

CORNERSTONE STRATEGIC VALUE FUND INC/ NEW  
 Form N-Q  
 May 25, 2006

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, 2006

Date of reporting period: March 31, 2006

ITEM 1: SCHEDULE OF INVESTMENTS

CORNERSTONE STRATEGIC VALUE FUND, INC.  
 SCHEDULE OF INVESTMENTS -- MARCH 31, 2006 (UNAUDITED)

DESCRIPTION	NO. OF SHARES	VALUE
EQUITY SECURITIES - 99.68%		
CLOSED-END DOMESTIC FUNDS - 1.68%		
Adams Express Company	49,500	\$ 658,350
General American Investors Company	3,000	113,520
Tri-Continental Corporation	29,000	586,960
Zweig Fund, Inc. ^	176,600	971,300
		-----
		2,330,130
		-----
CONSUMER DISCRETIONARY - 10.65%		
Acco Brands Corporation +	235	5,217
Bed Bath & Beyond Inc. +	4,200	161,280
Best Buy Co., Inc.	7,125	398,501
Black & Decker Corporation (The)	3,000	260,670

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

Carnival Corporation ^	11,800	558,966
CBS Corporation	9,150	219,417
Circuit City Stores, Inc.	5,000	122,400
Clear Channel Communications, Inc. ^	8,800	255,288
Comcast Corporation, Class A +	35,037	916,568
D.R. Horton, Inc. ^	7,000	232,540
Eastman Kodak Company	1,400	39,816
eBay Inc. +	19,000	742,140
Federated Department Stores, Inc.	5,526	403,398
Ford Motor Company ^	6,000	47,760
Fortune Brands, Inc.	3,500	282,205
Gannett Co., Inc.	6,000	359,520
Gap, Inc. (The)	12,200	227,896
Goodyear Tire & Rubber Company (The) + ^	4,500	65,160
Harley-Davidson, Inc.	4,400	228,272
Hilton Hotels Corporation	11,200	285,152
Home Depot, Inc. (The)	28,100	1,188,630
J.C. Penney Company, Inc.	4,500	271,845
Kohl's Corporation +	5,000	265,050
Live Nation Inc. +	1,100	21,824
Lowe's Companies, Inc.	11,200	721,728
Marriott International, Inc., Class A	2,100	144,060
Mattel, Inc. ^	5,500	99,715
McDonald's Corporation	17,600	604,736
News Corporation	30,000	498,300
NIKE, Inc.	2,300	195,730
Omnicom Group Inc. ^	4,100	341,325
Sears Holdings Corporation +	503	66,517
Staples, Inc.	10,800	275,616
Starbucks Corporation +	10,800	406,512
Target Corporation	11,800	613,718
Time Warner Inc.	76,000	1,276,040
TJX Companies, Inc. (The) ^	7,000	173,740
Univision Communications Inc., Class A +	7,000	241,290
Viacom Inc., Class B +	11,950	463,660
Walt Disney Company (The)	29,200	814,388
Yum! Brands, Inc.	6,000	293,160
		-----
		14,789,750
		-----
CONSUMER STAPLES - 9.75%		
Altria Group, Inc.	29,300	2,076,198

2

DESCRIPTION	NO. OF SHARES	VALUE
Anheuser-Busch Companies, Inc.	12,200	521,794
Archer-Daniels-Midland Company	5,460	183,729
Campbell Soup Company	2,000	64,800
Coca-Cola Company (The)	23,500	983,945
Coca-Cola Enterprises Inc.	6,500	132,210
Colgate-Palmolive Company	11,100	633,810
ConAgra Foods, Inc.	4,400	94,424
Costco Wholesale Corporation ^	6,500	352,040
CVS Corporation	5,000	149,350
General Mills, Inc.	9,500	481,460
H.J. Heinz Company	6,600	250,272
Kroger Co. (The) ^	4,800	97,728

