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## Directors and Corporate Officers

Ralph W. Bradshaw	Chairman of the Board of Directors and President
Robert E. Dean	Director
Edwin Meese III	Director
Matthew W. Morris	Director
Scott B. Rogers	Director
Andrew A. Strauss	Director
Glenn W. Wilcox, Sr.	Director
Rachel L. McNabb	Chief Compliance Officer
Hoyt M. Peters	Secretary and Assistant Treasurer
Theresa M. Bridge	Treasurer

## Investment Manager

Cornerstone Advisors, LLC  
1075 Hendersonville Road  
Suite 250  
Asheville, NC 28803

## Stock Transfer Agent and Registrar

American Stock Transfer &  
Trust Co., LLC  
6201 15th Avenue  
Brooklyn, NY 11219

## Administrator

Ultimus Fund Solutions, LLC  
225 Pictoria Drive, Suite 450  
Cincinnati, OH 45246

## Independent Registered Public Accounting Firm

Tait, Weller & Baker LLP  
Two Liberty Place  
50 South 16th Street  
Suite 2900  
Philadelphia, PA 19102

## Custodian

U.S. Bank, N.A.  
425 Walnut Street  
Cincinnati, OH 45202

## Legal Counsel

Blank Rome LLP  
1271 Avenue of the Americas  
New York, NY 10020

## Executive Offices

225 Pictoria Drive, Suite 450  
Cincinnati, OH 45246

For stockholder inquiries, please call toll-free (866) 668-6558

Please visit us on the web at

[www.cornerstonestrategicvaluefund.com](http://www.cornerstonestrategicvaluefund.com)

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## CORNERSTONE STRATEGIC VALUE FUND, INC.

**JUNE 30, 2019**

This update contains the following two documents:

- Letter from the Fund's President
- Semi-Annual Report to Stockholders

Beginning on January 1, 2021, as permitted by regulations adopted by the U.S. Securities and Exchange Commission, paper copies of the Fund's stockholder reports like this one will no longer be sent by mail, unless you specifically request paper copies of the reports from the Fund or from your financial intermediary, such as a broker-dealer or bank. Instead, the reports will be made available on a website, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you have already elected to receive stockholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive stockholder reports and other communications from the Fund electronically by contacting the Fund at 1-866-668-6558 or, if you own these shares through a financial intermediary, by contacting your financial intermediary.

You may elect to receive all future reports in paper free of charge. You can inform the Fund that you wish to continue receiving paper copies of your stockholder reports by contacting the Fund at 1-866-668-6558. If you own shares through a financial intermediary, you may contact your financial intermediary or follow instructions included with this document to elect to continue to receive paper copies of your stockholder reports. Your election to receive reports in paper will apply to all funds held with the fund complex or at your financial intermediary.

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## **LETTER FROM THE FUND'S PRESIDENT**

July 31, 2019

Dear Fellow Stockholders:

Following is the semi-annual report for Cornerstone Strategic Value Fund, Inc. (the “Fund”) for the six months ended June 30, 2019. At the midpoint of the year, the Fund’s net assets were \$818.5 million and the Net Asset Value per share (“NAV”) was \$11.09. The share price closed at \$11.64. After reflecting the reinvestment of monthly distributions totaling \$1.23 per share, the Fund achieved a total investment return at market value of 16.22% for the six months ended June 30, 2019.

### **Economic and Market Summary**

The initial estimate for second quarter annualized GDP was 2.1%, which marked a dramatic pull-back from the 3.1% for the first quarter. Through the first half of 2019, employers added an average of 172,000 jobs a month, which was slower than the pace of 2018 but more consistent with the pace of previous years. June marked 105 consecutive months of job gains, demonstrating the strength of the US economy touted by officials of the Federal Reserve Bank (the “Fed”). In contrast to the domestic economy, Fed Chairman Jerome Powell raised concerns about the global economy, warning that the risk picture had changed and that there was greater uncertainty over trade. Despite positive macro-economic indicators at the beginning of the year, the Fed ultimately decided to cut interest rates at its meeting in July. Fed officials emphasized that this particular rate cut was a stand-alone decision that did not signal a series of rate cuts to come. The Fed’s response to the changing economy echoed what other central banks around the world have also begun to explore. The European Central Bank indicated that it was drawing up plans to stimulate the economy of the European Union given the weak growth and below-target inflation. A package of stimulus measures, including possible rate cuts, is expected to be announced later this year.

Domestic equities did well during the first half of the year as major stock indices reached new highs. Although investors were jilted by unusual volatility and a sudden drop at the end of last year, the US stock market started to rebound in January and had surpassed previous records by June of this year. The positive performance in the first half of the year kicked off with the resolution of the partial government shutdown which had begun in December 2018. Combined with dovish statements by Fed officials, the positive gains by domestic equities this year have bolstered investor sentiments while counterbalancing shifts in international equities.

### **Managed Distribution Policy**

The Fund has maintained its policy of regular distributions to stockholders, which continues to be popular with investors. These distributions are not tied to the Fund’s investment income and capital gains and do not represent yield or investment return on the Fund’s portfolio. The policy of maintaining regular monthly distributions is designed to enhance stockholder value by increasing liquidity for individual investors and providing greater flexibility to manage their investment in the Fund. As always, stockholders have the option of taking their distributions in cash or reinvesting them in shares of the Fund pursuant to the Fund’s dividend reinvestment plan (the “Plan”).

The Board of Directors (the “Board”) believes that the Fund’s distribution policy maintains a stable, high rate of distribution for stockholders. As always, the monthly distributions are reviewed and approved periodically by the Board throughout the year and are subject to change at the discretion of the Board. In

## **LETTER FROM THE FUND'S PRESIDENT (CONTINUED)**

addition, please note that the Plan may provide additional benefit to participating stockholders, as explained further in the section below. Please read the disclosure notes included in the Fund's report for details on the Fund's distribution policy and the Plan.

Stockholders receive a final determination of the total distribution attributable to income, capital gains, or return-of-capital after the end of each year. The allocation among these categories may vary greatly from year to year. In any given year, there can be no guarantee that the Fund's investment returns will exceed the amount of the distributions. To the extent that the amount of distributions taken in cash exceeds the total net investment returns of the Fund, the assets of the Fund will decline. If the total net investment returns exceed the amount of cash distributions, the assets of the Fund will increase. In each case, individual Fund stockholders have the flexibility to receive their distributions in cash or to receive additional shares in the Fund through the Plan, and they can change this election as often as they desire.

### **Distribution Reinvestment Considerations**

The Plan may at times provide significant benefits to Plan participants; therefore, stockholders should evaluate the advantages of reinvesting their distribution payments through the Plan. Under the Plan, the method for determining the number of newly issued shares received when distributions are reinvested is determined by dividing the amount of the distribution either by the Fund's last reported NAV or by a price equal to the average closing price of the Fund over the five trading days preceding the payment date of the distribution, whichever is lower. When the Fund trades at a premium to its NAV, as it has in recent history, stockholders may find that reinvestments through the Plan provide potential advantages worth considering.

