

CORNERSTONE STRATEGIC VALUE FUND INC/ NEW
Form N-Q
November 29, 2005

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)

Jodi Levine

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, 2005

Date of reporting period: July 1, 2005 through September 30, 2005

ITEM 1: SCHEDULE OF INVESTMENTS

CORNERSTONE STRATEGIC VALUE FUND, INC.

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SCHEDULE OF INVESTMENTS - SEPTEMBER 30, 2005 (UNAUDITED)

| DESCRIPTION | NO. OF SHARES | VALUE |
|--|------------------|------------|
| EQUITY SECURITIES - 99.45% | | |
| CLOSED-END DOMESTIC FUNDS - 2.17% | | |
| Adams Express Co. | 49,500 | \$ 649,440 |
| General American Investors Company, Inc. (a) | 3,000 | 104,610 |
| Tri-Continental Corp. | 77,000 | 1,406,020 |
| Zweig Fund, Inc. (The) (a) | 176,600 | 939,512 |
| | | ----- |
| | | 3,099,582 |
| | | ----- |
| CONSUMER DISCRETIONARY - 11.34% | | |
| Acco Brands Corporation + | 235 | 6,632 |
| Bed Bath & Beyond Inc. + (a) | 4,200 | 168,756 |
| Best Buy Co., Inc. (a) | 7,125 | 310,151 |
| Carnival Corp. (a) | 11,800 | 589,764 |
| Cendant Corp. | 19,000 | 392,160 |
| Circuit City Stores, Inc. (a) | 1,000 | 17,160 |
| Clear Channel Communications, Inc. | 8,800 | 289,432 |
| Comcast Corp., Class A + | 31,537 | 926,557 |
| Costco Wholesale Corp. | 6,500 | 280,085 |
| CVS Corp. | 5,000 | 145,050 |
| Eastman Kodak Co. | 1,400 | 34,062 |
| Federated Department Stores, Inc. | 2,526 | 168,914 |
| Ford Motor Company | 26,300 | 259,318 |
| Fortune Brands, Inc. (a) | 1,000 | 81,330 |
| Furniture Brands International, Inc. | 29,200 | 526,476 |
| Gannett Co., Inc. | 2,000 | 137,660 |
| Gap, Inc. (The) (a) | 12,200 | 212,646 |
| General Motors Corp. (a) | 6,500 | 198,965 |
| Gildan Activewear Inc., Class A + (a) | 35,700 | 1,364,811 |
| Goodyear Tire & Rubber Company (The) + | 4,500 | 70,155 |
| Harley-Davidson, Inc. (a) | 4,400 | 213,136 |
| Hilton Hotels Corp. | 3,200 | 71,424 |
| Home Depot, Inc. (The) | 30,600 | 1,167,084 |
| J.C. Penney Company, Inc. | 4,500 | 213,390 |
| Kohl's Corp. + (a) | 5,000 | 250,900 |
| Lowe's Companies, Inc. | 11,200 | 721,280 |
| Marriott International, Inc., Class A | 2,100 | 132,300 |
| Mattel, Inc. (a) | 5,500 | 91,740 |
| McDonald's Corp. (a) | 17,600 | 589,424 |
| Monsanto Co. | 580 | 36,395 |
| News Corporation, Class A | 30,000 | 467,700 |
| NIKE, Inc., Class B | 2,300 | 187,864 |
| Omnicom Group Inc. | 4,100 | 342,883 |
| Reebok International Ltd. | 1,500 | 84,855 |
| Rockwell Automation, Inc. | 2,500 | 132,250 |
| Sears Holdings Corp. + | 503 | 62,583 |
| Staples, Inc. | 10,800 | 230,256 |