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

Pepsi Bottling Group, Inc. (The)	4,000	121,560
PepsiCo, Inc. ^	24,800	1,433,192
Procter & Gamble Company (The)	53,297	3,070,973
Sara Lee Corporation	11,500	205,620
Sysco Corporation ^	5,800	185,890
Walgreen Co. ^	14,300	616,759
Wal-Mart Stores, Inc.	39,800	1,880,152
		-----
		13,535,906
		-----
ENERGY - 9.24%		
Anadarko Petroleum Corp.	5,900	595,959
Baker Hughes Incorporated	8,100	554,040
Chevron Corporation	27,532	1,596,030
ConocoPhillips	17,974	1,135,058
Devon Energy Corporation	5,000	305,850
Exxon Mobil Corporation	84,000	5,112,240
Marathon Oil Corp.	7,500	571,275
Occidental Petroleum Corporation	8,000	741,200
Peabody Energy Corporation	4,000	201,640
Schlumberger Limited	11,000	1,392,270
Transocean Inc. +	2,500	200,750
Western Gas Resources, Inc.	4,400	212,300
XTO Energy, Inc.	5,000	217,850
		-----
		12,836,462
		-----
FINANCIALS - 20.21%		
AFLAC Incorporated ^	7,000	315,910
Allstate Corporation (The)	9,300	484,623
American Express Company ^	15,600	819,780
American International Group, Inc.	37,531	2,480,424
Ameriprise Financial, Inc.	3,120	140,587
Aon Corporation	4,900	203,399
Bank of America Corporation ^	67,938	3,093,897
Bank of New York Company, Inc. (The)	11,400	410,856
Charles Schwab Corporation (The)	12,000	206,520
Citigroup Inc.	74,300	3,509,932
Fannie Mae ^	13,000	668,200
Fifth Third Bancorp ^	2,500	98,400
Franklin Resources, Inc. ^	3,700	348,688
Freddie Mac	14,500	884,500
Goldman Sachs Group, Inc. (The)	7,300	1,145,808
Hartford Financial Services Group, Inc. (The)	6,000	483,300
JPMorgan Chase & Co.	48,332	2,012,544
Lehman Brothers Holdings Inc.	3,600	520,308
Marsh & McLennan Companies, Inc. ^	10,100	296,536
Merrill Lynch & Co., Inc.	10,700	842,732
MetLife, Inc.	15,200	735,224
Morgan Stanley ^	15,500	973,710

3

DESCRIPTION	NO. OF SHARES	VALUE
National City Corporation	12,700	443,230
Northern Trust Corporation	3,500	183,750
PNC Financial Services Group, Inc.	7,100	477,901

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

Prudential Financial, Inc.	8,200	621,642
St. Paul Travelers Companies, Inc. (The) ^	9,476	396,002
State Street Corporation	3,500	211,505
SunTrust Banks, Inc.	7,600	552,976
U.S. Bancorp	28,401	866,230
UnumProvident Corporation ^	8,100	165,888
Wachovia Corporation ^	22,600	1,266,730
Washington Mutual, Inc.	15,550	662,741
Wells Fargo & Company	24,200	1,545,654
		-----
		28,070,127
		-----
HEALTHCARE - 12.70%		
Abbott Laboratories	28,000	1,189,160
Aetna Inc.	12,000	589,680
Amgen Inc. +	18,900	1,374,975
Applera Corporation	8,000	217,120
Becton, Dickinson and Company	6,900	424,902
Biogen Idec Inc. +	8,000	376,800
Boston Scientific Corporation +	12,300	283,515
Bristol-Myers Squibb Company ^	30,500	750,605
Cardinal Health, Inc.	5,450	406,134
Caremark Rx, Inc. +	9,000	442,620
Eli Lilly and Company	14,500	801,850
Guidant Corporation	6,400	499,584
HCA, Inc.	8,500	389,215
Hospira, Inc. +	3,700	146,002
IMS Health Incorporated.	7,400	190,698
Johnson & Johnson	40,900	2,422,098
McKesson Corporation	2,300	119,899
Medco Health Solutions, Inc. +	6,687	382,630
Medtronic, Inc.	21,500	1,091,125
Merck & Co. Inc.	25,000	880,750
Pfizer Inc. ^	84,560	2,107,235
Schering-Plough Corporation	17,000	322,830
Tenet Healthcare Corporation +	2,250	16,605
UnitedHealth Group Incorporated	23,000	1,284,780
Wyeth	19,200	931,584
		-----
		17,642,396
		-----
INDUSTRIALS - 11.85%		
3M Co.	10,400	787,176
Boeing Company (The)	11,700	911,781
Caterpillar Inc.	11,800	847,358
Cendant Corporation	28,000	485,800
CSX Corporation ^	9,000	538,200
Danaher Corporation	3,500	222,425
Emerson Electric Co.	8,500	710,855
FedEx Corp.	4,500	508,230
General Dynamics Corporation ^	6,200	396,676
General Electric Company	141,700	4,928,326
Honeywell International Inc.	12,500	534,625
Illinois Tool Works Inc.	5,400	520,074
Lockheed Martin Corporation	4,000	300,520
Masco Corporation	4,200	136,458
Norfolk Southern Corporation	10,000	540,700
Northrop Grumman Corporation	5,000	341,450
Rockwell Automation, Inc.	2,500	179,775

