME FUND INC.
Form N-CSR
January 30, 2019
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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, 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: November 30, 2018

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ITEM 1. REPORT TO STOCKHOLDERS.

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

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Annual Report November 30, 2018

LMP

CAPITAL AND INCOME FUND INC. (SCD)

Beginning in January 2021, as permitted by regulations adopted by the Securities and Exchange Commission, the Fund intends to no longer mail paper copies of the Fund s shareholder reports like this one, unless you specifically request paper copies of the reports from the Fund or from your financial intermediary (such as a broker-dealer or bank). Instead, the reports will be made available on a website, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you invest through a financial intermediary and you already elected to receive shareholder reports electronically (e-delivery), you will not be affected by this change and you need not take any action. If you have not already elected e-delivery, you may elect to receive shareholder reports and other communications from the Fund electronically by contacting your financial intermediary.

You may elect to receive all future reports in paper free of charge. If you invest through a financial intermediary, you can contact your financial intermediary to request that you continue to receive paper copies of your shareholder reports. That election will apply to all Legg Mason funds held in your account at that financial intermediary. If you are a direct shareholder with the Fund, you can call the Fund at 1-888-888-0151, or write to the Fund by regular mail at P.O. Box 505000, Louisville, KY 40233 or by overnight delivery to Computershare, 462 South 4th Street, Suite 1600, Louisville, KY 40202 to let the Fund know you wish to continue receiving paper copies of your shareholder reports. That election will apply to all Legg Mason Funds held in your account held directly with the fund complex.

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What s inside

Fund objective

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

The Fund may invest in a broad range of equity and fixed-income securities of both U.S. and foreign issuers. 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.

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, 2018. 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,

Jane Trust, CFA

Chairman, President and Chief Executive Officer

December 28, 2018

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Investment commentary

Economic review

Economic activity in the U.S. was mixed during the twelve months ended November 30, 2018 (the reporting period). Looking back, the U.S. Department of Commerce reported that fourth quarter 2017 and first quarter 2018 U.S. gross domestic product (GDP[i]) growth was 2.3% and 2.2%, respectively. GDP growth then accelerated to 4.2% during the second quarter of 2018 the strongest reading since the third quarter of 2014. Finally, the U.S. Department of Commerce s final reading for third quarter 2018 GDP growth released after the reporting period ended was 3.4%. The deceleration in GDP growth in the third quarter of 2018 reflected a downturn in exports and decelerations in nonresidential fixed investment and personal consumption expenditures. Imports increased in the third quarter after decreasing in the second. These movements were partly offset by an upturn in private inventory investment.

Job growth in the U.S. was solid overall and supported the economy during the reporting period. As reported by the U.S. Department of Labor, when the reporting period ended on November 30, 2018, the unemployment rate was 3.7%, versus 4.1% when the period began. November 2018 s reading equaled the lowest unemployment rate since 1969. The percentage of longer-term unemployed also declined during the reporting period. In November 2018, 20.8% of Americans looking for a job had been out of work for more than six months, versus 22.9% when the period began.

Looking back, at its meeting that concluded on September 20, 2017, the Federal Reserve Board (the Fed[ii]) kept the federal funds rate[iii] on hold, but reiterated its intention to begin reducing its balance sheet, saying, In October, the Committee will initiate the balance sheet normalization program . At its meeting that ended on December 13, 2017, the Fed raised rates to a range between 1.25% and 1.50%. As widely expected, the Fed again raised rates at its meetings that ended on March 21, 2018 (to a range between 1.50% and 1.75%), June 13, 2018 (to a range between 1.75% and 2.00%) and September 26, 2018 (to a range between 2.00% and 2.25%). Finally, at its meeting that ended on December 19, 2018, after the reporting period ended, the Fed raised rates to a range between 2.25% and 2.50%.

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

Sincerely,

Jane Trust, CFA

Chairman, President and Chief Executive Officer

December 28, 2018

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

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Investment commentary (cont d)

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

[iii] 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.

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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 may invest in a broad range of equity and fixed-income securities of both U.S. and foreign issuers. The Fund may invest without limit in both energy and non-energy master limited partnerships (MLPs), so long as no

more than 25% of the Fund s total assets are invested in MLPs that are treated as qualified publicly traded partnerships (QPTPs). 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 (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, and Tatiana Thibodeau, who are focused on their respective areas of expertise: Mr. McAllister on real estate investment trusts (REITs[i]) and Ms. Thibodeau on utilities. These individuals 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, LLC (formerly Western Asset Management Company) (Western Asset) manages the fixed-income portion of the Fund. The fixed-income portfolio management team includes portfolio managers S. Kenneth Leech, Chia-Liang (CL) Lian, Mark Lindbloom, Michael C. Buchanan and Ryan Brist. Their focus is on portfolio structure, including sector allocation, duration weighting and term structure decisions.

