

CORPORATE HIGH YIELD FUND VI INC
Form N-CSR
November 03, 2003

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT
INVESTMENT COMPANIES

Investment Company Act file number 811-21318

Name of Fund: Corporate High Yield Fund VI, Inc.

Fund Address: P.O. Box 9011
Princeton, NJ 08543-9011

Name and address of agent for service: Terry K. Glenn, President, Corporate High
Yield Fund VI, Inc., 800 Scudders Mill Road, Plainsboro, NJ 08536.
Mailing address: P.O. Box 9011, Princeton, NJ 08543-9011

Registrant's telephone number, including area code: (609) 282-2800

Date of fiscal year end: 08/31/03

Date of reporting period: 09/01/02 - 08/31/03

Item 1 - Attach shareholder report

[LOGO] Merrill Lynch Investment Managers

www.mlim.ml.com

Corporate High Yield
Fund VI, Inc.

Annual Report
August 31, 2003

[LOGO] Merrill Lynch Investment Managers

Corporate High Yield Fund VI, Inc.

The Benefits and Risks of Leveraging

Corporate High Yield Fund VI, Inc. utilizes leveraging through borrowings or issuance of short-term debt securities or shares of Preferred Stock. The concept of leveraging is based on the premise that the cost of assets to be obtained from leverage will be based on short-term interest rates, which normally will be lower than the yield earned by the Fund on its longer-term portfolio investments. Since the total assets of the Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, the Fund's Common Stock shareholders are the beneficiaries of the incremental yield.

Leverage creates risks for holders of Common Stock including the likelihood of greater net asset value and market price volatility. In addition, there is the

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risk that fluctuations in interest rates on borrowings (or in the dividend rates on any Preferred Stock, if the Fund were to issue Preferred Stock) may reduce the Common Stock's yield and negatively impact its net asset value and market price. If the income derived from securities purchased with assets received from leverage exceeds the cost of leverage, the Fund's net income will be greater than if leverage had not been used. Conversely, if the income from the securities purchased is not sufficient to cover the cost of leverage, the Fund's net income will be less than if leverage had not been used, and therefore the amount available for distribution to Common Stock shareholders will be reduced.

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AUGUST 31, 2003

A Letter From the President

Dear Shareholder

We are pleased to provide you with this first annual report for Corporate High Yield Fund VI, Inc. The Fund's primary investment objective is to provide investors with a regular stream of income. The Fund's secondary investment objective is to provide investors with capital appreciation. This is accomplished by investing primarily in fixed income securities rated below investment grade by the established rating services. While these high yield securities are riskier than their investment grade fixed income counterparts, they typically pay higher yields and can be an attractive complement to a well-rounded investment portfolio.

The Fund was introduced on May 30, 2003, in the midst of a high yield market rally. During the first three months of operation, our investment professionals focused on becoming fully invested and, toward the end of the period, began to leverage the portfolio.

Going forward, our portfolio managers will continue to work diligently to deliver on our commitment to provide superior performance within reasonable expectations for risk and return. This includes striving to outperform our peers and the market indexes. With that said, remember also that the advice and guidance of a skilled financial advisor often can mean the difference between fruitful and fruitless investing. A financial professional can help you choose those investments that will best serve you as you plan for your financial future.

We thank you for trusting Merrill Lynch Investment Managers with your investment assets, and we look forward to serving you in the months and years ahead.

Sincerely,

/s/ Terry K. Glenn

Terry K. Glenn
President and Director

CORPORATE HIGH YIELD FUND VI, INC.

AUGUST 31, 2003

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[LOGO] Merrill Lynch Investment Managers

A Discussion With Your Fund's Portfolio Managers

Since the Fund's inception on May 30, 2003, we invested all of the initial

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assets and began the leverage process.

How did the Fund perform in light of the existing market conditions?

Since inception (May 30, 2003) through August 31, 2003, the Common Stock of Corporate High Yield Fund VI, Inc. had a net annualized yield of 8.65%, based on a period-end per share net asset value of \$14.39 and \$.321 per share income dividends. Over the same period, the total investment return of the Fund's Common Stock was +1.91%, based on a change in per share net asset value from \$14.33 to \$14.39, and assuming reinvestment of \$.202 per share ordinary income dividends.