### **Outlook**

The first half of 2019 was very positive, with stock indices hitting record highs and macroeconomic indicators demonstrating a strong domestic economy, in contrast to many developed economies around the world that have experienced stalled or even negative growth. The outlook for the second half of 2019 and beyond will depend on the longevity of those positive domestic indicators and the relationship between the US economy and its trading partners. At the midpoint of the year, the Trump administration was proceeding with tariffs and other trade barriers to protect American companies. The uncertainty created by these negotiations has made it difficult for American companies with significant international business to plan for the future. We believe that the sooner the Trump administration can resolve those trade negotiations, the better it will be for American companies.

In light of the positive macro-economic indications and political challenges that lie ahead, we believe that the Fund's portfolio is well positioned to take advantage of upward market movements while withstanding potential market volatility and geopolitical instability. The Fund's holdings include a widely diversified portfolio comprised predominantly of large-cap companies and closed-end funds. The large-cap sector is typically made up of well-capitalized established companies that offer the ability to tap into international markets, while also exhibiting a greater degree of defensive strength during difficult periods. The investment manager believes that closed-end funds offer unique investment opportunities for the Fund by allowing for exposure to a variety of markets, which can be especially important as a means of reducing overall portfolio risk during and after periods of increases in the equity markets. The percentage of closed-end funds in the portfolio may increase or decrease, depending on market conditions. The investment

## LETTER FROM THE FUND'S PRESIDENT (CONCLUDED)

manager attempts to enhance portfolio performance by taking advantage of temporary and occasional pricing inefficiencies in certain securities. The availability and magnitude of such opportunities are unpredictable, and their effect on possible portfolio performance may vary considerably from year to year.

This is the first semi-annual report following the change of investment manager to Cornerstone Advisors, LLC, which was approved at the most recent stockholder meeting. The investment management team looks forward to our continued service to the Fund and its stockholders and, along with the Fund's Board of Directors and officers, we appreciate your ongoing support. We are all aware that investors have placed their trust in us. We know you have a choice, and we remain committed to serving you.



Ralph W. Bradshaw  
President

*In addition to historical information, this report contains forward-looking statements, which may concern, among other things, domestic and foreign markets, industry and economic trends and developments and government regulation and their potential impact on the Fund's investment portfolio. These statements are subject to risks and uncertainties and actual trends, developments and regulations in the future and their impact on the Fund could be materially different from those projected, anticipated or implied. The Fund has no obligation to update or revise forward-looking statements.*

**This Letter from the Fund's President is not a part of the Semi-Annual Report to Stockholders that follows.**

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**CORNERSTONE STRATEGIC  
VALUE FUND, INC.**

**SEMI-ANNUAL REPORT  
JUNE 30, 2019  
(UNAUDITED)**

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**CORNERSTONE STRATEGIC VALUE FUND, INC.**  
**PORTFOLIO SUMMARY – AS OF JUNE 30, 2019 (UNAUDITED)**

**SECTOR ALLOCATION**

Sector	Percent of Net Assets
Closed-End Funds	20.0
Information Technology	18.5
Health Care	12.4
Financials	10.3
Communication Services	8.8
Consumer Discretionary	8.6
Industrials	7.6
Consumer Staples	5.8
Energy	2.1
Utilities	2.1
Materials	1.3
Exchange-Traded Funds	1.3
Real Estate	0.9
Other	0.3

**TOP TEN HOLDINGS, BY ISSUER**

Holding	Sector	Percent of Net Assets
1. Microsoft Corporation	Information Technology	5.4
2. Alphabet Inc. - Class C	Communication Services	3.6
3. Amazon.com, Inc.	Consumer Discretionary	3.2
4. JPMorgan Chase & Co.	Financials	2.5
5. Adams Diversified Equity Fund, Inc.	Closed-End Funds	2.4
6. General American Investors Company, Inc.	Closed-End Funds	2.2
7. Berkshire Hathaway, Inc. - Class B	Financials	2.1
8. Cisco Systems, Inc.	Information Technology	2.0
9. Mastercard Incorporated - Class A	Information Technology	1.9
10. Home Depot, Inc. (The)	Consumer Discretionary	1.9

**CORNERSTONE STRATEGIC VALUE FUND, INC.**  
**SCHEDULE OF INVESTMENTS – JUNE 30, 2019 (UNAUDITED)**

Description	No. of Shares	Value	Description	No. of Shares	Value
<b>EQUITY SECURITIES — 99.70%</b>			<b>EMERGING MARKETS — 1.53%</b>		
<b>CLOSED-END FUNDS — 19.97%</b>					
<b>CORE — 6.41%</b>					
Adams Diversified Equity Fund, Inc.	1,265,407	\$ 19,550,537	Aberdeen Emerging Markets Equity Income Fund, Inc.	48,444	\$ 354,126
General American Investors Company, Inc.	507,020	17,994,139	Central and Eastern Europe Fund, Inc.	61,722	1,678,838
Royce Micro-Cap Trust, Inc.	303,886	2,497,943	China Fund, Inc. (The)	33,670	681,481
Royce Value Trust, Inc.	492,193	6,851,327	First Trust/Aberdeen Emerging Opportunity Fund	3,817	53,667
Source Capital, Inc.	68,535	2,506,325	Herzfeld Caribbean Basin Fund, Inc. (The) *	14,016	89,002
Tri-Continental Corporation	114,641	<u>3,091,868</u>	India Fund, Inc. (The)	41,900	891,632
		<u>52,492,139</u>	Mexico Equity & Income Fund, Inc. (The)	13,134	145,787
<b>CORPORATE DEBT BBB RATED — 0.26%</b>			Mexico Fund, Inc. (The)	158,785	2,183,294
BlackRock Credit Allocation Income Trust	167,044	<u>2,166,568</u>	Morgan Stanley China A Share Fund, Inc.	120,619	2,622,257
<b>DEVELOPED MARKET — 0.48%</b>			Morgan Stanley India Investment Fund, Inc. *	134,733	2,825,350
Aberdeen Japan Equity Fund, Inc.	11,055	77,385	Taiwan Fund, Inc. (The) *	7,389	125,244
European Equity Fund, Inc. (The)	14,304	126,161	Templeton Emerging Markets Fund	58,321	<u>880,647</u>
First Trust Dynamic Europe Equity Income Fund	2,701	37,868			<u>12,531,325</u>
Japan Smaller Capitalization Fund, Inc.	183,499	1,561,576	<b>ENERGY MLP FUNDS — 0.28%</b>		
New Germany Fund, Inc. (The)	52,109	738,906	ClearBridge MLP and Midstream Fund Inc.	43,093	514,961
New Ireland Fund, Inc. (The) *	66,227	594,056	Cushing Energy Income Fund (The)	20,140	140,376
Swiss Helvetia Fund, Inc. (The) *	99,643	<u>787,180</u>	Kayne Anderson Midstream/Energy Fund, Inc.	114,921	1,330,785
		<u>3,923,132</u>	Neuberger Berman MLP Income Fund Inc.	38,617	<u>290,014</u>
<b>DIVERSIFIED EQUITY — 0.03%</b>					<u>2,276,136</u>
Sprott Focus Trust, Inc.	37,714	<u>254,192</u>	<b>GENERAL BOND — 0.05%</b>		
			Eaton Vance Limited Duration Income Fund	34,862	<u>441,017</u>

See accompanying notes to financial statements.