During the reporting period, the Fund was substantially invested in equity securities.

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

A. U.S. equity markets finished with solid returns for the twelve-month reporting period ended November 30, 2018, with the S&P 500 Index[ii] gaining 6.27%. Small-cap stocks struggled, especially toward the end of the reporting period, with the Russell 2000 Index[iii] edging up 0.57% in total. Growth stocks of both large and small market capitalization companies outperformed value stocks during the period, with the large-cap Russell 1000 Growth Index[iv] s 8.59% return besting the Russell 1000 Value Index[v] s 2.96% gain, and the small-cap Russell 2000 Growth Index[vi] s 2.81% return capping the Russell 2000 Value Index[vii] s 1.83% decline.

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Fund overview (cont d)

The stock market overcame a correction early in 2018 caused by higher interest rates and fear of increasing inflation, as well as headwinds from prolonged trade disputes in the second and third quarters of 2018. Overall, investors focused on U.S. economic strength and strong earnings growth, which were helped by tax cuts passed at the end of 2017, to push equity markets higher. U.S. equities underwent another correction in October 2018, however, as a mix of trade concerns, higher interest rates and uninspiring financial results from some mega cap tech companies combined to make for a volatile month.

For most of the year, the cyclical sectors most tied to the performance of the U.S. economy led the market. The Information Technology (IT) sector was a strong performer during the reporting period. Consumer discretionary stocks also performed well, as low unemployment, gently rising wages and cycle-high consumer confidence created a good environment for discretionary spending. Materials stocks faced cost pressures and underperformed the market.

U.S. economic indicators were uniformly powerful during the reporting period: U.S. gross domestic product (GDP[iii]) growth, as measured by the U.S. Department of Commerce, rose to over 4% in the second quarter of 2018; jobless claims hit a five-decade low. Unemployment was at levels below the commonly accepted non-inflationary rate, putting the Federal Reserve Board (the Fed[ix]) on inflation watch. Capital expenditures also reached the highest level of this business cycle, helped by incentives in the tax reform law. Share repurchases for companies in the S&P 500 were $191 billion in the second quarter of 2018, the highest amount ever.

Seeing a steadily growing U.S. economy with low unemployment and core inflation approaching its target 2%, the Fed raised the federal funds rate[x] four times in the period. The target range at the end of the period was between 2.00% and 2.25%. The yield on the ten-year U.S. Treasury likewise rose, from 2.3% to 3%, and pressured defensive, yield-oriented sectors such as Consumer Staples, Real Estate and Utilities, which underperformed the market during the reporting period.

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

A. The Fund invests in equity securities that exhibit an attractive income stream, including dividend-paying stocks, energy MLPs and REITs. Regarding dividend paying stocks, we believe that owning companies that exhibit sound or improving balance sheets, generate ample free cash flow, have the ability to sustain or increase dividend, and are typically leaders in their respective industries can be attractive candidates for investment. As for energy MLPs, we remain steadfast in our belief that the U.S. renaissance in energy production represents a secular growth opportunity and is attractive for the long-term investor; in our assessment, energy production in the U.S. is in a good position to increase over time. And we view REITs as attractive over a full market cycle due to their attractive dividend yields and dividend growth characteristics, as well as real estate s portfolio diversification and inflation-hedging characteristics.

During the reporting period, energy MLPs exhibited significant volatility, partly a result of a rapidly shifting landscape in the energy MLP sector. Examples of structural changes that occurred in a number of energy MLPs included conversions into C-Corps, resets of distributions and eliminations of Incentive Distribution Rights (IDRs). In addition, the commodity price environment in crude oil and, to a lesser extent, natural gas remained volatile during the reporting period, exacerbating volatility in energy MLPs. We navigated this shifting and volatile landscape in energy MLPs by tactically adjusting our exposure as the situation warranted.

In the early stages of the reporting period, as the U.S. economy showed signs of stronger growth in GDP and employment than in recent years, the most significant change we made to the portfolio was to reduce its exposure to the Utility sector because we expected long-term interest rates to rise over the course of the year and Utilities are among the most interest-rate-sensitive equity sectors and were trading at earnings multiples well above historical averages. In addition, we made net additions to the Fund s holdings in the Consumer Staples and Communication Services[1] sectors, while reducing the holdings in Consumer Discretionary and Health Care stocks; these weighting changes were driven by changing views on select stocks in these sectors rather than a change in our top down view.

