

CORNERSTONE PROGRESSIVE RETURN FUND  
Form N-Q  
May 22, 2009

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OMB APPROVAL  
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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 811-22066  
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Cornerstone Progressive Return Fund  
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(Exact name of registrant as specified in charter)

305 Madison Avenue, Suite 740 New York, New York 10165  
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(Address of principal executive offices) (Zip code)

Frank J. Maresca

Ultimus Fund Solutions, LLC 305 Madison Avenue, Suite 740 New York, NY 10165  
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(Name and address of agent for service)

Registrant's telephone number, including area code: (212) 652-6155  
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Date of fiscal year end: December 31, 2009  
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Date of reporting period: March 31, 2009  
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Form N-Q is to be used by management investment companies other than small business investment companies registered on Form N-5 (ss.ss. 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to Rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information

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collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

### ITEM 1. SCHEDULE OF INVESTMENTS.

#### CORNERSTONE PROGRESSIVE RETURN FUND SCHEDULE OF INVESTMENTS - MARCH 31, 2009 (UNAUDITED)

DESCRIPTION	NO. OF SHARES	VALUE
-----		
EQUITY SECURITIES - 99.28%		
CLOSED-END FUNDS - 28.12%		
Advent/Claymore Enhanced Growth & Income Fund	49,761	\$ 382,165
Alpine Global Premier Properties Fund ^	13,700	40,278
BlackRock Enhanced Capital & Income Fund	20,300	202,797
Blue Chip Value Fund	17,500	39,025
Calamos Strategic Total Return Fund	240,600	1,369,014
Clough Global Allocation Fund ^	2,300	24,564
Clough Global Equity Fund	74,200	724,934
Clough Global Opportunities Fund	163,000	1,499,600
Dreman/Claymore Dividend & Income Fund ^	214,755	311,395
Eaton Vance Tax-Advantaged Dividend Income Fund	50,000	446,000
Eaton Vance Tax-Advantaged Global Dividend Income Fund ^	73,000	584,730
Eaton Vance Tax-Managed Global Buy-Write Opportunities Fund	70,900	667,169
Eaton Vance Tax-Managed Global Diversified Equity Income Fund	124,550	1,071,130
Evergreen Global Dividend Opportunity Fund	500	4,030
First Trust Enhanced Equity Income Fund	9,100	71,162
Gabelli Dividend & Income Trust	45,414	379,207
General American Investors Company, Inc.	27,081	415,693
H&Q Healthcare Investors	37,800	380,646
H&Q Life Sciences Investors	65,000	507,000
ING Risk Managed Natural Resources Fund ^	42,720	586,118
John Hancock Bank & Thrift Opportunity Fund	6,400	68,800
Liberty All-Star Equity Fund	306,100	896,873
Liberty All-Star Growth Fund	141,200	340,292
LMP Capital & Income Fund, Inc.	141,031	981,576
Madison Strategic Sector Premium Fund	200	1,616
Morgan Stanley High Yield Fund, Inc.	20,600	78,280
NFJ Dividend, Interest & Premium Strategy Fund	177,000	1,770,000
Nuveen Core Equity Alpha Fund	4,000	33,440
Nuveen Diversified Dividend & Income Fund	29,900	159,666
Nuveen Equity Premium & Growth Fund	6,000	57,600
Nuveen Equity Premium Advantage Fund	4,000	39,520
Nuveen Tax-Advantaged Dividend Growth Fund	9,000	62,460
Nuveen Tax-Advantaged Total Return Strategy Fund ^	7,800	49,764

CORNERSTONE PROGRESSIVE RETURN FUND  
SCHEDULE OF INVESTMENTS - MARCH 31, 2009 (UNAUDITED) (CONTINUED)

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### CLOSED-END FUNDS (CONTINUED)

Reaves Utility Income Fund (The) ^	4,907	\$ 52,897
Royce Value Trust, Inc.	24,000	168,960
SunAmerica Focused Alpha Growth Fund, Inc.	16,000	142,560
Zweig Fund, Inc. ^	184,902	460,406
Zweig Total Return Fund, Inc. (The) ^	65,000	204,100

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15,275,467  
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### CONSUMER DISCRETIONARY - 6.27%