**CORNERSTONE STRATEGIC VALUE FUND, INC.****SCHEDULE OF INVESTMENTS – JUNE 30, 2019 (UNAUDITED) (CONTINUED)**

Description	No. of Shares	Value	Description	No. of Shares	Value
<b>GLOBAL — 2.27%</b>			<b>NATURAL RESOURCES — 2.14%</b>		
Aberdeen Global Dynamic Dividend Fund	157,299	\$ 1,516,362	Adams Natural Resources Fund, Inc.	535,580	\$ 8,858,494
Aberdeen Total Dynamic Dividend Fund	996,457	8,310,452	BlackRock Energy and Resources Trust	30,298	361,455
Clough Global Opportunities Fund	157,737	1,474,841	BlackRock Resources & Commodities Strategy Trust	946,868	7,745,380
Delaware Enhanced Global Dividend and Income Fund	120,258	1,190,554	Cushing Renaissance Fund (The)	27,082	381,856
Gabelli Global Small and Mid Cap Value Trust (The)	124,326	1,443,425	First Trust Energy Infrastructure Fund	10,265	163,624
GDL Fund (The)	271,068	2,503,312			<u>17,510,809</u>
John Hancock Tax-Advantaged Global Shareholder Yield Fund	5,170	35,311	<b>OPTION ARBITRAGE/OPTIONS STRATEGIES — 2.02%</b>		
Lazard World Dividend & Income Fund, Inc.	9,897	98,475	AllianzGI NFJ Dividend, Interest & Premium Strategy Fund	888,523	11,017,685
Royce Global Value Trust, Inc.	185,341	1,955,348	BlackRock Enhanced Global Dividend Trust	379,123	4,067,990
Voya Infrastructure, Industrials and Materials Fund	7,006	87,225	BlackRock Enhanced International Dividend Trust	85,834	482,387
		<u>18,615,305</u>	Madison Covered Call & Equity Strategy Fund	14,397	95,164
<b>GLOBAL INCOME — 0.30%</b>			Voya Asia Pacific High Dividend Equity Income Fund	45,046	415,775
BrandywineGLOBAL - Global Income Opportunities Fund Inc.	206,252	2,419,336	Voya Global Equity Dividend and Premium Opportunity Fund	52,008	339,092
<b>HIGH YIELD LEVERAGED — 0.06%</b>			Voya International High Dividend Equity Income Fund	13,749	80,707
Franklin Universal Trust	71,018	519,852			<u>16,498,800</u>
<b>INCOME &amp; PREFERRED STOCK — 0.48%</b>			<b>PACIFIC EX JAPAN — 0.09%</b>		
Eagle Growth and Income Opportunities Fund	100,049	1,536,753	Korea Fund, Inc. (The)	24,756	713,963
LMP Capital and Income Fund Inc.	175,727	2,382,858	<b>REAL ESTATE — 1.40%</b>		
		<u>3,919,611</u>	Aberdeen Global Premier Properties Fund	243,454	1,524,022

See accompanying notes to financial statements.

**CORNERSTONE STRATEGIC VALUE FUND, INC.****SCHEDULE OF INVESTMENTS – JUNE 30, 2019 (UNAUDITED) (CONTINUED)**

Description	No. of Shares	Value	Description	No. of Shares	Value
<b>REAL ESTATE (CONTINUED)</b>			<b>CONSUMER DISCRETIONARY (CONTINUED)</b>		
CBRE Clarion Global Real Estate Income Fund	1,018,594	\$ 7,629,269	Home Depot, Inc. (The)	74,600	\$ 15,514,562
RMR Real Estate Income Fund	125,575	2,301,789	Lowe's Companies, Inc.	30,000	3,027,300
		<u>11,455,080</u>	McDonald's Corporation	21,700	4,506,222
<b>SECTOR EQUITY — 1.43%</b>			NIKE, Inc. - Class B	65,000	5,456,750
Gabelli Healthcare & Wellness <sup>Rx</sup> Trust (The)	252,758	2,661,542	Ross Stores, Inc.	24,000	2,378,880
Nuveen Real Asset Income and Growth Fund	383,240	6,488,253	Starbucks Corporation	69,000	5,784,270
Tekla Healthcare Opportunities Fund	142,674	2,542,451	TJX Companies, Inc. (The)	80,000	4,230,400
		<u>11,692,246</u>			<u>70,620,808</u>
<b>UTILITY — 0.74%</b>			<b>CONSUMER STAPLES — 5.83%</b>		
Duff & Phelps Global Utility Income Fund Inc.	93,457	1,430,827	Costco Wholesale Corporation	25,500	6,738,630
Macquarie Global Infrastructure Total Return Fund Inc.	193,850	4,586,491	Estée Lauder Companies, Inc. (The) - Class A	19,000	3,479,090
		<u>6,017,318</u>	General Mills, Inc.	31,000	1,628,120
<b>TOTAL CLOSED-END FUNDS</b>			PepsiCo, Inc.	73,000	9,572,490
		<u>163,446,829</u>	Procter & Gamble Company (The)	130,000	14,254,500
<b>COMMUNICATION SERVICES — 8.84%</b>			Sysco Corporation	32,500	2,298,400
Alphabet Inc. - Class C *	27,405	29,622,339	Walmart, Inc.	88,000	9,723,120
Charter Communications, Inc. - Class A *	12,000	4,742,160			<u>47,694,350</u>
Comcast Corporation - Class A	280,000	11,838,400	<b>ENERGY — 2.10%</b>		
Verizon Communications, Inc.	250,000	14,282,500	ConocoPhillips	59,000	3,599,000
Walt Disney Company (The)	85,000	11,869,400	Exxon Mobil Corporation	145,636	11,160,087
		<u>72,354,799</u>	Kinder Morgan, Inc.	117,400	2,451,312
<b>CONSUMER DISCRETIONARY — 8.63%</b>					<u>17,210,399</u>
Amazon.com, Inc. *	14,000	26,510,820	<b>EXCHANGE-TRADED FUNDS — 1.26%</b>		
AutoZone, Inc. *	1,200	1,319,364	iShares Core S&P 500 ETF	10,000	2,947,500
Dollar General Corporation	14,000	1,892,240	SPDR S&P 500 ETF Trust	25,000	7,325,000
					<u>10,272,500</u>
			<b>FINANCIALS — 10.29%</b>		
			Aflac Incorporated	39,000	2,137,590
			Allstate Corporation (The)	18,000	1,830,420
			American Express Company	32,000	3,950,080
			Aon plc	12,000	2,315,760
			Bank of America Corporation	403,300	11,695,700

See accompanying notes to financial statements.

