

CORNERSTONE PROGRESSIVE RETURN FUND
Form N-CSR
March 02, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-22066

Cornerstone Progressive Return Fund

(Exact name of registrant as specified in charter)

350 Jericho Turnpike, Suite 206 Jericho, New York

11753

(Address of principal executive offices)

(Zip code)

Frank J. Maresca

Ultimus Fund Solutions, LLC 350 Jericho Turnpike, Suite 206 Jericho, New York 11753

(Name and address of agent for service)

Registrant's telephone number, including area code: (513) 326-3597

Date of fiscal year end: December 31, 2011

Date of reporting period: December 31, 2011

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

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

ITEM 1.

REPORTS TO STOCKHOLDERS.

Cornerstone Progressive
Return Fund

Annual Report
December 31, 2011

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Cornerstone Progressive Return Fund
 Portfolio Summary – as of December 31, 2011 (unaudited)

SECTOR ALLOCATION

Sector	Percent of Net Assets
Closed-End Funds	92.8
Information Technology	1.2
Energy	1.1
Health Care	0.8
Financials	0.6
Industrials	0.6
Consumer Staples	0.5
Consumer Discretionary	0.4
Materials	0.1
Utilities	0.1
Other	1.8

TOP TEN HOLDINGS, BY ISSUER

Holding	Sector	Percent of Net Assets
1. Eaton Vance Tax-Managed Global Diversified Equity Income Fund	Closed-End Funds	4.9
2. Eaton Vance Risk-Managed Diversified Equity Income Fund	Closed-End Funds	4.8
3. Eaton Vance Tax-Managed Global Buy-Write Opportunities Fund	Closed-End Funds	4.8
4. Eaton Vance Tax-Managed Diversified Equity Income Fund	Closed-End Funds	4.6
5. Eaton Vance Tax-Managed Buy-Write Opportunities Fund	Closed-End Funds	4.0
6. BlackRock Enhanced Capital & Income Fund, Inc.	Closed-End Funds	3.2

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7.	Eaton Vance Enhanced Equity Income Fund II	Closed-End Funds	3.2
8.	Morgan Stanley China A Share Fund, Inc.	Closed-End Funds	3.1
9.	BlackRock Enhanced Equity Dividend Trust	Closed-End Funds	3.0
10.	Eaton Vance Enhanced Equity Income Fund	Closed-End Funds	2.7

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Cornerstone Progressive Return Fund
Summary Schedule of Investments – December 31, 2011

Description	No. of Shares	Value
EQUITY SECURITIES – 98.16%		
CLOSED-END FUNDS – 92.81%		
CONVERTIBLE SECURITIES – 3.33%		
Advent Claymore Convertible Securities and Income Fund	37,564	\$553,318
Advent/Claymore Global Convertible Securities & Income Fund	126,327	795,860
AGIC Equity & Convertible Income Fund	56,110	875,316
Other Convertible Securities (a)		383,792
		2,608,286
CORE - 1.33%		
BlackRock Equity Dividend Trust	49,444	447,963
Source Capital, Inc.	10,000	469,800
Other Core (a)		128,371
		1,046,134
CORPORATE DEBT FUNDS INVESTMENT GRADE-RATED – 3.67%		
Federated Enhanced Treasury Income Fund	59,077	847,755
Western Asset/Claymore Inflation-Linked Opportunities & Income Fund	122,194	1,540,866
Western Asset/Claymore Inflation-Linked Securities & Income Fund	38,779	490,167
Other Corporate Debt Funds Investment Grade-Rated (a)		25
		2,878,813
DEVELOPED MARKET - 1.49%		
Japan Smaller Capitalization Fund, Inc.	162,524	1,166,922
Description	No. of Shares	Value
EMERGING MARKETS – 0.97%		
First Trust/Aberdeen Emerging Opportunity Fund	25,481	\$454,071
Other Emerging Markets (a)		307,373
		761,444
EMERGING MARKETS DEBT – 0.08%		
Total Emerging Markets Debt (a)		64,625
FLEXIBLE INCOME – 4.89%		
Putnam Master Intermediate Income Trust	100,567	510,880
Putnam Premier Income Trust	207,801	1,078,487
Zweig Total Return Fund, Inc. (The)	648,533	1,965,055
Other Flexible Income (a)		279,638
		3,834,060
GENERAL MUNICIPAL LEVERAGED – 1.01%		
Eaton Vance Tax-Advantaged Bond and Option Strategies Fund	48,070	795,559
GLOBAL – 4.45%		
Clough Global Equity Fund	44,069	530,150
Clough Global Opportunities Fund	45,014	475,798
Eaton Vance Tax-Advantaged Global Dividend Opportunities Fund	59,200	1,006,400

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Other Global (a)	1,474,036
	3,486,384
GLOBAL INCOME – 0.43%	
Other Global Income (a)	336,502

See accompanying notes to financial statements.

Cornerstone Progressive Return Fund
Summary Schedule of Investments – December 31, 2011 (continued)

Description	No. of Shares	Value
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