

CORNERSTONE STRATEGIC VALUE FUND INC
Form 497
April 10, 2015

CORNERSTONE STRATEGIC VALUE FUND, INC.

48 Wall Street, 22nd Floor

New York, NY 10005

April 10, 2015

Dear Stockholder:

We are pleased to invite you to the Special Meeting of Stockholders (the "Special Meeting") of Cornerstone Strategic Value Fund, Inc., a Maryland corporation ("CLM").

The Special Meeting is scheduled to be held at 11:30 a.m. (EST) on May 22, 2015, at 1075 Hendersonville Road, Asheville, North Carolina, 28803. At the Special Meeting stockholders will be asked to approve the following proposal:

to approve a Merger Agreement and Plan of Reorganization (the "CFP Plan" or "CFP Merger Agreement"), (1) whereby Cornerstone Progressive Return Fund ("CFP") will merge with and into CLM in accordance with the Maryland General Corporation Law and the Delaware Statutory Trust Act.

The Board of Directors of CLM believes that the merger is important to your interests as a stockholder. Please note that it is possible that the merger may or may not occur.

Stockholders who are unable to attend this meeting are strongly encouraged to vote by proxy, which is customary in corporate meetings of this kind. A Proxy Statement/Prospectus regarding the meeting, a proxy card(s) for your vote at the meeting and an envelope - postage prepaid - in which to return your proxy card are enclosed. At the Special Meeting you will be asked to vote on one matter.

THE BOARD OF DIRECTORS OF CLM BELIEVES THAT THE PROPOSED CFP MERGER IS IN THE BEST INTERESTS OF CLM AND ITS STOCKHOLDERS AND RECOMMENDS THAT YOU READ THE ENCLOSED MATERIALS CAREFULLY AND THEN VOTE "FOR" PROPOSAL 1.

YOUR VOTE IS IMPORTANT NO MATTER HOW MANY SHARES YOU MAY OWN. PLEASE TAKE A FEW MINUTES TO REVIEW THIS PROXY STATEMENT AND VOTE YOUR SHARES TODAY.

CLM has engaged AST Fund Solutions, LLC, a professional proxy solicitor, to assist stockholders throughout the voting process. If you should have any questions regarding this proxy material, you can contact AST Fund Solutions, LLC at 866-416-0643. As the meeting date approaches and we still have not received your proxy, you may receive a call from AST Fund Solutions, LLC encouraging you to vote your shares in order to be represented at this meeting.

Respectfully,

Ralph W. Bradshaw
Chairman of the Board of Directors

YOU ARE URGED TO SIGN THE PROXY CARD(S) AND RETURN THE CARD(S) IN THE POSTAGE-PAID ENVELOPE TO ENSURE A QUORUM AT THE MEETING. YOUR VOTE IS IMPORTANT REGARDLESS OF THE SIZE OF YOUR SHAREHOLDINGS.

CORNERSTONE PROGRESSIVE RETURN FUND

48 Wall Street, 22nd Floor

New York, NY 10005

April 10, 2015

Dear Shareholder:

We are pleased to invite you to the Special Meeting of Shareholders (the "Special Meeting") of Cornerstone Progressive Return Fund, a Delaware statutory trust ("CFP").

The Special Meeting is scheduled to be held at 11:00 a.m. (EST) May 22, 2015, at 1075 Hendersonville Road, Asheville, North Carolina, 28803. At the Special Meeting, shareholders will be asked to consider and approve the following proposal:

to approve a Merger Agreement and Plan of Reorganization (the "CFP Plan" or "CFP Merger Agreement"), (1) whereby CFP will merge with and into Cornerstone Strategic Value Fund, Inc. ("CLM") in accordance with the Maryland General Corporation Law and the Delaware Statutory Trust Act.

As a result of the approval of the merger, CFP will cease to exist and CLM will be the surviving corporation. The CFP merger will have a significant impact on each CFP shareholder and you are strongly urged to read all of the information contained in the Combined Proxy Statement/Prospectus.

Shareholders who are unable to attend this meeting are strongly encouraged to vote by proxy, which is customary in corporate meetings of this kind. A Proxy Statement/Prospectus regarding the meeting, a proxy card(s) for your vote at the meeting and an envelope - postage prepaid - in which to return your proxy card are enclosed. At the Special Meeting you will be asked to vote on one matter.

THE BOARD OF TRUSTEES OF CFP BELIEVES THAT THE PROPOSED CFP MERGER IS IN THE BEST INTERESTS OF CFP AND ITS SHAREHOLDERS AND RECOMMENDS THAT YOU READ THE ENCLOSED MATERIALS CAREFULLY AND THEN VOTE "FOR" PROPOSAL 1.

YOUR VOTE IS IMPORTANT NO MATTER HOW MANY SHARES YOU MAY OWN. PLEASE TAKE A FEW MINUTES TO REVIEW THIS PROXY STATEMENT AND VOTE YOUR SHARES TODAY.

CFP has engaged AST Fund Solutions, LLC, a professional proxy solicitor, to assist shareholders throughout the voting process. If you should have any questions regarding this proxy material, you can contact AST Fund Solutions, LLC at 866-416-0643. As the meeting date approaches and we still have not received your proxy, you may receive a call from AST Fund Solutions, LLC encouraging you to vote your shares in order to be represented at this meeting.

Respectfully,

Ralph W. Bradshaw
Chairman of the Board of Trustees

YOU ARE URGED TO SIGN THE PROXY CARD(S) AND RETURN THE CARD(S) IN THE POSTAGE-PAID ENVELOPE TO ENSURE A QUORUM AT THE MEETING. YOUR VOTE IS IMPORTANT REGARDLESS OF THE SIZE OF YOUR SHAREHOLDINGS

CORNERSTONE STRATEGIC VALUE FUND, INC.

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SPECIAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 22, 2015: THE NOTICE OF SPECIAL MEETING OF STOCKHOLDERS AND PROXY STATEMENT ARE AVAILABLE ON THE INTERNET AT [HTTP://WWW.CORNERSTONESTRATEGICVALUEFUND.COM/DATA/SITES/5/DOCS/CLM_PROXY_FINAL.PDF](http://www.cornerstonestrategicvaluefund.com/data/sites/5/docs/clm_proxy_final.pdf)

Notice is hereby given that the Special Meeting of Stockholders (the "CLM Special Meeting") of Cornerstone Strategic Value Fund, Inc. ("CLM"), a Maryland corporation, will be held at 1075 Hendersonville Road, Asheville, North Carolina, 28803, on May 22, 2015, at 11:30 a.m. (EST), for the following purpose:

To consider and vote upon the approval of a CFP Merger Agreement and Plan of Reorganization dated April 10, (1)2015 whereby Cornerstone Progressive Return Fund ("CFP") will merge with and into CLM, in accordance with the Maryland General Corporation Law and the Delaware Statutory Trust Act.

The appointed proxies will vote in their discretion on any other business that may properly come before the CLM Special Meeting or any adjournments thereof.

Holders of record of shares of common stock of CLM at the close of business on April 10, 2015 (the "Record Date") are entitled to vote at the CLM Special Meeting and at any postponements or adjournments thereof. In addition to stockholders of CLM approving the proposed merger with CFP, CFP shareholders must approve the CFP merger.

The persons named as proxies may propose one or more adjournments of the CLM Special Meeting if the necessary quorum to transact business or the vote required to approve or reject any proposal is not obtained at the meeting. Any such adjournment will require the affirmative vote of the holders of a majority of CLM's shares present in person or by proxy at the CLM Special Meeting. The persons named as proxies will vote those proxies which they are entitled to vote on any such proposal in accordance with their best judgment in the interest of CLM.

The enclosed proxy is being solicited on behalf of the Board of Directors of CLM.

By Order of the Board of Directors,

Ralph W. Bradshaw, President

CORNERSTONE PROGRESSIVE RETURN FUND

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SPECIAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 22, 2015: THE NOTICE OF SPECIAL MEETING OF STOCKHOLDERS AND PROXY STATEMENT ARE AVAILABLE ON THE INTERNET AT HTTP://WWW.CORNERSTONEPROGRESSIVERETURNFUND.COM/DATA/SITES/6/DOCS/CFP_PROXY_FINAL.PDF

Notice is hereby given that the Special Meeting of Shareholders (the "CFP Special Meeting") of Cornerstone Progressive Return Fund ("CFP"), a Delaware statutory trust, will be held at 1075 Hendersonville Road, Asheville, North Carolina, 28803, on May 22, 2015, at 11:00 a.m. (EST) for the following purpose:

1. To consider and vote upon the approval of a CFP Merger Agreement and Plan of Reorganization dated April 10, 2015 whereby CFP will merge with and into Cornerstone Strategic Value Fund, Inc. ("CLM"), in accordance with the Maryland General Corporation Law and the Delaware Statutory Trust Act.

The appointed proxies will vote in their discretion on any other business that may properly come before the CFP Special Meeting or any adjournments thereof.

Holders of record of shares of beneficial interest of CFP at the close of business on April 10, 2015 (the "Record Date") are entitled to vote at the CFP Special Meeting and at any postponements or adjournments thereof. CLM stockholders must approve the merger as well. For further information concerning the merger, please refer to the combined Proxy Statement/Prospectus enclosed herein.

The persons named as proxies may propose one or more adjournments of the CFP Special Meeting if the necessary quorum to transact business or the vote required to approve or reject any proposal is not obtained at the meeting. Any such adjournment will require the affirmative vote of the holders of a majority of CFP's shares present in person or by proxy at the CFP Special Meeting. The persons named as proxies will vote those proxies which they are entitled to vote on any such proposal in accordance with their best judgment in the interest of CFP.

The enclosed proxy is being solicited on behalf of the Board of Trustees of CFP.

By Order of the Board of Trustees,

Ralph W. Bradshaw, President

Instructions for signing proxy cards

The following general rules for signing proxy cards may be of assistance to you and avoid the time and expense to the Fund involved in validating your vote if you fail to sign your proxy card properly.

