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BLACKROCK ENHANCED CAPITAL & INCOME FUND, INC.

Form N-Q

September 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: 07/31/2014

Item 1 Schedule of Investments

Schedule of Investments July 31, 2014 (Unaudited)

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

| | Shares | Value |
|--|---------------|--------------|
| Common Stocks | | |
| Air Freight & Logistics 0.0% | | |
| Royal Mail PLC | 11,200 | \$ 78,629 |
| Airlines 5.8% | | |
| Japan Airlines Co. Ltd. | 580,800 | 32,081,924 |
| United Continental Holdings, Inc. (a)(b) | 169,100 | 7,844,549 |
| | | 39,926,473 |
| Automobiles 5.1% | | |
| Bayerische Motoren Werke AG | 53,800 | 5,116,331 |
| General Motors Co. (b)(c) | 791,100 | 26,755,002 |
| Renault SA | 36,400 | 3,038,666 |
| | | 34,909,999 |
| Banks 3.6% | | |
| Citigroup, Inc. (b)(c) | 186,130 | 9,103,618 |
| JPMorgan Chase & Co. (b) | 269,900 | 15,565,133 |
| | | 24,668,751 |
| Beverages 0.5% | | |
| PepsiCo, Inc. (b) | 36,800 | 3,242,080 |
| Biotechnology 0.4% | | |
| Gilead Sciences, Inc. (a)(b) | 33,300 | 3,048,615 |
| Building Products 1.6% | | |
| Owens Corning (b) | 327,100 | 11,137,755 |
| Capital Markets 0.7% | | |
| Atlas Mara Co-Nvest Ltd. (a) | 200,000 | 2,280,000 |
| Legg Mason, Inc. (b) | 60,200 | 2,856,490 |
| | | 5,136,490 |
| Chemicals 3.3% | | |
| CF Industries Holdings, Inc. (b) | 91,300 | 22,856,042 |
| Communications Equipment 1.9% | | |
| QUALCOMM, Inc. (b) | 178,000 | 13,118,600 |
| Consumer Finance 3.4% | | |
| Ally Financial, Inc. (a)(b)(c) | 445,700 | 10,233,272 |
| Discover Financial Services (b)(c) | 161,400 | 9,855,084 |
| Springleaf Holdings, Inc. (a)(b) | 134,300 | 3,515,974 |
| | | 23,604,330 |
| Diversified Consumer Services 0.0% | | |
| Houghton Mifflin Harcourt Co. (a) | 18,000 | 315,180 |
| Diversified Financial Services 1.9% | | |
| Berkshire Hathaway, Inc., Class B (a)(b) | 74,200 | 9,306,906 |
| FNFV Group (a) | 232,710 | 3,807,136 |
| | | 13,114,042 |
| Diversified Telecommunication Services 1.2% | | |
| Verizon Communications, Inc. (b) | 161,610 | 8,148,376 |
| Energy Equipment & Services 0.8% | | |
| Noble Corp. PLC (b) | 168,500 | 5,285,845 |
| Food & Staples Retailing 2.7% | | |
| Metro AG (a) | 356,800 | 12,857,266 |
| Common Stocks | Shares | Value |
| Food & Staples Retailing (concluded) | | |
| Wal-Mart Stores, Inc. (b) | 27,500 | \$ 2,023,450 |
| Whole Foods Market, Inc. (b) | 88,000 | 3,363,360 |
| | | 18,244,076 |
| Health Care Providers & Services 4.8% | | |

