

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

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13,996,320  
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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

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3,125,709  
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REAL ESTATE INVESTMENT TRUST - 0.44%		
Simon Property Group, Inc.	6,500	589,030
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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
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		4,367,796
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UTILITIES - 3.26%		
American Electric Power Company, Inc.	5,500	200,035
CenterPoint Energy, Inc.	13,900	199,048

DESCRIPTION	NO. OF SHARES	VALUE
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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
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		4,358,719
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TOTAL EQUITY SECURITIES		
(cost - \$111,744,455)		132,680,026
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	PRINCIPAL AMOUNT 000'S	
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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
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TOTAL INVESTMENTS - 102.89%	
(cost - \$116,460,065)	137,395,636
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LIABILITIES IN EXCESS OF OTHER ASSETS - (2.89)%	(3,857,743)
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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

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Name: Ralph W. Bradshaw  
Title: Principal Executive Officer  
Date: November 22, 2006

/s/ Jodi B. Levine

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