1. **Individual Accounts:** Sign your name exactly as it appears in the registration on the proxy card.
2. **Joint Accounts:** Either party may sign, but the name of the party signing should conform exactly to the name shown in the registration on the proxy card.
3. **Other Accounts:** The capacity of the individual signing the proxy card should be indicated unless it is reflected in the form of registration. For example:

REGISTRATION

Corporate accounts

Valid Signature

- | | |
|---------------------------------------|----------------------------------|
| (1) ABC Corp. | ABC Corp.
John Doe, Treasurer |
| (2) ABC Corp. | John Doe, Treasurer |
| (3) ABC Corp. c/o John Doe, treasurer | John Doe |
| (4) ABC Corp. profit sharing plan | John Doe, Trustee |

Partnership accounts

- | | |
|--|--------------------------------|
| (1) The XYZ partnership | Jane B. Smith, Partner |
| (2) Smith and Jones, limited partnership | Jane B. Smith, General Partner |

Trust accounts

- | | |
|---|----------------------|
| (1) ABC trust account | Jane B. Doe, Trustee |
| (2) Jane B. Doe, trustee u/t/d 12/18/78 | Jane B. Doe |

Custodial or estate accounts

- | | |
|--------------------------------|--|
| (1) John B. Smith, Cust. f/b/o | |
|--------------------------------|--|

John B. Smith, Jr. UGMA/UTMA

John B. Smith

(2) Estate of John B. Smith

John B. Smith, Jr., Executor

April 10, 2015

COMBINED PROXY STATEMENT/PROSPECTUS

CORNERSTONE STRATEGIC VALUE FUND, INC. AND CORNERSTONE PROGRESSIVE RETURN FUND

This combined Proxy Statement/Prospectus is being furnished to stockholders of Cornerstone Strategic Value Fund, Inc. ("CLM") and shareholders of Cornerstone Progressive Return Fund ("CFP") for use at CLM and CFP's Special Meeting of Stockholders/Shareholders. CLM and CFP each may be referred to hereinafter as the "Fund" or collectively, the "Funds". Each of the CFP Special Meeting and CLM Special Meeting will be held on May 22, 2015 at 11:00 a.m. (EST) and at 11:30 a.m. (EST), respectively, and at any and all postponements or adjournments thereof.

Throughout this Combined Proxy Statement/Prospectus the CLM Special Meeting and CFP Special Meeting shall collectively be referred to as the "Meetings." Throughout this Combined Proxy Statement/Prospectus the stockholders of CLM and the shareholders of CFP shall collectively be referred to as the "Shareholders." The approximate mailing date of this Proxy Statement/Prospectus is April 15, 2015.

PURPOSE OF THE MEETINGS

The Meetings are being called for the following purpose:

At the CLM and CFP Special Meetings, Shareholders of CLM and CFP will be asked to approve the CFP Merger Agreement and Plan of Reorganization dated [____], 2015 (the "CFP Plan") whereby CFP will merge with and into CLM, in accordance with the Maryland General Corporation Law and the Delaware Statutory Trust Act. A primary purpose for the merger is to allow Shareholders of CFP to take advantage of the managed distribution policy ("MDP") currently in place for CLM. The MDP of CLM relies on the existence of an exemptive order granted to CLM by the SEC. The Board of CFP believes that the MDP of CLM will result in a more defined managed distribution policy for the Shareholders of CFP rather than the distribution policy currently in place for CFP Shareholders. The merger will also create a larger fund, presumably providing better economies of scale, increased liquidity and resulting in a lower expense ratio for CLM Shareholders.

SPECIFICS OF THE PLAN OF REORGANIZATION

CFP MERGER: As a result of the approval of the CFP Merger:

(i) CFP will no longer exist,

(ii) CLM will be the surviving corporation,

each share of beneficial interest of CFP will convert into an equivalent dollar amount of full and fractional shares
(iii) of common stock of CLM based on the relative net asset value per share of CFP and CLM on the business day preceding the day on which the CFP Merger is consummated,

each CFP Shareholder participating in the CFP dividend reinvestment plan shall receive fractional shares of CLM
(iv) based on the relative net asset value per share of CFP and CLM on the business day preceding the day on which the CFP Merger is consummated, and

CFP Shareholders that do not participate in the CFP dividend reinvestment plan will not receive fractional shares,
(v) rather CLM's transfer agent will aggregate all fractional shares, sell the resulting full shares on the NYSE MKT, LLC (the "NYSE MKT") at the then current price and remit the proceeds to CFP's shareholders in proportion to their fractional shares.

In connection with the merger, CLM will issue that number of shares that have an aggregate net asset value equal to the aggregate net asset value of the outstanding shares of CFP. Each CFP Shareholder, in connection with the merger, will receive shares of CLM having an aggregate net asset value equal to the aggregate net asset value of the Shareholder's CFP shares at the close of business on the day before the Effective Date of the CFP Merger. While the total net asset value of shares received by each CFP Shareholder in the merger may be the same as before the merger, the market value of CLM shares that a CFP Shareholder receives in the merger may be more or less than the market value of CFP shares that such Shareholder owned immediately before the merger, depending on the current market discount or premium levels of CLM and CFP. Shares of closed-end investment companies frequently trade at a market price that is less than or greater than the value of the fund's assets.

No assurances can be given that the proposed merger will be approved by the Shareholders of the respective Funds.

CLM and CFP are each registered with the U.S. Securities and Exchange Commission (the "SEC") as a closed-end management investment company and, shares of CLM and CFP are both listed on the NYSE MKT. CLM and CFP are each classified as a diversified closed-end management investment company. CLM's investment objective is to seek long-term capital appreciation through investment in equity securities of U.S. and non-U.S. companies. CFP's investment objective is to provide total return through investing primarily in the equity securities of U.S. and non-U.S. companies. The current investment objective and policies of CLM will continue unchanged regardless of whether the mergers occur.

The terms and conditions of the proposed merger is more fully described in this Proxy Statement/Prospectus and in the CFP Plan, copies of which are attached hereto as Exhibit A.

This Proxy Statement/Prospectus serves as a prospectus for shares of CLM under the Securities Act of 1933, as amended (the "Securities Act"), in connection with the issuance of CLM shares of common stock pursuant to the merger.

CFP MERGER

Assuming the Shareholders of CFP and CLM approve the CFP Merger and that all other conditions contained in the CFP Merger Agreement are satisfied or waived, CFP will file a certificate of merger in the office of the Secretary of State of Delaware. Additionally, CLM will file articles of merger (the "CFP Articles of Merger"), with the State Department of Assessments and Taxation of Maryland (the "Department"). It is proposed that the CFP Merger will become effective on June 19, 2015, or such other date as may result from the application of the terms of the CFP Merger Agreement (the "CFP Effective Date"). CFP, as soon as practicable after the CFP Effective Date, will terminate its registration under the Investment Company Act of 1940, as amended (the "Investment Company Act").

Under Section 3-202 of the Maryland General Corporation Law (the "MGCL"), Shareholders of CLM are not entitled to any appraisal or similar rights in connection with the merger contemplated by the CFP Plan. Under Section 3815 of the Delaware Statutory Trust Act (the "DSTA"), Shareholders of CFP are not entitled to any appraisal or similar rights in connection with the merger contemplated by the CFP Plan.

This combined Proxy Statement/Prospectus sets forth concisely the information about CLM and CFP that you should be aware of before voting upon a merger proposal. You should retain this Proxy Statement/Prospectus for future reference as it sets forth information about CLM and CFP that you should know before voting on any merger proposal.

A Statement of Additional Information (the "SAI") dated April 10, 2015, which contains additional information about CLM has been filed with the SEC. The SAI for CLM and financial statements of CFP and CLM for the calendar year ended December 31, 2014 are incorporated by reference into this Proxy Statement/Prospectus. Copies of these documents are available upon request and without charge by writing to either Fund c/o AST Fund Solutions, LLC, 48 Wall Street, 22nd Floor, New York, NY 10005, or by calling (866) 668-6558. You may ask questions about CLM and/or CFP by calling (866) 668-6558. CFP has provided the information included in this Proxy Statement/Prospectus regarding that Fund and CLM has provided the information included in this Proxy Statement/Prospectus regarding that Fund.

CLM's shares of common stock are listed on the NYSE MKT under the symbol "CLM," and CFP's shares of beneficial interest are listed on the NYSE MKT under the symbol "CFP." After the Effective Date, shares of common stock of CLM will continue to be listed on the NYSE MKT under the symbol "CLM." Reports, proxy materials and other information concerning CLM and CFP may be inspected at the offices of the NYSE MKT, 11 Wall Street, New York, NY 10005.

The SEC has not approved or disapproved these securities or determined if this Proxy Statement/Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this Proxy Statement/Prospectus is April 10, 2015

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GENERAL

This combined Proxy Statement/Prospectus is furnished to the Shareholders of each Fund in connection with the solicitation of proxies on behalf of each of its Board of Directors/Trustees. The Board of Directors/Trustees of each Fund is soliciting proxies for use at each Fund's respective Special Meeting. The mailing address for each Fund is c/o AST Fund Solutions, LLC, 48 Wall Street, 22nd Floor, New York, NY 10005.

This combined Proxy Statement/Prospectus, the Notices of Meeting to Shareholders and the proxy card(s) (attached hereto as Exhibits B1 and B2) are first being mailed to Shareholders on or about April 15, 2015 or as soon as practicable thereafter. Any Shareholder who gives a proxy has the power to revoke the proxy either: (i) by mail, addressed to the Secretary of the respective Fund, at the Fund's mailing address, or (ii) in person at the Meeting by executing a superseding proxy or by submitting a notice of revocation to the respective Fund. All properly executed proxies received in time for the meetings will be voted as specified in the proxy or, if no specification is made, "FOR" the proposal for that Fund.

Shareholders of both CFP and CLM will be asked to vote on Item I - Proposal 1 -- the approval of the CFP Merger.