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| | | |
|-----------------------------------|--------|------------|
| Starbucks Corp. + | 5,400 | 270,540 |
| Target Corporation | 11,800 | 612,774 |
| Time Warner Inc. | 64,000 | 1,159,040 |
| TJX Companies, Inc. (The) | 7,000 | 143,360 |
| United Natural Foods, Inc. + | 34,000 | 1,202,240 |
| Viacom Inc., non-voting Class B | 23,900 | 788,939 |
| Walt Disney Co. (The) | 29,200 | 704,596 |
| Yum! Brands, Inc. | 3,000 | 145,230 |
| | | ----- |
| | | 16,202,267 |
| | | ----- |
| CONSUMER STAPLES - 10.39% | | |
| Altria Group, Inc. | 29,300 | 2,159,703 |
| Anheuser-Busch Companies, Inc. | 16,700 | 718,768 |
| Archer Daniels Midland Company | 5,460 | 134,644 |
| Campbell Soup Company | 2,000 | 59,500 |
| Coca-Cola Co. (The) | 32,500 | 1,403,675 |
| Coca-Cola Enterprises Inc. | 6,500 | 126,750 |
| Colgate-Palmolive Company | 11,100 | 585,969 |
| ConAgra Foods, Inc. (a) | 4,400 | 108,900 |
| General Mills, Inc. | 9,500 | 457,900 |
| Gillette Company (The) | 16,100 | 937,020 |
| H.J. Heinz Co. | 6,600 | 241,164 |
| Kimberly-Clark Corporation (a) | 6,900 | 410,757 |
| Kroger Co. (The) + | 4,800 | 98,832 |
| Pepsi Bottling Group, Inc. (The) | 4,000 | 114,200 |
| PepsiCo, Inc. | 24,800 | 1,406,408 |
| Procter & Gamble Co. (The) | 37,600 | 2,235,696 |
| Sara Lee Corp. | 11,500 | 217,925 |
| Sysco Corp. | 5,800 | 181,946 |
| Walgreen Co. (a) | 14,300 | 621,335 |
| Wal-Mart Stores, Inc. | 59,800 | 2,620,436 |
| | | ----- |
| | | 14,841,528 |
| | | ----- |
| ENERGY - 10.04% | | |
| Anadarko Petroleum Corp. (a) | 5,900 | 564,925 |
| Baker Hughes Inc. | 8,100 | 483,408 |
| CenterPoint Energy, Inc. | 3,900 | 57,993 |
| ChevronTexaco Corp. | 27,532 | 1,782,146 |
| ConocoPhillips | 17,974 | 1,256,562 |
| Exxon Mobil Corp. | 84,000 | 5,337,360 |
| FMC Technologies, Inc. + (a) | 35,600 | 1,499,116 |
| Marathon Oil Corp. | 7,500 | 516,975 |
| Occidental Petroleum Corp. | 8,000 | 683,440 |
| Reliant Energy Inc. + | 1,104 | 17,046 |
| Schlumberger Ltd. | 11,000 | 928,180 |
| Western Gas Resources, Inc. (a) | 23,800 | 1,219,274 |
| | | ----- |
| | | 14,346,425 |
| | | ----- |
| FINANCIALS - 18.54% | | |
| Aetna Inc. | 6,000 | 516,840 |
| Affiliated Managers Group, Inc. + | 3,300 | 238,986 |
| AFLAC Inc. | 7,000 | 317,100 |

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|---|--------|-----------|
| Allstate Corp. (The) | 9,300 | 514,197 |
| American Express Company | 15,600 | 896,064 |
| American International Group, Inc. | 37,531 | 2,325,421 |
| AONCorporation | 4,900 | 157,192 |
| Bank of America Corp. | 55,616 | 2,341,434 |
| Bank of New York Co., Inc. (The) | 8,400 | 247,044 |
| Charles Schwab Corporation (The) | 12,000 | 173,160 |
| Citigroup Inc. | 74,300 | 3,382,136 |
| Fannie Mae | 13,000 | 582,660 |
| Fifth Third Bancorp | 9,000 | 330,570 |
| First Marblehead Corp. (The) (a) | 18,700 | 474,980 |
| Franklin Resources, Inc. (a) | 3,700 | 310,652 |
| Freddie Mac | 14,500 | 818,670 |
| Goldman Sachs Group, Inc. (The) | 7,300 | 887,534 |
| Hartford Financial Services Group, Inc. (The) | 6,000 | 463,020 |
| JPMorgan Chase & Co. | 48,332 | 1,639,905 |
| Lehman Brothers Holding Inc. | 3,600 | 419,328 |
| Manulife Financial Corp. (a) | 2,963 | 157,987 |
| Marsh & McLennan Companies, Inc. | 10,100 | 306,939 |
| MBNA Corp. (a) | 20,600 | 507,584 |
| Merrill Lynch & Co., Inc. | 10,700 | 656,445 |
| MetLife, Inc. | 10,200 | 508,266 |
| Morgan Stanley | 15,500 | 836,070 |
| National City Corp. (a) | 9,700 | 324,368 |
| Northern Trust Corp. (a) | 3,500 | 176,925 |
| Piper Jaffray Companies, Inc. + | 104 | 3,105 |
| PNC Financial Services Group, Inc. | 4,100 | 237,882 |
| Prudential Financial, Inc. | 8,200 | 553,992 |
| St. Paul Travelers Companies, Inc. (The) | 9,476 | 425,188 |
| State Street Corp. | 3,500 | 171,220 |
| SunTrust Banks, Inc. | 7,600 | 527,820 |
| U.S. Bancorp (a) | 28,401 | 797,500 |
| UnumProvident Corp. | 8,100 | 166,050 |
| Wachovia Corp. | 22,600 | 1,075,534 |
| Washington Mutual, Inc. | 15,550 | 609,871 |
| Wells Fargo & Co. | 24,200 | 1,417,394 |