As we moved into the middle of the reporting period, we increased the Fund s net exposure in the Real Estate and Utilities sectors, but did so primarily through purchases of attractively priced mandatory convertible securities issued by solid companies; these mandatory convertible securities offered higher dividend yields than the common stocks and more downside protection. We also selectively added to the Fund s Consumer Staples and Financials sector weightings, while reducing Health Care, again primarily due to security selection decisions.

During the latter portion of fiscal 2018, we added, on balance, to the Fund s Information Technology and Consumer Staples sector holdings; we reduced the Fund s holdings of business development companies (BDCs) and mortgage REITs as our outlook for positive investment spreads became tempered by the impact of a flattening yield curve[xi].

Despite a positive near-term outlook for the U.S. economy, market volatility increased in the latter portion of the reporting period as political infighting in Washington D.C. as well as concerns about the impact of trade disputes with China and others gave investors pause. However, we believe we have positioned the portfolio appropriately for the current market environment given that the Fund is weighted toward equity securities in an environment of solid economic expansion.

Performance review

For the twelve months ended November 30, 2018, LMP Capital and Income Fund Inc. returned 0.99% based on its net asset value (NAV[xii]) and -1.04% based on its New York Stock Exchange (NYSE) market price per share. The Fund s unmanaged benchmarks, the Bloomberg Barclays U.S. Aggregate Index[xiii] and the S&P 500 Index, returned -1.34% and 6.27%, respectively. The Lipper Income and Preferred Stock Closed-End Funds Category Average[xiv] returned -3.15%

[1] As of September 28, 2018, the Telecommunication Services sector was broadened to include some companies previously classified in the Consumer Discretionary and Information Technology sectors and renamed the Communication Services sector.

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Fund overview (cont d)

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 $1.24 per share.* The performance table shows the Fund s twelve-month total return based on its NAV and market price as of November 30, 2018. **Past performance is no guarantee of future results.**

Performance Snapshot as of November 30, 2018 (unaudited)

Price Per Share	12-Month Total Return**
$14.24 (NAV)	0.99%
$12.42 (Market Price)	-1.04%

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. On an absolute basis during the reporting period, the Fund s greatest positive contribution to returns were found in the Health Care, Financials and IT sectors. Relative to the S&P 500 Index, security selection in the Financials and Heath Care sectors and an underweight to the Industrials sector contributed the most to performance.

In terms of individual Fund holdings, leading contributors to performance for the period included Microsoft Corp., Merck & Co. Inc., Energy Transfer Operating LP, Williams Partners LP and Verizon Communications Inc.

Q. What were the leading detractors from performance?

A. On an absolute basis during the reporting period, the greatest negative contributions from returns were found in the Industrials and Energy sectors. Relative to the S&P 500 Index, overall security selection and sector allocation detracted from performance. An overweight in the Energy sector, the Fund s cash position and stock selection in the Industrials and Energy sectors detracted the most from relative returns.

In terms of individual Fund holdings, leading detractors from performance for the period included Dynagas LNG Partners LP, Macquarie Infrastructure, Enbridge Energy Partners, L.P. Class A, DowDuPont and Williams Companies, Inc.

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

A. Among the largest additions to the Fund s portfolio s holdings during the reporting period were securities of Keurig, Dr. Pepper, Sempra Energy, General Motors, Crown Castle International and Broadcom. Some of the largest existing holdings that were sold over the course of the reporting period were

* For the tax character of distributions paid during the fiscal year ended November 30, 2018, please refer to page 27 of this report.

securities of Teva Pharmaceuticals, Great Plains Energy, Macquarie Infrastructure, Golar LNG Partners LP, Dynagas LNG Partners LP and Allergan. In addition, Energy Transfer Partners LP was acquired by parent and general partner Energy Transfer Equity, shares of which were retained in the Fund as Energy Transfer, LP; Williams Partners, L.P. was acquired by parent Williams Companies, which bought the remaining outstanding units to consolidate into one entity whose shares were retained in the Fund. Also, Regal Entertainment Group was acquired by a European theater owner in an all-cash transaction.

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 (click on the name of the Fund).

