

CORNERSTONE STRATEGIC VALUE FUND INC/ NEW
Form N-CSRS
August 31, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM N-CSR
CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES

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, New York 10179

(Address of principal executive offices) (Zip code)

Jodi Levine

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, 2007

Date of reporting period: June 30, 2007

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

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

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CORNERSTONE STRATEGIC
VALUE FUND, INC.

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SEMI-ANNUAL REPORT
JUNE 30, 2007

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CORNERSTONE STRATEGIC VALUE FUND, INC.
PORTFOLIO SUMMARY - AS OF JUNE 30, 2007 (UNAUDITED)

SECTOR ALLOCATION

Sector	Percent of Net Assets
Financials	20.2
Information Technology	15.0
Healthcare	11.8
Energy	10.8
Consumer Discretionary	10.7
Industrials	10.6
Consumer Staples	9.4
Telecommunication Services	3.6
Utilities	3.5
Materials	2.5
Closed-End Funds	1.2
Other	0.7

TOP TEN HOLDINGS, BY ISSUER

Rank	Holding	Sector	Percent of Net Assets
1.	Exxon Mobil Corporation	Energy	4.6
2.	General Electric Company	Industrials	2.9
3.	Citigroup Inc.	Financials	2.2
4.	Microsoft Corporation	Information Technology	2.2
5.	Bank of America Corporation	Financials	2.2
6.	EMC Corporation	Information Technology	2.1
7.	Johnson & Johnson	Healthcare	1.9
8.	AT&T Inc.	Telecommunication Services	1.8
9.	Procter & Gamble Company (The)	Consumer Staples	1.7

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10. Cisco Systems, Inc. Information Technology 1.6

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CORNERSTONE STRATEGIC VALUE FUND, INC.
SUMMARY SCHEDULE OF INVESTMENTS - JUNE 30, 2007 (UNAUDITED)

Description	No. of Shares	Value
EQUITY SECURITIES - 99.80%		
CLOSED-END FUNDS - 1.21%		
Total Closed-End Funds (a)		\$ 1,612,969
CONSUMER DISCRETIONARY - 10.69%		
Home Depot, Inc. (The)	23,100	908,985
NIKE, Inc., Class B	14,600	851,034
Time Warner Inc.	76,000	1,599,040
Walt Disney Company (The)	27,200	928,608
Other Consumer Discretionary (a)		9,947,228
		14,234,895
CONSUMER STAPLES - 9.40%		
Altria Group, Inc.	22,300	1,564,122
Coca-Cola Company (The)	27,000	1,412,370
PepsiCo, Inc. ^	17,600	1,141,360
Procter & Gamble Company (The)	37,797	2,312,798
Walgreen Co.	18,800	818,552
Other Consumer Staples (a)		5,267,151
		12,516,353
ENERGY - 10.77%		
Baker Hughes Incorporated ^	10,600	891,778
Chevron Corporation	24,532	2,066,576
ConocoPhillips	10,474	822,209
Exxon Mobil Corporation	73,500	6,165,179
Marathon Oil Corp.	15,000	899,400
Schlumberger Limited ^	17,500	1,486,450
Other Energy (a)		2,012,989
		14,344,581
FINANCIALS - 20.19%		
American Express Company ^	19,600	1,199,128
American International Group, Inc.	16,831	1,178,675
Bank of America Corporation	59,138	2,891,257
Citigroup Inc.	57,300	2,938,917
Goldman Sachs Group, Inc. (The)	7,300	1,582,275
JPMorgan Chase & Co.	36,632	1,774,820
Metlife, Inc.	15,200	980,096
Morgan Stanley	15,500	1,300,140
Prudential Financial, Inc.	10,700	1,040,361
Wachovia Corporation	19,600	1,004,500
Wells Fargo & Company ^	48,400	1,702,228

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Other Financials (a)		9,292,190

		26,884,587

HEALTHCARE - 11.84%		
Abbott Laboratories	28,000	1,499,400
Amgen Inc. *	22,400	1,238,496
Johnson & Johnson	40,900	2,520,258
Medtronic, Inc.	21,500	1,114,990
Merck & Co. Inc.	17,500	871,500
Pfizer Inc. ^	36,060	922,054
UnitedHealth Group Incorporated	22,000	1,125,080
WellPoint Inc. *	14,000	1,117,620
Wyeth ^	20,200	1,158,268
Other Healthcare (a)		4,198,800

		15,766,466

INDUSTRIALS - 10.63%		
3M Co. ^	9,400	815,826
Boeing Company (The) ^	9,200	884,672
General Electric Company	100,900	3,862,452
Other Industrials (a)		8,589,444

		14,152,394

INFORMATION TECHNOLOGY - 15.00%		
Cisco Systems, Inc. *	77,400	2,155,590
EMC Corporation *	156,648	2,835,329
Google Inc. *	2,500	1,308,450
Hewlett-Packard Company ^	19,900	887,938
Intel Corporation	60,500	1,437,480

See accompanying notes to financial statements.

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CORNERSTONE STRATEGIC VALUE FUND, INC.
SUMMARY SCHEDULE OF INVESTMENTS - JUNE 30, 2007 (UNAUDITED) (CONCLUDED)

Description	No. of Shares	Value
INFORMATION TECHNOLOGY (CONTINUED)		
International Business Machines Corporation	12,600	\$ 1,326,150
Microsoft Corporation	98,200	2,893,954
Oracle Corporation ^ *	44,272	872,601
Texas Instruments Incorporated	23,900	899,357
Other Information Technology (a)		5,360,048

		19,976,897

MATERIALS - 2.50%		
Total Materials (a)		3,326,658

REAL ESTATE INVESTMENT TRUST - 0.45%		
Total Real Estate Investment Trust (a)		604,760

TELECOMMUNICATION SERVICES - 3.64%		

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AT&T Inc.	56,539	2,346,368
Verizon Communications Inc.	41,300	1,700,321
Other Telecommunication Services (a)		807,542

		4,854,231

UTILITIES - 3.48%		
TXU Corp.	12,400	834,520
Other Utilities (a)		3,805,127

		4,639,647

TOTAL EQUITY SECURITIES		
(cost - \$97,627,172)		132,914,438

Description	Principal Amount (000's)	Value

SHORT-TERM INVESTMENTS - 4.31%		
REPURCHASE AGREEMENTS - 4.31%		
Bear, Stearns & Co. Inc. + (Agreements dated 6/29/2007 to be repurchased at \$5,738,796) (b)	\$ 5,737	\$ 5,736,895

TOTAL SHORT-TERM INVESTMENTS (cost - \$5,736,895)		5,736,895

TOTAL INVESTMENTS - 104.11%		
(cost - \$103,364,067)		138,651,333

LIABILITIES IN EXCESS OF OTHER ASSETS - (4.11)%		(5,477,390)

NET ASSETS - 100.00%		\$133,173,943
		=====

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- * Non-income producing security.
 - + Includes investments purchased with collateral received for securities on loan.
 - ^ Security or a portion thereof is out on loan.
 - (a) Represents issues not identified as a top 50 holding in terms of market value and issues or issuers not exceeding 1% of net assets individually or in the aggregate, respectively, as of June 30, 2007.
 - (b) At June 29, 2007, the maturity date for all repurchase agreements held was July 2, 2007, with interest rates ranging from 2.6875% to 5.3750% and collateralized by \$5,845,698 in U.S. Treasury Bonds.

