

CORNERSTONE STRATEGIC VALUE FUND INC/ NEW  
 Form N-Q  
 November 26, 2008

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)

237 Park Avenue, New York, NY 10017  
 -----

(Address of principal executive offices) (Zip code)

Kayadti A. Madison

Cornerstone Strategic Value Fund, Inc., 237 Park Avenue, New York, NY 10017  
 -----

(Name and address of agent for service)

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

Date of fiscal year end: December 31, 2008  
 -----

Date of reporting period: September 30, 2008  
 -----

ITEM 1: SCHEDULE OF INVESTMENTS

=====

CORNERSTONE STRATEGIC VALUE FUND, INC.  
 SCHEDULE OF INVESTMENTS -- SEPTEMBER 30, 2008 (UNAUDITED)

=====

DESCRIPTION	NO. OF SHARES	VALUE
-----		
EQUITY SECURITIES - 99.67%		
CLOSED-END FUNDS - 1.42%		
Adams Express Company (a)	49,500	\$ 533,610
Dreman/Claymore Dividend & Income Fund	4,300	22,403
General American Investors Company, Inc. ^	3,000	77,610
Liberty All-Star Equity Fund	96,330	434,448
Zweig Fund, Inc.	29,000	103,820
		-----
		1,171,891

Edgar Filing: CORNERSTONE STRATEGIC VALUE FUND INC/ NEW - Form N-Q

CONSUMER DISCRETIONARY - 8.57%

Amazon.com, Inc. *	5,500	400,180
Comcast Corporation, Class A	28,555	560,535
DIRECTV Group, Inc. (The) *	4,000	104,680
Gap, Inc. (The)	12,200	216,916
Home Depot, Inc. (The)	4,000	103,560
Johnson Controls, Inc.	7,500	227,475
Lowe's Companies, Inc.	11,900	281,911
McDonald's Corporation ^	18,600	1,147,620
News Corporation, Class A ^	18,000	215,820
NIKE, Inc., Class B ^	6,100	408,090
Omnicom Group Inc. ^	6,200	239,072
Staples, Inc. ^	10,800	243,000
Starbucks Corporation *	2,800	41,636
Target Corporation	6,800	333,540
Time Warner Inc.	23,500	308,085
TJX Companies, Inc. (The)	3,000	91,560
Toyota Motor Corporation ADR	2,500	214,500
Viacom Inc., Class B *	5,450	135,378
Walt Disney Company (The) ^	59,200	1,816,848

-----  
7,090,406  
-----

CONSUMER STAPLES - 13.02%

Altria Group, Inc.	13,300	263,872
Anheuser-Busch Companies, Inc.	6,200	402,256
Archer-Daniels-Midland Company ^	3,960	86,764
Coca-Cola Company (The)	41,000	2,168,080
Colgate-Palmolive Company	8,900	670,615
ConAgra Foods, Inc.	10,900	212,114
CVS Caremark Corporation	10,430	351,074
General Mills, Inc.	2,500	171,800
H.J. Heinz Company	4,000	199,640
Kimberly-Clark Corporation	2,500	162,100
Kraft Foods Inc, Class A	10,932	358,023
Kroger Co. (The)	13,800	379,224
PepsiCo, Inc.	7,100	506,017
Philip Morris International Inc.	7,300	351,130
Procter & Gamble Company (The)	34,797	2,425,003
Sysco Corporation	9,800	302,134
Walgreen Co.	4,800	148,608
Wal-Mart Stores, Inc. ^	27,100	1,623,019

-----  
10,781,473  
-----

ENERGY - 13.08%

Baker Hughes Incorporated	10,600	641,724
BJ Services Company	3,500	66,955
Chevron Corporation	24,032	1,982,159
ConocoPhillips	10,474	767,221
ENSCO International Incorporated	2,500	144,075
Exxon Mobil Corporation	50,000	3,883,000
Halliburton Company	13,200	427,548
Marathon Oil Corp.	15,000	598,050
Noble Corporation	2,500	109,750

Occidental Petroleum Corporation	10,500	739,725
Schlumberger Limited	11,500	898,035
Transocean Inc.	2,500	274,600
XTO Energy, Inc.	6,250	290,750

