

CLOSED-END FUNDS / Q109

# LMP Capital and Income Fund Inc. (SCD)

All Data as of March 31, 2009

Managed by CLEARBRIDGE ADVISORS

## WESTERN ASSET

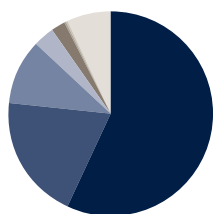
### CLEARBRIDGE ADVISORS

- Established in 2006 with a heritage of over 43 years of asset management experience, offering actively managed U.S. equity products in a wide range of capitalizations and styles that share a focus on research-driven fundamental investing.
- This Fund is managed by Robert Gendelman, who has over 25 years of investment industry experience.

### WESTERN ASSET

- Best known as an active fixed-income manager offering products spanning the yield curve and the globe.
- Founded in 1971, the Firm's philosophy centers upon a team approach that unites groups of specialists dedicated to different market sectors.

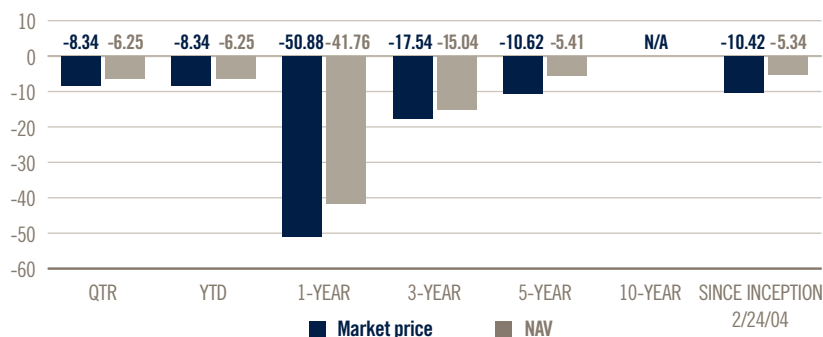
### ASSET ALLOCATION (%)



- Equities, 57.1
- High Yield, 19.8
- Investment Grade, 10.4
- Mortgage-Backed Securities, 3.3
- Government, 2.0
- Asset-Backed Securities, 0.5
- Emerging Market Debt, 0.2
- Cash & Other Securities, 6.8

### Fund performance

#### AVERAGE ANNUAL TOTAL RETURNS (%)



#### CALENDAR-YEAR TOTAL RETURNS (%)

	2008	2007	2006	2005	2004
Market price	-51.03	10.36	18.92	5.19	-
NAV	-44.32	7.52	14.88	8.90	-

The performance shown above represents past performance. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown above. Investment return and principal value will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost.

Average annual total returns based on Market Price assume the reinvestment of all distributions at the Dividend Reinvestment Plan Price and the deduction of all fund expenses. Average annual total returns based on NAV assume the reinvestment of all distributions at net asset value and the deduction of all fund expenses. QTR (Quarter) and YTD (Year-To-Date) returns are cumulative figures and are not annualized. YTD returns are calculated from January 1 of the reporting year.

### Investment objective

Total return with an emphasis on income.

### Investment strategy

The Fund invests 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. 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.

### FUND DATA

Trading Symbol	SCD
NAV Symbol	XSCDX
Listed Exchange	NYSE
Inception Date	2/24/04
Market Price	\$6.96
Net Asset Value (NAV)	\$9.31
Premium/Discount	-25.2%
Distribution Rate <sup>1</sup>	7.5%
Distribution Frequency	Quarterly

### PORTFOLIO CHARACTERISTICS \*

Total Net Assets (in millions)	\$279.0
Leverage	20.06%
Weighted Average Life (years)	7.9
Effective Duration (years) <sup>2</sup>	3.2
Average Credit Quality (S&P)	BB+

<sup>1</sup> Distribution rate is calculated by annualizing the most recent distribution amount paid, excluding special distributions, divided by the closing market price as of 3/31/09. Distributions may be paid from investment income, realized capital gains, return of capital or a combination thereof. The Distribution Rate is subject to change and is not a quotation of Fund performance. The Board of Directors may terminate or suspend the managed distribution policy at any time. Any such termination or suspension could have an adverse effect on the market price of the Fund's shares.