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

DESCRIPTION	NO. OF SHARES	VALUE
Southwest Airlines Co.	6,450	116,036
Tyco International Ltd.	25,897	696,111
Union Pacific Corporation ^	2,000	186,700
United Parcel Service, Inc., Class B	16,300	1,293,894
United Technologies Corporation	14,400	834,768
Waste Management, Inc.	12,200	430,660
		-----
		16,448,598
		-----
INFORMATION TECHNOLOGY - 14.47%		
Adobe Systems Incorporated +	9,200	321,264
Altera Corporation + ^	3,400	70,176
Analog Devices, Inc.	6,700	256,543
Apple Computer, Inc. +	3,000	188,160
Applied Materials, Inc.	23,800	416,738
Automatic Data Processing, Inc.	9,900	452,232
Cisco Systems, Inc. +	96,400	2,088,988
Corning Incorporated +	17,000	457,470
Dell Inc. +	18,700	556,512
Electronic Arts Inc. +	2,000	109,440
Electronic Data Systems Corporation	10,000	268,300
EMC Corporation + ^	212,648	2,898,392
First Data Corporation	11,324	530,190
Freescale Semiconductor Inc., Class B +	6,512	180,838
Hewlett-Packard Company	27,900	917,910
Intel Corporation	82,500	1,596,375
International Business Machines Corporation	12,600	1,039,122
Linear Technology Corporation	6,500	228,020
Lucent Technologies Inc. +	10,700	32,635
Maxim Integrated Products, Inc.	2,300	85,445
Micron Technology, Inc. +	11,500	169,280
Microsoft Corporation	120,900	3,289,689
Motorola, Inc.	34,700	794,977
Oracle Corporation +	43,872	600,608
Paychex, Inc.	4,200	174,972
QUALCOMM Inc.	21,000	1,062,810
Sanmina-SCI Corporation + ^	5,500	22,550
Solectron Corporation +	3,000	12,000
Sun Microsystems, Inc. +	7,500	38,475
Symantec Corporation +	10,000	168,300
Texas Instruments Incorporated	23,900	776,033
Yahoo! Inc. +	8,800	283,888
		-----
		20,088,332
		-----
MATERIALS - 2.30%		
Air Products & Chemicals, Inc. ^	1,000	67,190
Alcoa Inc.	14,200	433,952
Dow Chemical Company (The)	15,400	625,240
E. I. du Pont de Nemours and Company	14,800	624,708
International Paper Company	10,500	362,985
Monsanto Company ^	5,080	430,530
Newmont Mining Corporation	7,000	363,230
Praxair, Inc.	3,000	165,450
Rohm and Hass Company ^	1,000	48,870
Weyerhaeuser Company	1,000	72,430