Edgar Filing: CORNERSTONE STRATEGIC VALUE FUND INC/ NEW - Form N-Q

		----- 10,823,592 -----
FINANCIALS - 15.03%		
AFLAC Incorporated	7,000	411,250
Allstate Corporation (The) ^	6,800	313,616
American Express Company	9,400	333,042
Bank of America Corporation ^	25,138	879,830
Bank of New York Mellon Corporation ^	8,254	268,915
Capital One Financial Corporation ^	5,000	255,000
Charles Schwab Corporation (The)	22,000	572,000
Chubb Corporation (The)	4,100	225,090
Citigroup Inc.	5,800	118,958
Goldman Sachs Group, Inc. (The)	2,800	358,400
Hartford Financial Services Group, Inc. (The)	3,000	122,970
Hudson City Bancorp, Inc. ^	9,000	166,050
JPMorgan Chase & Co.	47,632	2,224,415
Loews Corporation ^	5,000	197,450
Marsh & McLennan Companies, Inc.	10,000	317,600
MetLife, Inc.	15,200	851,200
Morgan Stanley	7,000	161,000
PNC Financial Services Group, Inc.	7,600	567,720
Prudential Financial, Inc.	4,200	302,400
State Street Corporation	3,500	199,080
SunTrust Banks, Inc.	5,000	224,950
T. Rowe Price Group Inc.	11,000	590,810
Travelers Companies, Inc. (The)	12,476	563,915
U.S. Bancorp	16,901	608,774
Wells Fargo & Company	42,900	1,610,037
		----- 12,444,472 -----
HEALTHCARE - 12.66%		
Abbott Laboratories	11,200	644,896
Aetna Inc.	6,000	216,660
Amgen Inc. *	9,900	586,773
Baxter International Inc.	5,000	328,150
Becton, Dickinson and Company	4,400	353,144
Biogen Idec Inc. *	3,000	150,870
Bristol-Myers Squibb Company ^	25,500	531,675
Cardinal Health, Inc. ^	2,950	145,376
Covidien Limited	2,599	139,722
Eli Lilly and Company ^	4,700	206,941
Gilead Sciences, Inc. *	7,000	319,060
Johnson & Johnson	40,900	2,833,552
McKesson Corporation ^	2,800	150,668
Medtronic, Inc.	14,500	726,450
Merck & Co. Inc.	17,500	552,300
Pfizer Inc. ^	23,560	434,446
Schering-Plough Corporation ^	29,000	535,630
Stryker Corporation ^	3,500	218,050
UnitedHealth Group Incorporated ^	19,500	495,105
WellPoint Inc. *	3,500	163,695
Wyeth	20,200	746,188
		----- 10,479,351 -----
INDUSTRIALS - 10.65%		
3M Co.	6,900	471,339
Boeing Company (The)	4,200	240,870
Burlington Northern Santa Fe Corporation	5,400	499,122
Caterpillar Inc.	6,800	405,280