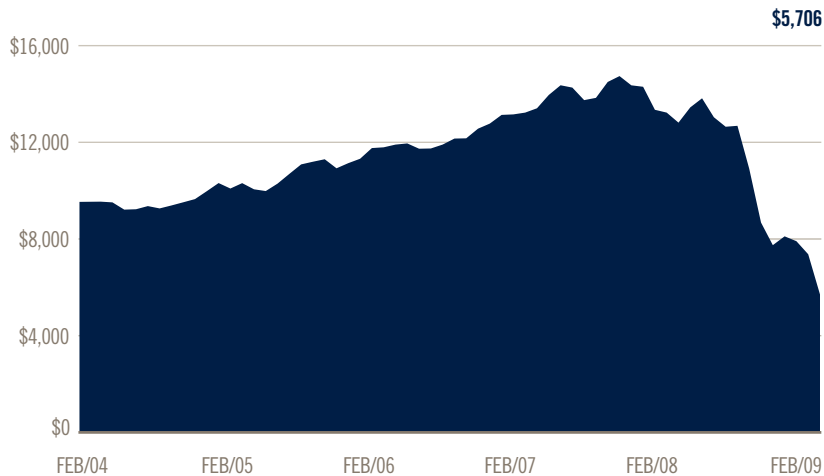
<sup>2</sup> Effective duration is a duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change. Please note, duration measures the sensitivity of price (the value of principal) of a fixed-income investment to a change in interest rates.

\* Average life, effective duration, and average credit quality are based solely on the fixed income portion of the total portfolio.

Please visit [www.leggmason.com/cef](http://www.leggmason.com/cef) or call 888-777-0102 for more information including current performance to most current month end.

## LMP Capital and Income Fund Inc. (SCD)

GROWTH OF A \$10,000 INVESTMENT — Inception through March 31, 2009



Average annual total returns based on Market Price assume the reinvestment of all distributions at the Dividend Reinvestment Plan Price and the deduction of all fund expenses.

## Investment risk

All investments are subject to risks, including the possible loss of principal. Investments in foreign securities involve risks, including the possibility of losses due to changes in currency exchange rates and negative developments in the political, economic, or regulatory structure of specific countries or regions. These risks are greater in emerging markets. Investments in high-yield bonds involve greater risk than investments in higher-rated bonds. High-yield securities have a greater risk of default and higher price volatility than investment-grade securities. Mortgage-backed securities are subject to prepayment risk, which can limit the potential gains in a declining interest rate environment. As interest rates rise, bond prices fall, reducing the value of a fund's share price. Leverage may result in greater volatility of NAV and the market price of common shares and increases a shareholder's risk of loss. There is no assurance that a fund's leveraging strategy will be successful.

## FIXED INCOME CREDIT QUALITY ALLOCATION (%) \*

(Higher of S&amp;P/Moody/Fitch)

Aaa/AAA	12.8
Aa/AA	4.4
A/A	12.8
Baa/BBB	14.1
Ba/BB	22.2
B/B	23.8
Caa/CCC	8.2
Ca/CC	0.9
C/C	0.8

## TOP FIVE FIXED INCOME HIGH YIELD INDUSTRIES (%) \*

Bank Loans	8.2
Communications	7.8
Electric	7.6
Consumer Cyclical	7.3
Consumer Non Cyclical	6.4

## EQUITY SECTOR ALLOCATION (%) \*\*

Industrials	11.6
Energy	8.2
Information Technology	7.3
Materials	6.9
Financials	6.6
Consumer Staples	4.6
Health Care	4.5
Consumer Discretionary	3.7
Telecommunication Services	1.8
Utilities	1.4
Other	0.6

## TOP TEN EQUITY HOLDINGS (%) \*\*

ProShares Tr	2.6
L 3 Communications Holding Corporation	2.1
Total SA	2.0
Charles Schwab Corporation	2.0
Microsoft Corporation	2.0
Oracle Corporation	1.9
Covanta Holding Corporation	1.9
Kimberly Clark Corporation	1.8
American Tower Corporation	1.8
United Technologies Corporation	1.7

## DISTRIBUTION HISTORY

EX-DATE	DIV. PER SHARE
3/18/09	0.1300
12/17/08	0.1400
11/19/08	0.1400
10/22/08	0.1400
9/17/08	0.1400
8/20/08	0.1400
7/16/08	0.1400
6/18/08	0.1400
5/21/08	0.1400
4/16/08	0.1400

<sup>1</sup> Distributions may be paid from investment income, realized capital gains, return of capital or a combination thereof. A return of capital is not taxable and results in a reduction in the tax basis of a shareholder's investment. For more information about a distribution's composition refer to the fund's distribution press release or, if applicable, the Section 19 notice located in the press release section of our website.

\* Percentage based solely on the fixed income portion of the total portfolio.

\*\* Percentage based on total portfolio.

Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. Net asset value (NAV) is total assets less total liabilities divided by the number of shares outstanding. At the time of sale, your shares may have a market price that is above or below NAV. Shares of closed-end funds frequently trade at a market price that is below their net asset value. There is no assurance that the fund will achieve its investment objective. The fund is subject to investment risks, including the possible loss of principal invested.

The Fund is not sold or distributed by Legg Mason Investor Services, LLC ("LMIS") or any affiliate of Legg Mason, Inc. Shares of the fund are bought and sold through non-affiliated broker/dealers and trade on the NYSE/NYSE Alternext.

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