

CORNERSTONE PROGRESSIVE RETURN FUND
Form N-Q
May 23, 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

Cornerstone Progressive Return Fund

(Exact name of registrant as specified in charter)

383 Madison Avenue, New York, NY

10179

(Address of principal executive offices)

(Zip code)

Kayadti A. Madison

Cornerstone Progressive Return Fund, 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, 2008

Date of reporting period: March 31, 2008

ITEM 1: SCHEDULE OF INVESTMENTS

=====

CORNERSTONE PROGRESSIVE RETURN FUND
SCHEDULE OF INVESTMENTS -- MARCH 31, 2008 (UNAUDITED)

=====

| DESCRIPTION | NO. OF SHARES | VALUE |
|--|------------------|-----------|
| ----- | ----- | ----- |
| EQUITY SECURITIES - 99.45% | | |
| CLOSED-END FUNDS - 2.41% | | |
| Boulder Growth & Income Fund Inc. ^ | 6,000 | \$ 49,620 |
| Dreman/Claymore Dividend & Income Fund | 63,050 | 906,028 |
| Liberty All-Star Equity Fund | 217,000 | 1,386,630 |
| Royce Value Trust, Inc. | 24,000 | 376,320 |
| | | ----- |
| | | 2,718,598 |
| | | ----- |

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| | | |
|---------------------------------------|--------|------------|
| CONSUMER DISCRETIONARY - 9.08% | | |
| Amazon.com, Inc. * | 5,500 | 392,150 |
| Best Buy Co., Inc. | 8,000 | 331,680 |
| Carnival Corporation | 5,000 | 202,400 |
| Coach, Inc. * | 4,000 | 120,600 |
| Comcast Corporation, Class A | 36,000 | 696,240 |
| DIRECTV Group, Inc. (The) * | 15,000 | 371,850 |
| Ford Motor Company * | 30,000 | 171,600 |
| GameStop Corporation, Class A * | 2,500 | 129,275 |
| Gap, Inc. (The) | 11,000 | 216,480 |
| Home Depot, Inc. (The) | 20,000 | 559,400 |
| Johnson Controls, Inc. | 10,000 | 338,000 |
| Kohl's Corporation * | 3,500 | 150,115 |
| Lowe's Companies, Inc. | 14,000 | 321,160 |
| Marriott International, Inc., Class A | 6,500 | 223,340 |
| McDonald's Corporation | 15,000 | 836,550 |
| News Corporation, Class A | 31,000 | 581,250 |
| NIKE, Inc., Class B | 8,000 | 544,000 |
| Nordstrom, Inc. | 5,500 | 179,300 |
| Omnicom Group Inc. | 4,000 | 176,720 |
| Philip Morris International Inc. * | 21,000 | 1,062,180 |
| Staples, Inc. | 10,000 | 221,100 |
| Starbucks Corporation * | 8,000 | 140,000 |
| Target Corporation | 8,000 | 405,440 |
| Tata Motors Limited ADR | 10,000 | 156,200 |
| Time Warner Inc. | 35,000 | 490,700 |
| TJX Companies, Inc. (The) | 5,000 | 165,350 |
| Walt Disney Company (The) | 25,000 | 784,500 |
| Yum! Brands, Inc. | 8,000 | 297,680 |
| | | ----- |
| | | 10,265,260 |
| | | ----- |
| CONSUMER STAPLES - 10.25% | | |
| Altria Group, Inc. | 21,000 | 466,200 |
| Anheuser-Busch Companies, Inc. | 7,000 | 332,150 |
| Archer-Daniels-Midland Company | 6,000 | 246,960 |
| Coca-Cola Company (The) | 25,000 | 1,521,750 |
| Colgate-Palmolive Company | 5,000 | 389,550 |
| ConAgra Foods, Inc. | 9,000 | 215,550 |
| CVS Corporation | 14,000 | 567,140 |
| General Mills, Inc. | 5,000 | 299,400 |
| Kimberly-Clark Corporation | 4,500 | 290,475 |
| Kraft Foods Inc, Class A | 18,000 | 558,180 |
| Kroger Co. (The) | 7,000 | 177,800 |
| PepsiCo, Inc. | 15,000 | 1,083,000 |
| Procter & Gamble Company (The) | 31,000 | 2,172,170 |
| Sysco Corporation | 7,000 | 203,140 |
| Walgreen Co. | 11,000 | 418,990 |
| Wal-Mart Stores, Inc. | 50,000 | 2,634,000 |
| | | ----- |
| | | 11,576,455 |
| | | ----- |
| ENERGY - 12.94% | | |
| Apache Corporation | 3,500 | 422,870 |
| Chevron Corporation | 25,000 | 2,134,000 |
| ConocoPhillips | 17,000 | 1,295,570 |
| Devon Energy Corporation | 8,000 | 834,640 |
| Exxon Mobil Corporation | 60,000 | 5,074,800 |
| Halliburton Company | 15,000 | 589,950 |
| National-Oilwell Varco, Inc. * | 5,000 | 291,900 |