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

		----- 3,194,585 -----
REAL ESTATE INVESTMENT TRUST - 0.24%		
Simon Property Group, Inc. ^	4,000	336,560
TELECOMMUNICATIONS SERVICES - 3.18%		

5

DESCRIPTION	NO. OF SHARES	VALUE
ALLTEL Corporation ^	4,000	259,000
AT&T Inc.	48,364	1,307,763
BellSouth Corporation	23,000	796,950
Sprint Nextel Corporation	38,446	993,445
Verizon Communications Inc.	30,900	1,052,454
		----- 4,409,612 -----
UTILITIES - 3.41%		
American Electric Power Company, Inc.	10,700	364,014
CenterPoint Energy, Inc.	13,900	165,827
Dominion Resources, Inc.	7,100	490,113
Duke Energy Corporation	13,300	387,695
Edison International ^	4,000	164,720
Exelon Corporation ^	11,000	581,900
FirstEnergy Corp.	5,000	244,500
FPL Group, Inc. ^	7,000	280,980
PG&E Corporation	9,000	350,100
Progress Energy, Inc.	3,500	153,930
Public Service Enterprise Group Incorporated	6,000	384,240
Southern Company (The)	11,900	389,963
TXU Corp.	9,400	420,744
Williams Companies, Inc. (The)	10,000	213,900
Xcel Energy, Inc.	8,200	148,830
		----- 4,741,456 -----
TOTAL EQUITY SECURITIES (cost - \$121,776,557)		----- 138,423,914 -----

	PRINCIPAL AMOUNT (000'S)	
	-----	
SHORT-TERM INVESTMENTS - 1.99%		
REPURCHASE AGREEMENTS - 1.99%		
Bear, Stearns & Co. Inc. * ** (Agreement dated 3/31/2006 to be repurchased at \$1,241,199), 2.4375%, 4/3/2006, collateralized by \$1,278,758 in U.S. Treasury Bonds)	\$ 1,241	1,240,947
Bear, Stearns & Co. Inc. * ** (Agreement dated 3/31/2006 to be repurchased at \$1,051,107), 4.8750%,	1,051	1,050,680

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

4/3/2006, collateralized by \$1,081,300 in U.S. Treasury Bonds and STRIPS)		
Bear, Stearns & Co. Inc. (Agreement dated 3/31/2006 to be repurchased at \$473,103), 4.5000%, 4/3/2006, collateralized by \$487,243 in U.S. Treasury Bonds)	473	472,926
TOTAL SHORT-TERM INVESTMENTS (cost - \$2,764,553)		2,764,553 -----

6

DESCRIPTION	NO. OF SHARES	VALUE
TOTAL INVESTMENTS - 101.67% (cost - \$124,541,110)		141,188,467 -----
LIABILITIES IN EXCESS OF OTHER ASSETS - (1.67)%		(2,317,663) -----
NET ASSETS - 100.00%		\$138,870,804 =====

- 
- + Non-income producing security.
  - \* Stated interest rate, before rebate earned by borrower of securities on loan.
  - \*\* Represents investment purchased with collateral received for securities on loan.
  - ^ Security or a portion thereof is out on loan.

Federal Income Tax Cost - At March 31, 2006, 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 \$124,541,110, \$21,267,592, (\$4,620,235), and \$16,647,357, 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 on March 10, 2006 with a file number 811-05150.

Other information regarding the Fund is available in the Fund's most recent annual report filed with the Securities and Exchange Commission on Form N-CSR on March 10, 2006, 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>.

7

ITEM 2: CONTROLS AND PROCEDURES

(a) As of a date within 90 days from the filing date of this report, the

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

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.

8

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: May 25, 2006

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: May 25, 2006

/s/ Jodi B. Levine

-----  
Name: Jodi B. Levine  
Title: Principal Financial Officer (Treasurer)  
Date: May 25, 2006

9