

CORNERSTONE PROGRESSIVE RETURN FUND  
 Form N-Q  
 November 26, 2008

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)

237 Park Avenue, New York, NY 10017  
 -----

(Address of principal executive offices) (Zip code)

Kayadti A. Madison

Cornerstone Progressive Return Fund, 237 Park Avenue, New York, NY 10017  
 -----

(Name and address of agent for service)

Registrant's telephone number, including area code: (212) 272-3550  
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Date of fiscal year end: December 31, 2008  
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Date of reporting period: September 30, 2008  
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ITEM 1: SCHEDULE OF INVESTMENTS

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CORNERSTONE PROGRESSIVE RETURN FUND  
 SCHEDULE OF INVESTMENTS -- SEPTEMBER 30, 2008 (UNAUDITED)

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DESCRIPTION	NO. OF SHARES	VALUE
EQUITY SECURITIES - 99.61%		
CLOSED-END FUNDS - 2.38%		
Dreman/Claymore Dividend & Income Fund	63,050	\$ 328,491
Liberty All-Star Equity Fund	217,000	978,670
Royce Value Trust, Inc.	24,000	319,680
Tri-Continental Corporation	36,995	540,497
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		2,167,338
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### CONSUMER DISCRETIONARY - 8.33%

Amazon.com, Inc. *	5,500	400,180
Best Buy Co., Inc.	8,000	300,000
Coach, Inc. * ^	4,000	100,160
Comcast Corporation, Class A	36,000	706,680
DIRECTV Group, Inc. (The)*	15,000	392,550
Ford Motor Company * ^	30,000	156,000
Gamestop Corporation, Class A * ^	2,500	85,525
Gap, Inc. (The)	11,000	195,580
Home Depot, Inc. (The)	15,000	388,350
Johnson Controls, Inc.	10,000	303,300
Kohl's Corporation * ^	3,500	161,280
Lowe's Companies, Inc.	14,000	331,660
McDonald's Corporation ^	15,000	925,500
News Corporation, Class A ^	31,000	371,690
NIKE, Inc., Class B ^	8,000	535,200
Nordstrom, Inc. ^	5,500	158,510
Omnicom Group Inc. ^	4,000	154,240
Staples, Inc. ^	5,000	112,500
Target Corporation	8,000	392,400
Time Warner Inc.	30,000	393,300
TJX Companies, Inc. (The)	4,000	122,080
Walt Disney Company (The) ^	25,000	767,250
Yum! Brands, Inc.	4,000	130,440

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7,584,375  
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### CONSUMER STAPLES - 12.40%

Altria Group, Inc.	18,000	357,120
Archer-Daniels-Midland Company ^	6,000	131,460
Coca-Cola Company (The) ^	25,000	1,322,000
Colgate-Palmolive Company	5,000	376,750
ConAgra Foods, Inc.	9,000	175,140
Costco Wholesale Corporation	4,000	259,720
CVS Caremark Corporation	14,000	471,240
Estee Lauder Companies Inc. (The) ^	3,000	149,730
General Mills, Inc.	5,000	343,600
H.J. Heinz Company	6,000	299,460
Kraft Foods Inc, Class A	18,000	589,500
Kroger Co. (The)	7,000	192,360
Molson Coors Brewing Company	4,000	187,000
PepsiCo, Inc.	12,000	855,240
Philip Morris International Inc.	18,000	865,800
Procter & Gamble Company (The)	27,000	1,881,630
Sysco Corporation	7,000	215,810
Walgreen Company	11,000	340,560
Wal-Mart Stores, Inc. ^	38,000	2,275,820

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11,289,940  
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### ENERGY - 12.23%

Apache Corporation	3,500	364,980
Chesapeake Energy Corporation ^	4,000	143,440
Chevron Corporation	25,000	2,062,000
ConocoPhillips	13,000	952,250
Devon Energy Corporation	4,000	364,800
EOG Resources, Inc. ^	3,000	268,380
Exxon Mobil Corporation	50,000	3,883,000
Halliburton Company	10,000	323,900