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| | | |
|---|-----------|------------|
| Express Scripts Holding Co. (a)(b) | 79,000 | 5,502,350 |
| UnitedHealth Group, Inc. (b) | 337,800 | 27,378,690 |
| | | 32,881,040 |
| Industrial Conglomerates 0.3% | | |
| 3M Co. (b) | 12,900 | 1,817,481 |
| Insurance 8.9% | | |
| The Allstate Corp. (b) | 121,700 | 7,113,365 |
| American International Group, Inc. (b) | 682,100 | 35,455,558 |
| FNF Group (a)(b) | 698,200 | 18,928,202 |
| | | 61,497,125 |
| Internet & Catalog Retail 5.1% | | |
| Expedia, Inc. (b) | 202,800 | 16,106,376 |
| Orbitz Worldwide, Inc. (a)(b) | 2,130,800 | 18,857,580 |
| | | 34,963,956 |
| Internet Software & Services 4.6% | | |
| eBay, Inc. (a)(b) | 253,100 | 13,363,680 |
| Google, Inc., Class A (a)(b) | 12,001 | 6,955,179 |
| Google, Inc., Class C (a)(b) | 10,301 | 5,888,052 |
| Yahoo!, Inc. (a)(b) | 150,300 | 5,382,243 |
| | | 31,589,154 |
| IT Services 4.1% | | |
| Leidos Holdings, Inc. | 383,500 | 14,166,490 |
| Science Applications International Corp. | 223,692 | 9,343,615 |
| Visa, Inc., Class A (b) | 22,700 | 4,789,927 |
| | | 28,300,032 |
| Leisure Products 0.3% | | |
| Brunswick Corp. (b) | 52,700 | 2,125,391 |
| Media 7.5% | | |
| CBS Corp., Class B (b) | 28,200 | 1,602,606 |
| Comcast Corp., Special Class A (b) | 353,400 | 18,896,298 |
| News Corp., Class A (a) | 96,400 | 1,701,460 |
| Nexstar Broadcasting Group, Inc., Class A (b) | 112,500 | 5,241,375 |
| Sinclair Broadcast Group, Inc., Class A (b) | 669,600 | 21,634,776 |
| The Walt Disney Co. (b) | 28,000 | 2,404,640 |
| | | 51,481,155 |
| Metals & Mining 0.9% | | |
| Freeport-McMoRan, Inc. (b) | 166,100 | 6,182,242 |
| Oil, Gas & Consumable Fuels 6.8% | | |
| HollyFrontier Corp. (b) | 159,960 | 7,519,720 |
| Linn Energy LLC (b) | 105,600 | 3,179,616 |
| Marathon Petroleum Corp. (b) | 68,000 | 5,676,640 |
| PBF Energy, Inc., Class A | 103,100 | 2,794,010 |

Portfolio Abbreviations

| | | |
|--|-------------------------|------------------------|
| ADR American Depositary Receipt | JPY Japanese Yen | USD U.S. Dollar |
| EUR Euro | KRW Korean Won | |

JULY 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 | | |
| Oil, Gas & Consumable Fuels (concluded) | | |
| Suncor Energy, Inc. (b) | 671,700 | \$ 27,586,719 |
| | | 46,756,705 |
| Paper & Forest Products 0.3% | | |
| International Paper Co. (b) | 37,100 | 1,762,250 |
| Pharmaceuticals 8.5% | | |
| Eli Lilly & Co. (b) | 125,300 | 7,650,818 |
| Johnson & Johnson | 138,900 | 13,902,501 |
| Merck & Co., Inc. (b) | 237,600 | 13,481,424 |
| Novartis AG ADR (b) | 43,300 | 3,764,502 |
| Pfizer, Inc. (b) | 697,800 | 20,026,860 |
| | | 58,826,105 |
| Real Estate Investment Trusts (REITs) 1.5% | | |
| American Capital Agency Corp. | 226,000 | 5,225,120 |
| American Realty Capital Properties, Inc. | 152,840 | 2,003,732 |
| Annaly Capital Management, Inc. | 302,400 | 3,356,640 |
| | | 10,585,492 |
| Semiconductors & Semiconductor Equipment 3.0% | | |
| Samsung Electronics Co. Ltd. | 20,200 | 20,890,949 |
| Software 2.4% | | |
| Activision Blizzard, Inc. (b) | 432,800 | 9,686,064 |
| Oracle Corp. (b) | 169,100 | 6,829,949 |
| | | 16,516,013 |
| Technology Hardware, Storage & Peripherals 4.1% | | |
| Apple, Inc. (b) | 296,100 | 28,298,277 |
| Trading Companies & Distributors 0.4% | | |
| AerCap Holdings NV (a) | 56,600 | 2,469,458 |
| Wireless Telecommunication Services 2.3% | | |
| Vodafone Group PLC ADR (b) | 474,108 | 15,749,868 |
| Total Common Stocks 98.7% | | 679,527,976 |
| Warrants (d) | Shares | Value |
| Capital Markets 0.0% | | |
| Atlas Mara Co-Nvest Ltd., Expires 12/17/17 (a) | 200,000 | \$ 300,000 |
| Total Long-Term Investments | | |
| (Cost \$595,015,663) 98.7% | | 679,827,976 |
| Short-Term Securities | | |
| Blackrock Liquidity Funds, TempFund, Institutional Class, 0.03% (e)(f) | 12,252,447 | 12,252,447 |
| Total Short-Term Securities | | |
| (Cost \$12,252,447) 1.8% | | 12,252,447 |
| Total Investments Before Options Written | | |
| (Cost \$607,268,110) 100.5% | | 692,080,423 |
| Options Written | | |
| (Premiums Received \$6,870,841) (0.6)% | | (3,947,382) |
| Total Investments Net of Options Written 99.9% | | 688,133,041 |
| Other Assets Less Liabilities 0.1% | | 529,681 |

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Net Assets 100.0%

\$ 688,662,722

Notes to Schedule of Investments

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

| | |
|-------------------------------|----------------|
| Tax cost | \$ 640,445,467 |
| Gross unrealized appreciation | \$ 98,908,091 |
| Gross unrealized depreciation | (47,273,135) |
| Net unrealized appreciation | \$ 51,634,956 |

(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) All or a portion of security has been pledged as collateral in connection with outstanding OTC derivatives.