**CORNERSTONE STRATEGIC VALUE FUND, INC.****SCHEDULE OF INVESTMENTS – JUNE 30, 2019 (UNAUDITED) (CONTINUED)**

Description	No. of Shares	Value	Description	No. of Shares	Value
<b>FINANCIALS (CONTINUED)</b>			<b>HEALTH CARE (CONTINUED)</b>		
BB&T Corporation	42,000	\$ 2,063,460	Stryker Corporation	19,000	\$ 3,906,020
Berkshire Hathaway, Inc. - Class B *	80,000	17,053,600	Thermo Fisher Scientific Inc.	14,000	4,111,520
Charles Schwab Corporation (The)	39,700	1,595,543	UnitedHealth Group, Inc.	25,000	6,100,250
Chubb Limited	10,000	1,472,900	Zoetis, Inc.	12,000	<u>1,361,880</u>
Citigroup, Inc.	107,000	7,493,210			<u>101,409,059</u>
CME Group Inc.	10,300	1,999,333	<b>INDUSTRIALS — 7.59%</b>		
Intercontinental Exchange, Inc.	15,000	1,289,100	Boeing Company (The)	34,000	12,376,340
JPMorgan Chase & Co.	181,000	20,235,800	Caterpillar Inc.	27,000	3,679,830
Progressive Corporation (The)	34,000	2,717,620	CSX Corporation	54,000	4,177,980
SunTrust Banks, Inc.	27,000	1,696,950	Cummins Inc.	9,000	1,542,060
U.S. Bancorp	60,000	3,144,000	Deere & Company	21,000	3,479,910
Willis Towers Watson Public Limited Company	8,000	<u>1,532,320</u>	Fortive Corporation	15,000	1,222,800
		<u>84,223,386</u>	Honeywell International Inc.	24,000	4,190,160
<b>HEALTH CARE — 12.39%</b>			Ingersoll-Rand Public Limited Company	13,000	1,646,710
Abbott Laboratories	107,000	8,998,700	Lockheed Martin Corporation	18,000	6,543,720
Anthem, Inc.	15,000	4,233,150	Norfolk Southern Corporation	19,000	3,787,270
Baxter International Inc.	33,000	2,702,700	Republic Services, Inc.	19,000	1,646,160
Becton, Dickinson and Company	3,000	756,030	Roper Technologies, Inc.	6,000	2,197,560
Boston Scientific Corporation *	68,000	2,922,640	Union Pacific Corporation	46,000	7,779,060
Cigna Corporation	19,354	3,049,223	United Parcel Service, Inc. - Class B	49,000	5,060,230
Edwards Lifesciences Corporation *	11,000	2,032,140	Waste Management, Inc.	24,000	<u>2,768,880</u>
Eli Lilly and Company	59,000	6,536,610			<u>62,098,670</u>
HCA Healthcare, Inc.	20,000	2,703,400	<b>INFORMATION TECHNOLOGY — 18.49%</b>		
Humana Inc.	8,000	2,122,400	Accenture plc - Class A	34,000	6,282,180
IQVIA Holdings Inc. *	10,000	1,609,000	Apple Inc.	67,000	13,260,640
Johnson & Johnson	105,700	14,721,896	Automatic Data Processing, Inc.	24,000	3,967,920
Medtronic Public Limited Company	75,000	7,304,250	Broadcom Inc.	25,000	7,196,500
Merck & Co., Inc.	145,000	12,158,250	Cisco Systems, Inc.	299,000	16,364,270
Pfizer Inc.	325,000	14,079,000	Fiserv, Inc. *	25,000	2,279,000
			Intel Corporation	286,500	13,714,755
			Intuit Inc.	15,000	3,919,950

See accompanying notes to financial statements.

**CORNERSTONE STRATEGIC VALUE FUND, INC.**  
**SCHEDULE OF INVESTMENTS – JUNE 30, 2019 (UNAUDITED) (CONCLUDED)**

Description	No. of Shares	Value	Description	No. of Shares	Value
<b>INFORMATION TECHNOLOGY (CONTINUED)</b>			<b>RIGHTS — 0.00% (a)</b>		
Mastercard Incorporated			Cushing Renaissance		
- Class A	60,000	\$ 15,871,800	Fund (The), expires		
Microsoft Corporation	331,000	44,340,760	7/18/2019* (cost \$8,487)	27,082	\$ 5,687
Motorola Solutions, Inc.	8,000	1,333,840	<b>SHORT-TERM INVESTMENT — 0.29%</b>		
Paychex, Inc.	20,000	1,645,800	<b>MONEY MARKET FUND — 0.29%</b>		
Texas Instruments			Fidelity Institutional		
Incorporated	44,000	5,049,440	Money Market		
VeriSign, Inc. *	7,000	1,464,120	Government Portfolio		
Visa, Inc. - Class A	71,000	12,322,050	- Class I, 2.26% ^		
Xilinx, Inc.	20,000	2,358,400	(cost - \$2,376,014)	2,376,014	2,376,014
		<u>151,371,425</u>	<b>TOTAL INVESTMENTS — 99.99%</b>		
<b>MATERIALS — 1.33%</b>			(cost - \$708,169,088)		
Air Products and			<b>OTHER ASSETS IN EXCESS</b>		
Chemicals, Inc.	13,000	2,942,810	<b>OF LIABILITIES — 0.01%</b>		
Corteva, Inc. *	20,431	604,145	<u>97,654</u>		
Dow Inc.	20,431	1,007,453	<b>NET ASSETS — 100.00%</b>		
DuPont de Nemours, Inc.	20,431	1,533,755	<u>\$818,460,842</u>		
Ecolab Inc.	17,000	3,356,479			
Linde plc	7,000	1,405,600			
		<u>10,850,242</u>			
<b>REAL ESTATE — 0.94%</b>					
American Tower					
Corporation	23,000	4,702,350			
Crown Castle					
International Corp.	23,000	2,998,050			
		<u>7,700,400</u>			
<b>UTILITIES — 2.04%</b>					
American Electric Power					
Company, Inc.	28,000	2,464,280			
Dominion Energy, Inc.	30,000	2,319,600			
DTE Energy Company	12,000	1,534,560			
Exelon Corporation	60,000	2,876,400			
NextEra Energy, Inc.	18,000	3,687,480			
Sempra Energy	15,000	2,061,600			
Xcel Energy Inc.	30,000	1,784,700			
		<u>16,728,620</u>			
<b>TOTAL EQUITY SECURITIES</b>					
(cost - \$705,784,587)		<u>815,981,487</u>			

\* Non-income producing security.  
^ The rate shown is the 7-day effective yield as of June 30, 2019.  
(a) Percentage rounds to less than 0.01%.

See accompanying notes to financial statements.

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**CORNERSTONE STRATEGIC VALUE FUND, INC.**  
**STATEMENT OF ASSETS AND LIABILITIES – JUNE 30, 2019 (UNAUDITED)**

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**ASSETS**

Investments, at value (cost – \$708,169,088) (Notes B and C)	\$818,363,188
Cash	41,971
Receivables:	
Investments sold	948,279
Dividends	498,616
Prepaid expenses	<u>25,422</u>
Total Assets	<u>819,877,476</u>

**LIABILITIES**

Payables:	
Investments purchased	560,537
Investment management fees (Note D)	662,759
Administration fees (Note D)	66,155
Directors' fees and expenses	55,721
Other accrued expenses	<u>71,462</u>
Total Liabilities	<u>1,416,634</u>

NET ASSETS (applicable to 73,818,472 shares of common stock) \$818,460,842

NET ASSET VALUE PER SHARE ( $\$818,460,842 \div 73,818,472$ ) \$ 11.09

**NET ASSETS CONSISTS OF**

Common stock, \$0.001 par value; 73,818,472 shares issued and outstanding (200,000,000 shares authorized)	\$ 73,818
Paid-in capital	709,193,302
Accumulated earnings	<u>109,193,722</u>
Net assets applicable to shares outstanding	<u>\$818,460,842</u>

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**CORNERSTONE STRATEGIC VALUE FUND, INC.****STATEMENT OF OPERATIONS – FOR THE SIX MONTHS ENDED JUNE 30, 2019 (UNAUDITED)**

