

CORNERSTONE STRATEGIC VALUE FUND INC/ NEW

Form N-Q

November 26, 2007

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 811-05150

Cornerstone Strategic Value Fund, Inc.

(Exact name of registrant as specified in charter)

383 Madison Avenue, New York, NY 10179

(Address of principal executive offices) (Zip code)

Kayadti Madison

Cornerstone Strategic Value Fund, Inc., 383 Madison Avenue, New York, NY 10179

(Name and address of agent for service)

Registrant's telephone number, including area code: (212) 272-3550

Date of fiscal year end: December 31, 2007

Date of reporting period: September 30, 2007

ITEM 1: SCHEDULE OF INVESTMENTS

CORNERSTONE STRATEGIC VALUE FUND, INC.  
SCHEDULE OF INVESTMENTS -- SEPTEMBER 30, 2007 (UNAUDITED)

| DESCRIPTION                          | NO. OF<br>SHARES | VALUE      |
|--------------------------------------|------------------|------------|
| EQUITY SECURITIES - 99.35%           |                  |            |
| CLOSED-END FUNDS - 1.28%             |                  |            |
| Adams Express Company                | 49,500           | \$ 740,025 |
| General American Investors Company ^ | 3,000            | 122,280    |
| Liberty All-Star Equity Fund         | 67,300           | 553,206    |
| Liberty All-Star Growth Fund, Inc. ^ | 26,300           | 153,329    |
| Zweig Fund, Inc. ^                   | 19,000           | 98,990     |

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|                                          |        |            |
|------------------------------------------|--------|------------|
|                                          |        | 1,667,830  |
|                                          |        | -----      |
| CONSUMER DISCRETIONARY - 9.55%           |        |            |
| Amazon.com, Inc. *                       | 5,500  | 512,325    |
| Carnival Corporation                     | 11,800 | 571,474    |
| Clear Channel Communications, Inc.       | 3,300  | 123,552    |
| Coach, Inc. *                            | 3,500  | 165,445    |
| Comcast Corporation, Class A *           | 28,555 | 690,460    |
| Gannett Co., Inc.                        | 3,500  | 152,950    |
| Gap, Inc. (The)                          | 12,200 | 224,968    |
| Goodyear Tire & Rubber Company (The) ^ * | 4,500  | 136,845    |
| Harley-Davidson, Inc. ^                  | 4,400  | 203,324    |
| Hilton Hotels Corporation                | 6,200  | 288,238    |
| Home Depot, Inc. (The) ^                 | 23,100 | 749,364    |
| J.C. Penney Company, Inc. ^              | 4,500  | 285,165    |
| Johnson Controls, Inc.                   | 2,500  | 295,275    |
| Kohl's Corporation *                     | 2,500  | 143,325    |
| Lowe's Companies, Inc.                   | 15,400 | 431,508    |
| Macy's, Inc.                             | 11,052 | 357,201    |
| McDonald's Corporation                   | 15,100 | 822,497    |
| News Corporation, Class A                | 23,000 | 505,770    |
| NIKE, Inc., Class B                      | 14,600 | 856,436    |
| Omnicom Group Inc.                       | 13,200 | 634,788    |
| Sears Holdings Corporation ^ *           | 503    | 63,982     |
| Staples, Inc.                            | 10,800 | 232,092    |
| Starbucks Corporation *                  | 2,800  | 73,360     |
| Target Corporation ^                     | 11,800 | 750,126    |
| Time Warner Inc.                         | 76,000 | 1,395,360  |
| TJX Companies, Inc. (The) ^              | 3,000  | 87,210     |
| Toyota Motor Corporation ADR             | 2,500  | 292,150    |
| Viacom Inc., Class B *                   | 9,450  | 368,266    |
| Walt Disney Company (The)                | 30,200 | 1,038,578  |
|                                          |        | -----      |
|                                          |        | 12,452,034 |
|                                          |        | -----      |
| CONSUMER STAPLES - 9.27%                 |        |            |
| Altria Group, Inc.                       | 22,300 | 1,550,519  |
| Anheuser-Busch Companies, Inc.           | 6,200  | 309,938    |
| Archer-Daniels-Midland Company           | 6,960  | 230,237    |
| Coca-Cola Company (The)                  | 27,000 | 1,551,690  |
| Colgate-Palmolive Company                | 3,400  | 242,488    |
| ConAgra Foods, Inc.                      | 6,900  | 180,297    |
| CVS Corporation                          | 13,930 | 552,046    |
|                                          |        |            |
|                                          | NO. OF |            |
| DESCRIPTION                              | SHARES | VALUE      |
|                                          |        | -----      |
| General Mills, Inc.                      | 5,000  | 290,050    |
| H.J. Heinz Company ^                     | 4,000  | 184,800    |
| Kimberly-Clark Corporation               | 5,500  | 386,430    |
| Kraft Foods Inc, Class A ^               | 10,932 | 377,263    |
| Kroger Co. (The)                         | 13,800 | 393,576    |
| PepsiCo, Inc.                            | 17,600 | 1,289,376  |
| Procter & Gamble Company (The) ^         | 32,797 | 2,306,941  |
| Sara Lee Corporation                     | 4,500  | 75,105     |
| Sysco Corporation                        | 9,800  | 348,782    |
| Walgreen Co.                             | 24,800 | 1,171,552  |
| Wal-Mart Stores, Inc.                    | 15,100 | 659,115    |
|                                          |        | -----      |
|                                          |        | 12,100,205 |
|                                          |        | -----      |