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National-Oilwell Varco Inc. *	5,000	251,150
Noble Corporation	5,000	219,500
Peabody Energy Corporation ^	5,000	225,000
Schlumberger Limited	15,500	1,210,395
Southwestern Energy Company *	3,000	91,620
Transocean Inc. *	2,098	230,444
Williams Companies, Inc. (The) ^	13,000	307,450
XTO Energy, Inc.	5,000	232,600
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		11,130,909
		-----
FINANCIALS - 14.38%		
AFLAC Incorporated	4,000	235,000
American Express Company	10,000	354,300
American International Group, Inc.	25,000	83,250
Ameriprise Financial, Inc.	5,000	191,000
Aon Corporation	3,000	134,880
Bank of America Corporation ^	44,000	1,540,000
Bank of New York Mellon Corporation	6,000	195,480
BB&T Corporation ^	10,000	378,000
Capital One Financial Corporation ^	4,500	229,500
Charles Schwab Corporation (The)	18,000	468,000
Chubb Corporation (The)	7,000	384,300
Citigroup Inc.	40,000	820,400
CME Group Inc.	500	185,755
Franklin Resources, Inc. ^	5,000	440,650
Goldman Sachs Group, Inc. (The)	5,000	640,000
Hudson City Bancorp, Inc. ^	5,000	92,250
JPMorgan Chase & Co.	39,000	1,821,300
Loews Corporation ^	5,000	197,450
Manulife Financial Corporation ^	10,000	366,900
Marsh & McLennan Companies, Inc.	5,500	174,680
MetLife, Inc.	11,000	616,000
Morgan Stanley	10,000	230,000
PNC Financial Services Group, Inc.	4,000	298,800
ProLogis	5,000	206,350
State Street Corporation	5,000	284,400
SunTrust Banks, Inc.	3,000	134,970
T. Rowe Price Group Inc.	5,000	268,550
Travelers Companies, Inc. (The)	10,000	452,000
U.S. Bancorp	4,000	144,080
Wells Fargo & Company	38,000	1,426,140
XL Capital Ltd., Class A	5,000	89,700
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		13,084,085
		-----
HEALTHCARE - 12.57%		
Abbott Laboratories	16,000	921,280
Aetna Inc.	9,000	324,990
Amgen Inc. *	9,000	533,430
Becton, Dickinson and Co.	3,000	240,780
Biogen Idec Inc.*	3,500	176,015
Bristol-Myers Squibb Company ^	20,000	417,000
Celgene Corporation * ^	4,000	253,120
Eli Lilly and Company ^	15,000	660,450
Express Scripts, Inc. *	4,000	295,280
Gilead Sciences, Inc. *	13,000	592,540
Johnson & Johnson	33,000	2,286,240
Medco Health Solutions, Inc. *	12,000	540,000