For a description of the Fund's total investment return based on a change in the per share market value of the Fund's Common Stock (as measured by the trading price of the Fund's shares on the New York Stock Exchange), and assuming reinvestment of dividends, please refer to the Financial Highlights section of the Financial Statements included in this report. As a closed-end fund, the Fund's shares may trade in the secondary market at a premium or a discount to the Fund's net asset value. As a result, total investment returns based on changes in the market value of the Fund's Common Stock can vary significantly from total investment returns based on changes in the Fund's net asset value.

Over the three months since the Fund's inception, the high yield market maintained the strong rally that began in mid October 2002. From May 31, 2003 to August 31, 2003, the Credit Suisse First Boston (CSFB) High Yield Index rose 3.23%. The main drivers of the nearly year-long upturn were investors' improved outlook on the economy, modestly favorable corporate earnings reports, a shrinking number of defaults by high yield corporate borrowers and falling interest rates. Certain technical factors also provided solid support to the high yield market, including strong cash inflows from institutional investors increasing their allocations to the high yield sector and from retail investors who were searching for yield in the low interest rate environment. The Fund's performance reflects the gradual investment of proceeds from the Fund's initial public offering, as well as the bid-offer spreads that existed in the high yield market.

The yield for the CSFB High Yield Index at August 31, 2003 was 9.36%, as compared to 11.57% at August 31, 2002. At the close of the period, valuations of high yield securities were near historical averages, with the yield spreads relative to U.S. Treasury issues at 593 basis points (5.93%) versus 929 basis points at August 31, 2002. The current risk for the high yield market is the possibility of higher interest rates. Offsetting these risks is potential improvement in corporate earnings, which ultimately should benefit high yield securities.

What changes were made to the portfolio during the period?

Since the Fund's inception, we were focused on putting the proceeds from the Fund's initial public offering to work and starting the leveraging process, having fully invested all of the initial assets by the end of July. In terms of industry sectors, we favored utilities, chemicals and diversified media. The dramatically low valuations found in the market during the upturn over the past year have largely evaporated, leaving more limited potential for strong market moves for high yield as a whole and for individual sectors. However, we believe the utility and independent power producer sector still represents good relative value in the high yield market.

We began the leveraging process for the Fund in late July. As of August 31, 2003, the Fund was approximately 18% leveraged, although we are targeting a leverage position in our mid-20% comfort range. Thus, the Fund borrowed the equivalent of 18% of total assets invested, earning incremental yield on the investments we made with the borrowed funds. Since the Fund's inception through

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August 31, 2003, the average amount borrowed was approximately \$24,585,000 and the daily weighted average borrowing rate was 1.37%. While leverage can potentially hinder total return in a weak market, the converse also is true. (For a more complete explanation of the benefits and risks of leveraging, see page 2 of this report to shareholders.)

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AUGUST 31, 2003

How would you characterize the portfolio's position at the close of the period?

We believe that long-term results in the high yield market come from attention to both value and quality. We are investing in a core of solid credits and are maintaining a diverse portfolio, while identifying downtrodden names that, in our opinion, represent significant value. We are taking advantage of market volatility to add to, or establish positions in, high yield securities of companies that we believe have favorable long-term fundamentals.

As of August 31, 2003, the Fund's largest industry allocations were in utilities, at 10.2% of total assets, and chemicals, at 6.3%. In our opinion, the utility sector has exhibited favorable fundamentals, and the independent power producer segment of this sector offers attractive valuations. Within the chemical sector, we have found what we believe to be good relative value in the specialty chemical business, which has been hurt by high energy prices but avoids dramatically volatile end markets. The Fund also had a relatively large industry concentration in diversified media, as we consider the fundamentals and valuations in this area to be attractive.

The Fund maintains an underweight versus the benchmark in information technology, given our perception of high valuations, unstable earnings and potentially limited recovery value if earnings decline in the sector. We have limited exposure to the retail, food and drug, and finance sectors based on what we believe is inadequate and uncertain asset protection in these areas of the market. Like the CSFB High Yield Index, the Fund had an average credit rating of B at the close of the period.