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## ENERGY - 11.62%

|                                  |        |            |
|----------------------------------|--------|------------|
| Baker Hughes Incorporated        | 10,600 | 957,922    |
| BJ Services Company              | 3,500  | 92,925     |
| Chevron Corporation ^            | 24,532 | 2,295,705  |
| ConocoPhillips ^                 | 10,474 | 919,303    |
| Exxon Mobil Corporation ^        | 73,500 | 6,803,159  |
| Halliburton Company              | 6,700  | 257,280    |
| Marathon Oil Corp.               | 15,000 | 855,300    |
| Noble Corporation                | 2,500  | 122,625    |
| Occidental Petroleum Corporation | 10,500 | 672,840    |
| Schlumberger Limited             | 14,000 | 1,470,000  |
| Valero Energy Corporation        | 6,000  | 403,080    |
| XTO Energy, Inc.                 | 5,000  | 309,200    |
|                                  |        | -----      |
|                                  |        | 15,159,339 |
|                                  |        | -----      |

## FINANCIALS - 18.68%

|                                               |        |           |
|-----------------------------------------------|--------|-----------|
| AFLAC Incorporated                            | 7,000  | 399,280   |
| Allstate Corporation (The)                    | 9,300  | 531,867   |
| American Express Company                      | 19,600 | 1,163,652 |
| American International Group, Inc.            | 16,831 | 1,138,617 |
| Bank of America Corporation                   | 59,138 | 2,972,867 |
| Bank of New York Mellon Corporation           | 10,754 | 474,682   |
| BB&T Corporation ^                            | 4,000  | 161,560   |
| Bear Stearns Companies, Inc. (The)            | 2,500  | 307,025   |
| CB Richard Ellis Group, Inc., Class A ^ *     | 9,000  | 250,560   |
| Charles Schwab Corporation (The) ^            | 6,000  | 129,600   |
| Chubb Corporation (The) ^                     | 4,100  | 219,924   |
| Citigroup Inc.                                | 60,300 | 2,814,201 |
| Fannie Mae                                    | 4,000  | 243,240   |
| Freddie Mac ^                                 | 2,900  | 171,129   |
| Goldman Sachs Group, Inc. (The) ^             | 7,300  | 1,582,202 |
| Hartford Financial Services Group, Inc. (The) | 6,000  | 555,300   |
| JPMorgan Chase & Co.                          | 33,632 | 1,541,018 |
| Lehman Brothers Holdings Inc. ^               | 7,200  | 444,456   |
| Marsh & McLennan Companies, Inc.              | 6,000  | 153,000   |
| Merrill Lynch & Co., Inc. ^                   | 7,200  | 513,216   |
| Metlife, Inc. ^                               | 15,200 | 1,059,896 |
| Morgan Stanley                                | 15,500 | 976,500   |
| National City Corporation                     | 6,700  | 168,103   |
| PNC Financial Services Group, Inc.            | 4,600  | 313,260   |
| Prudential Financial, Inc.                    | 10,700 | 1,044,106 |
| State Street Corporation ^                    | 3,500  | 238,560   |
| SunTrust Banks, Inc.                          | 5,000  | 378,350   |
| Travelers Companies, Inc. (The)               | 9,476  | 477,022   |

| DESCRIPTION             | NO. OF<br>SHARES | VALUE      |
|-------------------------|------------------|------------|
|                         |                  | -----      |
| U.S. Bancorp            | 21,901           | 712,440    |
| Wachovia Corporation    | 22,100           | 1,108,315  |
| Washington Mutual, Inc. | 11,550           | 407,830    |
| Wells Fargo & Company   | 48,400           | 1,724,008  |
|                         |                  | -----      |
|                         |                  | 24,375,786 |
|                         |                  | -----      |