(d) 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.

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

(f) Investments in issuers considered to be an affiliate of the Trust during the period ended July 31, 2014, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate | Shares Held at October 31, 2013 | Net Activity | Shares Held at July 31, 2014 | Income |
|--|------------------------------------|-----------------|---------------------------------|----------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 20,482,532 | (8,230,085) | 12,252,447 | \$ 4,853 |

For Trust compliance purposes, the Trust's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by the investment advisor. These definitions may not apply for purposes of this report, which may combine industry sub-classifications for reporting ease.

Schedule of Investments (continued)

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

Forward foreign currency exchange contracts outstanding as of July 31, 2014 were as follows:

| Currency | | Currency | | Counterparty | Settlement Date | Unrealized Appreciation/Depreciation |
|--------------|------------|----------|----------------|-------------------------------|-----------------|--------------------------------------|
| Purchased | | Sold | | | | |
| USD | 30,865,827 | JPY | 3,132,433,881 | Goldman Sachs & Co. | 10/22/14 | \$ 397,028 |
| USD | 434,574 | JPY | 44,034,000 | TD Securities, Inc. | 10/22/14 | 6,261 |
| USD | 20,756,694 | KRW | 21,431,266,137 | Citigroup Global Markets Ltd. | 10/22/14 | (9,881) |
| Total | | | | | | \$ 393,408 |

Exchange-traded options written as of July 31, 2014 were as follows:

| Description | Put/Call | Strike | | Expiration Date | Contracts | Market Value |
|------------------------------------|----------|--------|--------|-----------------|-----------|--------------|
| | | Price | | | | |
| American International Group, Inc. | Call | USD | 55.50 | 8/01/14 | 665 | \$ (3,325) |
| CBS Corp., Class B | Call | USD | 64.00 | 8/01/14 | 155 | (3,875) |
| General Motors Co. | Call | USD | 39.00 | 8/01/14 | 1,645 | (6,580) |
| HollyFrontier Corp. | Call | USD | 49.00 | 8/01/14 | 590 | (2,950) |
| Marathon Petroleum Corp. | Call | USD | 90.00 | 8/01/14 | 251 | (3,765) |
| Merck & Co., Inc. | Call | USD | 58.50 | 8/01/14 | 397 | (993) |
| Merck & Co., Inc. | Call | USD | 59.00 | 8/01/14 | 273 | (546) |
| Noble Corp. PLC | Call | USD | 34.00 | 8/01/14 | 338 | (4,056) |
| Pfizer, Inc. | Call | USD | 30.00 | 8/01/14 | 374 | (748) |
| Pfizer, Inc. | Call | USD | 30.50 | 8/01/14 | 919 | (1,838) |
| Pfizer, Inc. | Call | USD | 31.00 | 8/01/14 | 255 | (255) |
| QUALCOMM, Inc. | Call | USD | 82.00 | 8/01/14 | 158 | (158) |
| Visa, Inc., Class A | Call | USD | 222.50 | 8/01/14 | 32 | (192) |
| Whole Foods Market, Inc. | Call | USD | 41.00 | 8/01/14 | 240 | (600) |
| Apple, Inc. | Call | USD | 96.00 | 8/04/14 | 203 | (8,424) |
| CF Industries Holdings, Inc. | Call | USD | 242.50 | 8/04/14 | 276 | (248,400) |
| JPMorgan Chase & Co. | Call | USD | 58.00 | 8/04/14 | 510 | (8,160) |
| Verizon Communications, Inc. | Call | USD | 49.50 | 8/04/14 | 490 | (47,040) |
| Yahoo!, Inc. | Call | USD | 36.00 | 8/04/14 | 470 | (9,165) |
| Activision Blizzard, Inc. | Call | USD | 23.50 | 8/08/14 | 955 | (31,992) |
| American International Group, Inc. | Call | USD | 55.50 | 8/08/14 | 665 | (5,320) |
| Apple, Inc. | Call | USD | 98.00 | 8/08/14 | 304 | (13,072) |
| Express Scripts Holding Co. | Call | USD | 72.00 | 8/08/14 | 216 | (3,132) |
| General Motors Co. | Call | USD | 38.00 | 8/08/14 | 892 | (4,460) |
| Google, Inc., Class A | Call | USD | 600.00 | 8/08/14 | 35 | (4,550) |
| HollyFrontier Corp. | Call | USD | 46.50 | 8/08/14 | 295 | (35,400) |
| JPMorgan Chase & Co. | Call | USD | 57.00 | 8/08/14 | 234 | (25,506) |
| Noble Corp. PLC | Call | USD | 35.00 | 8/08/14 | 338 | (3,380) |
| Oracle Corp. | Call | USD | 41.50 | 8/08/14 | 360 | (2,700) |
| Pfizer, Inc. | Call | USD | 30.00 | 8/08/14 | 374 | (1,309) |
| Verizon Communications, Inc. | Call | USD | 50.50 | 8/08/14 | 199 | (9,850) |
| Wal-Mart Stores, Inc. | Call | USD | 77.00 | 8/08/14 | 52 | (156) |
| The Walt Disney Co. | Call | USD | 86.00 | 8/08/14 | 29 | (3,683) |
| The Walt Disney Co. | Call | USD | 87.00 | 8/08/14 | 19 | (1,530) |
| The Walt Disney Co. | Call | USD | 88.00 | 8/08/14 | 42 | (2,100) |
| Whole Foods Market, Inc. | Call | USD | 41.50 | 8/08/14 | 244 | (1,708) |
| Yahoo!, Inc. | Call | USD | 37.00 | 8/08/14 | 360 | (10,800) |
| Linn Energy LLC | Call | USD | 32.75 | 8/11/14 | 455 | (55) |
| Activision Blizzard, Inc. | Call | USD | 23.00 | 8/18/14 | 470 | (23,735) |
| American International Group, Inc. | Call | USD | 55.00 | 8/18/14 | 1,499 | (21,735) |