QUORUM

The presence, either in person or by proxy, of the holders of one-third of the outstanding shares of common stock/beneficial interest entitled to vote at the meetings of CLM and CFP, will constitute a quorum for the transaction of business for each Fund. For purposes of determining the presence of a quorum for transacting business at a meeting, abstentions and broker "non votes" will be treated as shares that are present. Broker non-votes are proxies received by a fund from brokers or nominees, indicating that the broker or nominee has neither received instructions from the beneficial owner or other persons entitled to vote nor has the discretionary power to vote on a particular matter. Shareholders are urged to forward their voting instructions promptly.

REQUIRED VOTE

Item I - Proposal 1 (the CFP Merger), to be submitted at the CFP and CLM Special Meetings, requires the affirmative vote of a majority of the outstanding shares of common stock/beneficial interest of each Fund

Abstentions and broker non-votes will have the effect of a "no" vote for Item I.

Proxy solicitations will be made primarily by mail, but solicitations may also be made by telephone, telegraph or personal interviews conducted by officers or employees of each Fund, Cornerstone Advisors, Inc., the investment adviser of CLM and CFP ("Cornerstone Advisors" or the "Advisor"), AST Fund Solutions, LLC, the administrator for each Fund ("AFS" or the "Administrator"), and AST Fund Solutions, LLC a proxy solicitation firm ("AFS Proxy Solicitor"). Each Fund will bear its costs of solicitation.

An agreement between each Fund and AFS Proxy Solicitor provides for AFS Proxy Solicitor to provide general solicitation services to each Fund at an estimated cost of \$37,000 plus expenses. Each Fund will, upon request, bear the reasonable expenses of brokers, bank and their nominees who are holders of record of the Fund's voting securities on the record date, incurred in mailing copies of this Proxy Statement/Prospectus to the beneficial owners of the Funds' voting securities.

Only Shareholders of record of each Fund at the close of business on April 10, 2015 (the "Record Date"), are entitled to vote. Each outstanding share of each Fund is entitled to one vote on all matters voted upon at a meeting of the Shareholders of that Fund. As of April 10, 2015, there were 8,228,537 shares of CLM outstanding and 16,593,689 shares of CFP outstanding.

Both CLM and CFP provide periodic reports to all of their Shareholders. These reports highlight relevant information including investment results and a review of portfolio changes for each Fund. You may receive a copy of the most recent annual and semi-annual reports for CLM or CFP, without charge, by calling (866) 668-6558 or writing to the Administrator of each Fund AST Fund Solutions, LLC located at 48 Wall Street, 22nd Floor, New York, NY 10005.

The Board of Directors/Trustees of each Fund knows of no business other than the proposal described above which will be presented for consideration at each Fund's respective Special Meeting. If any other matter is properly presented, it is the intention of the persons named in the enclosed proxy to vote on that matter in their discretion.

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ITEM I. MERGER PROPOSAL TO BE VOTED ON BY SHAREHOLDERS OF CFP AND CLM

PROPOSAL 1: APPROVAL OF THE CFP MERGER AGREEMENT
AND PLAN OF REORGANIZATION (THE "CFP PLAN")

On February 27, 2015, the Board of Directors/Trustees of both Funds, including a majority of the Directors/Trustees who are not "interested persons," as such term is defined in Section 2(a)(19) of the Investment Company Act (the "Non-interested Directors/Trustees"), unanimously:

- (1) declared that the merger of CFP with and into CLM is in the best interest of each Fund and its Shareholders;
- (2) declared that in their respective opinions the interests of the existing Shareholders of CFP and CLM will not be diluted with respect to value but will be diluted with respect to voting, as a result of the CFP Merger;
- (3) approved the CFP Plan; and
- (4) recommended that the Shareholders of each Fund approve the CFP Plan.

Shareholders should note that the composition of the Board of Directors/Trustees of CLM and CFP are identical, therefore, the Non-interested Directors/Trustees are "non-interested" with respect to CLM and CFP but may not be considered to be at arms-length with respect to the proposed CFP Merger. The Board of Directors/Trustees of each Fund suggests that Shareholders carefully review the information contained in the Proxy Statement/Prospectus before casting a vote.

For more information about the merger, see "Information about the CFP Merger."

The CFP Plan is subject to the approval of the Shareholders of each Fund and certain other conditions that are explained below. It provides for the merger (the "CFP Merger") of CFP with and into CLM in accordance with the DSTA and MGCL.

As a result of the CFP Merger:

- (1) CFP will no longer exist;
- (2) CLM will be the surviving corporation, and then each share of beneficial interest of CFP will convert into an equivalent dollar amount of full and fractional shares
- (a) of common stock of CLM based on the relative net asset value per share of CLM and CFP calculated at the close of business on the Business Day (as such term is defined in the CFP Plan) preceding the Effective Date;
- (b) CFP Shareholders participating in CFP's dividend reinvestment plan will receive fractional shares; and
- (c)

CFP Shareholders that do not participate in CFP's dividend reinvestment plan will not receive fractional shares, rather CLM's transfer agent will aggregate all fractional shares, sell the resulting full shares on the NYSE MKT at the then current market price and remit the proceeds to CFP's Shareholders in proportion to their fractional shares.

A copy of the CFP Plan is attached to this combined Proxy Statement/Prospectus as Exhibit A, and the description of the CFP Plan included in this combined Prospectus/Proxy Statement is qualified in its entirety by reference to Exhibit A.

The following provides a more detailed discussion about the CFP Merger, CLM and CFP and additional information that you may find helpful when considering your vote on the CFP Merger.

SYNOPSIS

This summary highlights important information included in this combined Proxy Statement/Prospectus. This summary is qualified by reference to the more complete information included elsewhere in this Proxy Statement/Prospectus and the CFP Plan. Shareholders of each Fund should read this entire Proxy Statement/Prospectus carefully.

THE PROPOSED CFP MERGER

The Board of Directors/Trustees of CLM and CFP, including the Non-interested Directors/Trustees of each Fund, have unanimously approved the CFP Plan. The CFP Plan provides for the merger of CFP with and into CLM. As a result of the CFP Merger:

- each share of beneficial interest of CFP will convert into an equivalent dollar amount of full and fractional shares
- (1) of CLM common stock based on the relative net asset value per share of CLM and CFP calculated at the close of business on the Business Day (as such term is defined in the CFP Plan) preceding the Effective Date;
 - (2) Shareholders participating in CFP's dividend reinvestment plan will, on the Effective Date, receive fractional shares;
Shareholders that do not participate in CFP's dividend reinvestment plan will not receive fractional shares, rather
 - (3) CLM's transfer agent will aggregate all fractional shares, sell the resulting full shares on the NYSE MKT at the then current market price and remit the proceeds to CFP's Shareholders in proportion to their fractional shares.

If the CFP Merger is not consummated, CLM and CFP each will continue as a separately managed investment company. There will be no changes to CLM, however because CFP does not have the same exemption from Section 19 of the Investment Company Act as CLM, the Board of Trustees of CFP will have to review its current level and frequency of distributions and may have to revise the amount and frequency of such distributions.

FORM OF ORGANIZATION

Both CLM and CFP are closed-end, diversified management investment companies, both of which are registered under the Investment Company Act. CLM was organized as a Maryland corporation in 1987. CFP was organized as a Delaware statutory trust in 2007. Both CLM and CFP's Board of Directors/Trustees is responsible for the management of the business and affairs of the respective Fund.

INVESTMENT OBJECTIVES

CLM's investment objective is to seek long-term capital appreciation through investment in equity securities of U.S. and non-U.S. companies. CFP's investment object is to provide total return through investments in equity securities of U.S. and non-U.S. companies.

CLM's investment objective is fundamental, and can only be changed with the approval of the holders of a majority of the outstanding voting securities of CLM, as set forth in Section 2(a)(42) of the Investment Company Act. CFP's investment objective is non-fundamental, which means that it may be changed by the Board of Trustees without the

vote of a majority of the Fund's outstanding shares if the Board believes that it is in the best interests of the Fund and the Shareholders to do so.

The preceding summary of both CLM and CFP's investment objective and certain policies should be considered in conjunction with the discussion below under "Risk Factors and Special Considerations" and "Comparison of Investment Objectives and Policies."

NET ASSETS OF CLM AND CFP

At December 31, 2014, CLM had net assets of \$168,287,331 and CFP had net assets of \$261,342,276.

FEES AND EXPENSES--CFP AND CLM

Cornerstone Advisors serves as the investment adviser for both CLM and CFP. The investment advisory agreements between the Advisor and CLM and CFP respectively are substantially identical. As compensation for its advisory services, Cornerstone Advisors is contractually entitled to receive from CLM and CFP an annual fee of one percent (1.00%) of each Fund's average weekly net assets payable on a monthly basis.

For the year ended December 31, 2014, Cornerstone Advisors earned \$1,755,166 and \$2,284,138 for performing its advisory services to CLM and CFP, respectively.

AFS serves as CFP's and CLM's administrator. CFP and CLM each pay AFS a monthly fee that is computed weekly at an annual rate of 0.075% of the respective Fund's average daily net assets, subject to a minimum annual fee of \$50,000. In addition to the fee, both CFP and CLM are required to reimburse AFS for its reasonable out-of-pocket expenses, including but not limited to the travel and lodging expenses incurred by officers and employees of AFS in connection with attendance at Board meetings and legal fees. For the year ended December 31, 2014, AFS earned \$131,638 and \$171,311 from CLM and CFP, respectively for services performed for each Fund.

Based on net assets at December 31, 2014, and projected expenses for the year 2015, each of CLM's and CFP's annualized expense ratio for 2015 would be expected to be approximately 1.33% and 1.25%, respectively. Based on similar assumptions, CLM's annualized expense ratio after the CFP Merger, not including the expenses of the CFP Merger, is projected to be approximately 1.24% for the 2015 year. The actual expense ratio for the 2015 year, whether or not the CFP Merger occurs, may be higher or lower than these projections and depend upon performance, general stock market and economic conditions, net asset levels, stock prices and other factors.

See "Expense Table" below for the current expenses of CLM and CFP and pro forma expenses following the proposed merger.

DISTRIBUTION POLICIES

CLM

CLM initiated a fixed, monthly distribution to Shareholders in 2002 which, with interim adjustments and extensive disclosure, continues to be a high-level managed distribution plan ("MDP"). The MDP has been maintained through the historic economic volatility, increased regulatory scrutiny and challenging markets of the intervening years.