## HEALTHCARE - 11.69%

|                             |        |           |
|-----------------------------|--------|-----------|
| Abbott Laboratories         | 17,700 | 949,074   |
| Aetna Inc.                  | 6,000  | 325,620   |
| Amgen Inc. *                | 22,400 | 1,267,168 |
| Baxter International Inc. ^ | 5,000  | 281,400   |

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|                                   |        |           |
|-----------------------------------|--------|-----------|
| Becton, Dickinson and Company     | 6,900  | 566,145   |
| Biogen Idec Inc. *                | 3,000  | 198,990   |
| Bristol-Myers Squibb Company ^    | 18,500 | 533,170   |
| Cardinal Health, Inc.             | 2,950  | 184,464   |
| Covidien Limited                  | 2,599  | 107,858   |
| Eli Lilly and Company             | 4,700  | 267,571   |
| Gilead Sciences, Inc. *           | 7,000  | 286,090   |
| Johnson & Johnson                 | 40,900 | 2,687,130 |
| McKesson Corporation ^            | 5,300  | 311,587   |
| Medco Health Solutions, Inc. *    | 2,687  | 242,878   |
| Medtronic, Inc. ^                 | 21,500 | 1,212,815 |
| Merck & Co. Inc.                  | 17,500 | 904,575   |
| Pfizer Inc.                       | 43,560 | 1,064,171 |
| Schering-Plough Corporation       | 17,500 | 553,525   |
| Stryker Corporation               | 3,500  | 240,660   |
| UnitedHealth Group Incorporated ^ | 22,000 | 1,065,460 |
| WellPoint Inc. *                  | 14,000 | 1,104,880 |
| Wyeth                             | 20,200 | 899,910   |

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15,255,141  
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## INDUSTRIALS - 11.38%

|                                          |         |           |
|------------------------------------------|---------|-----------|
| 3M Co.                                   | 9,400   | 879,652   |
| Boeing Company (The)                     | 6,700   | 703,433   |
| Burlington Northern Santa Fe Corporation | 2,900   | 235,393   |
| Caterpillar Inc.                         | 6,800   | 533,324   |
| CSX Corporation                          | 10,000  | 427,300   |
| Danaher Corporation ^                    | 3,500   | 289,485   |
| Deere & Company                          | 2,500   | 371,050   |
| Emerson Electric Co.                     | 12,000  | 638,640   |
| FedEx Corp.                              | 4,500   | 471,375   |
| General Dynamics Corporation             | 6,200   | 523,714   |
| General Electric Company                 | 100,900 | 4,177,260 |
| Honeywell International Inc.             | 12,500  | 743,375   |
| Illinois Tool Works Inc.                 | 13,300  | 793,212   |
| Ingersoll-Rand Company Ltd., Class A     | 4,500   | 245,115   |
| Lockheed Martin Corporation ^            | 4,000   | 433,960   |
| Norfolk Southern Corporation             | 5,500   | 285,505   |
| Northrop Grumman Corporation ^           | 5,000   | 390,000   |
| Raytheon Company ^                       | 5,000   | 319,100   |
| Southwest Airlines Co.                   | 5,700   | 84,360    |
| Tyco International Ltd.                  | 2,599   | 115,240   |
| Union Pacific Corporation                | 2,000   | 226,120   |
| United Parcel Service, Inc., Class B     | 9,600   | 720,960   |
| United Technologies Corporation          | 11,000  | 885,280   |
| Waste Management, Inc.                   | 9,300   | 350,982   |