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| | | | | | | |
|-------------|------|-----|--------|---------|-----|----------|
| Apple, Inc. | Call | USD | 100.00 | 8/18/14 | 138 | (5,382) |
| Apple, Inc. | Call | USD | 98.57 | 8/18/14 | 268 | (16,884) |

JULY 31, 2014

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Schedule of Investments (continued)

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

Exchange-traded options written as of July 31, 2014 were as follows: (continued)

| Description | Put/ Call | Strike | | Expiration Date | Contracts | Market Value |
|---|--------------|--------|--------|--------------------|-----------|-----------------|
| | | Price | | | | |
| Berkshire Hathaway, Inc., Class B | Call | USD | 128.00 | 8/18/14 | 205 | \$ (17,941) |
| Brunswick Corp. | Call | USD | 45.00 | 8/18/14 | 140 | (1,750) |
| CF Industries Holdings, Inc. | Call | USD | 255.00 | 8/18/14 | 275 | (125,125) |
| Citigroup, Inc. | Call | USD | 50.00 | 8/18/14 | 578 | (22,831) |
| Comcast Corp., Special Class A | Call | USD | 55.00 | 8/18/14 | 477 | (11,925) |
| eBay, Inc. | Call | USD | 53.00 | 8/18/14 | 325 | (26,161) |
| Eli Lilly & Co. | Call | USD | 62.50 | 8/18/14 | 300 | (8,100) |
| Expedia, Inc. | Call | USD | 80.00 | 8/18/14 | 366 | (181,170) |
| Express Scripts Holding Co. | Call | USD | 70.00 | 8/18/14 | 218 | (18,639) |
| FNF Group | Call | USD | 28.00 | 8/18/14 | 504 | (12,600) |
| Freeport-McMoRan, Inc. | Call | USD | 39.00 | 8/18/14 | 73 | (1,058) |
| Freeport-McMoRan, Inc. | Call | USD | 40.00 | 8/18/14 | 271 | (1,897) |
| Freeport-McMoRan, Inc. | Call | USD | 41.00 | 8/18/14 | 280 | (1,120) |
| General Motors Co. | Call | USD | 38.00 | 8/18/14 | 891 | (3,564) |
| Gilead Sciences, Inc. | Call | USD | 80.00 | 8/18/14 | 46 | (53,820) |
| Google, Inc., Class A | Call | USD | 600.00 | 8/18/14 | 32 | (8,880) |
| Google, Inc., Class C | Call | USD | 595.00 | 8/18/14 | 16 | (3,480) |
| International Paper Co. | Call | USD | 49.00 | 8/18/14 | 67 | (1,910) |
| International Paper Co. | Call | USD | 49.50 | 8/18/14 | 67 | (1,306) |
| International Paper Co. | Call | USD | 50.00 | 8/18/14 | 70 | (910) |
| JPMorgan Chase & Co. | Call | USD | 57.50 | 8/18/14 | 234 | (22,464) |
| Legg Mason, Inc. | Call | USD | 50.00 | 8/18/14 | 331 | (5,793) |
