

CORNERSTONE STRATEGIC VALUE FUND INC/ NEW
 Form N-Q
 November 22, 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: September 30, 2006

ITEM 1: SCHEDULE OF INVESTMENTS

CORNERSTONE STRATEGIC VALUE FUND, INC.
 SCHEDULE OF INVESTMENTS -- SEPTEMBER 30, 2006 (UNAUDITED)

| DESCRIPTION | NO. OF SHARES | VALUE |
|------------------------------------|------------------|------------|
| EQUITY SECURITIES - 99.36% | | |
| CLOSED-END DOMESTIC FUNDS - 0.97% | | |
| Adams Express Company | 49,500 | \$ 669,240 |
| General American Investors Company | 3,000 | 112,980 |
| Liberty All-Star Growth Fund, Inc. | 19,800 | 100,386 |
| Zweig Fund, Inc. ^ | 75,000 | 409,500 |
| | | 1,292,106 |
| CONSUMER DISCRETIONARY - 10.39% | | |
| Acco Brands Corporation * | 235 | 5,231 |
| Bed Bath & Beyond Inc. ^ * | 4,200 | 160,692 |
| Best Buy Co., Inc. | 3,625 | 194,155 |
| Black & Decker Corporation (The) | 3,000 | 238,050 |
| Carnival Corporation ^ | 11,800 | 554,954 |

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| | | |
|--|--------|-----------|
| CBS Corporation ^ | 4,450 | 125,356 |
| Circuit City Stores, Inc. ^ | 2,500 | 62,775 |
| Clear Channel Communications, Inc. * | 8,800 | 253,880 |
| Comcast Corporation, Special Class A ^ * | 19,037 | 701,513 |
| D.R. Horton, Inc. ^ | 7,000 | 167,650 |
| Eastman Kodak Company | 1,400 | 31,360 |
| eBay Inc. * | 21,500 | 609,740 |
| Federated Department Stores, Inc. | 11,052 | 477,557 |
| Ford Motor Company | 3,000 | 24,270 |
| Fortune Brands, Inc. | 3,500 | 262,885 |
| Gannett Co., Inc. | 6,000 | 340,980 |
| Gap, Inc. (The) | 12,200 | 231,190 |
| Goodyear Tire & Rubber Company (The) ^ * | 4,500 | 65,250 |
| Hanesbrands, Inc. * | 1,437 | 32,347 |
| Harley-Davidson, Inc. ^ | 4,400 | 276,100 |
| Hilton Hotels Corporation ^ | 11,200 | 311,920 |
| Home Depot, Inc. (The) | 28,100 | 1,019,187 |
| J.C. Penney Company, Inc. | 4,500 | 307,755 |
| Kohl's Corporation ^ * | 2,500 | 162,300 |
| Live Nation Inc. ^ * | 1,100 | 22,462 |
| Lowe's Companies, Inc. ^ | 22,400 | 628,544 |
| Marriott International, Inc., Class A ^ | 4,200 | 162,288 |
| Mattel, Inc. | 5,500 | 108,350 |
| McDonald's Corporation | 17,600 | 688,512 |
| News Corporation ^ | 23,000 | 451,950 |
| NIKE, Inc. ^ | 2,300 | 201,526 |
| Omnicom Group Inc. | 4,100 | 383,760 |
| Sears Holdings Corporation * | 503 | 79,519 |
| Staples, Inc. ^ | 10,800 | 262,764 |
| Starbucks Corporation * | 10,800 | 367,740 |
| Target Corporation | 11,800 | 651,950 |
| Time Warner Inc. | 76,000 | 1,385,480 |