Amazon.com, Inc. ^ *	5,500	403,920
Best Buy Company, Inc.	2,000	75,920
Coach, Inc. ^ *	4,000	66,800
Comcast Corporation - Class A	15,358	209,483
DIRECTV Group, Inc. (The) ^ *	8,000	182,320
Ford Motor Company ^ *	15,000	39,450
GameStop Corporation - Class A ^ *	2,500	70,050
Gap, Inc. (The)	11,000	142,890
Home Depot, Inc. (The) ^	9,000	212,040
Kohl's Corporation ^ *	3,695	156,372
Lowe's Companies, Inc.	10,000	182,500
McDonald's Corporation	11,000	600,270
NIKE, Inc. - Class B	5,000	234,450
Omnicom Group, Inc. ^	2,000	46,800
Staples, Inc.	5,000	90,550
Target Corporation	5,614	193,066
Time Warner Cable, Inc.	2,510	62,250
Time Warner, Inc. ^	2,000	38,600
TJX Companies, Inc. (The) ^	2,000	51,280
Walt Disney Company (The) ^	19,000	345,040

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3,404,051  
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### CONSUMER STAPLES - 8.87%

Altria Group, Inc.	11,922	190,990
Archer-Daniels-Midland Company	4,000	111,120
Coca-Cola Company (The)	11,000	483,450
Colgate-Palmolive Company	5,000	294,900
CVS Caremark Corporation	8,746	240,427
General Mills, Inc.	3,000	149,640
H.J. Heinz Company ^	2,000	66,120
Kraft Foods, Inc. - Class A	15,000	334,350
Kroger Company (The)	7,000	148,540
PepsiCo, Inc.	9,000	463,320
Philip Morris International, Inc. ^	12,337	438,951
Procter & Gamble Company (The)	14,733	693,777

### CORNERSTONE PROGRESSIVE RETURN FUND

#### SCHEDULE OF INVESTMENTS - MARCH 31, 2009 (UNAUDITED) (CONTINUED)

### CONSUMER STAPLES (CONTINUED)

Sysco Corporation ^	3,000	\$ 68,400
Walgreen Company	5,500	142,780
Wal-Mart Stores, Inc.	19,000	989,900

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4,816,665  
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### ENERGY - 9.68%

Apache Corporation	3,500	224,315
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Chesapeake Energy Corporation ^	4,244	72,403
Chevron Corporation	11,251	756,517
Devon Energy Corporation ^	2,000	89,380
EOG Resources, Inc. ^	2,000	109,520
Exxon Mobil Corporation	40,475	2,756,348
Halliburton Company	5,163	79,871
National Oilwell Varco, Inc. *	2,500	71,775
Peabody Energy Corporation	5,000	125,200
Schlumberger Ltd. ^	12,598	511,731
Southwestern Energy Company *	3,000	89,070
Transocean Ltd. ^ *	2,156	126,859
Williams Companies, Inc. ^	13,000	147,940
XTO Energy, Inc. ^	3,139	96,116
		-----
		5,257,045
		-----
FINANCIALS - 7.27%		
AFLAC, Inc. ^	4,000	77,440
American Express Company	6,252	85,215
Aon Corporation ^	3,000	122,460
Bank of America Corporation	29,792	203,181
BB&T Corporation ^	10,000	169,200
Charles Schwab Corporation (The) ^	9,000	139,500
Chubb Corporation (The)	3,000	126,960
Franklin Resources, Inc. ^	5,000	269,350
Goldman Sachs Group, Inc. (The) ^	3,000	318,060
Hudson City Bancorp, Inc.	5,000	58,450
JPMorgan Chase & Company	35,498	943,537
Loews Corporation	5,000	110,500
Marsh & McLennan Companies, Inc. ^	3,000	60,750
MetLife, Inc. ^	3,194	72,727
Morgan Stanley ^	5,232	119,133
PNC Financial Services Group, Inc. *	4,000	117,160
Public Storage, Inc. ^	2,500	138,125
State Street Corporation	5,081	156,393
T. Rowe Price Group, Inc. ^	2,000	57,720
Travelers Companies, Inc. (The)	5,000	203,200

CORNERSTONE PROGRESSIVE RETURN FUND  
SCHEDULE OF INVESTMENTS - MARCH 31, 2009 (UNAUDITED) (CONTINUED)

FINANCIALS (CONTINUED)

U.S. Bancorp	4,000	\$ 58,440
Wells Fargo & Company	24,206	344,694
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		3,952,195
		-----