Edgar Filing: CORNERSTONE STRATEGIC VALUE FUND INC/ NEW - Form N-Q

CSX Corporation	6,500	354,705
Danaher Corporation	3,500	242,900
Deere & Company	8,000	396,000
Emerson Electric Co.	16,500	673,035
FedEx Corp.	2,000	158,080
General Dynamics Corporation ^	3,200	235,584
General Electric Company	61,900	1,578,450
Honeywell International Inc.	5,000	207,750
Illinois Tool Works Inc.	7,300	324,485
Lockheed Martin Corporation	4,000	438,680
Norfolk Southern Corporation ^	5,500	364,155
Northrop Grumman Corporation	2,500	151,350
Precision Castparts Corp.	2,500	196,950
Raytheon Company	11,000	588,610
Union Pacific Corporation ^	4,000	284,640
United Parcel Service, Inc., Class B	4,100	257,849
United Technologies Corporation	7,500	450,450
Waste Management, Inc.	9,300	292,857
		-----
		8,813,141
		-----
INFORMATION TECHNOLOGY - 15.32%		
Adobe Systems Incorporated *	4,200	165,774
Agilent Technologies Inc. *	4,000	118,640
Apple, Inc. *	8,500	966,110
Applied Materials, Inc.	17,800	269,314
Automatic Data Processing, Inc.	4,400	188,100
Cisco Systems, Inc. *	47,900	1,080,624
Corning Incorporated	16,500	258,060
Dell Inc. *	4,700	77,456
eBay Inc. *	2,500	55,950
EMC Corporation ^ *	68,648	821,030
Google Inc. ^ *	4,500	1,802,340
Hewlett-Packard Company	19,900	920,176
Intel Corporation	60,500	1,133,165
International Business Machines Corporation ^	12,600	1,473,696
Microsoft Corporation	65,200	1,740,188
Nortel Networks Corporation *	660	1,478
Oracle Corporation *	39,772	807,769
QUALCOMM Inc.	13,000	558,610
Texas Instruments Incorporated	6,400	137,600
Yahoo! Inc. ^ *	6,300	108,990
		-----
		12,685,070
		-----
MATERIALS - 3.14%		
Alcoa Inc.	20,400	460,632
Dow Chemical Company (The)	5,400	171,612
E. I. du Pont de Nemours and Company	13,500	544,050
Freeport-McMoRan Copper & Gold, Inc. ^	5,000	284,250
International Paper Company ^	7,000	183,260
Monsanto Company ^	5,660	560,227
Praxair, Inc.	5,500	394,570
		-----
		2,598,601
		-----
REAL ESTATE INVESTMENT TRUST - 0.47%		
Simon Property Group, Inc. ^	4,000	388,000
		-----
TELECOMMUNICATION SERVICES - 2.69%		



## Edgar Filing: CORNERSTONE STRATEGIC VALUE FUND INC/ NEW - Form N-Q

- (a) Affiliated investment. The Fund holds 0.64% (based on net assets) of Adams Express Company. A director of the Fund also serves as a director to such company. During the nine months ended September 30, 2008 there were no purchases or sales of this security.
- ^ 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, 2008 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 \$80,767,053, \$14,997,570, \$(5,983,300), and \$9,014,270, respectively.

The Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements ("FAS 157"), effective January 1, 2008. In accordance with FAS 157, fair value is defined as the price that the Fund would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market of the investment. FAS 157 established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, for example, the risk inherent in a particular valuation technique used to measure fair value including such a pricing model and/or the risk inherent in the inputs to the valuation technique. Inputs may be observable or unobservable. Observable inputs are inputs from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad Levels listed below.

- o Level 1 - quoted prices in active markets for identical investments
- o Level 2 - other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- o Level 3 - significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used as of September 30, 2008 in valuing the Fund's investments carried at value:

VALUATION INPUTS	INVESTMENTS IN SECURITIES	OTHER FINANCIAL INSTRUMENTS*
Level 1 - Quoted Prices	\$ 82,505,564	\$ -
Level 2 - Other Significant Observable Inputs	7,275,759	-
Level 3 - Significant Unobservable Inputs	-	-
TOTAL	\$ 89,781,323	\$ -

=====

\* Other financial instruments include futures, forwards and swap contracts.

The Fund did not have any assets or liabilities that were measured at fair value on a recurring basis using significant unobservable inputs (Level 3) at September 30, 2008.

Securities valuation policies and other investment related disclosures are hereby incorporated by reference to the Fund's semi-annual report previously filed with the Securities and Exchange Commission on the Form N-CSR on September 8, 2008 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 September 8, 2008, 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

-----  
Name: Ralph W. Bradshaw  
Title: Principal Executive Officer  
Date: November 26, 2008

Pursuant to the requirements of the Securities Exchange Act of 1934 and

Edgar Filing: CORNERSTONE STRATEGIC VALUE FUND INC/ NEW - Form N-Q

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

-----  
Name: Ralph W. Bradshaw  
Title: Principal Executive Officer  
Date: November 26, 2008

/s/ Kayadti A. Madison

-----  
Name: Kayadti A. Madison  
Title: Principal Financial Officer  
Date: November 26, 2008