During recent years, CLM's investments made in accordance with its objective have failed to provide adequate income to meet the requirements of the managed distribution policy. Nevertheless, the Board of Directors of CLM continues to believe that CLM's objective and strategy are complementary to the CLM's commitment, through the MDP, to provide regular distributions which increase liquidity and provide flexibility to individual Shareholders. The Adviser seeks to achieve net investment returns that exceed the amount of CLM's managed distributions, although there is no guarantee that the Adviser will be successful in this regard.

CLM previously filed a registration statement on Form N-2 on September 19, 2014 but does not intend to proceed with the rights offering prior to the proposed CFP Merger, as the Board does not believe that a rights offering would currently be in the best interests of CLM and its Shareholders. If the Board of CLM determines to proceed with a rights offering it would not do so until after the proposed CFP Merger is consummated.

CLM has previously conducted four rights offerings between the calendar years 2010 thru 2013, each of which have increased CLM's assets and provided CLM additional flexibility in maintaining CLM's MDP. The use of the proceeds from previous rights offerings have been, and the use of proceeds from any future rights offerings may be used to maintain CLM's MDP by providing funding for future distributions, some or all of which may constitute a return of its Shareholders' capital. Shareholders should be aware that substantially all of the distributions that CLM made to its Shareholders for the calendar years 2009 thru 2011 consisted of a return of its Shareholders' capital, and not of income or gains generated from CLM's investment portfolio, and a majority of the distributions that CLM made to its Shareholders for the calendar years 2012 thru 2014 consisted of a return of its Shareholders' capital, and not of income or gains generated from CLM's investment portfolio. Additionally, the cash proceeds of any rights offering become assets of the Fund and may be used to pay Fund expenses including management fees as well as for making portfolio investments.

The MDP provides a regular monthly distribution to Shareholders that is adjusted through an annual resetting of the monthly distribution amount per share based on CLM's net asset value on the last business day in October. The terms of the MDP have been reviewed and are approved at least annually by the CLM's Board of Directors and can be modified at the Board's discretion. To the extent that distributions exceed the current net earnings of CLM, the balance of the amounts paid out will be generated from sales of portfolio securities held by CLM and will be distributed either as short-term or long-term capital gains or a tax-free return-of-capital. Although return of capital distributions may not be taxable, such distributions may reduce a Shareholder's cost basis in his or her shares, and therefore may result in an increase in the amount of any taxable gain on a subsequent disposition of such shares, even if such shares are sold at a loss to the Shareholder's original investment amount. To the extent these distributions are not represented by net investment income and capital gains, they will not represent yield or investment return on CLM's investment portfolio. Substantially all of the distributions that CLM made to its Shareholders for years 2010-2011 consisted of a return of its Shareholders' capital, and not of income or gains generated from CLM's investment portfolio, and a majority of the distributions that CLM made to its Shareholders for years 2012-2014 consisted of a return of its Shareholders' capital, and not of income or gains generated from CLM's investment portfolio. A return-of-capital distribution reduces the tax basis of an investor's shares in CLM. The Board of Directors intends to maintain CLM's MDP even if a return-of-capital distribution would exceed an investor's tax basis and therefore be a taxable distribution. The Board of Directors currently plans to maintain this MDP even if regulatory requirements would make part of a return-of-capital, necessary to maintain the distribution, taxable to Shareholders and to disclose that portion of the distribution that is classified as ordinary income. The Board of Directors cannot determine the tax consequences for individual Shareholders in the Fund. In the past, Shareholders have received distributions from the Fund regardless of the tax characterization of the distribution. A substantial portion of CLM's distributions likely will be a return of capital, which constitutes the return of a portion of a Shareholder's original investment. Under the tax rules, such returns of capital are generally not currently taxable, but lower a Shareholder's tax basis in his or her CLM shares. A lower tax basis may result in tax consequences to the Shareholder in the future in connection with the sale of CLM shares, such as a larger capital gain or a smaller capital loss, even if the Fund shares are sold by the Shareholder for an amount less than the Shareholder's original investment. To the extent such excess exceeds a common Stockholder's basis in CLM's common stock, such excess will be taxed as capital gain. Although it has no current intention to do so, the Board may terminate the MDP at any time and such termination may have an adverse effect on the market price for CLM's shares.

The MDP historically has maintained a stable, high rate of distribution. The Board of Directors remains convinced that CLM's Shareholders are well served by a policy of regular distributions which increase liquidity and provide flexibility to individual Shareholders in managing their investments. Shareholders have the option of reinvesting all or a portion of these distributions in additional shares through CLM's distribution reinvestment plan or receiving them in cash.

CLM makes level distributions on a monthly basis and these distributions are not tied to the Fund's net investment income and capital gains, and may not represent yield or investment return on the Fund's portfolio. Under the MDP, CLM makes monthly distributions to Shareholders at a rate that may include periodic distributions of its net earnings or a return of capital. As noted above, Shareholders have the option of reinvesting all or a portion of these distributions in additional shares of CLM through the Fund's distribution reinvestment plan or receiving them in cash. In any fiscal year where total cash distributions exceed net earnings and unrealized gain or loss for the year, such excess will decrease the Fund's total assets and, as a result, will have the likely effect of increasing the Fund's expense ratio. There is a risk that the total net earnings and unrealized gain or loss for years from the Fund's portfolio would not be great enough to fully offset the amount of cash distributions paid to CLM Shareholders. If this were to be the case, CLM's assets would be partially reduced by an equal amount, and there is no guarantee that CLM would be able to replace the assets. In addition, in order to make such distributions, CLM may need to sell a portion of its investment portfolio at a time when independent investment judgment might not dictate such action. Furthermore, the cash used to make distributions will not be available for investment pursuant to the Fund's investment objective.

Funds maintain varying degrees of cash levels pursuant to market conditions and the judgment of the portfolio manager. In addition, portfolio managers must raise cash periodically to cover operating expenses. For any fund, to the extent that cash is held at any given time for operating expenses or other purposes, it will not be available for investment pursuant to that fund's investment objective. In addition to these general cash requirements, a fund's distribution policy may also require that securities be sold to raise cash for those shareholders who elect to take cash distributions rather than reinvest in shares of the fund, in which case, it will also not be available for investment pursuant to the fund's investment objective. It is possible that a situation will occur where the MDP contributes to a reduction of assets over an extended period of time such that the assets of CLM are reduced to a point where CLM would no longer be economically viable. In such event, CLM would need to take additional actions, which may include, for example, liquidation or merger, to address the situation. If the CFP Merger is approved, the Board believes that it would reduce the risk of this situation occurring in the future. While this is one of the risk factors of any managed distribution policy, including the MDP, it is important to note that the MDP was not designed to be a mechanism for the dissolution of CLM or a short-term liquidation policy, and it is not the intention of the Board to allow CLM to self-liquidate through the unsupervised effects of the MDP. The Board monitors the MDP and CLM's asset levels regularly, and remains ready to modify the terms of the MDP if, in its judgment, the Board believes it is in the best interests of the Fund and its Shareholders. To the extent CLM assets are reduced, the Board will consider additional rights offerings in the future.

A return-of-capital distribution reduces the tax basis of an investor's shares, which may make record-keeping by certain Shareholders more difficult.

CLM discloses the characterization of its distributions in notices to Shareholders and press releases to the public. Notwithstanding these communications, it is possible that the MDP may create potential confusion in the marketplace as to whether CLM's distributions are comprised of income or return of capital and how such characterization may influence the market price of CLM's shares.

In order to maintain the MDP, CLM applied for and received an exemption from the requirements of Section 19(b) of the Investment Company Act and Rule 19b-1 thereunder permitting it to make periodic distributions of long-term capital gains, provided that the MDP calls for periodic (e.g., quarterly/monthly) distributions in an amount equal to a fixed percentage of CLM's average net asset value over a specified period of time or market price per share at or about

the time of distribution or pay-out of a level dollar amount.

The MDP results in the payment of approximately the same amount per share to CLM's Shareholders each month. These distributions are not to be tied to CLM's investment income and capital gains and do not represent yield or investment return on CLM's portfolio. Section 19(a) of the Investment Company Act and Rule 19a-1 thereunder require CLM to provide a written statement accompanying any such payment that adequately discloses its source or sources, other than net investment income. Thus, if the source of some or all of the dividend or other distribution were the original capital contribution of the Shareholder, and the payment amounted to a return of capital, CLM would be required to provide written disclosure to that effect. Nevertheless, persons who periodically receive the payment of a dividend or other distribution may be under the impression that they are receiving net profits when they are not. Shareholders should read any written disclosure provided pursuant to Section 19(a) and Rule 19a-1 carefully, and should not assume that the source of any distribution from CLM is net profit. A return of capital distribution does not reflect positive investment performance. Shareholders should not draw any conclusions about CLM's investment performance from the amount of its managed distributions or from the terms of the MDP. When CLM issues a written disclosure pursuant to Section 19(a) and Rule 19a-1, CLM will refer to such a notice as a "Rule 19a-1 Notice Accompanying Distribution Payment". In addition, CLM will refer to the return of capital distributions as "Paid-in-capital" which will be presented under the "Source of payment" heading in such notice.

On August 8, 2014, the Board of Directors of CLM announced that the distribution percentage for the calendar year 2015 was to remain at 21%, which was applied to the net asset value of CLM at the end of October 2014 to determine the distribution amounts for calendar year 2015. The distribution percentage is not a function of, nor is it related to, the investment return on CLM's portfolio but the 2015 distributions based on the distribution percentage may consist of a return of Shareholders' capital invested in CLM.

The Board of Directors of CLM reserves the right to change the MDP from time to time.

CFP

The Fund seeks to make a distribution to Shareholders each month (the "Distribution Policy"). It is important to note that the Board of Trustees of CFP has not adopted a MDP for CFP because CFP does not have an exemption from Section 19 of the Investment Company Act similar to the exemption obtained by CLM.