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14,843,835  
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| DESCRIPTION                     | NO. OF<br>SHARES | VALUE   |
|---------------------------------|------------------|---------|
| -----                           |                  |         |
| INFORMATION TECHNOLOGY - 15.69% |                  |         |
| Adobe Systems Incorporated *    | 4,200            | 183,372 |
| Agilent Technologies Inc. *     | 8,000            | 295,040 |
| Analog Devices, Inc.            | 3,500            | 126,560 |
| Apple Computer, Inc. *          | 5,500            | 844,470 |
| Applied Materials, Inc.         | 33,800           | 699,660 |
| Automatic Data Processing, Inc. | 17,900           | 822,147 |

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|                                              |         |            |
|----------------------------------------------|---------|------------|
| Cisco Systems, Inc. *                        | 77,400  | 2,562,714  |
| Corning Incorporated *                       | 8,000   | 197,200    |
| Dell Inc. ^ *                                | 4,700   | 129,720    |
| eBay Inc. *                                  | 8,500   | 331,670    |
| Electronic Data Systems Corporation          | 5,000   | 109,200    |
| EMC Corporation ^ *                          | 116,648 | 2,426,278  |
| Google Inc. *                                | 2,500   | 1,418,175  |
| Hewlett-Packard Company                      | 19,900  | 990,821    |
| Intel Corporation                            | 60,500  | 1,564,530  |
| International Business Machines Corporation  | 12,600  | 1,484,280  |
| Micron Technology, Inc. *                    | 11,500  | 127,650    |
| Microsoft Corporation                        | 98,200  | 2,892,972  |
| Motorola, Inc.                               | 10,000  | 185,300    |
| Oracle Corporation *                         | 44,272  | 958,489    |
| QUALCOMM Inc.                                | 17,000  | 718,420    |
| Sun Microsystems, Inc. *                     | 7,500   | 42,075     |
| Texas Instruments Incorporated               | 26,400  | 965,976    |
| Yahoo! Inc. *                                | 14,800  | 397,232    |
|                                              |         | -----      |
|                                              |         | 20,473,951 |
|                                              |         | -----      |
| MATERIALS - 2.82%                            |         |            |
| Alcoa Inc.                                   | 16,900  | 661,128    |
| Dow Chemical Company (The)                   | 10,400  | 447,824    |
| E. I. du Pont de Nemours and Company         | 17,300  | 857,388    |
| Freeport-McMoRan Copper & Gold, Inc.         | 2,500   | 262,225    |
| International Paper Company                  | 10,500  | 376,635    |
| Monsanto Company ^                           | 5,660   | 485,288    |
| Newmont Mining Corporation                   | 3,000   | 134,190    |
| Praxair, Inc.                                | 5,500   | 460,680    |
|                                              |         | -----      |
|                                              |         | 3,685,358  |
|                                              |         | -----      |
| REAL ESTATE INVESTMENT TRUST - 0.31%         |         |            |
| Simon Property Group, Inc.                   | 4,000   | 400,000    |
|                                              |         | -----      |
| TELECOMMUNICATION SERVICES - 3.52%           |         |            |
| ALLTEL Corporation                           | 4,000   | 278,720    |
| AT&T Inc.                                    | 56,539  | 2,392,165  |
| Sprint Nextel Corporation                    | 20,946  | 397,974    |
| Verizon Communications Inc.                  | 34,300  | 1,518,804  |
|                                              |         | -----      |
|                                              |         | 4,587,663  |
|                                              |         | -----      |
| UTILITIES - 3.54%                            |         |            |
| American Electric Power Company, Inc.        | 8,000   | 368,640    |
| CenterPoint Energy, Inc.                     | 10,000  | 160,300    |
| Dominion Resources, Inc.                     | 7,100   | 598,530    |
| Duke Energy Corporation                      | 15,800  | 295,302    |
| Edison International ^                       | 6,500   | 360,425    |
| Exelon Corporation                           | 6,000   | 452,160    |
| FirstEnergy Corp.                            | 5,000   | 316,700    |
| FPL Group, Inc.                              | 4,000   | 243,520    |
| PG&E Corporation ^                           | 5,000   | 239,000    |
|                                              |         |            |
|                                              | NO. OF  |            |
| DESCRIPTION                                  | SHARES  | VALUE      |
|                                              |         | -----      |
| Public Service Enterprise Group Incorporated | 3,500   | 307,965    |
| Southern Company (The)                       | 11,900  | 431,732    |