B. Daniel Evans
Vice President and Portfolio Manager

Elizabeth M. Phillips
Vice President and Portfolio Manager

September 10, 2003

CORPORATE HIGH YIELD FUND VI, INC.

AUGUST 31, 2003

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[LOGO] Merrill Lynch Investment Managers

Schedule of Investments

(in U.S. dollars)

Industry+	S&P Ratings@	Moody's Ratings@	Face Amount	Corporate Bonds
Aerospace & Defense--2.9%	B+	B1	\$ 2,000,000	Esterline Technologies, 7.75% due 6/15/2013
	CCC+	Caa2	1,200,000	Hexcel Corporation, 9.75% due 1/15/2009
	B	B3	1,500,000	K & F Industries, 9.625% due 12/15/2010

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	BB-	Ba3	2,500,000	L-3 Communications Corporation: 7.625% due 6/15/2012
	BB-	Ba3	2,000,000	6.125% due 7/15/2013
	B-	B3	3,500,000	TD Funding Corporation, 8.375% due 7/15/2013
	B	B2	1,750,000	Titan Corporation, 8% due 5/15/2011 (a)
<hr/>				
Airlines--1.0%	BB+	B1	3,000,000	American Airlines, 7.80% due 10/01/2006
	BBB-	Ba2	3,803,751	Continental Airlines Inc., 6.90% due 1/02/2006
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Automotive--1.8%	BB+	Ba2	3,000,000	AutoNation Inc., 9% due 8/01/2008
	CCC+	B3	1,600,000	Delco Remy International Inc., 10.625% due 7/15/2013
				General Motors Corp.:
	BBB	Baa1	525,000	7.125% due 7/15/2013
	BBB	Baa1	975,000	8.25% due 7/15/2013
	B	Caa1	725,000	Metaldyne Corporation, 11% due 6/15/2012
	CCC+	B2	725,000	Tenneco Automotive Inc., 10.25% due 7/15/2013
	B	B3	1,500,000	United Auto Group, Inc., 9.625% due 3/15/2013
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Broadcasting--3.4%	B-	B2	3,225,000	Emmis Communications Corporation, 8.125% due 7/15/2013
	B	B2	3,750,000	Lin Television Corporation, 6.50% due 5/15/2013
	B-	B3	3,500,000	Nextmedia Operating Inc., 10.75% due 7/01/2013
	B-	B3	5,750,000	Salem Communications Holding Corporation, 7.5% due 7/15/2013
	B	B2	675,000	Sinclair Broadcasting Group, 8% due 3/15/2013
<hr/>				
Cable--U.S.--6.3%	BB-	B1	8,000,000	CSC Holdings Inc., 7.625% due 4/01/2011
	CCC-	Ca	8,000,000	Charter Communications Holdings LLC, 10% due 7/15/2013
	B-	Caa1	4,000,000	Insight Communications, 10.291%** due 2/15/2013
	B+	B2	3,000,000	Insight Midwest, 9.75% due 10/01/2009
	NR*	Caa1	6,500,000	Loral Cyberstar Inc., 10% due 7/15/2006 (b)
	B+	B2	4,725,000	Mediacom Broadband LLC, 11% due 7/15/2013
	B-	Ba3	2,400,000	Panamsat Corporation, 8.50% due 2/01/2012
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Cable--	C	Caa2	8,000,000	Comcast UK Cable Partners Ltd., 11.20% due 7/15/2013
International--2.6%	D	Ca	12,500,000	TeleWest Communications PLC, 11% due 10/01/2013
<hr/>				
Chemicals--7.8%	B-	NR*	3,500,000	HMP Equity Holdings Corporation, 15.382%** due 7/15/2013
	B-	Caa1	5,500,000	Huntsman ICI Chemicals, 10.125% due 7/01/2013
				IMC Global Inc.:
	B+	B1	3,500,000	11.25% due 6/01/2011
	B+	B1	1,950,000	10.875% due 8/01/2013 (a)
	B+	B2	4,700,000	ISP Holdings, Inc., 10.625% due 12/15/2009
	BB	Ba3	4,500,000	Millennium America Inc., 7% due 11/15/2006
	BB	B2	3,000,000	Omnova Solutions Inc., 11.25% due 6/01/2010
	BB-	B2	3,775,000	Polyone Corporation, 10.625% due 5/15/2010
	B-	Caa1	3,250,000	Resolution Performance, 13.50% due 11/15/2010
	BB-	Ba3	1,500,000	Rhodia SA, 8.875% due 6/01/2011 (a)
	B-	B3	3,025,000	Rockwood Specialties Corporation, 10.625% due 7/15/2013
	B-	Caa1	4,500,000	Terra Capital Inc., 11.50% due 6/01/2010