During recent years, the Fund's investments made in accordance with its objective have failed to provide adequate income to meet the requirements of the Distribution Policy. Nevertheless, the Board of Trustees of CFP continues to believe that the Fund's objective and strategy are complementary to the Fund's commitment, through the Distribution Policy, to provide regular distributions which increase liquidity and provide flexibility to individual Shareholders. The Adviser seeks to achieve net investment returns that exceed the amount of the Fund's distributions, although there is no guarantee that the Adviser will be successful in this regard.

CFP seeks to make a distribution to Shareholders each month. These distributions are not tied to the Fund's investment income and capital gains and do not represent yield or investment return on CFP's portfolio. The distribution rate may be modified by the Board of Trustees from time to time. To the extent that distributions exceed the Fund's current net income and net capital gains, the balance of the amounts paid out will be generated from sales of portfolio securities held by CFP and will be distributed either as short-term or long-term capital gains or a tax-free return-of-capital. Although return-of-capital distributions may not be taxable, such distributions may reduce a Shareholder's cost basis in his or her shares, and therefore may result in an increase in the amount of any taxable gain on a subsequent disposition of such shares, even if such shares are sold at a loss to the Shareholder's original investment amount. To the extent these distributions are not represented by net investment income and capital gains, they will not represent yield or investment return on CFP's investment portfolio. Most of the distributions that CFP made to its Shareholders for years 2010 - 2014 consisted of a return of its Shareholders' capital, and not of income or gains generated from CFP's investment portfolio. CFP's final distribution for each calendar year is expected to include any remaining investment company taxable income and net tax-exempt income undistributed during the year, as well as all net capital gain realized during the year. However, if it determines it is appropriate to do so, the Board of Trustees may elect to not distribute realized gains and to pay taxes incurred. In general, the total distributions made in any taxable year (other than distributions of net capital gain or return of capital) would be treated as ordinary dividend income to the extent of CFP's current and accumulated earnings and profits. Distributions in excess of the earnings and profits would first be a tax-free return of capital to the extent of the adjusted tax basis in the shares. Shareholders are advised to consult their own tax advisers with respect to the tax consequences of their investment in CFP. The Distribution Policy may, under certain circumstances, have adverse consequences to the Fund and the Shareholders

because it may result in a return of capital resulting in less of a Shareholder's assets being invested in CFP and, over time, increase the Fund's expense ratio. To the extent necessary to meet the amounts distributed under the Distribution Policy, portfolio securities may be sold to the extent adequate income is not available.

Unless the registered owner of shares elects to receive cash, all distributions declared on shares are automatically reinvested in additional Shares.

If the CFP Merger is not approved, the Board of Trustees will consider what steps should be taken with regard to continuing its Distribution Policy, including modifying it, or eliminating it. The Board of Trustees of CFP may determine in the future to authorize the filing of an exemptive application with the SEC seeking an order under the Investment Company Act to exempt CFP from the requirements of Section 19(b) of the Investment Company Act and Rule 19b-1 thereunder, permitting the Fund to make periodic distributions of long-term capital gains, provided that the distribution policy of the Fund with respect to its shares calls for periodic (for example, quarterly/monthly) distributions in an amount equal to a fixed percentage of the CFP's average net asset value over a specified period of time or market price per share at or about the time of distribution or pay-out of a level dollar amount. It is important to note that the conditions contained in any exemptive relief granted by the staff of the SEC will differ considerably from the conditions contained in CLM's exemptive order. It is important to note that the conditions contained in recent requests for exemptive relief granted by the staff of the SEC differ considerably from the conditions contained in CLM's exemptive order ("Order"). CLM's Order granted by the SEC provided that the Order would terminate upon the effective date of a registration statement under the Securities Act of 1933 for any future public offering by CLM of its common shares other than: (i) a non-transferable rights offering to shareholders of CLM, provided that such offering does not include solicitation by brokers or the payment of any commission or underwriting fee; and (ii) an offering in connection with a merger, consolidation, acquisition, spin-off or reorganization including, the registration statements filed on Form N-14; unless CLM has received from the staff of the Commission written assurance that the order will remain in effect. More recent exemptive orders granted by the SEC have contained the following conditions; (i) quarterly compliance review and reporting to the Board; (ii) ongoing disclosures to fund stockholders including detailed reporting relating to fund distributions; (iii) a requirement to produce written communications to stockholders, prospective stockholders and third parties in regard to fund distributions; (iv) a requirement to deliver Rule 19(a) notices to beneficial owners; (v) additional Board determinations in regard to the continuation of the distribution policy for funds whose common stock trades at a premium to net asset value; and (vi) a requirement that the fund will not make a public offer of the fund's common stock other than through (a) a rights offering below net asset value to holder's of the fund's common stock or (b) an offering in connection with a dividend reinvestment plan, merger, consolidation, acquisition, spin off or reorganization of the Fund. The Board will monitor whether such relief is appropriate given these new and different conditions. In the event the Board determines to authorize the filing of such an exemptive application, there can be no assurance that the staff of the SEC will grant such relief to CFP or, if granted, that the Board will determine to implement a managed distribution plan. No assurance can be given that the SEC will grant the exemption to CFP if requested. Since its inception, CFP has maintained a high level of distributions utilizing its loss carry forwards to offset its realized long-term capital gains. The Board of CFP has determined not to file for exemptive relief at this time. Although no assurance can be given, management and the Board believe it is possible that CFP can continue its distribution policy indefinitely, at the discretion of the Board.

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The level monthly dividend distribution described above results in the payment of approximately the same amount or percentage to the Shareholders each month. These distributions are not tied to the Fund's investment income and capital gains and do not represent yield or investment return on CFP's portfolio. Section 19(a) of the Investment Company Act and Rule 19a-1 thereunder require CFP to provide a written statement accompanying any such payment that adequately discloses its source or sources, other than net investment income. Thus, if the source of some or all of the dividend or other distribution were the original capital contribution of the Shareholder, and the payment amounted to a return of capital, CFP would be required to provide written disclosure to that effect. Nevertheless, persons who periodically receive the payment of a dividend or other distribution may be under the impression that they are receiving net profits when they are not. Shareholders should read any written disclosure provided pursuant to Section 19(a) and Rule 19a-1 carefully, and should not assume that the source of any distribution from the Fund is net profit.

If CFP were to merge into CLM, CFP Shareholders will become Shareholders of CLM and will take part in the MDP that currently exists in CLM including, CLM's exemption from Section 19(b) of the Investment Company Act currently held by CLM.

Cornerstone Strategic Value Fund, Inc.

Managed Distributions Paid and NAV Returns from 2010 through 2014

Years	NAV Per Share	Average Annual Return*	Average Annual Return*	Managed Distribution Per Share	Return-of-Capital Distribution	Capital Gains Distribution	Net Investment Income Distribution	Gross Expense Ratio
2010+	\$30.20	8.07 %	11.99 %	\$ 6.72	\$ 6.44	\$ -	\$ 0.28	1.74 %
2011+	24.52	-3.19	1.50	6.12	5.60	-	0.52	1.55
2012+	22.72	15.34	14.37	5.32	3.08	0.76	1.48	1.40
2013+	22.72	24.24	21.59	4.92	2.76	1.76	0.40	1.33
2014	20.54	11.72	10.67	4.60	2.76	1.52	0.32	1.33

Includes the reinvestments of distributions in accordance

* with the operations of CLM's distribution reinvestment plan.

**Includes distributions received but not reinvested.

NAVs and distribution amounts are adjusted for a

+ one-for-four reverse stock split that was effective December 29, 2014.

Cornerstone
Progressive
Return Fund
Distributions
Paid and
NAV
Returns
from 2010
through
2014

Years	NAV Per Share	Average Annual Return*	Average Annual Return**	Distribution Per Share	Return-of-Capital Distribution	Capital Gains Distribution	Net Investment Income Distribution	Gross Expense Ratio
2010+	\$23.60	17.38 %	18.47 %	\$ 6.16	\$ 1.60	\$ -	\$ 4.56	1.61 %
2011+	20.00	2.45	5.69	4.96	2.52	-	2.44	1.45
2012+	19.04	18.49	17.14	4.40	2.80	-	1.60	1.34
2013+	17.24	13.49	12.08	4.12	2.60	-	1.52	1.33
2014	15.78	14.16	13.05	3.71	3.10	-	0.61	1.25

* Includes the reinvestments of distributions in accordance with the operations of CFP's distribution reinvestment plan.

** Includes distributions received but not reinvested.

+ NAVs and distribution amounts are adjusted for a one-for-four reverse stock split that was effective December 29, 2014.

FEDERAL INCOME TAX CONSEQUENCES OF THE CFP MERGER

As a condition to the closing of the CFP Merger, each Fund will receive an opinion of Blank Rome LLP, counsel to each Fund, stating that the CFP Merger will constitute a tax-free reorganization within the meaning of Section 368(a)(1) of the Internal Revenue Code of 1986, as amended (the "Code"). Accordingly, CLM, CFP, CLM Shareholders, and CFP Shareholders that participate in the CFP dividend reinvestment plan will not recognize any substantial gain or loss as a result of the CFP Merger. However, CFP Shareholders that do not participate in the CFP dividend reinvestment plan and receive cash in lieu of the fractional shares may recognize some gain, which is believed to be de minimis. The holding period and the aggregate tax basis of CLM shares (including fractional shares) received by a CFP shareholder will be the same as the holding period and aggregate tax basis of the shares of CFP previously held by the Shareholder. The holding period and the aggregate tax basis of the assets received by CLM in the CFP Merger will be the same as the holding period and the tax basis of such assets in the hands of CFP immediately before the CFP Merger. For more information about the tax consequences of the CFP Merger, see "Information about the CFP Merger - Tax Considerations and Consequences of the Merger."

UNREALIZED CAPITAL GAINS/LOSSES

As of December 31, 2014, CLM had approximately \$28,045,935 in net unrealized capital gains representing 16.7% of net assets, and CFP had \$15,211,963 in net unrealized capital losses representing 5.8% of net assets.