| Linn Energy LLC | Call | USD | 32.00 | 8/18/14 | 125 | (938) |
| Marathon Petroleum Corp. | Call | USD | 79.00 | 8/18/14 | 61 | (30,805) |
| Merck & Co., Inc. | Call | USD | 60.00 | 8/18/14 | 134 | (804) |
| Nexstar Broadcasting Group, Inc., Class A | Call | USD | 50.00 | 8/18/14 | 360 | (40,500) |
| Novartis AG ADR | Call | USD | 90.00 | 8/18/14 | 120 | (2,700) |
| Orbitz Worldwide, Inc. | Call | USD | 10.00 | 8/18/14 | 5,850 | (146,250) |
| Owens Corning | Call | USD | 39.00 | 8/18/14 | 1,000 | (5,000) |
| Sinclair Broadcast Group, Inc., Class A | Call | USD | 36.00 | 8/18/14 | 400 | (8,000) |
| Sinclair Broadcast Group, Inc., Class A | Call | USD | 37.00 | 8/18/14 | 1,500 | (37,500) |
| Springleaf Holdings, Inc. | Call | USD | 25.00 | 8/18/14 | 250 | (43,125) |
| Suncor Energy, Inc. | Call | USD | 41.00 | 8/18/14 | 2,024 | (149,776) |
| United Continental Holdings, Inc. | Call | USD | 45.00 | 8/18/14 | 465 | (117,413) |
| UnitedHealth Group, Inc. | Call | USD | 82.50 | 8/18/14 | 703 | (52,022) |
| Vodafone Group PLC ADR | Call | USD | 35.00 | 8/18/14 | 500 | (4,000) |
| The Walt Disney Co. | Call | USD | 87.50 | 8/18/14 | 64 | (5,184) |
| Apple, Inc. | Call | USD | 99.00 | 8/22/14 | 305 | (24,400) |
| Citigroup, Inc. | Call | USD | 50.00 | 8/22/14 | 325 | (17,712) |
| Discover Financial Services | Call | USD | 64.00 | 8/22/14 | 445 | (14,463) |
| eBay, Inc. | Call | USD | 53.00 | 8/22/14 | 350 | (33,600) |
| General Motors Co. | Call | USD | 38.00 | 8/22/14 | 596 | (3,874) |
| JPMorgan Chase & Co. | Call | USD | 58.50 | 8/22/14 | 508 | (31,496) |
| Noble Corp. PLC | Call | USD | 33.00 | 8/22/14 | 250 | (6,625) |
| Oracle Corp. | Call | USD | 41.50 | 8/22/14 | 180 | (4,140) |
| QUALCOMM, Inc. | Call | USD | 81.00 | 8/22/14 | 77 | (462) |
| Activision Blizzard, Inc. | Call | USD | 23.50 | 8/29/14 | 956 | (43,020) |
| American International Group, Inc. | Call | USD | 56.50 | 8/29/14 | 922 | (15,213) |
| Apple, Inc. | Call | USD | 100.00 | 8/29/14 | 268 | (22,244) |
| Apple, Inc. | Call | USD | 101.00 | 8/29/14 | 138 | (8,901) |
| Citigroup, Inc. | Call | USD | 50.00 | 8/29/14 | 60 | (3,990) |

Schedule of Investments (continued)

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

Exchange-traded options written as of July 31, 2014 were as follows: (concluded)