HEALTH CARE - 10.61%

Abbott Laboratories ^	9,229	440,223
Aetna, Inc.	9,000	218,970
Amgen, Inc. ^ *	9,119	451,573
Becton, Dickinson and Company	3,000	201,720
Bristol-Myers Squibb Company	16,418	359,883
Celgene Corporation *	2,000	88,800
Eli Lilly & Company	6,000	200,460
Express Scripts, Inc. ^ *	4,078	188,281
Gilead Sciences, Inc. *	10,000	463,200
Johnson & Johnson	30,000	1,578,000
Medco Health Solutions, Inc. ^ *	5,000	206,700

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Medtronic, Inc.	10,000	294,700
Schering-Plough Corporation ^	10,768	253,586
St. Jude Medical, Inc. *	7,000	254,310
Stryker Corporation	4,000	136,160
UnitedHealth Group, Inc.	5,179	108,397
Wyeth	7,395	318,281
		-----
		5,763,244
		-----
INDUSTRIALS - 7.07%		
3M Company	5,067	251,931
Burlington Northern Santa Fe Corporation ^	2,000	120,300
Caterpillar, Inc. ^	7,000	195,720
CSX Corporation	3,000	77,550
Danaher Corporation	4,000	216,880
Emerson Electric Company	11,000	314,380
General Electric Company ^	71,918	727,091
Honeywell International, Inc. ^	3,236	90,155
Illinois Tool Works, Inc.	3,000	92,550
Lockheed Martin Corporation	4,000	276,120
Norfolk Southern Corporation	3,500	118,125
Raytheon Company	7,161	278,849
United Parcel Service, Inc. - Class B	9,191	452,381
United Technologies Corporation	10,108	434,442
Waste Management, Inc. ^	7,500	192,000
		-----
		3,838,474
		-----
INFORMATION TECHNOLOGY - 12.75%		
Agilent Technologies, Inc. *	7,000	107,590
CORNERSTONE PROGRESSIVE RETURN FUND		
SCHEDULE OF INVESTMENTS - MARCH 31, 2009 (UNAUDITED) (CONTINUED)		
INFORMATION TECHNOLOGY (CONTINUED)		
Apple, Inc. *	4,068	\$ 427,628
Automatic Data Processing, Inc.	9,000	316,440
Cisco Systems, Inc. *	46,470	779,302
eBay, Inc. *	7,000	87,920
EMC Corporation ^ *	21,000	239,400
Google, Inc. - Class A *	2,032	707,258
Hewlett-Packard Company	11,265	361,156
Intel Corporation	31,599	475,565
International Business Machines Corporation	9,000	872,010
Linear Technology Corporation	2,500	57,450
Microsoft Corporation	48,913	898,532
Oracle Corporation *	45,555	823,179
Paychex, Inc. ^	5,000	128,350
QUALCOMM, Inc.	11,308	439,994
Texas Instruments, Inc.	9,000	148,590
Xilinx, Inc.	3,000	57,480
		-----
		6,927,844
		-----
MATERIALS - 2.31%		
Air Products & Chemicals, Inc.	2,500	140,625
Dow Chemical Company (The) ^	7,000	59,010
E.I. Du Pont de Nemours & Company	5,500	122,815
Freeport-McMoRan Copper & Gold, Inc. ^	2,119	80,755

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International Paper Company ^	5,000	35,200
Monsanto Company	6,000	498,600
Nucor Corporation	3,061	116,838
Praxair, Inc.	3,000	201,870
		-----
		1,255,713
		-----
REAL ESTATE INVESTMENT TRUST - 0.33%		
Simon Property Group, Inc. ^	5,118	177,288
		-----
TELECOMMUNICATION SERVICES - 2.87%		
AT&T, Inc.	36,636	923,227
Verizon Communications, Inc. ^	21,000	634,200
		-----
		1,557,427
		-----
UTILITIES - 3.13%		
American Electric Power Company, Inc.	7,000	176,820
Dominion Resources, Inc. ^	9,000	278,910
Duke Energy Corporation	13,000	186,160
Entergy Corporation	2,000	136,180
Exelon Corporation	3,128	141,980
FPL Group, Inc. ^	7,000	355,110

CORNERSTONE PROGRESSIVE RETURN FUND  
SCHEDULE OF INVESTMENTS - MARCH 31, 2009 (UNAUDITED) (CONTINUED)

UTILITIES (CONTINUED)		
Questar Corporation	4,000	\$ 117,720
Southern Company (The)	10,000	306,200
		-----
		1,699,080
		-----
TOTAL EQUITY SECURITIES (cost \$81,242,020)		\$ 53,924,493
		-----
SHORT-TERM INVESTMENTS - 9.44%		
MONEY MARKET SECURITY - 0.46%		
JPMorgan U.S. Government Money Market Fund	250,541	250,541
		-----