| DESCRIPTION | NO. OF SHARES | VALUE |
|--|------------------|------------|
| TJX Companies, Inc. (The) ^ | 3,000 | \$ 84,090 |
| Univision Communications Inc., Class A * | 7,000 | 240,380 |
| Viacom Inc. * | 11,950 | 444,301 |
| Walt Disney Company (The) | 20,200 | 624,382 |
| Wyndham Worldwide Corp * | 5,600 | 156,632 |
| Yum! Brands, Inc. | 6,000 | 312,300 |
| | | ----- |
| | | 13,874,027 |
| | | ----- |
| CONSUMER STAPLES - 10.10% | | |
| Altria Group, Inc. | 22,300 | 1,707,065 |
| Anheuser-Busch Companies, Inc. | 6,200 | 294,562 |
| Archer-Daniels-Midland Company | 9,460 | 358,345 |
| Campbell Soup Company | 2,000 | 73,000 |
| Coca-Cola Company (The) | 23,500 | 1,049,980 |
| Coca-Cola Enterprises Inc. | 3,000 | 62,490 |
| Colgate-Palmolive Company | 11,100 | 689,310 |
| ConAgra Foods, Inc. | 4,400 | 107,712 |
| Costco Wholesale Corporation | 6,500 | 322,920 |
| CVS Corporation | 9,000 | 289,080 |
| General Mills, Inc. | 12,000 | 679,200 |
| H.J. Heinz Company | 6,600 | 276,738 |
| Kroger Co. (The) | 8,800 | 203,632 |
| Pepsi Bottling Group, Inc. (The) ^ | 4,000 | 142,000 |
| PepsiCo, Inc. | 24,800 | 1,618,448 |

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| | | |
|------------------------------------|--------|------------|
| Procter & Gamble Company (The) | 41,297 | 2,559,588 |
| Sara Lee Corporation | 16,000 | 257,120 |
| Sysco Corporation ^ | 5,800 | 194,010 |
| Walgreen Co. | 14,300 | 634,777 |
| Wal-Mart Stores, Inc. | 39,800 | 1,962,936 |
| | | ----- |
| | | 13,482,913 |
| | | ----- |
| ENERGY - 9.09% | | |
| Anadarko Petroleum Corp. ^ | 8,300 | 363,789 |
| Baker Hughes Incorporated | 8,100 | 552,420 |
| Chevron Corporation | 24,532 | 1,591,146 |
| ConocoPhillips | 17,974 | 1,069,992 |
| Devon Energy Corporation | 5,000 | 315,750 |
| Exxon Mobil Corporation | 76,500 | 5,133,150 |
| Hugoton Royalty Trust ^ | 298 | 7,852 |
| Marathon Oil Corp. | 7,500 | 576,750 |
| Occidental Petroleum Corporation | 16,000 | 769,760 |
| Schlumberger Limited | 22,000 | 1,364,660 |
| Transocean Inc. * | 2,500 | 183,075 |
| XTO Energy, Inc. ^ | 5,000 | 210,650 |
| | | ----- |
| | | 12,138,994 |
| | | ----- |
| FINANCIALS - 21.45% | | |
| AFLAC Incorporated | 7,000 | 320,320 |
| Allstate Corporation (The) | 9,300 | 583,389 |
| American Express Company | 19,600 | 1,099,168 |
| American International Group, Inc. | 37,531 | 2,486,804 |
| Ameriprise Financial, Inc. | 3,120 | 146,328 |

| DESCRIPTION | NO. OF SHARES | VALUE |
|---|------------------|------------|
| Aon Corporation | 4,900 | \$ 165,963 |
| Bank of America Corporation | 67,938 | 3,639,439 |
| Bank of New York Company, Inc. (The) | 11,400 | 401,964 |
| Charles Schwab Corporation (The) | 8,500 | 152,150 |
| Citigroup Inc. ^ | 49,300 | 2,448,731 |
| Fannie Mae | 13,000 | 726,830 |
| Fifth Third Bancorp ^ | 2,500 | 95,200 |
| Franklin Resources, Inc. | 3,700 | 391,275 |
| Freddie Mac | 14,500 | 961,785 |
| Goldman Sachs Group, Inc. (The) ^ | 7,300 | 1,234,941 |
| Hartford Financial Services Group, Inc. (The) | 6,000 | 520,500 |
| JPMorgan Chase & Co. | 40,132 | 1,884,599 |
| Lehman Brothers Holdings Inc. | 7,200 | 531,792 |
| Marsh & McLennan Companies, Inc. ^ | 10,100 | 284,315 |
| Merrill Lynch & Co., Inc. ^ | 7,200 | 563,184 |
| Metlife, Inc. | 15,200 | 861,536 |
| Morgan Stanley ^ | 15,500 | 1,130,105 |
| National City Corporation | 12,700 | 464,820 |
| Northern Trust Corporation ^ | 3,500 | 204,505 |
| PNC Financial Services Group, Inc. | 7,100 | 514,324 |
| Prudential Financial, Inc. | 8,200 | 625,250 |
| Realogy Corporation * | 7,000 | 158,760 |
| St. Paul Travelers Companies, Inc. (The) | 9,476 | 444,330 |
| State Street Corporation | 3,500 | 218,400 |
| SunTrust Banks, Inc. | 7,600 | 587,328 |
| U.S. Bancorp | 28,401 | 943,481 |
| UnumProvident Corporation | 8,100 | 157,059 |