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

Sincerely,

Peter Vanderlee, CFA

Portfolio Manager

ClearBridge Investments, LLC

Mark McAllister

Portfolio Manager

ClearBridge Investments, LLC

Tatiana Thibodeau

Portfolio Manager

ClearBridge Investments, LLC

Western Asset Management Company, LLC

(Fixed-Income Portion)

December 18, 2018

RISKS: The Fund is a non-diversified, closed-end management investment company designed primarily as a long-term investment and not as a trading vehicle. The Fund is not intended to be a complete investment program and, due to the uncertainty inherent in all investments, there can be no assurance that the Fund will achieve its investment objective. The Fund s common stock is traded on the New York Stock Exchange. Similar to stocks, the Fund s share price will fluctuate with market conditions and, at the time of sale, may be worth more or less than the original investment. Shares of closed-end funds often trade at a discount to their net asset value. Because the Fund is non-diversified, it may be more susceptible to economic, political or regulatory events than a diversified fund. The

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Fund overview (cont d)

Fund s investments are subject to a number of risks such as stock market and equity securities risk, MLP risk, fixed income securities risk, foreign investments risk, market events risk and portfolio management risk. Investments in MLP securities are subject to unique risks. The Fund s concentration of investments in energy-related MLPs subjects it to the risks of 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. MLP distributions are not guaranteed and there is no assurance that all such distributions will be tax deferred. 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, social, and economic conditions. These risks are magnified in emerging or developing markets. The Fund may invest in lower-rated high yield bonds or junk bonds, which are subject to greater liquidity and credit risk (risk of default) than higher-rated obligations. The repositioning of the Fund s portfolio may increase a shareholder s risk of loss associated with an investment in the Fund s shares. 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 result in greater volatility of NAV and the market price of common shares and increases a shareholder s risk of loss. Dividends are not guaranteed, and a company may reduce or eliminate its dividend at any time. Distributions are not guaranteed and are subject to change.

Portfolio holdings and breakdowns are as of November 30, 2018 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, 2018 were: Microsoft Corp. (4.8%), Lockheed Martin Corp. (4.0%), Merck & Co. Inc. (3.9%), Blackstone Group LP (3.9%), Verizon Communications Inc. (3.2%), Starwood Property Trust Inc. (2.9%), Energy Transfer LP (2.7%), QUALCOMM Inc. (2.7%), DowDuPont Inc. (2.7%) and Genesis Energy LP (2.7%). Please refer to pages 9 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 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, 2018 were: Master Limited Partnerships (29.4%), Financials (23.2%), Information Technology (18.8%), Real Estate (14.3%) and Health Care (9.9%). 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.

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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] 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.

[iii] The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 3000 Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the U.S. equity market.

[iv] The Russell 1000 Growth Index measures the performance of those Russell 1000 Index companies with higher price-to-book ratios and higher forecasted growth values. (A price-to-book ratio is the price of a stock compared to the difference between a company s assets and liabilities). The Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000 Index and includes approximately 1,000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000 represents approximately 90% of the U.S. market.

[v] The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 Index companies with lower price-to-book ratios and lower expected growth values.

[vi] The Russell 2000 Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 Index companies with higher price-to-value ratios and higher forecasted growth values.

[vii] The Russell 2000 Value Index measures the performance of those Russell 2000 Index companies with lower price-to-book ratios and lower forecasted growth values.

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

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

[x] 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.

[xi] The yield curve is the graphical depiction of the relationship between the yield on bonds of the same credit quality but different maturities.

[xii] Net asset value (NAV) is calculated by subtracting total liabilities, including liabilities associated with financial leverage (if any), from the closing value of all securities held by the Fund (plus all other assets) and dividing the result (total net assets) 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.

[xiii] The Bloomberg 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.

[xiv] Lipper, Inc., a wholly-owned subsidiary of Reuters, provides independent insight on global collective investments. Returns are based on the twelve-month period ended November 30, 2018, including the reinvestment of all distributions, including returns of capital, if any, calculated among the 33 funds in the Fund s Lipper category.

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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, 2018 and November 30, 2017. The Fund is actively managed. As a result, the composition of the Fund s investments is subject to change at any time.

[1] As of September 28, 2018, the Telecommunication Services sector was broadened to include some companies previously classified in the Consumer Discretionary and Information Technology sectors and renamed the Communications Services sector.

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Schedule of investments

November 30, 2018

LMP Capital and Income Fund Inc.

Security	Shares	Value
Common Stocks 90.0%		
Communication Services 6.1%		
Diversified Telecommunication Services 5.2%		
AT&T Inc.	167,500	$ 5,232,700 (a)
Verizon Communications Inc.	134,000	8,080,200 (a)
Total Diversified Telecommunication Services		*13,312,900*
Wireless Telecommunication Services 0.9%		
Vodafone Group PLC, ADR	110,300	*2,370,347* (a)
Total Communication Services		**15,683,247**
Consumer Discretionary 1.4%		
Automobiles 1.4%		
General Motors Co.	93,300	**3,540,735** (a)
Consumer Staples 7.6%		
Beverages 2.1%		
Keurig Dr Pepper Inc.	124,800	3,369,600
PepsiCo Inc.	16,300	1,987,622
Total Beverages		