See accompanying notes to financial statements.

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CORNERSTONE STRATEGIC VALUE FUND, INC.
STATEMENT OF ASSETS AND LIABILITIES - JUNE 30, 2007 (UNAUDITED)

ASSETS

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Investments, at value, including collateral for securities on loan of \$5,439,510 (Cost \$103,364,067) (1)	\$138,651,333
Receivables:	
Dividends	131,585
Interest	2,726
Prepaid expenses	14,484

Total Assets	138,800,128

LIABILITIES	
Payables:	
Upon return of securities loaned	5,439,510
Investment management fees (net of fee waivers)	103,088
Directors' fees	31,907
Other accrued expenses	49,820
Due to custodian	1,860

Total Liabilities	5,626,185

NET ASSETS (applicable to 26,086,455 shares of common stock outstanding)	\$133,173,943
	=====
NET ASSET VALUE PER SHARE (\$133,173,943 / 26,086,455)	\$ 5.11
	=====
NET ASSETS CONSISTS OF	
Capital stock, \$0.001 par value; 26,703,891 shares issued and 26,086,455 shares outstanding (100,000,000 shares authorized)	\$ 26,086
Paid-in capital	120,327,590
Cost of 617,435 shares repurchased	(17,153,887)
Accumulated net realized loss on investments	(5,313,112)
Net unrealized appreciation in value of investments	35,287,266

Net assets applicable to shares outstanding	\$133,173,943
	=====

(1) Includes securities out on loan to brokers with a market value of
\$5,369,277.

See accompanying notes to financial statements.

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CORNERSTONE STRATEGIC VALUE FUND, INC.
STATEMENT OF OPERATIONS - FOR THE SIX MONTHS ENDED JUNE 30, 2007 (UNAUDITED)

INVESTMENT INCOME	
Income:	
Dividends	\$ 1,322,381
Interest	21,139
Securities lending	22,148

Total Investment Income	1,365,668

Expenses:	
Investment management fees	665,546
Administration fees	66,554

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Directors' fees	54,300
Legal and audit fees	30,002
Printing	24,661
Accounting fees	19,525
Transfer agent fees	12,127
Custodian fees	10,860
Stock exchange listing fees	8,285
Insurance	4,158

Total Expenses	896,018
Less: Management fee waivers	(63,663)
Less: Fees paid indirectly	(10,860)

Net Expenses	821,495

Net Investment Income	544,173

NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS	
Net realized gain from investments	1,766,010
Capital gain distributions from regulated investment companies	495
Net change in unrealized appreciation in value of investments	6,129,486

Net realized and unrealized gain on investments	7,895,991

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 8,440,164
	=====

See accompanying notes to financial statements.

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CORNERSTONE STRATEGIC VALUE FUND, INC.
STATEMENT OF CHANGES IN NET ASSETS

	For the Six Months Ended June 30, 2007 (unaudited)	For the Year Ended December 31, 2006
	-----	-----
DECREASE IN NET ASSETS		
Operations:		
Net investment income	\$ 544,173	\$ 1,155,000
Net realized gain/(loss) from investments	1,766,010	(6,129,486)
Capital gain distributions from regulated investment companies	495	3,000
Net change in unrealized appreciation in value of investments	6,129,486	16,720,000
	-----	-----
Net increase in net assets resulting from operations	8,440,164	17,850,000
	-----	-----
Dividends and distributions to shareholders:		
Net investment income	(544,173)	(1,155,000)
Net realized capital gains	(1,766,010)	(6,129,486)
Return-of-capital	(12,120,607)	(25,000,000)
	-----	-----
Total dividends and distributions to shareholders	(14,430,790)	(26,284,486)
	-----	-----

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Capital stock transactions:

Proceeds from 443,381 and 932,769 shares newly issued or from treasury in reinvestment of dividends and distributions, respectively	2,820,240	5,000
	-----	-----
Total decrease in net assets	(3,170,386)	(3,360)
	-----	-----
NET ASSETS		
Beginning of period	136,344,329	139,700
	-----	-----
End of period	\$133,173,943	\$136,340
	=====	=====

See accompanying notes to financial statements.

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CORNERSTONE STRATEGIC VALUE FUND, INC.
FINANCIAL HIGHLIGHTS

Contained below is per share operating performance data for a share of common stock outstanding, total investment return, ratios to average net assets and other supplemental data for each period indicated. This information has been derived from information provided in the financial statements and market price data for the Fund's shares.

	For the Six Months Ended June 30, 2007 (unaudited)	----- 2006 ----	For the Years E 2005	----- 2004 -----
PER SHARE OPERATING PERFORMANCE				
Net asset value, beginning of period	\$ 5.32	\$ 5.65	\$ 6.48	\$ 7.32
	-----	-----	-----	-----
Net investment income/(loss) #	0.02	0.05	0.03	0.01
Net realized and unrealized gain/(loss) on investments	0.31	0.66	0.18	0.02
	-----	-----	-----	-----
Net increase/(decrease) in net assets resulting from operations	0.33	0.71	0.21	0.03
	-----	-----	-----	-----
Dividends and distributions to shareholders:				
Net investment income	(0.02)	(0.04)	(0.04)	(0.04)
Net realized capital gains	(0.07)	--	(1.00)	--
Return-of-capital	(0.47)	(1.00)	--	--
	-----	-----	-----	-----
Total dividends and distributions to shareholders	(0.56)	(1.04)	(1.04)	(0.04)
	-----	-----	-----	-----
Capital stock transactions:				
Anti-dilutive effect due to capital stock repurchased	--	--	--	--
Anti-dilutive/(dilutive) effect due to shares issued in reinvestment of dividends and distributions	0.02	--	--	--
	-----	-----	-----	-----

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Total capital stock transactions	0.02	--	--	--
Net asset value, end of period	\$ 5.11	\$ 5.32	\$ 5.65	\$
Market value, end of period	\$ 9.18	\$ 8.45	\$ 7.05	\$
Total investment return (a)	18.30%	45.36%	(1.32)%	
RATIOS/SUPPLEMENTAL DATA				
Net assets, end of period (000 omitted)	\$133,174	\$136,344	\$139,706	\$15
Ratio of expenses to average net assets, net of fee waivers, if any (b)	1.22%(d)	1.22%	1.20%	
Ratio of expenses to average net assets, excluding fee waivers, if any (c)	1.32%(d)	1.32%	1.36%	
Ratio of expenses to average net assets, net of fee waivers, if any (c)	1.24%(d)	1.25%	1.26%	
Ratio of net investment income/(loss) to average net assets	0.81%(d)	0.85%	0.58%	
Portfolio turnover rate	2.82%	10.59%	21.60%	

Based on average shares outstanding.