EXPENSES OF THE CFP MERGER

In evaluating the proposed CFP Merger, the Board of Directors/Trustees of each Fund have estimated the amount of expenses CLM and CFP would incur to be approximately \$185,000 and \$150,000 respectively, which includes, but is not limited to, SEC registration fees, legal and accounting fees, proxy and distribution costs, and expenses incurred in connection with the CFP Merger. Each Fund will bear its respective costs of the CFP Merger, however, to the extent that any of the expenses incurred relate specifically to actions taken by CLM as a result of the CFP Merger, such as SEC registration fees, such expenses will be allocated on the basis of relative net assets of each Fund.

PRINCIPAL RISK FACTORS

Both CLM and CFP are closed-end management investment companies and are designed primarily for long-term investors and not as trading vehicles.

Stock Market Volatility. Stock markets can be volatile. In other words, the prices of stocks can rise or fall rapidly in response to developments affecting a specific company or industry, or to changing economic, political or market conditions. Each Fund is subject to the general risk that the value of its investments may decline if the stock markets perform poorly. There is also a risk that each Fund's investments will underperform either the securities markets generally or particular segments of the securities markets.

Issuer Specific Changes. Changes in the financial condition of an issuer, changes in the specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can affect the credit quality or value of an issuer's securities. Lower-quality debt securities tend to be more sensitive to these changes than higher-quality debt securities.

Other Investment Company Securities Risk. Each Fund invests a significant portion of its assets in the securities of other closed-end investment companies and in exchange traded funds (“ETFs”). Investing in other investment companies and ETFs involves substantially the same risks as investing directly in the underlying instruments, but the total return on such investments at the investment company level may be reduced by the operating expenses and fees of such other investment companies, including advisory fees. To the extent that each Fund invests a portion of its assets in investment company securities, those assets will be subject to the risks of the purchased investment company’s portfolio securities, and a Shareholder in each Fund will bear not only his/her proportionate share of the expenses of the Fund, but also, indirectly, the expenses of the purchased investment company. There can be no assurance that the investment objective of any investment company or ETF in which each Fund invests will be achieved.

Common Stock Risk. Each Fund will invest a portion of its net assets in common stocks. Common stocks represent an ownership interest in a company. Each Fund may also invest in securities that can be exercised for or converted into common stocks (such as convertible preferred stock). Common stocks and similar equity securities are more volatile and more risky than some other forms of investment. Therefore, the value of your investment in each Fund may sometimes decrease instead of increase. Common stock prices fluctuate for many reasons, including changes in investors’ perceptions of the financial condition of an issuer, the general condition of the relevant stock market or when political or economic events affecting the issuers occur. In addition, common stock prices may be sensitive to rising interest rates, as the costs of capital rise for issuers. Because convertible securities can be converted into equity securities, their values will normally increase or decrease as the values of the underlying equity securities increase or decrease. The common stocks in which each Fund will invest are structurally subordinated to preferred securities, bonds and other debt instruments in a company’s capital structure in terms of priority to corporate income and assets and, therefore, will be subject to greater risk than the preferred securities or debt instruments of such issuers.

Foreign Securities Risk. Investments in securities of non-U.S. issuers involve special risks not presented by investments in securities of U.S. issuers, including the following: less publicly available information about companies due to less rigorous disclosure or accounting standards or regulatory practices; the impact of political, social or diplomatic events, including war; possible seizure, expropriation or nationalization of the company or its assets; possible imposition of currency exchange controls; and changes in foreign currency exchange rates. These risks are more pronounced to the extent that each Fund invests a significant amount of its investments in companies located in one region. These risks may be greater in emerging markets and in less developed countries. For example, prior governmental approval for foreign investments may be required in some emerging market countries, and the extent of foreign investment may be subject to limitation in other emerging countries. With respect to risks associated with changes in foreign currency exchange rates, each Fund does not expect to engage in foreign currency hedging transactions.

Market Discount From Net Asset Value. Shares of closed-end investment companies frequently trade at a discount from their net asset value. This characteristic is a risk separate and distinct from the risk that each Fund’s net asset value could decrease as a result of its investment activities and may be greater for investors expecting to sell their shares in a relatively short period following the CFP Merger, if it occurs. Whether investors will realize gains or losses upon the sale of the common stock will depend not upon each Fund’s net asset value but entirely upon whether the market price of the shares at the time of sale is above or below the investor’s purchase price for the shares. Because the market price of the shares will be determined by factors such as relative supply of and demand for the shares in the market, general market and economic conditions, and other factors beyond the control of each Fund, each Fund cannot predict whether the shares will trade at, below or above net asset value. As of December 31, 2014, each of CLM and

CFP were trading at discounts to their net asset value, 2.53% and 3.61%, respectively.

Defensive Positions. During periods of adverse market or economic conditions, each Fund may temporarily invest all or a substantial portion of its assets in cash or cash equivalents. Each Fund would not be pursuing its investment objective in these circumstances and could miss favorable market developments.

Management Risk. Each Fund is subject to management risk because it is an actively managed portfolio. Each Fund's successful pursuit of its investment objective depends upon the Advisor's ability to find and exploit market inefficiencies with respect to undervalued securities. Such situations occur infrequently and sporadically and may be difficult to predict, and may not result in a favorable pricing opportunity that allows the Advisor to fulfill each Fund's investment objective. The Advisor's security selections and other investment decisions might produce losses or cause each Fund to underperform when compared to other funds with similar investment goals. If one or more key individuals leave the employ of the Advisor, the Advisor may not be able to hire qualified replacements, or may require an extended time to do so. This could prevent each Fund from achieving its investment objective. The Advisor may also benefit from the offering because its fee is based on the assets of each Fund, which could be perceived as a conflict of interest.

Managed Distribution Risk. Under CLM's MDP and CFP's managed distribution policy (collectively the "Distribution Policy"), each Fund makes monthly distributions to Shareholders at a rate that may include periodic distributions of its net income and net capital gains ("Net Earnings"), or from return-of-capital. For any fiscal year where total cash distributions exceeded Net Earnings (the "Excess"), the Excess would decrease each Fund's total assets and, as a result, would have the likely effect of increasing each Fund's expense ratio. There is a risk that the total Net Earnings from each Fund's portfolio would not be great enough to offset the amount of cash distributions paid to Shareholders. If this were to be the case, each Fund's assets would be depleted, and there is no guarantee that each Fund would be able to replace the assets. In addition, in order to make such distributions, each Fund may have to sell a portion of its investment portfolio, including securities purchased with the proceeds of the offering, 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 each Fund's investment objective. Since CLM adopted the Distribution Policy in 2002, the Fund's distributions have exceeded its Net Earnings for each year except one (2005). Since CFP adopted the Distribution Policy, the Fund's distributions have exceeded its Net Earnings for each year. For the taxable Shareholders, the portion of distribution that constitutes ordinary income and/or capital gains is taxable to such Shareholders in the year the distribution is declared. A return of capital is non-taxable to the extent of the Shareholder's basis in the shares. The Shareholders would reduce their basis in the shares by the amount of the distribution and therefore may result in an increase in the amount of any taxable gain on a subsequent disposition of such shares, even if such shares are sold at a loss to the Shareholder's original investment amount. Any return of capital will be separately identified when Shareholders receive their tax statements. Any return of capital that exceeds cost basis may be treated as capital gain. Shareholders are advised to consult with their own tax advisers with respect to the tax consequences of their investment in CLM and CFP. Furthermore, each Fund may need to raise additional capital in order to maintain the Distribution Policy.

Preferred Securities Risk. Investment in preferred securities carries risks including credit risk, deferral risk, redemption risk, limited voting rights, risk of subordination and lack of liquidity. Fully taxable or hybrid preferred securities typically contain provisions that allow an issuer, at its discretion, to defer distributions for up to 20 consecutive quarters. Traditional preferred also contain provisions that allow an issuer, under certain conditions to skip (in the case of "noncumulative preferreds") or defer (in the case of "cumulative preferreds"), dividend payments. If each Fund owns a preferred security that is deferring its distributions, each Fund may be required to report income for tax purposes while it is not receiving any distributions. Preferred securities typically contain provisions that allow for redemption in the event of tax or security law changes in addition to call features at the option of the issuer. In the event of a redemption, each Fund may not be able to reinvest the proceeds at comparable rates of return. Preferred securities typically do not provide any voting rights, except in cases when dividends are in arrears beyond a certain time period, which varies by issue. Preferred securities are subordinated to bonds and other debt instruments in a company's capital structure in terms of priority to corporate income and liquidation payments, and therefore will be subject to greater credit risk than those debt instruments. Preferred securities may be substantially less liquid than many other securities, such as U.S. government securities, corporate debt or common stocks. Dividends paid on preferred securities will generally not qualify for the reduced federal income tax rates applicable to qualified dividends under the Code.

Convertible Securities Risk. The value of a convertible security, including, for example, a warrant, is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The

credit standing of the issuer and other factors may also have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. Generally, the conversion value decreases as the convertible security approaches maturity. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed income security.

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by a Fund is called for redemption, a Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on the Fund's ability to achieve its investment objective.

Emerging Markets Securities Risk. CFP may invest up to 20% of its net assets in securities of issuers located in “emerging markets” through its investments in ETFs, other investment companies and depository receipts and may invest up to 5% of its net assets directly in emerging market securities. Because of less developed markets and economies and, in some countries, less mature governments and governmental institutions, the risks of investing in foreign securities can be intensified in the case of investments in issuers domiciled or doing substantial business in emerging market countries. These risks include high concentration of market capitalization and trading volume in a small number of issuers representing a limited number of industries, as well as a high concentration of investors and financial intermediaries; lack of liquidity and greater price volatility due to the smaller size of the market for such securities and lower trading volume; political and social uncertainties; national policies that may restrict CFP’s investment opportunities including restrictions on investing in issuers or industries deemed sensitive to relevant national interests; greater risks of expropriation, confiscatory taxation and nationalization; over-dependence on exports, especially with respect to primary commodities, making these economies vulnerable to changes in commodity prices; overburdened infrastructure and obsolete or unseasoned financial systems; environmental problems; less developed legal systems; and less reliable custodial services and settlement practices. Dividends paid by issuers in emerging market countries will generally not qualify for the reduced federal income tax rates applicable to qualified dividends under the Code. Unlike CFP, CLM is not restricted when investing in securities of issuers located in “emerging markets.” If the CFP Merger is approved by Shareholders of CFP, the Shareholders of CFP who will become Shareholders of CLM, will no longer be subject to the restrictions of investing in securities of issuers located in “emerging markets.”