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|---------------------------------|--------|------------|
| Wachovia Corporation | 22,600 | 1,261,080 |
| Washington Mutual, Inc. | 15,550 | 675,958 |
| Wells Fargo & Company | 48,400 | 1,751,112 |
| | | ----- |
| | | 28,636,725 |
| | | ----- |
| HEALTHCARE - 12.69% | | |
| Abbott Laboratories | 28,000 | 1,359,680 |
| Aetna Inc. ^ | 6,000 | 237,300 |
| Amgen Inc. * | 18,900 | 1,351,917 |
| Applera Corporation | 8,000 | 264,880 |
| Baxter International Inc. | 5,000 | 227,300 |
| Becton, Dickinson and Company | 6,900 | 487,623 |
| Biogen Idec Inc. * | 5,500 | 245,740 |
| Boston Scientific Corporation * | 15,551 | 229,999 |
| Bristol-Myers Squibb Company ^ | 30,500 | 760,060 |
| Cardinal Health, Inc. | 5,450 | 358,283 |
| Caremark Rx, Inc. | 9,000 | 510,030 |
| Eli Lilly and Company | 11,000 | 627,000 |
| Gilead Sciences, Inc. * | 3,500 | 240,450 |
| HCA, Inc. | 8,500 | 424,065 |
| Hospira, Inc. * | 3,700 | 141,599 |
| IMS Health Incorporated | 7,400 | 197,136 |
| Johnson & Johnson | 40,900 | 2,656,046 |

| DESCRIPTION | NO. OF SHARES | VALUE |
|-------------------------------------|------------------|------------|
| McKesson Corporation | 2,300 | \$ 121,256 |
| Medco Health Solutions, Inc. * | 6,687 | 401,956 |
| Medtronic, Inc. | 19,000 | 882,360 |
| Merck & Co. Inc. | 20,000 | 838,000 |
| Pfizer Inc. | 68,560 | 1,944,362 |
| Schering-Plough Corporation | 12,500 | 276,125 |
| Tenet Healthcare Corporation * | 2,250 | 18,315 |
| UnitedHealth Group Incorporated | 17,000 | 836,400 |
| WellPoint Inc. * | 6,000 | 462,300 |
| Wyeth | 16,700 | 849,028 |
| | | ----- |
| | | 16,949,210 |
| | | ----- |
| INDUSTRIALS - 10.48% | | |
| 3M Co. | 12,400 | 922,808 |
| Avis Budget Group | 2,800 | 51,212 |
| Boeing Company (The) | 9,200 | 725,420 |
| Caterpillar Inc. ^ | 11,800 | 776,440 |
| CSX Corporation | 18,000 | 590,940 |
| Danaher Corporation ^ | 3,500 | 240,345 |
| Emerson Electric Co. | 6,000 | 503,160 |
| FedEx Corp. | 4,500 | 489,060 |
| General Dynamics Corporation | 6,200 | 444,354 |
| General Electric Company | 112,500 | 3,971,250 |
| Honeywell International Inc. | 12,500 | 511,250 |
| Illinois Tool Works Inc. | 10,800 | 484,920 |
| Ingersoll-Rand Company Ltd. Class A | 7,000 | 265,860 |
| Lockheed Martin Corporation | 4,000 | 344,240 |
| Masco Corporation ^ | 4,200 | 115,164 |
| Norfolk Southern Corporation | 10,000 | 440,500 |
| Northrop Grumman Corporation | 5,000 | 340,350 |
| Rockwell Automation, Inc. | 2,500 | 145,250 |
| Southwest Airlines Co. | 6,450 | 107,457 |