- (a) Total investment return at market value is based on the changes in market price of a share during the period and assumes reinvestment of dividends and distributions, if any, at actual prices pursuant to the Fund's dividend reinvestment plan. Total investment return does not reflect brokerage commissions.
- (b) Expenses are net of fees paid indirectly.
- (c) Expenses exclude the reduction for fees paid indirectly.
- (d) Annualized.

See accompanying notes to financial statements.

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CORNERSTONE STRATEGIC VALUE FUND, INC.
NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

NOTE A. SIGNIFICANT ACCOUNTING POLICIES

Cornerstone Strategic Value Fund, Inc. (the "Fund") was incorporated in Maryland on May 1, 1987 and commenced investment operations on June 30, 1987. Its investment objective is to seek long-term capital appreciation through investment primarily in equity securities of U.S. and non-U.S. companies. The Fund is registered under the Investment Company Act of 1940, as amended, as a closed-end, diversified management investment company.

The following is a summary of significant accounting policies consistently followed by the Fund:

MANAGEMENT ESTIMATES: The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP") requires management to make certain estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

PORTFOLIO VALUATION: Investments are stated at value in the accompanying financial statements. All equity securities shall be valued at the closing price on the exchange or market on which the security is primarily traded ("Primary

Market"). If the security did not trade on the Primary Market, it shall be valued at the closing price on another exchange where it trades. If there are no such sale prices, the value shall be the most recent bid, and if there is no bid, the security shall be valued at the most recent asked. If no pricing service is available and there are more than two dealers, the value shall be the mean of the highest bid and lowest ask. If there is only one dealer, then the value shall be the mean if bid and ask are available, otherwise the value shall be the bid. All other securities and assets are valued as determined in good faith by the Board of Directors. Short-term investments having a maturity of 60 days or less are valued on the basis of amortized cost. Securities and assets for which market quotations are not readily available are valued at their fair value as determined in good faith under procedures established by and under the general supervision of the Board. Fair valuation methodologies and procedures may include, but are not limited to: analysis and review of financial and non-financial information about the company; comparisons to the valuation and changes in valuation of similar securities, including reference to special reports prepared by analysts and or reports published in the financial press, the financial conditions and prospects of the issuer available, including considering any recent management or capital structure changes or other recent events that may impact the price of the security; and evaluation of any other information that could be indicative of the value of the security. At June 30, 2007, the Fund held no securities valued in good faith by the Board of Directors. The net asset value per share of the Fund is calculated weekly and on the last business day of the month with the exception of those days on which the American Stock Exchange, LLC is closed.

On September 20, 2006, the FASB released Statement of Financial Accounting Standards No. 157 "Fair Value Measurements" ("FAS 157"). FAS 157 establishes an authoritative definition of fair value, sets out a framework for measuring fair value, and requires additional disclosures about fair-value measurements. The application of FAS 157 is required for fiscal years, beginning after November 15, 2007 and interim periods within those fiscal years. At this time, the Fund is evaluating the implication of FAS 157 and its impact on the financial statements has not yet been determined.

REPURCHASE AGREEMENTS: The Fund has agreed to purchase securities from financial institutions subject to the seller's agreement to repurchase them at an agreed-upon time and price ("repurchase agreements"). The financial institutions with whom the Fund enters into repurchase agreements are banks and broker/dealers, which Cornerstone Advisors, Inc. (the Fund's "Investment Manager" or "Cornerstone") considers creditworthy. The seller under a repurchase agreement will be required to maintain the value of the securities as collateral, subject to the agreement at not less than the

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CORNERSTONE STRATEGIC VALUE FUND, INC.
NOTES TO FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

repurchase price plus accrued interest. Cornerstone monitors daily, the mark-to-market of the value of the collateral, and, if necessary, requires the seller to maintain additional securities, so that the value of the collateral is not less than the repurchase price. Default by or bankruptcy of the seller would, however, expose the Fund to possible loss because of adverse market action or delays in connection with the disposition of the underlying securities.

INVESTMENT TRANSACTIONS AND INVESTMENT INCOME: Investment transactions are

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accounted for on the trade date. The cost of investments sold is determined by use of the specific identification method for both financial reporting and income tax purposes. Interest income is recorded on an accrual basis; dividend income is recorded on the ex-dividend date.

TAXES: No provision is made for U.S. federal income or excise taxes as it is the Fund's intention to continue to qualify as a regulated investment company and to make the requisite distributions to its shareholders which will be sufficient to relieve it from all or substantially all U.S. federal income and excise taxes.

In July 2006, the Financial Accounting Standards Board ("FASB") released FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes ("FIN 48"), an interpretation of FASB Statement No. 109. FIN 48 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. FIN 48 requires the accounting and disclosure of tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are "more likely than not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more likely than not threshold would be recorded as a tax benefit or expense in the current year. Adoption of FIN 48 is effective during the first required financial reporting period for fiscal years beginning after December 15, 2006. Management adopted FIN 48 on June 29, 2007. There was no material impact to the financial statements or disclosures thereto as a result of the adoption of this pronouncement.

DISTRIBUTIONS TO SHAREHOLDERS: Effective June 25, 2002, the Fund initiated a fixed, monthly distribution to shareholders. On November 29, 2006, this distribution policy was updated to provide for the annual resetting of the monthly distribution amount per share, beginning in 2007, based on the Fund's net asset value on the last business day in each October. The terms of the distribution policy will be reviewed and approved at least annually by the Fund's Board of Directors and can be modified at their discretion. To the extent that these distributions exceed the current earnings of the Fund, the balance will be generated from sales of portfolio securities held by the Fund, which will either be short-term or long-term capital gains or a tax-free return-of-capital. To the extent these distributions are not represented by net investment income and capital gains, they will not represent yield or investment return on the Fund's investment portfolio. The Fund plans to maintain this distribution policy even if regulatory requirements would make part of a return-of-capital, necessary to maintain the distribution, taxable to shareholders and to disclose that portion of the distribution that is classified as ordinary income. Although it has no current intention to do so, the Board may terminate this distribution policy at any time and such termination may have an adverse effect on the market price for the Fund's common shares. The Fund determines annually whether to distribute any net realized long-term capital gains in excess of net realized short-term capital losses, including capital loss carryovers, if any. To the extent that the Fund's taxable income in any calendar year exceeds the aggregate amount distributed pursuant to this distribution policy, an additional distribution may be made to avoid the payment of a 4% U.S. federal excise tax, and to the extent that the aggregate amount distributed in any calendar year exceeds the Fund's taxable income, the amount of that excess may

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constitute a return-of-capital for tax purposes. A return-of-capital distribution reduces the cost basis of an investor's shares in the Fund. Dividends and distributions to shareholders are recorded by the Fund on the ex-dividend date.