As a Shareholder, you may pay certain fees and expenses if you hold shares of CLM or CFP, or in CLM-Post CFP Merger. These fees and expenses, including fees and expenses based on a pro forma basis, post the merger are set forth in the table below and the example that follows.

EXPENSE TABLE FOR SHAREHOLDERS

Total Expenses Table for Shareholders of the Funds as of December 31, 2014

The following tables illustrate the anticipated reduction or increases in the total expense ratio for the Shareholders of each Fund expected as a result of the completion of the CFP Merger. The table sets forth (i) the total expense ratio for each Fund for the 12-month period ended December 31, 2014; and (ii) the *pro forma* total expense ratio for the combined fund, assuming the merger had taken place on December 31, 2014.

	CFP	CLM	CLM Pro Forma, Post CFP Merger^(a)
Shareholder Transaction Expenses	None	None	None

Maximum Sales Load (as a percentage of the offering price) imposed on purchases of common shares^(b)

Distribution Reinvestment Plan fees None None None

Annual Total Expenses (as a percentage of average net assets attributable to shares)

Investment Management Fees ^(c)	1.00%	1.00%	1.00%
Other Expenses ^(d)	0.25%	0.33%	0.24%
Acquired Fund Fees and Expenses ^(e)	0.92%	0.53%	0.75%
Total Annual Expenses	2.17%	1.86%	1.99%

^(a) Assumes the merger had taken place on December 31, 2014. These figures also reflect the anticipated reduction in other operating expenses due to elimination of certain duplicative expenses as a result of the merger. The pro forma annual operating expenses are projections for a 12-month period and do not include expenses to be borne by the Funds in connection with the merger.

^(b) No sales load will be charged in connection with the issuance of CLM shares as part of the merger. Shares are not available for purchase from the Funds but may be purchased on the NYSE MKT, through a broker-dealer subject to individually negotiated commission rates. Shares purchased in the secondary market may be subject to brokerage commissions or other charges.

Both CFP and CLM each pay the Investment Adviser a contractual management fee at an annual rate of 1.00% of each Fund's average weekly net assets. If the merger is consummated, the annual contractual investment advisory fee rate of CLM Post CFP Merger will be 1.00% of the average weekly net assets of the combined fund.

"Other Expenses" are based upon gross estimated amounts for the current fiscal year and include among other expenses, administration and accounting fees. Pro forma "other expenses" reflect the elimination of duplicative costs and other efficiencies expected to arise from the merger. Each Fund has no current intention to borrow money for investment purposes and each has adopted a fundamental policy against selling securities short.

Each Fund invests in other closed-end investment companies and exchange traded funds ("ETFs") (collectively, the "Acquired Funds"). Each Fund's Shareholders indirectly bear a pro rata portion of the fees and expenses of the Acquired Funds in which the respective Fund invests. Acquired Fund Fees and Expenses are based on estimated amounts for the fiscal year ended December 31, 2014.

Each Fund will bear expenses incurred in connection with the merger (whether or not the merger is consummated), including but not limited to, costs related to the preparation and distribution of materials distributed to each Fund's Board of Directors/Trustees, expenses incurred in connection with the preparation of the merger agreement and the registration statement on Form N-14, SEC filing fees and legal and accounting fees in connection with the merger, legal fees incurred preparing each Fund's Board of Directors/Trustees materials, attending each Fund's Board of Directors/Trustees meetings, stock exchange fees, transfer agency fees and any similar expenses incurred in connection with the merger. Expenses specific to one or each of CFP or CLM are expensed as incurred while non-fund specific expenses are allocated on a pro rata basis based upon net assets. Merger costs are estimated to be \$150,000 for CFP and \$185,000 for CLM, for a total of \$335,000. Costs related to the merger are currently estimated to be approximately 0.08 % of net assets, which equates to \$0.01 per share for CFP and \$0.02 per share for CLM as of December 31, 2014. The actual costs associated with the proposed merger may be more or less than the estimated costs discussed herein.

Example. The purpose of the following example is to help you understand the costs and expenses you may bear, directly or indirectly, as a Shareholder. This example is based on the level of total annual operating expenses for each Fund listed in the table above, the total expenses relating to a \$1,000 investment, assuming a 5% annual return and reinvestment of all dividends and distributions. Shareholders do not pay these expenses directly, they are paid by the Funds before they distribute net investment income to Shareholders. This example should not be considered a representation of future expenses, and actual expenses may be greater or less than those shown. Federal regulations require the example to assume a 5% annual return, but actual annual returns will vary.

	1 Year	3 Years	5 Years	10 Years
CFP	\$ 22	\$ 69	\$ 118	\$ 253
CLM	\$ 19	\$ 59	\$ 101	\$ 219
CLM Pro Forma Combined Fund	\$ 20	\$ 63	\$ 108	\$ 233

FINANCIAL HIGHLIGHTS

The information required in this portion is being incorporated by reference from each Fund's Annual Report to Shareholders filed with the SEC (Cornerstone Strategic Value Fund, Inc. Annual Report for the year ended December 31, 2014, filed with the Securities and Exchange Commission on February 24, 2015 (File No. 811-05150) and Cornerstone Progressive Return Fund Annual Report for the year ended December 31, 2014, filed with the Securities and Exchange Commission on February 24, 2015 (File No. 811-22066.) This information was audited by Tait, Weller & Baker, LLP, each Fund's independent auditors, whose reports, along with each Fund's financial statements, are incorporated herein by reference and included in each Fund's Annual Report to Shareholders. Each of the Fund's Annual Report and Semi-Annual Report may be obtained without charge, by writing to the Fund c/o AST Fund Solutions, LLC, 48 Wall Street, 22nd Floor, New York, NY 10005, or by calling (866) 668-6558.

COMPARISON OF INVESTMENT OBJECTIVES AND POLICIES

ORGANIZATION

CLM is a closed-end, diversified management investment company registered under the Investment Company Act. CLM was incorporated in Maryland on May 1, 1987 and commenced operations on June 30, 1987. CFP is a closed-end, diversified management investment company registered under the Investment Company Act. CFP was organized as a Delaware statutory trust on April 26, 2007 and commenced operations on September 10, 2007. Each Fund is managed and advised by Cornerstone Advisors. The shares of common stock/beneficial interest of each Fund are listed and trade on the NYSE MKT under the symbols "CLM" and "CFP", respectively. After the CFP Merger, CLM's shares will continue to trade on the NYSE MKT under the symbol "CLM", while CFP's shares will be delisted and CFP will cease to exist.

The shares of common stock/beneficial interest of each Fund have equal non-cumulative voting rights and equal rights with respect to dividends, assets and dissolution. Each Fund's shares of common stock/beneficial interest are fully paid and non-assessable and have no preemptive, conversion or other subscription rights. Fluctuations in the market price of each Fund's shares is the principal investment risk of an investment in either Fund. Portfolio management, market conditions, investment policies and other factors affect such fluctuations. Although the investment objectives, policies and restrictions of each Fund are similar, there are differences between them, as discussed below. There can be no assurance that either Fund will achieve its stated investment objective.

INVESTMENT OBJECTIVES

CLM

CLM's investment objective is to seek long-term capital appreciation through investment primarily in equity securities of U.S. and non-U.S. companies which CLM management believes have demonstrated fundamental investment value and favorable growth prospects, as determined by the Advisor. In general, CLM invests primarily in common stocks, preferred stocks, rights, warrants and securities convertible into common stocks that are listed on stock exchanges or traded over the counter.

CFP

CFP's investment objective is to provide total return through investing primarily in the equity securities of U.S. and non-U.S. companies. In general, CFP invests primarily all of its assets in equity securities of U.S. issuers, non-U.S. issuers whose securities trade on a U.S. securities exchange or over the counter or as American Depositary Receipts ("ADRs") or other forms of depositary receipts, such as International Depositary Receipts ("IDRs"), which trade in the United States, closed-end investment companies and ETFs. CFP pursues current income, as a component of total return, by investing in dividend-paying equity securities and U.S. dollar-denominated debt securities.

CLM's investment objective is fundamental, and can only be changed with the approval of the holders of a majority of the outstanding voting securities of CLM, as set forth in Section 2(a)(42) of the Investment Company Act. CFP's investment objective is non-fundamental, which means that it may be changed by the Board of Trustees without the vote of a majority of CFP's outstanding shares if the Board believes that it is in the best interests of the Fund and the Shareholders to do so.

COMPARISON OF INVESTMENT POLICIES

CLM

CLM's portfolio, may under normal market conditions, consist of the equity securities of U.S. and non-U.S. companies. CLM may invest without limitation in other closed-end investment companies and ETFs, provided that CLM limits its investment in securities issued by other investment companies so that not more than 3% of the outstanding voting stock of any one investment company will be owned by CLM. As a shareholder in any investment company, the Fund will bear its ratable share of the investment company's expenses and would remain subject to payment of the Fund's advisory and administrative fees with respect to the assets so invested. As of December 31, 2014, 41.6% of CLM's portfolio consisted of other closed-end investment companies.

In general, the Fund invests in other closed-end investment companies, ETFs, common stocks, preferred stocks, rights, warrants and securities convertible into common stocks that are listed on stock exchanges or traded over the counter. CLM may, without limitation, hold cash or invest in assets in money market instruments, including U.S. and non-U.S. government securities, high grade commercial paper and certificates of deposit and bankers' acceptances issued by U.S. and non-U.S. banks having deposits of at least \$500 million. In addition, CLM may engage in hedging transactions to reduce its company market and currency exchange exposure.