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| | | |
|-------------------------------------|--------|------------|
| Noble Corporation | 5,000 | 248,350 |
| Occidental Petroleum Corporation | 10,000 | 731,700 |
| Peabody Energy Corporation | 5,000 | 255,000 |
| Schlumberger Limited | 15,500 | 1,348,500 |
| Spectra Energy Corporation | 11,000 | 250,250 |
| Transocean Inc. * | 2,098 | 283,650 |
| Weatherford International Ltd. * | 6,000 | 434,820 |
| Williams Companies, Inc. (The) | 13,000 | 428,740 |
| | | ----- |
| | | 14,624,740 |
| | | ----- |
| FINANCIALS - 15.17% | | |
| AFLAC Incorporated | 8,000 | 519,600 |
| American Express Company | 12,500 | 546,500 |
| American International Group, Inc. | 33,000 | 1,427,250 |
| Ameriprise Financial, Inc. | 5,000 | 259,250 |
| Aon Corporation | 6,000 | 241,200 |
| Bank of America Corporation | 44,000 | 1,668,040 |
| Bank of New York Mellon Corporation | 14,000 | 584,220 |
| BB&T Corporation | 10,000 | 320,600 |
| Capital One Financial Corporation | 4,500 | 221,490 |
| Charles Schwab Corporation (The) | 18,000 | 338,940 |
| Chubb Corporation (The) | 7,000 | 346,360 |
| Citigroup Inc. | 46,000 | 985,320 |
| CME Group Inc. | 500 | 234,550 |
| Fannie Mae | 19,000 | 500,080 |
| Franklin Resources, Inc. | 5,000 | 484,950 |
| Goldman Sachs Group, Inc. (The) | 5,000 | 826,950 |
| JPMorgan Chase & Co. | 39,000 | 1,675,050 |
| KeyCorp ^ | 7,000 | 153,650 |
| Lehman Brothers Holdings Inc. | 6,000 | 225,840 |
| Loews Corporation | 5,000 | 201,100 |
| Manulife Financial Corporation | 10,000 | 379,800 |
| Marsh & McLennan Companies, Inc. | 5,500 | 133,925 |
| Metlife, Inc. | 11,000 | 662,860 |
| Morgan Stanley | 10,000 | 457,000 |
| PNC Financial Services Group, Inc. | 4,000 | 262,280 |
| ProLogis | 5,000 | 294,300 |
| State Street Corporation | 5,000 | 395,000 |
| SunTrust Banks, Inc. | 7,000 | 385,980 |
| Travelers Companies, Inc. (The) | 10,000 | 478,500 |
| Wachovia Corporation | 25,000 | 675,000 |
| Wells Fargo & Company | 38,000 | 1,105,800 |
| XL Capital Ltd. - Class A | 5,000 | 147,750 |
| | | ----- |
| | | 17,139,135 |
| | | ----- |
| HEALTHCARE - 11.36% | | |
| Abbott Laboratories | 17,000 | 937,550 |
| Aetna Inc. | 9,000 | 378,810 |
| Amgen Inc. * | 12,000 | 501,360 |
| Baxter International Inc. | 11,000 | 636,020 |
| Biogen Idec Inc. * | 3,500 | 215,915 |
| Bristol-Myers Squibb Company | 20,000 | 426,000 |
| Celgene Corporation * | 4,000 | 245,160 |
| Eli Lilly and Company | 15,000 | 773,850 |
| Express Scripts, Inc * | 4,000 | 257,280 |
| | | ----- |
| Gilead Sciences, Inc. * | 13,000 | 669,890 |
| Johnson & Johnson | 33,000 | 2,140,710 |
| Medco Health Solutions, Inc. * | 12,000 | 525,480 |