26,497,033

HEALTHCARE - 11.56%

| | | |
|------------------------------|--------|-----------|
| Abbott Laboratories | 21,000 | 890,400 |
| Amgen Inc. + (a) | 18,900 | 1,505,763 |
| Becton, Dickinson & Co. (a) | 3,900 | 204,477 |
| Biogen Idec Inc. + | 3,000 | 118,440 |
| Boston Scientific Corp. + | 12,300 | 287,451 |
| Bristol-Myers Squibb Co. | 30,500 | 733,830 |
| Cardinal Health, Inc. (a) | 5,450 | 345,748 |
| Caremark Rx, Inc. + | 6,500 | 324,545 |
| Cooper Companies, Inc. (The) | 7,200 | 551,592 |
| Edwards Lifesciences Corp. + | 15,500 | 688,355 |
| Eli Lilly & Co. | 14,500 | 776,040 |
| Guidant Corp. | 6,400 | 440,896 |

-4-

| | | |
|-------------------|--------|-----------|
| HCA, Inc. | 3,500 | 167,720 |
| Hospira, Inc. + | 700 | 28,679 |
| Johnson & Johnson | 40,900 | 2,588,152 |

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|--------------------------------|--------|------------|
| McKesson Corp. | 2,300 | 109,135 |
| Medco Health Solutions, Inc. + | 1,687 | 92,498 |
| Medtronic, Inc. (a) | 14,500 | 777,490 |
| Merck & Co. Inc. | 30,500 | 829,905 |
| Pfizer Inc. (a) | 99,660 | 2,488,510 |
| Schering-Plough Corp. (a) | 17,000 | 357,850 |
| Tenet Healthcare Corp. + | 2,250 | 25,268 |
| United Health Group Inc. | 23,000 | 1,292,600 |
| Wyeth | 19,200 | 888,384 |
| | | ----- |
| | | 16,513,728 |
| | | ----- |

INDUSTRIALS - 10.56%

| | | |
|--------------------------------------|---------|------------|
| 3M Co. | 10,400 | 762,944 |
| Automatic Data Processing, Inc. | 4,900 | 210,896 |
| Boeing Company (The) | 11,700 | 795,015 |
| Caterpillar Inc. | 11,800 | 693,250 |
| CSX Corp. | 1,000 | 46,480 |
| Emerson Electric Co. | 8,500 | 610,300 |
| FedEx Corp. (a) | 4,500 | 392,085 |
| General Dynamics Corp. (a) | 3,100 | 370,605 |
| General Electric Co. | 141,700 | 4,771,039 |
| Heartland Express, Inc. | 10,435 | 212,248 |
| Honeywell International Inc. | 12,500 | 468,750 |
| Illinois Tool Works Inc. | 2,400 | 197,592 |
| IMS Health Inc. | 1,400 | 35,238 |
| Lockheed Martin Corp. | 4,000 | 244,160 |
| Masco Corp. (a) | 4,200 | 128,856 |
| Northrop Grumman Corp. | 5,000 | 271,750 |
| Paychex, Inc. (a) | 4,200 | 155,736 |
| PHH Corp. + | 700 | 19,222 |
| Shuffle Master, Inc. + (a) | 24,300 | 642,249 |
| Southwest Airlines Co. | 6,450 | 95,782 |
| Transocean Inc. + | 2,500 | 153,275 |
| Tyco International Ltd. | 33,397 | 930,106 |
| Union Pacific Corp. | 2,000 | 143,400 |
| United Parcel Service, Inc., Class B | 16,300 | 1,126,819 |
| United Technologies Corp. | 14,400 | 746,496 |
| Waste Management, Inc. | 8,200 | 234,602 |
| Yellow Roadway Corp. + (a) | 15,191 | 629,211 |
| | | ----- |
| | | 15,088,106 |
| | | ----- |