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Medtronic, Inc.	22,000	1,102,200
Merck & Co. Inc.	18,000	568,080
Pfizer Inc. ^	15,000	276,600
Schering-Plough Corporation ^	15,000	277,050
St. Jude Medical, Inc. * ^	7,000	304,430
Stryker Corporation ^	8,000	498,400
UnitedHealth Group Incorporated ^	18,000	457,020
Wyeth	14,000	517,160
Zimmer Holdings, Inc. *	3,000	193,680
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		11,435,745
		-----
INDUSTRIALS - 10.85%		
3M Co.	5,000	341,550
Boeing Company (The)	5,000	286,750
Burlington Northern Santa Fe Corporation	4,000	369,720
Caterpillar Inc.	7,000	417,200
CSX Corporation	8,000	436,560
Danaher Corporation	8,000	555,200
Deere & Company	10,000	495,000
Emerson Electric Co.	11,000	448,690
General Dynamics Corporation ^	4,000	294,480
General Electric Company	111,000	2,830,500
Honeywell International Inc.	7,000	290,850
Illinois Tool Works Inc.	9,000	400,050
Lockheed Martin Corporation	4,000	438,680
Norfolk Southern Corporation ^	7,500	496,575
Raytheon Company	7,000	374,570
United Parcel Service, Inc., Class B	9,000	566,010
United Technologies Corporation	10,000	600,600
Waste Management, Inc.	7,500	236,175
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		9,879,160
		-----
INFORMATION TECHNOLOGY - 15.73%		
Agilent Technologies Inc. *	7,000	207,620
Analog Devices, Inc.	2,500	65,875
Apple Inc. *	9,000	1,022,940
Applied Materials Inc.	15,000	226,950
Automatic Data Processing, Inc.	9,000	384,750
Cisco Systems, Inc. *	52,000	1,173,120
Corning Incorporated	20,000	312,800
eBay Inc.*	10,000	223,800
EMC Corporation ^	21,000	251,160
Google Inc. * ^	4,500	1,802,340
Hewlett-Packard Company	18,000	832,320
Intel Corporation	61,000	1,142,530
International Business Machines Corporation ^	15,000	1,754,400
Linear Technology Corporation ^	2,500	76,650
Microsoft Corporation	89,000	2,375,410
Nokia, ADR	5,000	93,250
Oracle Corporation *	60,000	1,218,600
Paychex, Inc.	5,000	165,150
QUALCOMM Inc.	14,000	601,580
Texas Instruments Incorporated	12,000	258,000
Xerox Corporation	5,000	57,650
Xilinx, Inc. ^	3,000	70,350
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		14,317,245
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MATERIALS - 3.27%		
Air Products and Chemicals, Inc.	2,500	171,225
Alcoa Inc.	8,000	180,640
Dow Chemical Company (The)	7,000	222,460
E. I. du Pont de Nemours and Company	12,500	503,750
Freeport-McMoRan Copper & Gold, Inc. ^	4,000	227,400
International Paper Company ^	5,000	130,900
Monsanto Company ^	10,000	989,800
Nucor Corporation	3,000	118,500
Praxair, Inc.	6,000	430,440
		-----
		2,975,115
		-----
REAL ESTATE INVESTMENT TRUSTS - 0.80%		
Public Storage	2,500	247,525
Simon Property Group, Inc. ^	5,000	485,000
		-----
		732,525
		-----
TELECOMMUNICATION SERVICES - 3.13%		
AT&T Inc.	72,000	2,010,240
Verizon Communications Inc.	26,000	834,340
		-----
		2,844,580
		-----
UTILITIES - 3.54%		
American Electric Power Company, Inc. ^	7,000	259,560
Dominion Resources, Inc. ^	14,000	598,920
Duke Energy Corporation	20,000	348,600
Entergy Corporation	5,000	445,050
Exelon Corporation ^	6,000	375,720
FPL Group, Inc. ^	7,000	352,100
PPL Corporation ^	4,000	148,080
Questar Corporation	4,000	163,680
Southern Company (The) ^	14,000	527,660
		-----
		3,219,370
		-----
TOTAL EQUITY SECURITIES		
(cost - \$113,842,316)		90,660,387
		-----
SHORT-TERM INVESTMENTS - 9.86%		
MONEY MARKET SECURITY - 0.38%		
J.P. Morgan U.S. Government Money Market Fund	346,883	346,883
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		PRINCIPAL
		AMOUNT
		(000's)
		-----
REPURCHASE AGREEMENTS - 9.48%		
Bear, Stearns & Co. Inc.+ ++		
(Agreements dated 09/30/2008 to be repurchased at \$4,182,552, 3.50%, 10/01/2008, collateralized by \$4,304,123 in United States Treasury Bonds)	\$4,182	4,182,145
Bear, Stearns & Co. Inc.+ ++		
(Agreements dated 09/30/2008 to be repurchased at \$4,448,560, 7.0%, 10/01/2008, collateralized by \$4,577,126 in United States Treasury Bonds)	4,448	4,447,695

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	----- 8,629,840 -----
TOTAL SHORT-TERM INVESTMENTS (cost - \$8,976,723)	8,976,723 -----
TOTAL INVESTMENTS - 109.47% (cost - \$122,819,039)	99,637,110 -----
LIABILITIES IN EXCESS OF OTHER ASSETS - (9.47)%	(8,621,621) -----
NET ASSETS - 100.00%	\$91,015,489 =====

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

Federal Income Tax Cost: At September 30, 2008 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 \$122,819,039, \$1,591,449, \$(24,773,378), and \$(23,181,929), 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 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 risk, etc.)
- o Level 3 - significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

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 September 30, 2008 in valuing the Fund's investments carried at value:

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VALUATION INPUTS	INVESTMENTS IN SECURITIES	OTHER FINANCIAL INSTRUMENTS*
Level 1 - Quoted Prices	\$ 90,660,387	\$ -
Level 2 - Other Significant Observable Inputs	8,976,723	-
Level 3 - Significant Unobservable Inputs	-	-
TOTAL	\$ 99,637,110	\$ -

\* 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 September 30, 2008.

Securities valuation policies and other investment related disclosures are hereby incorporated by reference to the Fund's semi-annual report previously filed with the Securities and Exchange Commission on the Form N-CSR on September 8, 2008 with a file number 811-22066.

Other information regarding the Fund is available in the Fund's most recent semi-annual report filed with the Securities and Exchange Commission on Form N-CSR on September 8, 2008, file number 811-22066. 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 Progressive Return Fund, Inc.

/s/ Ralph W. Bradshaw  
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Name: Ralph W. Bradshaw  
Title: Principal Executive Officer  
Date: November 26, 2008

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 26, 2008

/s/ Kayadti A. Madison  
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Name: Kayadti A. Madison  
Title: Principal Financial Officer  
Date: November 26, 2008