NOTE B. AGREEMENTS

Cornerstone serves as the Fund's Investment Manager with respect to all investments. As compensation for its investment management services, Cornerstone receives from the Fund, an annual fee, calculated weekly and paid monthly, equal to 1.00% of the Fund's average weekly net assets. For the year 2007, Cornerstone voluntarily agreed to waive its management fees from the Fund to the extent that the Fund's net monthly operating expenses (including basic legal fees but excluding other legal expenses) exceed a rate of 0.10% of average net assets. For the six months ended June 30, 2007, Cornerstone earned \$665,546 for investment management services, of which it waived \$63,663. The Investment Manager may discontinue such undertaking at any time during the fiscal year without notice to fund shareholders.

Included in the Statement of Operations, under the caption Fees paid indirectly, are expense offsets of \$10,860 arising from credits earned on portfolio transactions executed with a broker, pursuant to a directed brokerage arrangement.

The Fund paid or accrued approximately \$19,410 for the six months ended June 30, 2007 for legal services to Blank Rome LLP ("Blank"), counsel to the Fund. Thomas R. Westle, partner of Blank, serves as Secretary of the Fund.

NOTE C. INVESTMENT IN SECURITIES

For the six months ended June 30, 2007, purchases and sales of securities, other than short-term investments, were \$3,776,432 and \$14,540,402 respectively.

NOTE D. SHARE REPURCHASE PROGRAM

As has been done in the past to enhance shareholder value, pursuant to Section 23 of the Investment Company Act of 1940, as amended, the Fund may again in the future purchase shares of its common stock on the open market from time to time, at such times, and in such amounts as may be deemed advantageous to the Fund. Nothing herein shall be considered a commitment to purchase such shares. The Fund had no repurchases during the six months ended June 30, 2007. No limit has been placed on the number of shares to be repurchased by the Fund other than those imposed by federal securities laws.

All purchases are made in accordance with federal securities laws, with shares repurchased held in treasury effective January 1, 2002, for future use by the Fund.

NOTE E. SECURITIES LENDING

To generate additional income, the Fund may lend up to 33 1/3% of its total assets. The Fund receives payments from borrowers equivalent to the dividends and interest that would have been earned on securities lent while simultaneously seeking to earn interest on the investment of cash collateral. Loans are subject to termination by the Fund or the borrower at any time, and are, therefore, not considered to be illiquid investments. Loans of securities are required at all times to be secured by collateral equal to at least 100% of the market value of securities on loan. However, in the event of default or bankruptcy of the other party to the agreement, realization and/or retention of the collateral may be subject to legal proceedings. In the event that the borrower fails to return securities, and collateral maintained by the lender is insufficient to cover the value of loaned securities, the borrower is obligated to pay the amount of the

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shortfall (and interest thereon) to the Fund. However, there can be no assurance the Fund can recover this amount.

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 CORNERSTONE STRATEGIC VALUE FUND, INC.
 NOTES TO FINANCIAL STATEMENTS (UNAUDITED) (CONCLUDED)

The value of securities on loan to brokers at June 30, 2007, was \$5,369,277. During the six months ended June 30, 2007, the Fund earned \$22,148 in securities lending income which is included under the caption Securities lending in the Statement of Operations.

NOTE F. FEDERAL INCOME TAXES

Income and capital gains distributions are determined in accordance with federal income tax regulations, which may differ from GAAP. These differences are primarily due to differing treatments of losses deferred due to wash sales and Post-October losses (as later defined), and excise tax regulations.

The tax character of dividends and distributions paid during the years ended December 31, for the Fund were as follows:

ORDINARY INCOME		RETURN-OF-CAPITAL	
2006	2005	2006	2005
\$1,150,839	\$980,195	\$25,065,536	--
LONG-TERM CAPITAL GAINS			
	2006	2005	
	--	\$24,369,995	

Under current tax law, certain capital losses realized after October 31 within a taxable year may be deferred and treated as occurring on the first day of the following tax year ("Post-October losses"). For the tax period ended December 31, 2006, the Fund did not incur Post-October losses.

At December 31, 2006, the Fund had a capital loss carryforward for U.S. federal income tax purposes of \$5,257,673 of which \$2,513,030 expires in 2008, \$1,281,365 expires in 2009, \$693,207 expires in 2010, \$635,700 expires in 2011, and \$134,371 expires in 2012.

At June 30, 2007, 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 \$103,420,001, \$35,818,433, \$(587,101) and \$35,231,332, respectively.

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RESULTS OF ANNUAL MEETING OF STOCKHOLDERS (UNAUDITED)

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On April 16, 2007, the Annual Meeting of Stockholders of Cornerstone Strategic Value Fund, Inc. was held and the following matter was voted upon based on 25,739,422 shares of common stock outstanding on February 16, 2007:

- (1) To approve the re-election of two Class III Directors until the 2010 Annual Meeting.

NAME OF CLASS III DIRECTORS	FOR	WITHHOLD
Andrew A. Strauss	24,097,615	299,467
Glenn W. Wilcox, Sr.	24,100,656	296,427

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DESCRIPTION OF DIVIDEND REINVESTMENT PLAN (UNAUDITED)

Cornerstone Strategic Value Fund, Inc. operates a Dividend Reinvestment Plan (the "Plan"), sponsored and administered by American Stock Transfer & Trust Company (the "Agent"), pursuant to which the Fund's income dividends or capital gains or other distributions (each, a "Distribution" and collectively, "Distributions"), net of any applicable U.S. withholding tax, are reinvested in shares of the Fund. American Stock Transfer & Trust Company serves as the Agent that administers the Plan for the shareholders in the Plan.

Shareholders automatically participate in the Fund's Plan, unless and until an election is made to withdraw from the Plan on behalf of such participating share- holder. Shareholders who do not wish to have Distributions automatically reinvested should so notify the Agent at P.O. Box 922, Wall Street Station, New York, New York 10269-0560. Under the Plan, the Fund's Distributions to shareholders are reinvested in full and fractional shares as described below.