INFORMATION TECHNOLOGY - 14.65%

| | | |
|--------------------------|--------|-----------|
| Adobe Systems Inc. + | 2,200 | 65,670 |
| Altera Corp. + | 3,400 | 64,974 |
| Analog Devices, Inc. (a) | 2,700 | 100,278 |
| Apple Computer, Inc. + | 3,000 | 160,830 |
| Applied Materials, Inc. | 23,800 | 403,648 |
| Cisco Systems, Inc. + | 96,400 | 1,728,452 |
| Corning Inc. + | 17,000 | 328,610 |

-5-

| | | |
|------------------------|--------|-----------|
| Dell Inc. + | 29,700 | 1,015,740 |
| eBay, Inc. + | 19,000 | 782,800 |
| Electronic Arts Inc. + | 2,000 | 113,780 |

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|---|---------|------------|
| Electronic Data Systems Corp. | 10,000 | 224,400 |
| EMC Corp. + (a) | 212,648 | 2,751,665 |
| Fairchild Semiconductor International, Inc. + | 60,300 | 896,058 |
| First Data Corporation (a) | 7,324 | 292,960 |
| Freescale Semiconductor Inc., Class B + | 1,512 | 35,653 |
| Hewlett-Packard Co. | 27,900 | 814,680 |
| Intel Corp. (a) | 82,500 | 2,033,625 |
| International Business Machines Corp. | 21,000 | 1,684,620 |
| Linear Technology Corp. | 2,500 | 93,975 |
| Lucent Technologies Inc. + (a) | 10,700 | 34,775 |
| Maxim Integrated Products, Inc. | 2,300 | 98,095 |
| Micron Technology, Inc. + (a) | 2,500 | 33,250 |
| Microsoft Corp. (a) | 142,100 | 3,656,233 |
| Motorola, Inc. | 34,700 | 766,523 |
| Oracle Corp. + | 46,100 | 571,179 |
| QUALCOMM Inc. | 17,000 | 760,750 |
| Sanmina-SCI Corp. + (a) | 5,500 | 23,595 |
| Siebel Systems, Inc. | 2,500 | 25,825 |
| Solelectron Corp. + (a) | 3,000 | 11,730 |
| Sun Microsystems, Inc. + | 7,500 | 29,400 |
| Symantec Corp. + | 10,000 | 226,600 |
| Texas Instruments Inc. | 23,900 | 810,210 |
| Yahoo! Inc. + | 8,800 | 297,792 |
| | | ----- |
| | | 20,938,375 |
| | | ----- |
| MATERIALS - 4.30% | | |
| Air Products & Chemicals, Inc. | 1,000 | 55,140 |
| Alcoa Inc. | 14,200 | 346,764 |
| Dow Chemical Co. (The) | 15,400 | 641,718 |
| E.I. du Pont de Nemours & Co. (a) | 14,800 | 579,716 |
| Georgia-Pacific Corporation | 2,000 | 68,120 |
| International Paper Co. | 4,500 | 134,100 |
| Joy Global Inc. | 11,900 | 600,474 |
| Neenah Paper, Inc. | 209 | 6,124 |
| Packaging Corporation of America | 34,700 | 673,527 |
| Peabody Energy Corp. | 27,400 | 2,311,190 |
| Praxair, Inc. (a) | 3,000 | 143,790 |
| Rohm & Haas Co. (a) | 1,000 | 41,130 |
| Steel Dynamics, Inc. | 13,900 | 472,044 |
| Weyerhaeuser Co. | 1,000 | 68,750 |
| | | ----- |
| | | 6,142,587 |
| | | ----- |
| RETAIL - 0.21% | | |
| Simon Property Group, Inc. | 4,000 | 296,480 |
| | | ----- |
| TELECOMMUNICATION SERVICES - 2.91% | | |
| ALLTEL Corporation | 4,000 | 260,440 |
| AT&T Corp. | 9,320 | 184,536 |
| BellSouth Corporation (a) | 23,000 | 604,900 |
| SBC Communications Inc. | 41,100 | 985,167 |
| Sprint Corp. | 38,446 | 914,246 |
| Verizon Communications Inc. | 37,100 | 1,212,799 |
| | | ----- |
| | | 4,162,088 |
| | | ----- |