In determining which securities to buy for CLM's portfolio, the Advisor uses a balanced approach, including "value" and "growth" investing by seeking out companies at reasonable prices, without regard to sector or industry, which demonstrate favorable long-term growth characteristics. Valuation and growth characteristics may be considered for purposes of selecting potential investment securities. In general, valuation analysis is used to determine the inherent value of the company by analyzing financial information such as a company's price to book, price to sales, return on equity, and return on assets ratios; and growth analysis is used to determine a company's potential for long-term dividends and earnings growth due to market-oriented factors such as growing market share, the launch of new products or services, the strength of its management and market demand. Fluctuations in these characteristics may trigger trading decisions to be made by the Advisor.

Although CLM has the ability to invest a portion of its assets in non-U.S. companies, CLM has consistently maintained the investment of at least 95% of its assets in U.S. listed companies since June 30, 2001.

To comply with provisions of the Investment Company Act, on any matter upon which CLM is solicited to vote as a shareholder in an investment company in which it invests, the Advisor votes such shares in the same general proportion as shares held by other shareholders of that investment company. The Fund does not and will not invest in any other closed-end funds managed by the Advisor.

CLM may invest up to 15% of its assets in illiquid U.S. and non-U.S. securities, provided that CLM may not invest more than 3% of CLM's assets in the securities of companies that, at the time of investment, had less than a year of operations, including operations of predecessor companies. CLM will invest only in such illiquid securities that, in the opinion of the Advisor, present opportunities for substantial growth over a period of two to five years.

CLM's investment policies emphasize long-term investment in securities. Therefore, the CLM's annual portfolio turnover rate is expected to continue to be relatively low, ranging between 10% and 90%. Higher portfolio turnover rates resulting from more actively traded portfolio securities generally result in higher transaction costs, including brokerage commissions and related capital gains or losses.

CLM's foregoing investment policies may be changed by CLM's Board of Directors without Shareholder vote.

Although CLM does not anticipate having any securities lending income during the current calendar year, CLM may lend the securities that it owns to others, which would allow the Fund the opportunity to earn additional income. Although CLM will require the borrower of the securities to post collateral for the loan in accordance with market practice and the terms of the loan will require that CLM be able to reacquire the loaned securities if certain events occur, CLM is still subject to the risk that the borrower of the securities may default, which could result in CLM losing money, which would result in a decline in CLM's net asset value.

CLM may, from time to time, take temporary defensive positions that are inconsistent with CLM's principal investment strategies in attempting to respond to adverse market, economic, political or other conditions. During such times, the Fund may temporarily invest up to 100% of its assets in cash or cash equivalents, including money market instruments, prime commercial paper, repurchase agreements, Treasury bills and other short-term obligations of the U. S. Government, its agencies or instrumentalities. In these and in other cases, CLM may not achieve its investment objective.

The Advisor may invest CLM's cash balances in any investments it deems appropriate. The Advisor expects that such investments will primarily be pursuant to a repurchase agreement, however such investments may also be made in, without limitation and as permitted under the Investment Company Act, money market funds, additional repurchase agreements, U.S. Treasury and U.S. agency securities, municipal bonds and bank accounts. Any income earned from such investments is ordinarily reinvested by the Fund in accordance with its investment program. Many of the considerations entering into the Advisor's recommendations and the portfolio manager's decisions are subjective.

CLM has no current intent to use leverage; however, CLM reserves the right to utilize limited leverage through issuing preferred shares. CLM also may borrow money in amounts not exceeding 10% of its total assets (including the amount borrowed) for temporary or emergency purposes, including the payment of dividends and the settlement of securities transactions, which otherwise might require untimely dispositions of CLM securities. In addition, CLM may incur leverage through the use of investment management techniques (e.g., "uncovered" sales of put and call options, futures contracts and options on futures contracts). In order to hedge against adverse market shifts and for non-hedging, speculative purposes, CLM may utilize up to 5% of its net assets to purchase put and call options on securities or stock indices.

CFP

Under normal market conditions, the Fund's portfolio consists principally of the equity securities of U.S. and non-U.S. companies. Equity securities in which CFP may invest include common and preferred stocks, closed-end investment companies, convertible securities, warrants and other securities having the characteristics of common stocks, such as American Depositary Receipts ("ADRs") and International Depositary Receipts ("IDRs"), and ETFs.

CFP may invest a portion of its assets in U.S. dollar-denominated debt securities when the Advisor believes that it is appropriate to do so to earn current income. For example, when interest rates are high in comparison to anticipated returns on equity investments, the Advisor may determine to invest in U.S. dollar-denominated debt securities. Debt securities in which CFP may invest include U.S. dollar-denominated bank, corporate or government bonds, notes, and debentures of any maturity determined by the Advisor to be suitable for investment by the Fund. CFP may invest in the securities of issuers that it determines to be suitable for investment by CFP regardless of their rating; provided, however, that the Fund may not invest directly in debt securities that are determined by the Advisor to be rated below "BBB" by S&P or "Baa" by Moody's, commonly referred to as "junk bonds".

CFP may invest without limitation in other closed-end investment companies and ETFs, provided that the Fund limits its investment in securities issued by other investment companies so that not more than 3% of the outstanding voting stock of any one investment company will be owned by CFP. As a shareholder in any investment company, the Fund will bear its ratable share of the investment company's expenses and would remain subject to payment of the Fund's advisory and administrative fees with respect to the assets so invested. As of December 31, 2014, 68.3% of CFP's total assets were invested in closed-end funds.

The Advisor utilizes a balanced approach, including "value" and "growth" investing by seeking out companies at reasonable prices, without regard to sector or industry, which demonstrate favorable long-term growth characteristics. Valuation and growth characteristics may be considered for purposes of selecting potential investment securities. In general, valuation analysis is used to determine the inherent value of the company by analyzing financial information such as a company's price to book, price to sales, return on equity, and return on assets ratios; and growth analysis is used to determine a company's potential for long-term dividends and earnings growth due to market-oriented factors such as growing market share, the launch of new products or services, the strength of its management and market demand. Fluctuations in these characteristics may trigger trading decisions to be made by the Advisor with respect to the Fund's portfolio.

To comply with provisions of the Investment Company Act, on any matter upon which CFP is solicited to vote as a shareholder in an investment company in which it invests, the Advisor votes such shares in the same general proportion as shares held by other shareholders of that investment company. The Fund will not invest in any other closed-end funds managed by the Advisor.

Generally, securities will be purchased or sold by CFP on national securities exchanges and in the over-the-counter market. From time to time, securities may be purchased or sold in private transactions, including securities that are not publicly traded or that are otherwise illiquid. The Advisor does not expect investments in illiquid securities to comprise more than 10% of the Fund's net assets (determined at the time the investment is made). CFP will invest only in illiquid securities that, in the opinion of the Advisor, present opportunities for substantial growth over a period of two to five years.

CFP's foregoing investment policies may be changed by the Fund's Board of Trustees without Shareholder vote.

CFP may, from time to time, take temporary defensive positions that are inconsistent with CFP's principal investment strategies in attempting to respond to adverse market, economic, political or other conditions. During such times, the Fund may temporarily invest up to 100% of its assets in cash or cash equivalents, including money market instruments, prime commercial paper, repurchase agreements, Treasury bills and other short-term obligations of the U. S. Government, its agencies or instrumentalities. In these and in other cases, CFP may not achieve its investment objective.

The Advisor may invest the Fund's cash balances in any investments it deems appropriate. The Advisor expects that such investments will primarily be pursuant to a repurchase agreement, however such investments may also be made in, without limitation and as permitted under the Investment Company Act, money market funds, additional repurchase agreements, U.S. Treasury and U.S. agency securities, municipal bonds and bank accounts. Any income earned from such investments is ordinarily reinvested by the Fund in accordance with its investment program. Many of the considerations entering into the Adviser's recommendations and the portfolio manager's decisions are subjective.

CFP has no current intent to use leverage; however, CFP reserves the right to utilize limited leverage through issuing preferred shares. The Fund also may borrow money as a temporary measure for extraordinary or emergency purposes, including the payment of dividends and the settlement of securities transactions, which otherwise might require untimely dispositions of Fund securities. In addition, CFP may incur leverage through the use of investment management techniques (e.g., “uncovered” sales of put and call options, futures contracts and options on futures contracts). In order to hedge against adverse market shifts and for non-hedging, speculative purposes, CFP may utilize up to 5% of its net assets to purchase put and call options on securities or stock indices. The Fund has no current intention to enter into any derivative transactions.

Under the Investment Company Act, neither CLM or CFP may: (1) invest more than 5% of its total assets in the securities of any one investment company, nor (2) acquire more than 3% of the outstanding voting securities of any such company.

The following is a summary of the material rights of Shareholders of CFP and CLM, but does not purport to be a complete description of these rights. These rights may be determined in full by reference to the DSTA and CFP’s Declaration of Trust and By-Laws and to the MGCL and CLM’s Articles of Incorporation and By-Laws (collectively, the “Governing Instruments”). The Governing Instruments are subject to amendment in accordance with their terms.

	Maryland Corporation	Delaware Statutory Trust
Voting Requirement for CFP Merger	CLM’s Articles of Incorporation state that for any action, including a merger of the kind contemplated in this combined proxy/prospectus, to be effective and valid requires an affirmative vote of a majority of the total number of votes entitled to be cast. In contrast, §3-105 of the Maryland Corporate Law requires an affirmative vote of the holders of at least sixty-six and two thirds percent (66 2/3%) of the outstanding shares. Pursuant to §2-104 of the Maryland Corporate Law states that the Articles of Incorporation may have a provision that requires for any purpose a lesser proportion of the votes of all shareholders, but the proportion may not be less than a majority of all the votes entitled to be cast on the matter.	Affirmative vote of the holders of at least fifty percent (50%) of the outstanding shares of beneficial interest
Shareholder Liability	The Maryland Corporate Law states that a shareholder of a corporation is not personally liable for the acts or obligations of the corporation.	The Delaware Statutory Trust Act does not include an express provision relating to the limitation of liability of the beneficial owners of a Delaware statutory trust. CFP’s Declaration of Trust states that no shareholder of the trust shall be subject in such capacity to any personal liability whatsoever to any person in connection with trust property or the acts, obligations or affairs of the trust.
Preemptive Rights		