When the Fund declares a Distribution the Agent, on the shareholder's behalf, will (i) receive additional authorized shares from the Fund either newly issued or repurchased from shareholders by the Fund and held as treasury stock ("Newly Issued Shares") or (ii) purchase outstanding shares on the open market, on the American Stock Exchange, LLC or elsewhere, with cash allocated to it by the Fund ("Open Market Purchases").

The method for determining the number of shares to be received when Distributions are reinvested will vary depending upon whether the net asset value of the Fund's shares is higher or lower than its market price. If the net asset value of the Fund's shares is lower than its market price, the number of Newly Issued Shares received will be determined by dividing the amount of the Distribution either by the Fund's net asset value per share or by 95% of its market price, whichever is higher. If the net asset value of the Fund's shares is higher than its market price, shares acquired by the Agent in Open Market Purchases will be allocated to the reinvesting share- holders based on the average cost of such Open Market Purchases.

Whenever the Fund declares a Distribution and the net asset value of the Fund's shares is higher than its market price, the Agent will apply the amount of such Distribution payable to Plan participants of the Fund in Fund shares (less such Plan participant's pro rata share of brokerage commissions incurred with respect to Open Market Purchases in connection with the reinvestment of such Distribution) to the purchase on the open market of Fund shares for such Plan participant's account. Such purchases will be made on or after the payable date for such Distribution, and in no event more than 30 days after such date except where temporary curtailment or suspension of purchase is necessary to comply with applicable provisions of federal securities laws. The Agent may aggregate a Plan participant's purchases with the purchases of other Plan participants, and the average price (including brokerage commissions) of all shares purchased by

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the Agent shall be the price per share allocable to each Plan participant.

Registered shareholders who do not wish to have their Distributions automatically reinvested should so notify the Fund in writing. If a shareholder has not elected to receive cash Distributions and the Agent does not receive notice of an election to receive cash Distributions prior to the record date of any Distribution, the shareholder will automatically receive such Distributions in additional shares.

Participants in the Plan may withdraw from the Plan by providing written notice to the Agent at least 30 days prior to the applicable Distribution payment date. When a Participant withdraws from the Plan, or upon suspension or termination of the Plan at the sole discretion of the Fund's Board of Directors, certificates for whole shares credited to his or her account under the Plan will, upon request, be issued. Whether or not a participant requests that certificates for whole shares be issued, a cash payment will be made for any fraction of a share credited to such account.

The Agent will maintain all shareholder accounts in the Plan and furnish written confirmations of all transactions in the accounts, including information needed by shareholders for personal and tax records.

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DESCRIPTION OF DIVIDEND REINVESTMENT PLAN (UNAUDITED) (CONCLUDED)

The Agent will hold shares in the account of the Plan participant in non-certificated form in the name of the participant, and each shareholder's proxy will include those shares purchased pursuant to the Plan. Each participant, nevertheless, has the right to receive certificates for whole shares owned. The Agent will distribute all proxy solicitation materials to participating shareholders.

In the case of shareholders, such as banks, brokers or nominees, that hold shares for others who are beneficial owners participating in the Plan, the Agent will administer the Plan on the basis of the number of shares certified from time to time by the record shareholder as representing the total amount of shares registered in the shareholder's name and held for the account of beneficial owners participating in the Plan.

Neither the Agent nor the Fund shall have any responsibility or liability beyond the exercise of ordinary care for any action taken or omitted pursuant to the Plan, nor shall they have any duties, responsibilities or liabilities except such as expressly set forth herein. Neither shall they be liable hereunder for any act done in good faith or for any good faith omissions to act, including, without limitation, failure to terminate a participants account prior to receipt of written notice of his or her death or with respect to prices at which shares are purchased or sold for the participants account and the terms on which such purchases and sales are made, subject to applicable provisions of the federal securities laws.

All correspondence concerning the Plan should be directed to the Agent at P.O. Box 922, Wall Street Station, New York, New York 10269-0560. Certain transactions can be performed online at www.amstock.com or by calling the toll free number 877-864-4833.

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INVESTMENT MANAGEMENT AGREEMENT APPROVAL DISCLOSURE (UNAUDITED)

The Board of Directors including, the Independent Directors, (the "Board") of Cornerstone Strategic Value Fund, Inc. (the "Fund") considers the approval of the Investment Management Agreement (the "Agreement") between Cornerstone Advisors, Inc. (the "Investment Manager") and the Fund on an annual basis. The most recent approval of the Agreement occurred at a meeting of the Board held on February 16, 2007.

In determining whether to approve the Agreement, the Board requested and received extensive materials and information from the Investment Manager to assist them in considering the approval of the continuance of the Agreement. Based on their review of the information requested and provided, and the discussions with management of the Investment Manager, the Board determined that the approval of the Agreement was consistent with the best interests of the Fund and its shareholders, and would enable the Fund to continue to receive high quality services at a cost that is appropriate, reasonable, and in the best interests of the Fund and its shareholders. The Board made these determinations on the basis of the following factors, among others: (1) the nature and quality of the services provided by the Investment Manager; (2) the cost to the Investment Manager for providing such services, with special attention to the Investment Manager's profitability (and whether the Investment Manager realizes any economies of scale); (3) the direct and indirect benefits received by the Investment Manager from its relationship with the Fund and the other investment company advised by the Investment Manager; and (4) comparative information as to the management fees, expense ratios and performance of other similarly situated closed-end investment companies.

The materials provided by the Investment Manager to the Board described the services provided by the Investment Manager to the Fund and included an overview of the Investment Manager and its investment process and policies, including the Investment Manager's extensive knowledge and experience in the closed-end fund industry. The Board also discussed the knowledge of the Investment Manager with respect to managing the Fund's monthly distribution policy and the extent to which such policy contributes to the market's positive valuation of the Fund. The Board also favorably received the Investment Manager's continued commitment to voluntarily waive its management fees from the Fund to the extent that monthly operating expenses exceed 0.10% of average net assets calculated monthly (including basic legal fees but excluding other extraordinary legal expenses). The Board also reviewed and discussed a comparison of the Fund's performance with comparable closed-end funds and a comparison of the Fund's expense ratios and management fees with those comparable funds. Additionally, the Investment Manager presented an analysis of its profitability based on its contractual relationship with the Fund and the other investment company advised by the Investment Manager.

The Board carefully evaluated this information, taking into consideration many factors including, the overall high quality of the personnel, operations, financial condition, investment management capabilities, methodologies, and performance of the Investment Manager, and was advised by independent legal counsel with respect to its deliberations. Based on its review of the information requested and provided, the Board determined that the management fees payable to the Investment Manager under the Agreement are fair and reasonable in light of the services to be provided, the anticipated costs of these services, the profitability of the Investment Manager's relationship with the Fund, and the comparability of the proposed fee to fees paid by comparable closed-end funds. The Board determined that the Agreement is consistent with the best interests of the Fund and its shareholders, and enables the Fund to receive high quality services at a cost that is appropriate, reasonable, and in the best interests of the Fund and its shareholders.