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**INVESTMENT INCOME**

## Income:

Dividends	<u>\$ 10,469,772</u>
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## Expenses:

Investment management fees (Note D)	4,022,855
Administration and fund accounting fees (Note D)	203,065
Proxy solicitation costs (Note D)	138,460
Directors' fees and expenses	112,867
Custodian fees	55,376
Legal and audit fees	50,397
Printing	46,553
Transfer agent fees	24,256
Insurance	10,357
Stock exchange listing fees	7,407
Miscellaneous	<u>14,851</u>
Total Expenses	4,686,444
Expenses reimbursed by the investment manager (Note D)	<u>(138,460)</u>
Net Expenses	<u>4,547,984</u>

Net Investment Income	<u>5,921,788</u>
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**NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS**

Net realized gain from investments	3,678,722
Capital gain distributions from regulated investment companies	194,332
Net change in unrealized appreciation in value of investments	<u>122,745,333</u>
Net realized and unrealized gain on investments	<u>126,618,387</u>

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ 132,540,175</u>
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**CORNERSTONE STRATEGIC VALUE FUND, INC.**  
**STATEMENTS OF CHANGES IN NET ASSETS**

	For the Six Months Ended June 30, 2019 <u>(Unaudited)</u>	For the Year Ended December 31, 2018 <u></u>
<b>INCREASE IN NET ASSETS</b>		
Operations:		
Net investment income	\$ 5,921,788	\$ 5,947,289
Net realized gain from investments	3,873,054	12,864,777
Net change in unrealized appreciation (depreciation) in value of investments	<u>122,745,333</u>	<u>(76,990,603)</u>
Net increase/(decrease) in net assets resulting from operations	<u>132,540,175</u>	<u>(58,178,537)</u>
Distributions to stockholders (Note B):		
From earnings	(8,974,027)	(20,320,936)
Return-of-capital	<u>(81,077,817)</u>	<u>(138,304,539)</u>
Total distributions to stockholders	<u>(90,051,844)</u>	<u>(158,625,475)</u>
Common stock transactions:		
Proceeds from rights offering of 0 and 26,784,596 shares of newly issued common stock, respectively	—	360,520,662
Offering expenses associated with rights offering	—	(206,768)
Proceeds from 1,234,989 and 2,015,486 shares newly issued in reinvestment of dividends and distributions, respectively	13,736,881	24,704,662
Payments for 0 and 240,374 shares repurchased, respectively	<u>—</u>	<u>(2,417,580)</u>
Net increase in net assets from common stock transactions	<u>13,736,881</u>	<u>382,600,976</u>
Total increase in net assets	<u>56,225,212</u>	<u>165,796,964</u>
<b>NET ASSETS</b>		
Beginning of period	<u>762,235,630</u>	<u>596,438,666</u>
End of period	<u>\$818,460,842</u>	<u>\$762,235,630</u>

**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, 2019 (Unaudited)	For the Years Ended December 31,				
		2018	2017	2016	2015	2014*
<b>PER SHARE OPERATING PERFORMANCE</b>						
Net asset value, beginning of period	\$ 10.50	\$ 13.55	\$ 13.24	\$ 15.11	\$ 20.54	\$ 22.72
Net investment income #	0.08	0.11	0.15	0.23	0.17	0.32
Net realized and unrealized gain/(loss) on investments	1.74	(0.85)	2.65	1.01	(1.18)	2.10
Net increase/(decrease) in net assets resulting from operations	1.82	(0.74)	2.80	1.24	(1.01)	2.42
Dividends and distributions to stockholders:						
Net investment income	(0.08)	(0.11)	(0.13)	(0.22)	(0.17)	(0.32)
Net realized capital gains	(0.04)	(0.26)	(1.29)	(0.71)	(0.44)	(1.52)
Return-of-capital	(1.11)	(2.47)	(1.37)	(2.47)	(3.81)	(2.76)
Total dividends and distributions to stockholders	(1.23)	(2.84)	(2.79)	(3.40)	(4.42)	(4.60)
Common stock transactions:						
Anti-dilutive effect due to shares issued:						
Rights offering	—	0.53	0.30	0.29	—	—
Reinvestment of dividends and distributions	0.00 <sup>+</sup>	0.00 <sup>+</sup>	0.00 <sup>+</sup>	0.00 <sup>+</sup>	0.00 <sup>+</sup>	0.00 <sup>+</sup>
Common stock repurchases	—	0.00 <sup>+</sup>	—	—	—	—
Total common stock transactions	0.00 <sup>+</sup>	0.53	0.30	0.29	0.00 <sup>+</sup>	0.00 <sup>+</sup>
Net asset value, end of period	\$ 11.09	\$ 10.50	\$ 13.55	\$ 13.24	\$ 15.11	\$ 20.54
Market value, end of period	\$ 11.64	\$ 11.18	\$ 15.47	\$ 15.17	\$ 15.66	\$ 20.02
Total investment return <sup>(a)</sup>	16.22% <sup>(b)</sup>	(9.44)%	25.48%	23.73%	0.21%	(6.29)%
<b>RATIOS/SUPPLEMENTAL DATA</b>						
Net assets, end of period (000 omitted)	\$818,461	\$762,236	\$596,439	\$380,024	\$323,477	\$168,287
Ratio of net expenses to average net assets <sup>(c)</sup>	1.13% <sup>(d)(e)</sup>	1.14%	1.20%	1.25%	1.31% <sup>(f)</sup>	1.33%
Ratio of net investment income to average net assets <sup>(g)</sup>	1.47% <sup>(d)</sup>	0.84%	1.13%	1.66%	0.97% <sup>(f)</sup>	1.47%
Portfolio turnover rate	24% <sup>(b)</sup>	58%	81%	88%	88%	51%

\* Effective December 29, 2014, a reverse stock split of 1:4 occurred. All per share amounts have been restated according to the terms of the split.

# Based on average shares outstanding.

+ Amount rounds to less than \$0.01 per share.

(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) Not annualized.

(c) Expenses do not include expenses of investment companies in which the Fund invests.

(d) Annualized.

(e) Includes the reimbursement of proxy solicitation costs by the investment manager. If these costs had not been reimbursed by the investment manager, the ratio of expenses to average net assets would have been 1.16%, annualized, for the six months ended June 30, 2019.

(f) Includes reorganization costs. Without these costs, ratio of expenses to average net assets and ratio of net investment income to average net assets would have been 1.22% and 1.06%, respectively, for the year ended December 31, 2015.

(g) Recognition of net investment income by the Fund may be affected by the timing of the declaration of dividends, if any, by investment companies in which the Fund invests.

See accompanying notes to financial statements.

**NOTE A. ORGANIZATION**

Cornerstone Strategic Value Fund, Inc. (the “Fund” or “CLM”) 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. As an investment company, the Fund follows the accounting and reporting guidance of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 946, “Financial Services—Investment Companies.”

**NOTE B. SIGNIFICANT ACCOUNTING POLICIES**

**Management Estimates:** The preparation of financial statements in conformity 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.

**Subsequent Events:** The Fund has evaluated the need for additional disclosures and/or adjustments resulting from subsequent events through the date its financial statements were issued. Based on this evaluation, no additional disclosures or adjustments were required to such financial statements.