| Description | Put/ Call | Strike | | Expiration Date | Contracts | Market Value |
|---|--------------|--------|--------|--------------------|-----------|-----------------------|
| | | Price | | | | |
| Citigroup, Inc. | Call | USD | 50.50 | 8/29/14 | 60 | \$ (3,000) |
| eBay, Inc. | Call | USD | 51.50 | 8/29/14 | 394 | (78,997) |
| eBay, Inc. | Call | USD | 53.00 | 8/29/14 | 325 | (36,075) |
| General Motors Co. | Call | USD | 38.00 | 8/29/14 | 400 | (3,400) |
| Gilead Sciences, Inc. | Call | USD | 92.00 | 8/29/14 | 137 | (36,784) |
| Google, Inc., Class C | Call | USD | 590.00 | 8/29/14 | 20 | (12,300) |
| Google, Inc., Class C | Call | USD | 592.50 | 8/29/14 | 21 | (11,445) |
| Marathon Petroleum Corp. | Call | USD | 79.00 | 8/29/14 | 62 | (32,550) |
| Merck & Co., Inc. | Call | USD | 59.00 | 8/29/14 | 502 | (16,315) |
| Oracle Corp. | Call | USD | 41.00 | 8/29/14 | 156 | (7,488) |
| PepsiCo, Inc. | Call | USD | 90.00 | 8/29/14 | 203 | (12,383) |
| UnitedHealth Group, Inc. | Call | USD | 83.00 | 8/29/14 | 702 | (64,233) |
| Wal-Mart Stores, Inc. | Call | USD | 77.00 | 8/29/14 | 37 | (481) |
| Wal-Mart Stores, Inc. | Call | USD | 78.00 | 8/29/14 | 55 | (412) |
| 3M Co. | Call | USD | 144.00 | 9/05/14 | 70 | (6,650) |
| General Motors Co. | Call | USD | 38.00 | 9/05/14 | 1,920 | (20,160) |
| Oracle Corp. | Call | USD | 41.50 | 9/05/14 | 234 | (9,009) |
| UnitedHealth Group, Inc. | Call | USD | 85.00 | 9/05/14 | 450 | (25,650) |
| Verizon Communications, Inc. | Call | USD | 51.50 | 9/05/14 | 199 | (10,846) |
| Visa, Inc., Class A | Call | USD | 215.00 | 9/05/14 | 93 | (26,784) |
| The Allstate Corp. | Call | USD | 60.00 | 9/22/14 | 670 | (32,830) |
| Ally Financial, Inc. | Call | USD | 25.00 | 9/22/14 | 500 | (10,000) |
| Berkshire Hathaway, Inc., Class B | Call | USD | 128.00 | 9/22/14 | 205 | (34,167) |
| Brunswick Corp. | Call | USD | 44.00 | 9/22/14 | 150 | (6,375) |
| Comcast Corp., Special Class A | Call | USD | 55.00 | 9/22/14 | 340 | (26,350) |
| Eli Lilly & Co. | Call | USD | 65.00 | 9/22/14 | 390 | (10,335) |
| FNF Group | Call | USD | 30.00 | 9/22/14 | 1,020 | (25,500) |
| Novartis AG ADR | Call | USD | 90.00 | 9/22/14 | 120 | (9,900) |
| Sinclair Broadcast Group, Inc., Class A | Call | USD | 36.00 | 9/22/14 | 500 | (28,750) |
| Sinclair Broadcast Group, Inc., Class A | Call | USD | 40.00 | 9/22/14 | 500 | (10,000) |
| United Continental Holdings, Inc. | Call | USD | 46.00 | 9/22/14 | 465 | (151,125) |
| Total | | | | | | \$ (2,746,404) |

Over-the-counter options written as of July 31, 2014 were as follows:

| Description | Counterparty | Put/ Call | Strike | | Expiration Date | Contracts | Market Value |
|---|---|--------------|--------|--------------|--------------------|-----------|-----------------|
| | | | Price | | | | |
| Metro AG | Goldman Sachs International | Call | EUR | 32.10 | 8/01/14 | 98,100 | \$ (1) |
| Samsung Electronics Co. Ltd. | UBS AG | Call | KRW | 1,143,326.00 | 8/05/14 | 2,600 | (983) |
| Bayerische Motoren Werke AG | Morgan Stanley & Co. International PLC | Call | EUR | 71.24 | 8/06/14 | 14,500 | (6,563) |
| Science Applications International Corp. | UBS AG | Call | USD | 45.78 | 8/06/14 | 61,500 | (189) |
| AerCap Holdings NV | Goldman Sachs International | Call | USD | 46.40 | 8/07/14 | 15,600 | (2,636) |
| Japan Airlines Co. Ltd. | Bank of America N.A. | Call | JPY | 5,366.70 | 8/07/14 | 80,000 | (248,459) |
| News Corp., Class A | Morgan Stanley & Co. International PLC | Call | USD | 18.05 | 8/07/14 | 36,900 | (5,319) |
| PBF Energy, Inc., Class A | Deutsche Bank AG | Call | USD | 31.90 | 8/07/14 | 56,800 | (197) |
| Discover Financial Services | Credit Suisse International | Call | USD | 62.25 | 8/11/14 | 44,200 | (13,188) |
| Expedia, Inc. | Deutsche Bank AG | Call | USD | 80.35 | 8/11/14 | 75,000 | (294,215) |

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| | | | | | | | |
|------------------------------|-----------------------------|------|-----|--------------|---------|--------|-----------|
| Samsung Electronics Co. Ltd. | Bank of America N.A. | Call | KRW | 1,054,618.80 | 8/20/14 | 2,700 | (101,430) |
| Johnson & Johnson | Deutsche Bank AG | Call | USD | 106.66 | 8/21/14 | 47,900 | (4,644) |
| Japan Airlines Co. Ltd. | Goldman Sachs International | Call | JPY | 6,049.40 | 8/26/14 | 80,000 | (7,652) |
| Japan Airlines Co. Ltd. | JPMorgan Chase Bank N.A. | Call | JPY | 5,854.80 | 8/26/14 | 80,000 | (27,721) |

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Schedule of Investments (continued)