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|                                                    |                                |                |
|----------------------------------------------------|--------------------------------|----------------|
| TXU Corp. ^                                        | 12,400                         | 849,028        |
|                                                    |                                | -----          |
|                                                    |                                | 4,623,302      |
|                                                    |                                | -----          |
| TOTAL EQUITY SECURITIES                            |                                |                |
| (cost - \$94,480,626)                              |                                | 129,624,444    |
|                                                    |                                | -----          |
|                                                    | PRINCIPAL<br>AMOUNT<br>(000'S) | -----          |
| SHORT-TERM INVESTMENTS - 2.84%                     |                                |                |
| REPURCHASE AGREEMENTS - 2.84%                      |                                |                |
| Bear, Stearns & Co. Inc. + ++                      |                                |                |
| (Agreements dated 9/28/2007 to be repurchased      |                                |                |
| at \$1,506,223, 5.2500%, 10/1/2007, collateralized |                                |                |
| by \$1,549,414 in United States Treasury Strips)   | \$ 1,506                       | 1,505,564      |
| Bear, Stearns & Co. Inc. + ++                      |                                |                |
| (Agreements dated 9/28/2007 to be repurchased      |                                |                |
| at \$1,316,922, 2.6250%, 10/1/2007, collateralized |                                |                |
| by \$1,355,481 in United States Treasury Strips    |                                |                |
| and Bonds)                                         | 1,317                          | 1,316,634      |
| Bear, Stearns & Co. Inc.                           |                                |                |
| (Agreements dated 9/28/2007 to be repurchased      |                                |                |
| at \$886,185, 3.9500%, 10/1/2007, collateralized   |                                |                |
| by \$911,691 in United States Treasury Strips)     | 886                            | 885,893        |
|                                                    |                                | -----          |
| TOTAL SHORT-TERM INVESTMENTS                       |                                |                |
| (cost - \$3,708,091)                               |                                | 3,708,091      |
|                                                    |                                | -----          |
| TOTAL INVESTMENTS - 102.19%                        |                                |                |
| (cost - \$98,188,717)                              |                                | 133,332,535    |
|                                                    |                                | -----          |
| LIABILITIES IN EXCESS OF OTHER ASSETS - (2.19)%    |                                | (2,863,076)    |
|                                                    |                                | -----          |
| NET ASSETS - 100.00%                               |                                | \$ 130,469,459 |
|                                                    |                                | =====          |

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^ Security or a portion thereof is out on loan.

\* Non-income producing security.

ADR American Depositary Receipt

+ Stated interest rate, before rebate earned by borrower of securities on loan.

++ Represents investment purchased with collateral received for securities on loan.

Federal Income Tax Cost: At September 30, 2007, the identified cost for federal income tax purposes, as well as the gross unrealized appreciation from investments for those securities having an excess of value over cost, gross unrealized depreciation from investments for those securities having an excess of cost over value and the net unrealized appreciation from investments were \$98,188,717, \$36,186,238, (\$1,042,420), \$35,143,818, respectively.

Securities valuation policies and other investment related disclosures are hereby incorporated by reference to the Fund's semi-annual report previously

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filed with the Securities and Exchange Commission on the Form N-CSR on August 31, 2007 with a file number 811-05150.

Other information regarding the Fund is available in the Fund's most recent semi-annual report filed with the Securities and Exchange Commission on Form N-CSR on August 31, 2007, file number 811-05150. This information is also available to registered shareholders by calling (800) 937-5449. For general inquiries, please call (212) 272-3550. This information is also available on the website of the Securities and Exchange Commission - <http://www.sec.gov>.

### ITEM 2: CONTROLS AND PROCEDURES

(a) As of a date within 90 days from the filing date of this report, the principal executive officer and principal financial officer concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the "Act")), were effective based on their evaluation of the disclosure controls and procedures required by Rule 30a-3(b) under the Act and Rules 13a-15(b) or 15d-15(b) under the Securities and Exchange Act of 1934.

(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 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

1. The certifications of the registrant as required by Rule 30a-2(a) under the Act are exhibits to this report.

### SIGNATURES

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.

Cornerstone Strategic Value Fund, Inc.

/s/ Ralph W. Bradshaw

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Name: Ralph W. Bradshaw  
Title: Principal Executive Officer  
Date: November 26, 2007

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.

/s/ Ralph W. Bradshaw

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Name: Ralph W. Bradshaw  
Title: Principal Executive Officer  
Date: November 26, 2007

/s/ Kayadti Madison

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Name: Kayadti Madison  
Title: Principal Financial Officer  
Date: November 26, 2007