**Portfolio Valuation:** Investments are stated at value in the accompanying financial statements. Readily marketable portfolio securities listed on the New York Stock Exchange (“NYSE”) are valued, except as indicated below, at the last sale price reflected on the consolidated tape at the close of the NYSE on the business day as of which such value is being determined. If there has been no sale on such day, the securities are valued at the mean of the closing bid and asked prices on such day. If no bid or asked prices are quoted on such day or if market prices may be unreliable because

of events occurring after the close of trading, then the security is valued by such method as the Board of Directors shall determine in good faith to reflect its fair market value. Readily marketable securities not listed on the NYSE but listed on other domestic or foreign securities exchanges are valued in a like manner. Portfolio securities traded on more than one securities exchange are valued at the last sale price on the business day as of which such value is being determined as reflected on the consolidated tape at the close of the exchange representing the principal market for such securities. Securities trading on the Nasdaq Stock Market, Inc. (“NASDAQ”) are valued at the NASDAQ Official Closing Price.

Readily marketable securities traded in the over-the-counter market, including listed securities whose primary market is believed by Cornerstone Advisors, LLC (the “Investment Manager” or “Cornerstone”) to be over-the-counter, are valued at the mean of the current bid and asked prices as reported by the NASDAQ or, in the case of securities not reported by the NASDAQ or a comparable source, as the Board of Directors deem appropriate to reflect their fair market value. Where securities are traded on more than one exchange and also over-the-counter, the securities will generally be valued using the quotations the Board of Directors believes reflect most closely the value of such securities. At June 30, 2019, 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 NYSE is closed.

The Fund is exposed to financial market risks, including the valuations of its investment portfolio. During the six months ended June 30, 2019, the Fund did not invest in derivative instruments or engage in hedging activities.

**Investment Transactions and Investment Income:** Investment transactions are 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.

**Risks Associated with Investments in Other Closed-End Funds:** Closed-end investment companies are subject to the risks of investing in the underlying securities. The Fund, as a holder of the securities of the closed-end investment company, will bear its pro rata portion of the closed-end investment company's expenses, including advisory fees. These expenses are in addition to the direct expenses of the Fund's own operations.

**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 stockholders which will be sufficient to relieve it from all or substantially all U.S. federal income and excise taxes.

The Accounting for Uncertainty in Income Taxes Topic of the FASB Accounting Standards Codification defines the threshold for recognizing the benefits of tax-return positions in the financial statements as "more-likely-than-not" to be sustained by the taxing authority and requires measurement of a tax position meeting the more-likely-than-not criterion, based on the largest benefit that is more than 50 percent likely to be realized. The Fund's policy is to classify interest and penalties associated with underpayment of federal and state income taxes, if any, as income tax expense on its Statement of Operations. As of June 30, 2019, the Fund does not have any interest or penalties associated with the under-payment of any income taxes. Management reviewed any uncertain tax positions for open tax years 2016 through 2018, and for the six months ended June 30, 2019. There was no material impact to the financial statements.

**Distributions to Stockholders:** Effective June 25, 2002, the Fund initiated a fixed, monthly distribution to stockholders. On November 29, 2006,

this distribution policy was updated to provide for the annual resetting of the monthly distribution amount per share 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 stockholders 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 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 stockholders are recorded by the Fund on the ex-dividend date.

**Managed Distribution Risk:** Under the managed distribution policy, the Fund makes monthly distributions to stockholders at a rate that may include

periodic distributions of its net income and net capital gains (“Net Earnings”), or from return-of-capital. If, for any fiscal year where total cash distributions exceeded Net Earnings (the “Excess”), the Excess would decrease the Fund’s total assets and, as a result, would have the likely effect of increasing the Fund’s expense ratio. There is a risk that the total Net Earnings from the Fund’s portfolio would not be great enough to offset the amount of cash distributions paid to Fund stockholders. If this were to be the case, the Fund’s assets would be depleted, and there is no guarantee that the Fund would be able to replace the assets. In addition, in order to make such distributions, the Fund may have to sell a portion of its investment portfolio at a time when independent investment judgment might not dictate such action. Furthermore, such assets used to make distributions will not be available for investment pursuant to the Fund’s investment objective.

**NOTE C. FAIR VALUE**

As required by the Fair Value Measurement and Disclosures Topic of the FASB Accounting Standards Codification, the Fund has performed an analysis of all assets and liabilities measured at fair value to determine the significance and character of all inputs to their fair value determination.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into the following three broad categories:

- Level 1 – quoted unadjusted prices for identical instruments in active markets to which the Fund has access at the date of measurement.
- Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets. Level 2 inputs are those in markets for which there are few transactions, the prices are not current, little public information exists or instances where prices vary substantially over time or among brokered market makers.

- Level 3 – model derived valuations in which one or more significant inputs or significant value drivers are unobservable. Unobservable inputs are those inputs that reflect the Fund’s own assumptions that market participants would use to price the asset or liability based on the best available information.

The following is a summary of the inputs used as of June 30, 2019 in valuing the Fund’s investments carried at value:

Valuation Inputs	Investments in Securities	Other Financial Instruments*
Level 1 – Quoted Prices		
Equity Securities	\$ 815,981,487	\$ —
Rights	5,687	—
Short-Term Investment	2,376,014	—
Level 2 – Other Significant Observable Inputs	—	—
Level 3 – Significant Unobservable Inputs	—	—
Total	<u>\$ 818,363,188</u>	<u>\$ —</u>

\* Other financial instruments include futures, forwards and swap contracts, if any.

The breakdown of the Fund’s investments into major categories is disclosed in its Schedule of Investments.

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 June 30, 2019.

On October 13, 2016, the Securities and Exchange Commission (the “SEC”) adopted new rules and forms and amended existing rules and forms which are intended to modernize and enhance the reporting and disclosure of information by registered investment companies and to improve the quality of information that funds provide to investors. The compliance dates of the new forms was April 2019 for larger fund groups and is April 2020 for smaller fund groups.

**NOTE D. AGREEMENTS WITH AFFILIATES**

At June 30, 2019, certain officers of the Fund are also officers of Cornerstone or Ultimus Fund Solutions, LLC (“Ultimus”). Such officers are paid no fees by the Fund for serving as officers of the Fund.

*Investment Management Agreement*

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 six months ended June 30, 2019, Cornerstone and the former investment manager earned \$4,022,855 for investment management services.

At the Fund’s annual meeting of stockholders held on April 16, 2019, stockholders of the Fund approved a new investment agreement with Cornerstone Advisors Asset Management LLC. The new investment management agreement for the Fund became effective May 1, 2019. Effective June 25, 2019, as disclosed in the proxy statement dated March 1, 2019, the investment manager changed its name to Cornerstone Advisors, LLC. For the six months ended June 30, 2019, Cornerstone reimbursed the Fund \$138,460 for proxy solicitation costs as disclosed in the proxy statement.

*Fund Accounting and Administration Agreement*

Under the fund accounting and administration agreement with the Fund, Ultimus is responsible for generally managing the administrative affairs of the Fund, including supervising the preparation of reports to stockholders, reports to and filings with the SEC and materials for meetings of the Board. Ultimus is also responsible for calculating the net asset value per share and maintaining the financial books and records of the Fund. Ultimus is entitled to receive a fee in accordance with the agreements. For the six months ended June 30, 2019, Ultimus earned \$203,065 as fund accounting agent and administrator.

