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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

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CORNERSTONE PROGRESSIVE RETURN FUND

SCHEDULE OF INVESTMENTS -- MARCH 31, 2008 (UNAUDITED)

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DESCRIPTION	NO. OF SHARES	VALUE
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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