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

Over-the-counter options written as of July 31, 2014 were as follows: (concluded)

| Description | Counterparty | Put/ Call | Strike | | Expiration Date | Contracts | Market Value |
|--|---|--------------|--------|--------------|--------------------|-----------|-----------------|
| | | | | Price | | | |
| Samsung Electronics Co. Ltd. | Bank of America N.A. | Call | KRW | 1,120,113.00 | 8/27/14 | 2,900 | \$ (43,576) |
| Comcast Corp., Special Class A | Credit Suisse International | Call | USD | 54.61 | 8/28/14 | 39,000 | (22,469) |
| Comcast Corp., Special Class A | Goldman Sachs International | Call | USD | 55.25 | 8/28/14 | 34,300 | (13,483) |
| FNF Group | Morgan Stanley & Co. International PLC | Call | USD | 27.81 | 8/28/14 | 168,600 | (59,256) |
| Freeport-McMoRan, Inc. | Credit Suisse International | Call | USD | 38.41 | 8/28/14 | 29,000 | (12,765) |
| Bayerische Motoren Werke AG | Morgan Stanley & Co. International PLC | Call | EUR | 72.03 | 9/03/14 | 15,000 | (13,991) |
| Comcast Corp., Special Class A | Credit Suisse International | Call | USD | 54.61 | 9/04/14 | 39,000 | (26,672) |
| Japan Airlines Co. Ltd. | JPMorgan Chase Bank N.A. | Call | JPY | 6,039.80 | 9/04/14 | 80,000 | (11,388) |
| News Corp., Class A | Morgan Stanley & Co. International PLC | Call | USD | 18.50 | 9/04/14 | 16,000 | (3,362) |
| Renault SA | Deutsche Bank AG | Call | EUR | 72.02 | 9/04/14 | 27,000 | (4,023) |
| Metro AG | Bank of America N.A. | Call | EUR | 32.59 | 9/05/14 | 98,100 | (2,451) |
| Samsung Electronics Co. Ltd. | UBS AG | Call | KRW | 1,104,217.32 | 9/05/14 | 1,400 | (34,572) |
| Suncor Energy, Inc. | UBS AG | Call | USD | 42.55 | 9/08/14 | 89,000 | (41,349) |
| Science Applications International Corp. | UBS AG | Call | USD | 43.66 | 9/09/14 | 61,500 | (55,574) |
| Springleaf Holdings, Inc. | UBS AG | Call | USD | 27.57 | 9/10/14 | 25,000 | (21,864) |
| Samsung Electronics Co. Ltd. | Citibank N.A. | Call | KRW | 1,159,230.00 | 9/11/14 | 1,500 | (18,996) |
| FNF Group | Deutsche Bank AG | Call | USD | 26.72 | 9/15/14 | 63,000 | (43,338) |
| Suncor Energy, Inc. | UBS AG | Call | USD | 42.55 | 9/25/14 | 89,000 | (58,652) |
| Total | | | | | | | \$ (1,200,978) |

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial reporting purposes as follows:

Level 1 unadjusted price quotations in active markets/exchanges for identical assets or liabilities that the Trust has the ability to access

Level 2 other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Trust's own assumptions used in determining the fair value of investments and derivative financial instruments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Trust's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and is not necessarily an indication of the risks associated with investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments, please refer to the Trust's most recent financial statements as contained in its semi-annual report.

The following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy as of July 31, 2014:

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| | Level 1 | Level 2 | Level 3 | Total |
|-------------------------|--------------|------------|---------|------------|
| Assets: | | | | |
| Investments: | | | | |
| Long-Term Investments: | | | | |
| Common Stocks: | | | | |
| Air Freight & Logistics | | \$ 78,629 | | \$ 78,629 |
| Airlines | \$ 7,844,549 | 32,081,924 | | 39,926,473 |
| Automobiles | 31,871,333 | 3,038,666 | | 34,909,999 |
| Banks | 24,668,751 | | | 24,668,751 |

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JULY 31, 2014

Schedule of Investments (continued)