**NOTE E. INVESTMENT IN SECURITIES**

For the six months ended June 30, 2019, purchases and sales of securities, other than short-term investments, were \$188,945,180 and \$254,484,979, respectively.

**NOTE F. SHARES OF COMMON STOCK**

The Fund has 200,000,000 shares of common stock authorized and 73,818,472 shares issued and outstanding at June 30, 2019. Transactions in common stock for the six months ended June 30, 2019 were as follows:

Shares at beginning of period	72,583,483
Shares issued in reinvestment of dividends and distributions	<u>1,234,989</u>
Shares at end of period	<u>73,818,472</u>

**NOTE G. 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.

The tax character of dividends and distributions paid to stockholders during the year ended December 31, 2018 for the Fund was ordinary income of \$5,947,289, long-term capital gains of \$14,373,647 and return of capital of \$138,304,539.

At December 31, 2018, the components of accumulated deficit on a tax basis for the Fund were as follows:

Net unrealized depreciation	\$ (14,372,426)
Total accumulated deficit	<u>\$ (14,372,426)</u>

The following information is computed on a tax basis for each item as of June 30, 2019:

Cost of portfolio investments	\$ 709,169,465
Gross unrealized appreciation	\$ 122,726,983
Gross unrealized depreciation	<u>(13,533,260)</u>
Net unrealized appreciation	<u>\$ 109,193,723</u>

## RESULTS OF ANNUAL MEETING OF STOCKHOLDERS (UNAUDITED)

On April 16, 2019, the Annual Meeting of Stockholders of the Fund was held and the following matters were voted upon based on 72,812,780 shares of common stock outstanding on the record date of February 19, 2019:

(1) To approve the election of two directors to hold office until the year 2022 Annual Meeting of Stockholders.

<u>Name of Directors</u>	<u>For</u>	<u>Withheld</u>
Andrew A. Strauss	50,114,075	4,468,723
Glenn W. Wilcox, Sr.	50,052,040	4,530,758

(2) To approve a new investment management agreement with Cornerstone Advisors Asset Management LLC.

<u>For</u>	<u>Against</u>	<u>Abstain</u>
36,772,085	1,410,950	729,855

## 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 continuation of the Investment Management Agreement (the “Agreement”) between Cornerstone Advisors, Inc. (the “Investment Manager”) and the Fund on an annual basis. Potential organization and ownership changes at the Investment Manager (the “Reorganization”) required that the Board also consider the approval of a new Investment Management Agreement (a “New Management Agreement”) between Cornerstone Advisors Asset Management LLC and the Fund. The most recent approval of the continuation of the Agreement and approval of the New Management Agreement occurred at an in-person meeting of the Board held on February 8, 2019. At the Fund’s annual meeting of stockholders held on April 16, 2019, stockholders of the Fund approved the New Management Agreement with Cornerstone Advisors Asset Management LLC. As disclosed in the Fund’s proxy statement dated March 1, 2019, upon completion of the Reorganization, Cornerstone Advisors Asset Management LLC changed its name to Cornerstone Advisors, LLC (the “New Investment Adviser”). This change was effective June 25, 2019.

The Board requested and received extensive materials and information from the Investment Manager and the New Investment Adviser to assist them in considering the approval of the continuance of the Agreement and approval of the New Management Agreement.

Fund counsel advised the Board regarding the duties and responsibilities related to consideration of the approval of the continuation of an investment management agreement. 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’s investment philosophy, management style and plan, including the Investment Manager’s extensive knowledge and experience in the closed-end fund industry and with respect to the use of managed distribution plans. The Board noted that at each quarterly Board meeting the Investment Manager

provided quarterly reviews of the performance and services related to the Fund. The Board discussed the importance of the experience and knowledge of certain personnel at the Investment Manager with respect to managing the Fund’s monthly distribution program. The Board discussed the Investment Manager’s robust compliance program as well as its role in monitoring the performance of the Fund’s service providers. Additionally, the Board discussed the Investment Manager’s succession planning, staffing and disaster recovery planning. The Board also discussed their satisfaction with the results of previous rights offerings conducted by the Fund.

The Board next discussed a comparison of the Fund’s performance with comparable closed-end funds and a comparison of the Fund’s annual expense ratio and management fee with those of comparable closed-end funds. Additionally, the Investment Manager presented an analysis of its profitability based on its contractual relationship with the Fund, including specific references highlighting amounts paid to two entities affiliated with it for the performance of certain support services.

The Board meeting in executive session with Fund counsel, carefully evaluated the information provided by the Investment Manager and the New Investment Adviser, 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. The Board was advised by independent legal counsel with respect to their deliberations and agreed that they had received sufficient information to make informed decisions.

Based on the Board’s review of the information requested and provided, consultation with Fund counsel and discussions with management of the Investment Manager and the New Investment Adviser, the Board determined that the approvals of the Agreement and the New Management Agreement were consistent with the best interests of the Fund and its stockholders. The Board determined that the renewal of the Agreement and the approval of

## INVESTMENT MANAGEMENT AGREEMENT APPROVAL DISCLOSURE (UNAUDITED) (CONTINUED)

the New Management Agreement would enable the Fund to continue to receive high quality services at a cost that was appropriate, reasonable, and in the best interests of the Fund and its stockholders. The Board made their determination on the basis of the following factors, among others: (1) the structure of the New Investment Adviser and the reasons for Reorganization; (2) the effect of the Reorganization on the ongoing services provided to the Fund; (3) the stability and continuity of the Investment Manager's and the New Investment Adviser's management and key employees; (4) the post-Reorganization financial resources of the New Investment Adviser; (5) the nature, quality and extent of the services to be provided by the Investment Manager and the New Investment Adviser; (6) the cost to the Investment Manager and the New Investment Adviser for providing such services, with special attention to the New Investment Adviser's potential profitability (and whether the New Investment Adviser may realize any economies of scale); (7) the direct and indirect benefits that may be received by the Investment Manager and the New Investment Adviser from its relationship with the Fund; and (8) comparative information as to the management fees, expense ratios and performance of other similarly situated closed-end investment companies. The Board also noted the quality and thoroughness of the materials provided by the Investment Manager and the New Investment Adviser. They discussed current staffing levels and adequacy of resources at the Investment Manager and at the New Investment Adviser as well as their succession plans. They also expressed their satisfaction with the investment management and growth of the Funds.

In reviewing the New Management Agreement, the Board considered the nature, extent and quality of the services that had been provided by the Investment Manager to the Fund and that are expected to be provided by the New Investment Adviser to the Fund following the completion of the Reorganization. The Board reviewed the terms of the New Management Agreement and noted that such terms were substantially identical to the terms of the Agreement, except for different execution

and effective dates. The Board reviewed the New Investment Adviser's investment approach for the Fund and its research process and concluded that these would be unchanged from those of the Investment Manager. The Board considered the resources of the New Investment Adviser and the personnel of the New Investment Adviser who provide investment management services to the Fund noting that that the portfolio managers would remain unchanged. They also reviewed the non-investment resources and personnel of the New Investment Adviser that are involved in the New Investment Adviser's services to the Fund, including the New Investment Adviser's compliance and administration resources and personnel.