Accordingly, in light of the above considerations and such other factors and

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information it considered relevant, the Board by a unanimous vote of those present in person at the meeting (including a separate vote of the Independent Directors present in person at the meeting) approved the continuance of the Agreement with respect to the Fund.

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PROXY VOTING AND PORTFOLIO HOLDINGS INFORMATION (UNAUDITED)

Information regarding how Cornerstone Strategic Value Fund, Inc. (the "Fund") voted proxies related to its portfolio securities during the 12-month period ended June 30 of each year as well as the policies and procedures that the Fund uses to determine how to vote proxies relating to its portfolio securities are available by calling (212) 272-3550 or on the website of the Securities and Exchange Commission, <http://www.sec.gov>.

This report incorporates a Summary Schedule of Investments for the Fund. A complete Schedule of Investments for the Fund may be obtained free of charge by contacting the Fund at (212) 272-3550.

The Fund files a complete schedule of its portfolio holdings for the first and third quarters of its fiscal year with the SEC on Form N-Q. The Fund's Forms N-Q are available on the SEC's website at <http://www.sec.gov> and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the SEC's Public Reference Room may be obtained by calling (202) 551-8090.

PRIVACY POLICY NOTICE (UNAUDITED)

The following is a description of Cornerstone Strategic Value Fund, Inc.'s (the "Fund") policies regarding disclosure of nonpublic personal information that you provide to the Fund or that the Fund collects from other sources. In the event that you hold shares of the Fund through a broker-dealer or other financial intermediary, the privacy policy of the financial intermediary would govern how your nonpublic personal information would be shared with unaffiliated third parties.

CATEGORIES OF INFORMATION THE FUND COLLECTS. The Fund collects the following nonpublic personal information about you:

1. Information from the Consumer: this category includes information the Fund receives from you on or in applications or other forms, correspondence, or conversations (such as your name, address phone number, social security number, assets, income and date of birth); and
2. Information about the Consumer's transactions: this category includes information about your transactions with the Fund, its affiliates, or others (such as your account number and balance, payment history, parties to transactions, cost basis information, and other financial information).

CATEGORIES OF INFORMATION THE FUND DISCLOSES. The Fund does not disclose any nonpublic personal information about their current or former shareholders to unaffiliated third parties, except as required or permitted by law. The Fund is permitted by law to disclose all of the information it collects, as described above, to its service providers (such as the Fund's custodian, administrator and transfer agent) to process your transactions and otherwise provide services to you.

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CONFIDENTIALITY AND SECURITY. The Fund restricts access to your nonpublic personal information to those persons who require such information to provide products or services to you. The Fund maintains physical, electronic and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

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SUMMARY OF GENERAL INFORMATION (UNAUDITED)

Cornerstone Strategic Value Fund, Inc. is a closed-end, diversified investment company whose shares trade on the American Stock Exchange, LLC. Its investment objective is to seek long-term capital appreciation through investment primarily in equity securities of U.S. and non-U.S. companies. The Fund is managed by Cornerstone Advisors, Inc.

SHAREHOLDER INFORMATION (UNAUDITED)

The Fund is listed on the American Stock Exchange, LLC (symbol "CLM"). The share price is published in: The New York Times (daily) under the designation "CornerStrt" and The Wall Street Journal (daily) and Barron's (each Monday) under the designation "CornstnStrat." The net asset value per share is available weekly and may be obtained by contacting the Fund at the general inquiry phone number.

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that Cornerstone Strategic Value Fund, Inc. may from time to time purchase shares of its capital stock in the open market.

This report, including the financial statements herein, is sent to the shareholders of the Fund for their information. The financial information from the records of the Fund without examination by independent registered public accountants who do not express an opinion thereon. It is not a prospectus, circular or representation intended for use in the purchase or sale of shares of the Fund or of any securities mentioned in the report.

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CORNERSTONE STRATEGIC VALUE FUND, INC.

DIRECTORS AND CORPORATE OFFICERS

Ralph W. Bradshaw	Chairman of the Board of Directors and President
William A. Clark	Director and Vice President
Thomas H. Lenagh	Director
Edwin Meese III	Director
Scott B. Rogers	Director
Andrew A. Strauss	Director
Glenn W. Wilcox, Sr.	Director
Gary A. Bentz	Chief Compliance Officer
Thomas R. Westle	Secretary
Jodi B. Levine	Treasurer

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INVESTMENT MANAGER

Cornerstone Advisors, Inc.
One West Pack Square
Suite 1650
Asheville, NC 28801

ADMINISTRATOR

Bear Stearns Funds Management Inc.
383 Madison Avenue
New York, NY 10179

CUSTODIAN

Custodial Trust Company
101 Carnegie Center
Princeton, NJ 08540

EXECUTIVE OFFICES

383 Madison Avenue
New York, NY 10179

STOCK TRANSFER AGENT AND REGISTRAR

American Stock Transfer & Trust Co.
59 Maiden Lane
New York, NY 10038

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Tait, Weller & Baker LLP
1818 Market Street
Suite 2400
Philadelphia, PA 19103

LEGAL COUNSEL

Blank Rome LLP
405 Lexington Avenue
New York, NY 10174

For shareholder inquiries, registered shareholders should call
(800) 937-5449. For general inquiries, please call (212) 272-3550.

[AMEX LOGO]
LISTED
CLM(TM)

ITEM 2. CODE OF ETHICS.

Not applicable.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable.

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ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable.

ITEM 6. SCHEDULE OF INVESTMENTS.