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|---|---------|------------|
| Medtronic, Inc. | 16,000 | 773,920 |
| Merck & Co. Inc. | 40,000 | 1,518,000 |
| Schering-Plough Corporation | 20,000 | 288,200 |
| St. Jude Medical, Inc. * | 7,000 | 302,330 |
| Stryker Corporation | 8,000 | 520,400 |
| UnitedHealth Group Incorporated | 18,000 | 618,480 |
| WellPoint Inc. * | 6,500 | 286,845 |
| Wyeth | 14,000 | 584,640 |
| Zimmer Holdings, Inc. * | 3,000 | 233,580 |
| | | ----- |
| | | 12,834,420 |
| | | ----- |
| INDUSTRIALS - 11.73% | | |
| 3M Co. | 5,000 | 395,750 |
| Boeing Company (The) | 5,000 | 371,850 |
| Burlington Northern Santa Fe Corporation | 4,000 | 368,880 |
| Caterpillar Inc. | 7,000 | 548,030 |
| CSX Corporation | 8,000 | 448,560 |
| Danaher Corporation | 8,000 | 608,240 |
| Deere & Company | 10,000 | 804,400 |
| Emerson Electric Co. | 11,000 | 566,060 |
| General Dynamics Corporation | 4,000 | 333,480 |
| General Electric Company | 111,000 | 4,108,110 |
| Honeywell International Inc. | 12,000 | 677,040 |
| Illinois Tool Works Inc. | 9,000 | 434,070 |
| Lockheed Martin Corporation | 4,000 | 397,200 |
| Norfolk Southern Corporation | 3,500 | 190,120 |
| Raytheon Company | 7,000 | 452,270 |
| Textron Inc. | 3,000 | 166,260 |
| United Parcel Service, Inc., Class B | 17,000 | 1,241,340 |
| United Technologies Corporation | 13,000 | 894,660 |
| Waste Management, Inc. | 7,500 | 251,700 |
| | | ----- |
| | | 13,258,020 |
| | | ----- |
| INFORMATION TECHNOLOGY - 15.72% | | |
| Agilent Technologies Inc. * | 7,000 | 208,810 |
| Apple Computer, Inc. * | 9,000 | 1,291,500 |
| Applied Materials, Inc. | 15,000 | 292,650 |
| Automatic Data Processing, Inc. | 9,000 | 381,510 |
| Cisco Systems, Inc. * | 66,000 | 1,589,940 |
| Corning Incorporated | 20,000 | 480,800 |
| Dell Inc. * | 16,000 | 318,720 |
| eBay Inc. * | 16,000 | 477,440 |
| EMC Corporation * | 26,000 | 372,840 |
| Google Inc. * | 4,500 | 1,982,115 |
| Hewlett-Packard Company | 28,000 | 1,278,480 |
| Intel Corporation | 61,000 | 1,291,980 |
| International Business Machines Corporation | 15,000 | 1,727,100 |
| Microsoft Corporation | 105,000 | 2,979,900 |
| NVIDIA Corporation * | 9,000 | 178,110 |
| Oracle Corporation * | 60,000 | 1,173,600 |
| Paychex, Inc. | 5,000 | 171,300 |
| QUALCOMM Inc. | 17,000 | 697,000 |
| Sun Microsystems, Inc. * | 8,750 | 135,888 |
| Texas Instruments Incorporated | 18,000 | 508,860 |
| Xerox Corporation | 10,000 | 149,700 |
| Xilinx, Inc. | 3,000 | 71,250 |
| | | ----- |
| | | 17,759,493 |
| | | ----- |
| MATERIALS - 3.57% | | |