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|--------------------------------------|--------|---------|
| Textron Inc. | 4,500 | 393,750 |
| Tyco International Ltd. | 15,397 | 430,962 |
| Union Pacific Corporation | 2,000 | 176,000 |
| United Parcel Service, Inc., Class B | 5,300 | 381,282 |
| United Technologies Corporation | 11,000 | 696,850 |
| Waste Management, Inc. | 12,200 | 447,496 |

13,996,320

INFORMATION TECHNOLOGY - 14.88%

| | | |
|-------------------------------------|--------|-----------|
| Adobe Systems Incorporated * | 9,200 | 344,540 |
| Analog Devices, Inc. | 9,200 | 270,388 |
| Apple Computer, Inc. * | 3,000 | 231,090 |
| Applied Materials, Inc. | 33,800 | 599,274 |
| Automatic Data Processing, Inc. | 9,900 | 468,666 |
| Cisco Systems, Inc. * | 96,400 | 2,217,200 |
| Corning Incorporated * | 11,000 | 268,510 |
| Dell Inc. * | 18,700 | 427,108 |
| Electronic Arts Inc. ^ * | 5,000 | 278,400 |
| Electronic Data Systems Corporation | 5,000 | 122,600 |

| DESCRIPTION | NO. OF SHARES | VALUE |
|---|------------------|------------------------------|
| EMC Corporation * | 212,648 | \$ 2,547,523 |
| First Data Corporation | 11,324 | 475,608 |
| Freescale Semiconductor Inc., Class B * | 6,512 | 247,521 |
| Hewlett-Packard Company ^ | 19,900 | 730,131 |
| Intel Corporation | 82,500 | 1,697,025 |
| International Business Machines Corporation | 12,600 | 1,032,444 |
| Linear Technology Corporation | 6,500 | 202,280 |
| Lucent Technologies Inc. * | 10,700 | 25,038 |
| Maxim Integrated Products, Inc. | 2,300 | 64,561 |
| Micron Technology, Inc. * | 11,500 | 200,100 |
| Microsoft Corporation | 120,900 | 3,304,197 |
| Motorola, Inc. | 34,700 | 867,500 |
| Oracle Corporation * | 43,872 | 778,289 |
| Paychex, Inc. | 4,200 | 154,770 |
| QUALCOMM Inc. | 21,000 | 763,350 |
| Sanmina-SCI Corporation * | 5,500 | 20,570 |
| Solelectron Corporation * | 3,000 | 9,780 |
| Sun Microsystems, Inc. * | 7,500 | 37,275 |
| Symantec Corporation * | 10,000 | 212,800 |
| Texas Instruments Incorporated | 23,900 | 794,675 |
| Yahoo! Inc. * | 18,800 | 475,264 |
| | | ----- 19,868,477 ----- |

MATERIALS - 2.34%

| | | |
|--|--------|---------|
| Air Products & Chemicals, Inc. | 1,000 | 66,370 |
| Alcoa Inc. ^ | 14,200 | 398,168 |
| Dow Chemical Company (The) | 15,400 | 600,292 |
| E. I. du Pont de Nemours and Company ^ | 14,800 | 634,032 |
| International Paper Company ^ | 10,500 | 363,615 |
| Monsanto Company | 10,160 | 477,622 |
| Newmont Mining Corporation | 7,000 | 299,250 |
| Praxair, Inc. | 3,000 | 177,480 |
| Rohm and Hass Company | 1,000 | 47,350 |
| Weyerhaeuser Company ^ | 1,000 | 61,530 |