CORNERSTONE STRATEGIC VALUE FUND, INC.
SCHEDULE OF INVESTMENTS -- JUNE 30, 2007 (UNAUDITED)

DESCRIPTION	NO. OF SHARES	VALUE
EQUITY SECURITIES - 99.80%		
CLOSED-END FUNDS - 1.21%		
Adams Express Company	49,500	\$ 737,055
General American Investors Company ^	3,000	121,650
Liberty All-Star Equity Fund	67,300	604,354
Liberty All-Star Growth Fund, Inc.	26,300	149,910
		1,612,969
CONSUMER DISCRETIONARY - 10.69%		
Amazon.com, Inc. ^ *	5,500	376,255
Bed Bath & Beyond Inc. *	4,200	151,158
Best Buy Co., Inc. ^	3,625	169,179
Carnival Corporation ^	11,800	575,486
Citadel Broadcasting Corporation	2,088	13,468
Clear Channel Communications, Inc.	3,300	124,806
Coach, Inc. *	3,500	165,865
Comcast Corporation, Class A *	28,555	802,967
Fortune Brands, Inc.	3,500	288,295
Gannett Co., Inc.	3,500	192,325
Gap, Inc. (The)	12,200	233,020
Goodyear Tire & Rubber Company (The) *	4,500	156,420
Harley-Davidson, Inc.	4,400	262,284
Hilton Hotels Corporation	6,200	207,514
Home Depot, Inc. (The)	23,100	908,985
J.C. Penney Company, Inc.	4,500	325,710
Johnson Controls, Inc.	2,500	289,425
Kohl's Corporation *	2,500	177,575
Lowe's Companies, Inc.	22,400	687,456
Macy's, Inc.	11,052	439,649
Marriott International, Inc., Class A	4,200	181,608
Mattel, Inc.	5,500	139,095
McDonald's Corporation	15,100	766,476
News Corporation, Class A	23,000	487,830
NIKE, Inc., Class B	14,600	851,034
Omnicom Group Inc. ^	13,200	698,544
Sears Holdings Corporation *	503	85,258
Staples, Inc.	10,800	256,284
Starbucks Corporation *	5,800	152,192
Target Corporation	11,800	750,480
Time Warner Inc.	76,000	1,599,040
TJX Companies, Inc. (The)	3,000	82,500
Toyota Motor Corporation ADR ^	2,500	314,700
Viacom Inc., Class B *	9,450	393,404
Walt Disney Company (The)	27,200	928,608

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		14,234,895

CONSUMER STAPLES - 9.40%		
Altria Group, Inc.	22,300	1,564,122
Anheuser-Busch Companies, Inc.	6,200	323,392
Archer-Daniels-Midland Company	9,460	313,031
Coca-Cola Company (The)	27,000	1,412,370
Colgate-Palmolive Company	3,400	220,490
ConAgra Foods, Inc.	6,900	185,334
Costco Wholesale Corporation ^	4,000	234,080
CVS Corporation	18,430	671,774
General Mills, Inc. ^	12,000	701,040
H.J. Heinz Company	4,000	189,880
Kimberly-Clark Corporation	5,500	367,895
Kraft Foods Inc, Class A	15,432	543,978
Kroger Co. (The)	13,800	388,194
PepsiCo, Inc. ^	17,600	1,141,360
Procter & Gamble Company (The)	37,797	2,312,798
Sara Lee Corporation	4,500	78,300
Sysco Corporation	9,800	323,302
Walgreen Co.	18,800	818,552
Wal-Mart Stores, Inc.	15,100	726,461

		12,516,353

ENERGY - 10.77%		
Anadarko Petroleum Corp.	2,600	135,174
Baker Hughes Incorporated ^	10,600	891,778
BJ Services Company	3,500	99,540
Chevron Corporation	24,532	2,066,576
ConocoPhillips	10,474	822,209
Devon Energy Corporation	2,500	195,725
Exxon Mobil Corporation	73,500	6,165,179
Halliburton Company	6,700	231,150
Marathon Oil Corp.	15,000	899,400
Occidental Petroleum Corporation	10,500	607,740
Schlumberger Limited ^	17,500	1,486,450
Valero Energy Corporation	6,000	443,160
XTO Energy, Inc.	5,000	300,500

		14,344,581

FINANCIALS - 20.19%		
AFLAC Incorporated	7,000	359,800
Allstate Corporation (The)	9,300	572,043
American Express Company ^	19,600	1,199,128
American International Group, Inc.	16,831	1,178,675
Aon Corporation	4,900	208,789
Bank of America Corporation	59,138	2,891,257
Bank of New York Company, Inc. (The)	11,400	472,416
BB&T Corporation	4,000	162,720
Bear Stearns Companies, Inc. (The)	2,500	350,000
Broadridge Financial Solutions Inc.	3,850	73,612
CB Richard Ellis Group, Inc., Class A ^ *	6,500	237,250
Charles Schwab Corporation (The)	6,000	123,120
Chubb Corporation (The)	4,100	221,974
Citigroup Inc.	57,300	2,938,917
Fannie Mae	4,000	261,320
Franklin Resources, Inc. ^	3,700	490,139
Freddie Mac	2,900	176,030

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Goldman Sachs Group, Inc. (The)	7,300	1,582,275
Hartford Financial Services Group, Inc. (The)	6,000	591,060
JPMorgan Chase & Co.	36,632	1,774,820
Lehman Brothers Holdings Inc. ^	7,200	536,544
Marsh & McLennan Companies, Inc. ^	6,000	185,280
Merrill Lynch & Co., Inc.	7,200	601,776
Metlife, Inc.	15,200	980,096
Morgan Stanley	15,500	1,300,140
National City Corporation	12,700	423,164
PNC Financial Services Group, Inc. ^	4,600	329,268
Prudential Financial, Inc.	10,700	1,040,361
State Street Corporation ^	3,500	239,400
SunTrust Banks, Inc.	7,600	651,624
Travelers Companies, Inc. (The) ^	9,476	506,966
U.S. Bancorp ^	21,901	721,638
UnumProvident Corporation	2,600	67,886
Wachovia Corporation	19,600	1,004,500
Washington Mutual, Inc. ^	11,550	492,492
Wells Fargo & Company ^	48,400	1,702,228
Western Union Company ^	11,324	235,879

		26,884,587

HEALTHCARE - 11.84%		
Abbott Laboratories	28,000	1,499,400
Aetna Inc.	6,000	296,400
Amgen Inc. *	22,400	1,238,496
Applera Corporation	8,000	244,320
Baxter International Inc.	5,000	281,700
Becton, Dickinson and Company	6,900	514,050
Biogen Idec Inc. *	3,000	160,500
Bristol-Myers Squibb Company	18,500	583,860
Cardinal Health, Inc.	2,950	208,388
Eli Lilly and Company	4,700	262,636
Gilead Sciences, Inc. *	7,000	271,390
IMS Health Incorporated ^	3,000	96,390
Johnson & Johnson	40,900	2,520,258
McKesson Corporation	5,300	316,092
Medco Health Solutions, Inc. *	2,687	209,559
Medtronic, Inc.	21,500	1,114,990
Merck & Co. Inc.	17,500	871,500
Pfizer Inc. ^	36,060	922,054
Schering-Plough Corporation	17,500	532,700
Stryker Corporation	3,500	220,815
UnitedHealth Group Incorporated	22,000	1,125,080
WellPoint Inc. *	14,000	1,117,620
Wyeth ^	20,200	1,158,268