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

| | Level 1 | Level 2 | Level 3 | Total |
|---|-----------------------|----------------------|----------------|-----------------------|
| Assets: (concluded) | | | | |
| Investments: (concluded) | | | | |
| Long-Term Investments: (concluded) | | | | |
| Common Stocks: (concluded) | | | | |
| Beverages | \$ 3,242,080 | | | \$ 3,242,080 |
| Biotechnology | 3,048,615 | | | 3,048,615 |
| Building Products | 11,137,755 | | | 11,137,755 |
| Capital Markets | 2,856,490 | \$ 2,280,000 | | 5,136,490 |
| Chemicals | 22,856,042 | | | 22,856,042 |
| Communications Equipment | 13,118,600 | | | 13,118,600 |
| Consumer Finance | 23,604,330 | | | 23,604,330 |
| Diversified Consumer Services | 315,180 | | | 315,180 |
| Diversified Financial Services | 13,114,042 | | | 13,114,042 |
| Diversified Telecommunication Services | 8,148,376 | | | 8,148,376 |
| Energy Equipment & Services | 5,285,845 | | | 5,285,845 |
| Food & Staples Retailing | 5,386,810 | 12,857,266 | | 18,244,076 |
| Health Care Providers & Services | 32,881,040 | | | 32,881,040 |
| Industrial Conglomerates | 1,817,481 | | | 1,817,481 |
| Insurance | 61,497,125 | | | 61,497,125 |
| Internet & Catalog Retail | 34,963,956 | | | 34,963,956 |
| Internet Software & Services | 31,589,154 | | | 31,589,154 |
| IT Services | 28,300,032 | | | 28,300,032 |
| Leisure Products | 2,125,391 | | | 2,125,391 |
| Media | 51,481,155 | | | 51,481,155 |
| Metals & Mining | 6,182,242 | | | 6,182,242 |
| Oil, Gas & Consumable Fuels | 46,756,705 | | | 46,756,705 |
| Paper & Forest Products | 1,762,250 | | | 1,762,250 |
| Pharmaceuticals | 58,826,105 | | | 58,826,105 |
| Real Estate Investment Trusts (REITs) | 10,585,492 | | | 10,585,492 |
| Semiconductors & Semiconductor Equipment | | 20,890,949 | | 20,890,949 |
| Software | 16,516,013 | | | 16,516,013 |
| Technology Hardware, Storage & Peripherals | 28,298,277 | | | 28,298,277 |
| Trading Companies & Distributors | 2,469,458 | | | 2,469,458 |
| Wireless Telecommunication Services | 15,749,868 | | | 15,749,868 |
| Warrants | | 300,000 | | 300,000 |
| Short-Term Securities | 12,252,447 | | | 12,252,447 |
| Total | \$ 620,552,989 | \$ 71,527,434 | | \$ 692,080,423 |
| | Level 1 | Level 2 | Level 3 | Total |
| Derivative Financial Instruments ¹ | | | | |
| Assets: | | | | |
| Forward foreign currency exchange contracts | | \$ 403,289 | | \$ 403,289 |
| Liabilities: | | | | |
| Equity contracts | \$ (2,694,243) | (1,253,139) | | (3,947,382) |
| Forward foreign currency exchange contracts | | (9,881) | | (9,881) |
| Total | \$ (2,694,243) | \$ (859,731) | | \$ (3,553,974) |

¹ Derivative financial instruments are forward foreign currency exchange contracts and options written. Forward foreign currency exchange contracts are value at the unrealized appreciation/depreciation on the instrument and options written are shown at value.

Schedule of Investments (concluded)

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

The carrying amount for certain of the Trust's assets and/or liabilities approximates fair value for financial reporting purposes. As of July 31, 2014, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

| | Level 1 | Level 2 | Level 3 | Total |
|--|-------------------|---------------------|---------|---------------------|
| Assets: | | | | |
| Foreign currency at value | \$ 6,311 | | | \$ 6,311 |
| Cash pledged as collateral for OTC derivatives | 100,000 | | | 100,000 |
| Liabilities: | | | | |
| Bank overdraft | | \$ (232,140) | | (232,140) |
| Total | \$ 106,311 | \$ (232,140) | | \$ (125,829) |

Certain foreign securities are fair valued utilizing an external pricing service to reflect any significant market movements between the time the Trust values such foreign securities and the earlier closing of foreign markets. Such fair valuations are categorized as Level 2 in the disclosure hierarchy. As of October 31, 2013 the Trust did not utilize the external pricing service model adjustments as significant market movements did not occur. As of July 31, 2014, securities with a value of \$53,051,502 were systematically fair valued due to significant market movements. Therefore, these securities were transferred from Level 1 to Level 2 during the period October 31, 2013 to July 31, 2014.

Item 2 Controls and Procedures

2(a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.

2(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3 Exhibits

Certifications Attached hereto

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BlackRock Enhanced Capital and Income Fund, Inc.

By: /s/ John M. Perlowski
John M. Perlowski
Chief Executive Officer (principal executive officer) of
BlackRock Enhanced Capital and Income Fund, Inc.

Date: September 25, 2014

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ John M. Perlowski
John M. Perlowski
Chief Executive Officer (principal executive officer) of
BlackRock Enhanced Capital and Income Fund, Inc.

Date: September 25, 2014

By: /s/ Neal J. Andrews
Neal J. Andrews
Chief Financial Officer (principal financial officer) of
BlackRock Enhanced Capital and Income Fund, Inc.

Date: September 25, 2014