3,125,709

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| | | |
|---------------------------------------|--------|-----------|
| ----- | | |
| REAL ESTATE INVESTMENT TRUST - 0.44% | | |
| Simon Property Group, Inc. | 6,500 | 589,030 |
| ----- | | |
| TELECOMMUNICATIONS SERVICES - 3.27% | | |
| ALLTEL Corporation | 4,000 | 222,000 |
| AT&T Inc. | 42,364 | 1,379,372 |
| BellSouth Corporation | 19,000 | 812,250 |
| Embarq Corporation | 1,922 | 92,967 |
| Sprint Nextel Corporation ^ | 38,446 | 659,349 |
| Verizon Communications Inc. | 30,900 | 1,147,317 |
| Windstream Corporation | 4,135 | 54,541 |
| ----- | | |
| | | 4,367,796 |
| ----- | | |
| UTILITIES - 3.26% | | |
| American Electric Power Company, Inc. | 5,500 | 200,035 |
| CenterPoint Energy, Inc. | 13,900 | 199,048 |

| DESCRIPTION | NO. OF SHARES | VALUE |
|--|------------------|-------------|
| ----- | | |
| Dominion Resources, Inc. | 4,600 | \$ 351,854 |
| Duke Energy Corporation | 13,300 | 401,660 |
| Edison International ^ | 4,000 | 166,560 |
| Exelon Corporation | 8,500 | 514,590 |
| FirstEnergy Corp. | 5,000 | 279,300 |
| FPL Group, Inc. ^ | 4,000 | 180,000 |
| PG&E Corporation | 9,000 | 374,850 |
| Progress Energy, Inc. | 3,500 | 158,830 |
| Public Service Enterprise Group Incorporated | 6,000 | 367,140 |
| Southern Company (The) ^ | 11,900 | 410,074 |
| TXU Corp. ^ | 9,400 | 587,688 |
| Williams Companies, Inc. (The) ^ | 7,000 | 167,090 |
| ----- | | |
| | | 4,358,719 |
| ----- | | |
| TOTAL EQUITY SECURITIES | | |
| (cost - \$111,744,455) | | 132,680,026 |
| ----- | | |

| | PRINCIPAL AMOUNT 000'S | |
|---|------------------------------|-----------|
| ----- | | |
| SHORT-TERM INVESTMENTS - 3.53% | | |
| REPURCHASE AGREEMENTS - 3.53% | | |
| Bear, Stearns and Co., Inc. + ++ | \$ 2,785 | 2,784,570 |
| (Agreement dated 9/30/2006 to be repurchased at \$2,785,193), 2.6875%, 10/2/2006, collateralized by \$2,865,553 in U.S. Treasury Bond Strips) | | |
| Bear, Stearns and Co., Inc. | 1,059 | 1,059,458 |
| (Agreement dated 9/30/2006 to be repurchased at \$1,059,899), 5.0000%, 10/2/2006, collateralized by \$1,092,600 in U.S. Treasury Bond Strips) | | |
| Bear, Stearns and Co., Inc. + ++ | 872 | 871,582 |
| (Agreement dated 9/30/2006 to be repurchased at \$871,972), 5.3750%, 10/2/2006, collateralized by \$899,449 in U.S. Treasury Bond Strips) | | |
| TOTAL SHORT-TERM INVESTMENTS | | |

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| | |
|---|---------------|
| (cost - \$4,715,610) | 4,715,610 |
| | ----- |
| TOTAL INVESTMENTS - 102.89% | |
| (cost - \$116,460,065) | 137,395,636 |
| | ----- |
| LIABILITIES IN EXCESS OF OTHER ASSETS - (2.89)% | (3,857,743) |
| | ----- |
| NET ASSETS - 100.00% | \$133,537,893 |
| | ===== |

- * 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 September 30, 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 \$116,460,065, \$24,606,113, (\$3,670,542), \$20,935,571, 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 August 31, 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 August 31, 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>.

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

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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 22, 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: November 22, 2006

/s/ Jodi B. Levine

Name: Jodi B. Levine
Title: Principal Financial Officer
Date: November 22, 2006