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| | | |
|--|-----------|-------------|
| Air Products & Chemicals, Inc. | 2,500 | 230,000 |
| Alcoa Inc. | 12,000 | 432,720 |
| Dow Chemical Company (The) | 7,000 | 257,950 |
| | | |
| E. I. du Pont de Nemours and Company | 12,500 | 584,500 |
| Freeport-McMoRan Copper & Gold, Inc. | 8,000 | 769,760 |
| International Paper Company | 5,000 | 136,000 |
| Monsanto Company | 10,000 | 1,115,000 |
| Praxair, Inc. | 6,000 | 505,380 |
| | | ----- |
| | | 4,031,310 |
| | | ----- |
| REAL ESTATE INVESTMENT TRUSTS - 0.61% | | |
| Public Storage | 2,500 | 221,550 |
| Simon Property Group, Inc. | 5,000 | 464,550 |
| | | ----- |
| | | 686,100 |
| | | ----- |
| TELECOMMUNICATION SERVICES - 3.62% | | |
| AT&T Inc. | 72,000 | 2,757,600 |
| Nokia ADR | 5,000 | 159,150 |
| Qwest Communications International Inc. | 9,000 | 40,770 |
| Verizon Communications Inc. | 31,000 | 1,129,950 |
| | | ----- |
| | | 4,087,470 |
| | | ----- |
| UTILITIES - 2.99% | | |
| American Electric Power Company, Inc. | 7,000 | 291,410 |
| Dominion Resources, Inc. | 14,000 | 571,760 |
| Duke Energy Corporation | 20,000 | 357,000 |
| Entergy Corporation | 5,000 | 545,400 |
| Exelon Corporation | 6,000 | 487,620 |
| FPL Group, Inc. | 7,000 | 439,180 |
| PPL Corporation | 4,000 | 183,680 |
| Southern Company (The) | 14,000 | 498,540 |
| | | ----- |
| | | 3,374,590 |
| | | ----- |
| TOTAL EQUITY SECURITIES | | |
| (cost - \$127,720,827) | | 112,355,591 |
| | | ----- |
| | PRINCIPAL | |
| | AMOUNT | |
| | (000'S) | |
| | | ----- |
| SHORT-TERM INVESTMENTS - 0.71% | | |
| MONEY MARKET SECURITY - 0.68% | | |
| JPMorgan U.S. Government Money Market Fund | \$ 770 | 770,233 |
| | | ----- |
| REPURCHASE AGREEMENTS - 0.03% | | |
| Bear, Stearns & Co. Inc. + ++ | | |
| (Agreements dated 3/31/2008 to | | |
| be repurchased at \$24,752, 3.00%, | | |
| 4/1/2008, collateralized by \$25,913 | | |
| in United States Treasury Bonds) | 25 | 24,750 |
| Bear, Stearns & Co. Inc. + ++ | | |
| (Agreements dated 3/31/2008 to | | |
| be repurchased at \$1,772, 1.50%, | | |
| 4/1/2008, collateralized by \$2,356 | | |

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| | | |
|---|---|----------------|
| in United States Treasury Bonds) | 2 | 1,772 |
| | | ----- |
| | | 26,522 |
| | | ----- |
| TOTAL SHORT-TERM INVESTMENTS | | |
| (cost - \$796,755) | | 796,755 |
| | | ----- |
| TOTAL INVESTMENTS - 100.16% | | |
| (cost - \$128,517,582) | | 113,152,346 |
| | | ----- |
| LIABILITIES IN EXCESS OF OTHER ASSETS - (0.16)% | | (175,739) |
| | | ----- |
| NET ASSETS - 100.00% | | \$ 112,976,607 |
| | | ===== |

^ 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 March 31, 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 \$128,517,582, \$1,639,215, \$(17,004,451), and \$(15,365,236), 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 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.

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The following is a summary of the inputs used as of March 31, 2008 in valuing the Fund's investments carried at value:

| VALUATION INPUTS | INVESTMENTS IN SECURITIES | OTHER FINANCIAL INSTRUMENTS* |
|---|------------------------------|---------------------------------|
| Level 1 - Quoted Prices | \$112,355,591 | \$ -- |
| Level 2 - Other Significant Observable Inputs | 796,755 | -- |
| Level 3 - Significant Unobservable Inputs | -- | -- |
| TOTAL | \$113,152,346 | \$ -- |
| | ===== | |

*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, 2008.

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 10, 2008 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 Form N-CSR on March 10, 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 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.

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Cornerstone Progressive Return Fund

/s/ Ralph W. Bradshaw

Name: Ralph W. Bradshaw
Title: Principal Executive Officer
Date: May 23, 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

Name: Ralph W. Bradshaw
Title: Principal Executive Officer
Date: May 23, 2008

/s/ Kayadti A. Madison

Name: Kayadti A. Madison
Title: Principal Financial Officer
Date: May 23, 2008