		15,766,466

INDUSTRIALS - 10.63%		
3M Co. ^	9,400	815,826
Boeing Company (The) ^	9,200	884,672
Burlington Northern Santa Fe Corporation	2,900	246,906
Caterpillar Inc.	6,800	532,440
CSX Corporation	10,000	450,800
Danaher Corporation	3,500	264,250
Emerson Electric Co.	12,000	561,600
FedEx Corp. ^	4,500	499,365
General Dynamics Corporation ^	6,200	484,964

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General Electric Company	100,900	3,862,452
Honeywell International Inc. ^	12,500	703,500
Illinois Tool Works Inc.	13,300	720,727
Ingersoll-Rand Company Ltd., Class A	4,500	246,690
Lockheed Martin Corporation	4,000	376,520
Norfolk Southern Corporation ^	5,500	289,135
Northrop Grumman Corporation ^	5,000	389,350
Southwest Airlines Co.	5,700	84,987
Tyco International Ltd. ^	10,397	351,315
Union Pacific Corporation	2,000	230,300
United Parcel Service, Inc., Class B	9,600	700,800
United Technologies Corporation	11,000	780,230
Waste Management, Inc. ^	17,300	675,565

		14,152,394

INFORMATION TECHNOLOGY - 15.00%		
Adobe Systems Incorporated *	4,200	168,630
Agilent Technologies Inc. *	8,000	307,520
Analog Devices, Inc.	3,500	131,740
Apple Computer, Inc. ^ *	3,000	366,120
Applied Materials, Inc. ^	33,800	671,606
Automatic Data Processing, Inc. ^	15,400	746,438
Cisco Systems, Inc. *	77,400	2,155,590
Corning Incorporated *	8,000	204,400
Dell Inc. *	4,700	134,185
eBay Inc. *	8,500	273,530
Electronic Data Systems Corporation	5,000	138,650
EMC Corporation *	156,648	2,835,329
First Data Corporation ^	15,824	516,970
Google Inc. *	2,500	1,308,450
Hewlett-Packard Company ^	19,900	887,938
Intel Corporation	60,500	1,437,480
International Business Machines Corporation	12,600	1,326,150
Micron Technology, Inc. ^ *	11,500	144,095
Microsoft Corporation	98,200	2,893,954
Motorola, Inc.	15,200	269,040
Oracle Corporation ^ *	44,272	872,601
QUALCOMM Inc.	17,000	737,630
Sun Microsystems, Inc. *	7,500	39,450
Texas Instruments Incorporated	23,900	899,357
Yahoo! Inc. *	18,800	510,044

		19,976,897

MATERIALS - 2.50%		
Alcoa Inc.	16,900	684,957
Dow Chemical Company (The)	10,400	459,888
E. I. du Pont de Nemours and Company	14,800	752,432
International Paper Company ^	10,500	410,025
Monsanto Company	10,160	686,206
Newmont Mining Corporation ^	3,000	117,180
Praxair, Inc.	3,000	215,970

		3,326,658

REAL ESTATE INVESTMENT TRUST - 0.45%		
Simon Property Group, Inc. ^	6,500	604,760

TELECOMMUNICATION SERVICES - 3.64%		

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ALLTEL Corporation	4,000	270,200
AT&T Inc.	56,539	2,346,368
Sprint Nextel Corporation ^	25,946	537,342
Verizon Communications Inc.	41,300	1,700,321

		4,854,231

UTILITIES - 3.48%		
American Electric Power Company, Inc. ^	8,000	360,320
CenterPoint Energy, Inc.	10,000	174,000
Dominion Resources, Inc. ^	4,600	397,026
Duke Energy Corporation ^	15,800	289,140
Edison International	6,500	364,780
Exelon Corporation	6,000	435,600
FirstEnergy Corp.	5,000	323,650
FPL Group, Inc. ^	4,000	226,960
PG&E Corporation	9,000	407,700
Public Service Enterprise Group Incorporated	3,500	307,230
Southern Company (The)	11,900	408,051
TXU Corp.	12,400	834,520
Williams Companies, Inc. (The)	3,500	110,670

		4,639,647

TOTAL EQUITY SECURITIES		
(cost - \$97,627,172)		132,914,438

	PRINCIPAL	
	AMOUNT	
	(000'S)	

SHORT-TERM INVESTMENTS - 4.31%		
REPURCHASE AGREEMENTS - 4.31%		
Bear, Stearns & Co. Inc. + ++		
(Agreements dated 6/29/2007 to be repurchased		
at \$2,867,452, 2.6875%, 7/2/2007, collateralized		
by \$2,920,214 in United States Treasury Bonds)	\$ 2,867	\$ 2,866,810
Bear, Stearns & Co. Inc. + ++		
(Agreements dated 6/29/2007 to be repurchased		
at \$2,573,852, 5.3750%, 7/2/2007, collateralized		
by \$2,619,758 in United States Treasury Bonds)	2,573	2,572,700
Bear, Stearns & Co. Inc.		
(Agreements dated 6/29/2007 to be repurchased		
at \$297,491, 4.3000%, 7/2/2007, collateralized		
by \$305,726 in United States Treasury Bonds)	297	297,385

TOTAL SHORT-TERM INVESTMENTS		
(cost - \$5,736,895)		5,736,895

TOTAL INVESTMENTS - 104.11%		
(cost - \$103,364,067)		138,651,333

LIABILITIES IN EXCESS OF OTHER ASSETS - (4.11)%		(5,477,390)

NET ASSETS - 100.00%		\$133,173,943
		=====

ADR American Depositary Receipt

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- * 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.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable.

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT COMPANIES AND AFFILIATED PURCHASERS.

None.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None.

ITEM 11. CONTROLS AND PROCEDURES.

(a) The Registrant's principal executive officer and principal financial officer have evaluated the Registrant's disclosure controls and procedures as of a date within 90 days of this filing and have concluded that the Registrant's disclosure controls and procedures are effective, as of such date, in ensuring that information required to be disclosed by the registrant in this Form N-CSR was recorded, processed, summarized, and reported timely.

(b) The Registrant's principal executive officer and principal financial officer are aware of no changes in the Registrant's internal control over financial reporting that occurred during the Registrant's last fiscal half-year that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.

ITEM 12. EXHIBITS.

(a) (1) Not applicable.

(a) (2) Separate certifications of Principal Executive and Financial Officers pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 attached as EX-99.CERT.

(b) Certification of Principal Executive and Financial Officers pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 furnished as EX-99.906 CERT.

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.

By: /s/ RALPH W. BRADSHAW

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Name: Ralph W. Bradshaw
Title: Principal Executive Officer
Date: August 31, 2007

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: /s/ RALPH W. BRADSHAW

Name: Ralph W. Bradshaw
Title: Principal Executive Officer
Date: August 31, 2007

By: /s/ JODI B. LEVINE

Name: Jodi B. Levine
Title: Principal Financial Officer
Date: August 31, 2007