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-6-

| | | |
|--|----------------|----------------|
| UTILITIES - 2.78% | | |
| American Electric Power Co., Inc. | 2,700 | 107,190 |
| Dominion Resources, Inc. (a) | 7,100 | 611,594 |
| Duke Energy Corp. (a) | 13,300 | 387,961 |
| Edison International (a) | 4,000 | 189,120 |
| Exelon Corp. | 11,000 | 587,840 |
| FirstEnergy Corp. | 5,000 | 260,600 |
| FPL Group, Inc. | 7,000 | 333,200 |
| Progress Energy, Inc. | 3,500 | 156,625 |
| Public Service Enterprises Group Inc. | 1,000 | 64,360 |
| Scottish Power plc, ADR | 4,000 | 160,960 |
| Southern Co. (The) (a) | 11,900 | 425,544 |
| TXU Corp. | 4,700 | 530,536 |
| Xcel Energy, Inc. | 8,200 | 160,802 |
| | | ----- |
| | | 3,976,332 |
| | | ----- |
| TOTAL EQUITY SECURITIES | | |
| (cost - \$124,989,030) | | 142,104,531 |
| | | ===== |
| | PRINCIPAL | |
| | AMOUNT (000'S) | |
| | ----- | |
| SHORT-TERM INVESTMENTS - 4.35% | | |
| REPURCHASE AGREEMENTS - 4.35% | | |
| Bear, Stearns & Co. Inc. | | |
| (Agreement dated 09/30/05 to be repurchased | | |
| at \$4,513,157), 3.875%*, 10/03/05, collateralized | | |
| by \$4,644,354 in U.S. Treasury STRIPS** | \$ 4,512 | 4,511,700 |
| Bear, Stearns & Co. Inc. | | |
| (Agreement dated 09/30/05 to be repurchased | | |
| at \$896,151), 1.9375%*, 10/03/05, collateralized | | |
| by \$924,020 in U.S. Treasury STRIPS** | 896 | 896,006 |
| Bear, Stearns & Co. Inc. | | |
| (Agreement dated 09/30/05 to be repurchased | | |
| at \$810,485), 3.25%, 10/03/05, collateralized | | |
| by \$834,286 in U.S. Treasury STRIPS | 810 | 810,265 |
| | | ----- |
| TOTAL SHORT-TERM INVESTMENTS | | |
| (cost - \$6,217,971) | | 6,217,971 |
| | | ----- |
| TOTAL INVESTMENTS - 103.80% | | |
| (cost - \$131,207,001) | | 148,322,502 |
| | | ----- |
| LIABILITIES IN EXCESS OF OTHER ASSETS - (3.80)% | | (5,425,693) |
| | | ----- |
| NET ASSETS - 100.00% | | \$ 142,896,809 |
| | | ===== |

-7-

Federal Income Tax Cost - At September 30, 2005, 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 \$131,207,001, \$24,738,010, \$(7,622,509) and \$17,115,501, respectively.

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

Other information regarding the Fund is available in the Fund's most recent annual report. 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>.

-8-

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.

-9-

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 29, 2005

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

Name: Ralph W. Bradshaw
Title: Principal Executive Officer
Date: November 29, 2005

/s/ Jodi B. Levine

Name: Jodi B. Levine
Title: Principal Financial Officer (Treasurer)
Date: November 29, 2005

-10-