PRINCIPAL  
AMOUNT (000'S)

REPURCHASE AGREEMENTS - 8.98%		
J.P. Morgan Securities, Inc.+ ++ (Agreement dated 3/31/2009 to be repurchased at \$559,429, 0.1562%, 4/1/2009, collateralized by \$578,805 in United States Treasury Notes)	\$ 559	559,427
J.P. Morgan Securities, Inc.+ ++ (Agreement dated 3/31/2009 to be repurchased at \$4,318,796, 0.3125%, 4/1/2009, collateralized by \$4,447,935 in United States Treasury Notes)	4,319	4,318,758
		\$ 4,878,185
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TOTAL SHORT-TERM INVESTMENTS (cost - \$5,128,726)	5,128,726
TOTAL INVESTMENTS - 108.72% (cost \$86,370,746)	59,053,219
	-----
LIABILITIES IN EXCESS OF OTHER ASSETS - (8.72)%	(4,735,924)
	-----
NET ASSETS - 100.00%	\$ 54,317,295
	=====

- ^ Security or a portion thereof is out on loan.
- \* 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.

See accompanying notes to schedule of investments.

CORNERSTONE PROGRESSIVE RETURN FUND, INC.  
 NOTES TO SCHEDULES OF INVESTMENTS  
 MARCH 31, 2009 (UNAUDITED)

=====  
 Federal Income Tax Cost: At March 31, 2009 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 depreciation from investments were \$86,397,198, \$968,759, \$(28,312,738) and \$(27,343,979), 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 that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained 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 risks, etc.)
- o Level 3 - significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

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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 March 31, 2009 in valuing the Fund's investments carried at value:

Valuation Inputs	INVESTMENTS IN SECURITIES	OTHER FINANCIAL INSTRUMENTS*
Level 1 - Quoted Prices	\$ 59,053,219	\$ --
Level 2 - Other Significant Observable Inputs	--	--
Level 3 - Significant Unobservable Inputs	--	--
Total	\$ 59,053,219	\$ --

\* 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 March 31, 2009.

As of January 1, 2009, the Fund adopted SFAS No. 161, DISCLOSURES ABOUT DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES. This standard amends and expands the disclosure requirements of SFAS No. 133, ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES, to illustrate how and why an entity uses derivative instruments; how derivative instruments and related hedged items are accounted for under SFAS No. 133; and how derivative instruments and related hedged items affect an entity's financial position, financial performance and cash flows. SFAS No. 161 is effective for financial statements issued for fiscal years beginning after November 15, 2008 and interim periods within those fiscal years.

The Fund is exposed to financial market risks, including the valuations of its investment portfolio. For the period ended March 31, 2009, the Fund did not engage in derivative instruments and other hedging activities.

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 6, 2009 with a file number 811-22066.

Other information regarding the Fund is available in the Fund's most recent annual report filed with the Securities and Exchange Commission on the Form N-CSR on March 6, 2009, file number 811-22066. This information is also available to registered shareholders by calling (800) 937-5449. For general inquiries, please call (513) 326-3597. This information is also available on the website of the Securities and Exchange Commission - <https://www.sec.gov>

### ITEM 2. CONTROLS AND PROCEDURES.

(a) Based on their evaluation of the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of



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1940) as of a date within 90 days of the filing date of this report, the registrant's principal executive officer and principal financial officer have concluded that such disclosure controls and procedures are reasonably designed and are operating effectively to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to them by others within those entities, particularly during the period in which this report is being prepared, and that such information is recorded, processed, summarized, and reported on a timely basis.

(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) 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.

File as exhibits as part of this Form a separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the Act (17 CFR 270.30a-2(a)): Attached hereto

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.

(Registrant) Cornerstone Progressive Return Fund

By (Signature and Title)\* /s/ Ralph W. Bradshaw  
-----  
Ralph W. Bradshaw, President and Chairman  
(Principal Executive Officer)

Date May 21, 2009  
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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.

By (Signature and Title)\* /s/ Ralph W. Bradshaw  
-----  
Ralph W. Bradshaw, President and Chairman  
(Principal Executive Officer)

Date May 21, 2009  
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By (Signature and Title)\* /s/ Frank J. Maresca  
-----  
Frank J. Maresca, Treasurer  
(Principal Financial Officer)

Date May 21, 2009  
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\* Print the name and title of each signing officer under his or her signature.