The Board considered that the New Investment Adviser would continue to supervise and monitor the performance of the Fund's service providers and would continue to provide the Fund with personnel (including Fund officers) and other resources that are necessary for the Fund's business management and operations. The Board also considered that the New Investment Adviser would continue to provide those investment management and research services and resources to the Fund following the completion of the Reorganization.

The Board considered that the Reorganization would not have a material adverse impact on the nature, scope and overall quality of services provided to the Fund and its stockholders, including investment management, risk management, administrative, compliance and other services.

Based on these considerations, the Board concluded that the nature, extent and quality of services that the New Investment Adviser would provide to the Fund under the New Management Agreement would be satisfactory and consistent with the terms of the Agreement.

In considering the Fund's anticipated performance under the New Management Agreement, the Board noted that they regularly reviewed and discussed throughout the year data prepared by the Investment Manager and information comparing the Fund's performance. The Board also noted that

they expect that the New Investment Adviser would continue to provide the same level of performance as the Investment Manager has provided the Fund in the past. The Board noted that the New Investment Adviser's experience and expertise with respect to the Fund's managed distribution program, the Fund's historic premium to net asset value and the success of previously completed rights offerings were factors in their deliberations concerning the approval of the New Management Agreement. The Board also considered that the New Investment Adviser is in agreement with and committed to the ongoing distribution policy carried out by the Fund under the direction of the Fund's Board of Directors.

The Board determined that the Agreement and New Management Agreement were consistent with the best interests of the Fund and its stockholders and enable and will continue to enable the Fund to receive high quality services at a cost that is appropriate, reasonable, and in the best interests of the Fund and its stockholders. Accordingly, in light of the above considerations and such other factors and information it considered relevant, the Board by a unanimous vote (including a separate vote of all the independent Board members present in person at the meeting) approved the continuance of the Agreement and approved the New Management Agreement with respect to the Fund.

## DESCRIPTION OF DIVIDEND REINVESTMENT PLAN (UNAUDITED)

Cornerstone Strategic Value Fund, Inc. (the “Fund”) operates a Dividend Reinvestment Plan (the “Plan”), administered by American Stock Transfer & Trust Company, LLC (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.

Stockholders automatically participate in the Fund’s Plan, unless and until an election is made to withdraw from the Plan on behalf of such participating stockholder. Stockholders 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 stockholders are reinvested in full and fractional shares as described below.

When the Fund declares a Distribution the Agent, on the stockholder’s behalf, will (i) receive additional authorized shares from the Fund either newly issued or repurchased from stockholders by the Fund and held as treasury stock (“Newly Issued Shares”) or (ii) purchase outstanding shares on the open market, on the NYSE American or elsewhere, with cash allocated to it by the Fund (“Open Market Purchases”).

The method for determining the number of Newly Issued Shares received when Distributions are reinvested will be determined by dividing the amount of the Distribution either by the Fund’s last reported net asset value per share or by a price equal to the average closing price of the Fund over the five trading days preceding the payment date of the Distribution, whichever is lower. However, if the last reported net asset value of the Fund’s shares is higher than the average closing price of the Fund over the five trading days preceding the payment date of the Distribution (i.e., the Fund is selling at a discount), shares may be acquired by the Agent in Open Market Purchases and allocated to the reinvesting stockholders based on the average cost of such Open Market Purchases. Upon notice from

the Fund, the Agent will receive the distribution in cash and will purchase shares of common stock in the open market, on the NYSE American or elsewhere, for the participants’ accounts, except that the Agent will endeavor to terminate purchases in the open market and cause the Fund to issue the remaining shares if, following the commencement of the purchases, the market value of the shares, including brokerage commissions, exceeds the net asset value at the time of valuation. These remaining shares will be issued by the Fund at a price equal to the net asset value at the time of valuation.

In a case where the Agent has terminated open market purchases and caused the issuance of remaining shares by the Fund, the number of shares received by the participant in respect of the cash dividend or distribution will be based on the weighted average of prices paid for shares purchased in the open market, including brokerage commissions, and the price at which the Fund issues the remaining shares. To the extent that the Agent is unable to terminate purchases in the open market before the Agent has completed its purchases, or remaining shares cannot be issued by the Fund because the Fund declared a dividend or distribution payable only in cash, and the market price exceeds the net asset value of the shares, the average share purchase price paid by the Agent may exceed the net asset value of the shares, resulting in the acquisition of fewer shares than if the dividend or distribution had been paid in shares issued by the Fund.

Whenever the Fund declares a Distribution and the last reported 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

## DESCRIPTION OF DIVIDEND REINVESTMENT PLAN (UNAUDITED) (CONCLUDED)

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

Registered stockholders who do not wish to have their Distributions automatically reinvested should so notify the Fund in writing. If a stockholder 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 stockholder 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. The Agent will maintain all stockholder accounts in the Plan and furnish written confirmations of all transactions in the accounts, including information needed by stockholders for personal and tax records. The Agent will hold shares in the account of the Plan participant in non-certificated form in the name of the participant, and each stockholder's proxy will include those shares purchased pursuant to the Plan. The Agent will distribute all proxy solicitation materials to participating stockholders.

In the case of stockholders, 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 stockholder as representing the total amount of shares registered in the stockholder'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.

The automatic reinvestment of Distributions will not relieve participants of any federal, state or local income tax that may be payable (or required to be withheld) on such Distributions. The Fund reserves the right to amend or terminate the Plan. There is no direct service charge to participants with regard to purchases in the Plan.

Participants may at any time sell some or all of their shares through the Agent. Shares may be sold via the internet at [www.amstock.com](http://www.amstock.com) or through the toll free number. Participants can also use the tear off portion attached to the bottom of their statement and mail the request to American Stock Transfer and Trust Company LLC, P.O. Box 922 Wall Street Station, New York, N.Y. 10269-0560. There is a fee of \$15.00 per transaction and commission of \$0.10 per share.

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](http://www.amstock.com) or by calling the toll-free number (866) 668-6558.

## **PROXY VOTING AND PORTFOLIO HOLDINGS INFORMATION (UNAUDITED)**

The policies and procedures that the Fund uses to determine how to vote proxies relating to its portfolio securities are available:

- without charge, upon request, by calling toll-free (866) 668-6558; and
- on the website of the SEC, [www.sec.gov](http://www.sec.gov).

Information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available without charge, upon request, by calling toll-free (866) 668-6558, and on the SEC's website at [www.sec.gov](http://www.sec.gov) or on the Fund's website at [www.cornerstonestrategicvaluefund.com](http://www.cornerstonestrategicvaluefund.com) (See Form N-PX).

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 Form N-Q is available on the SEC's website at [www.sec.gov](http://www.sec.gov).

## **SUMMARY OF GENERAL INFORMATION (UNAUDITED)**

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

## **STOCKHOLDER INFORMATION (UNAUDITED)**

The Fund is listed on the NYSE American (symbol "CLM"). The previous week's net asset value per share, market price, and related premium or discount are available on the Fund's website at [www.cornerstonestrategicvaluefund.com](http://www.cornerstonestrategicvaluefund.com).

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*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 common stock in the open market.*

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This report, including the financial statements herein, is sent to the stockholders of the Fund for their information. The financial information included herein is taken from the records of the Fund without examination by the 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.**