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AUGUST 31, 2003

Schedule of Investments (continued)

(in U.S. dollars)

Industry+	S&P Ratings@	Moody's Ratings@	Face Amount	Corporate Bonds
Consumer-- Products--3.9%	BB+	Ba3	\$ 5,000,000	American Greetings, 11.75% due 7/15/2008
	B-	B2	5,400,000	Chattem, Inc., 8.875% due 4/01/2008
	CCC+	Caa2	7,000,000	Samsonite Corporation, 10.75% due 6/15/2008
	B-	B3	1,500,000	Tempur-Pedic, 10.25% due 8/15/2010 (a)
Diversified Media--7.3%	B-	B3	3,250,000	CBD Media/CBD Finance, 8.625% due 6/01/2011
	B	B2	1,000,000	DEX Media East LLC, 9.875% due 11/15/2009
	B	B3	2,975,000	Dex Media West, 9.875% due 8/15/2013 (a)
	B	B2	950,000	Houghton Mifflin Company (a): 8.25% due 2/01/2011
	B	B3	2,950,000	9.875% due 2/01/2013
	B	B3	8,000,000	Primedia, Inc., 8.875% due 5/15/2011
	B+	B1	1,500,000	R.H. Donnelley Financial Corporation I, 8.875% due 11/15/2008
	B	B2	1,725,000	Six Flags Inc., 9.50% due 2/01/2009
	B+	B1	3,275,000	Vivendi Universal SA (a): 6.25% due 7/15/2008
	B+	B1	6,000,000	9.25% due 4/15/2010
	B+	NR*	3,949,000	Yell Finance BV, 9.95%** due 8/01/2011
Energy--Exploration & Production--3.4%	CCC+	Caa1	1,750,000	Continental Resources, 10.25% due 8/01/2008
	B+	B2	2,200,000	Houston Exploration Company, 7% due 6/15/2008
	B	B2	2,250,000	Nuevo Energy Company, 9.375% due 10/01/2010
	B	B2	4,250,000	Plains E&P Company, 8.75% due 7/01/2012
	BB-	Ba3	1,750,000	Vintage Petroleum, 8.25% due 5/01/2012
	B+	Ba3	4,600,000	Westport Resources Corporation, 8.25% due 11/15/2008
Energy--Other--4.2%	BB	Ba3	3,500,000	Citgo Petroleum Corporation, 11.375% due 2/15/2008
	B	B2	4,500,000	Dresser Inc., 9.375% due 4/15/2011
	B-	B3	4,000,000	Giant Industries, Inc., 9% due 9/01/2007
	B+	B2	1,075,000	Hanover Equipment Trust, 8.75% due 9/01/2011
	CCC	B3	2,000,000	Ocean Rig Norway AS, 10.25% due 6/01/2008
	BB-	Ba3	1,525,000	Premcor Refining Group, 7.50% due 6/15/2015
	B	B3	2,000,000	Star Gas Partners, 10.25% due 2/15/2013
	CCC+	Caa1	3,400,000	Trico Marine Services, 8.875% due 5/15/2012
Food/Tobacco--5.5%	B-	NR*	1,000,000	Commonwealth Brands, Inc. (a): 9.75% due 4/15/2008
	B-	B3	4,850,000	10.625% due 9/01/2008
	B+	Ba3	3,000,000	Constellation Brands Inc., 8.125% due 1/15/2008

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B+	B2	3,000,000	Cott Beverages Inc., 8% due 12/15/2011
B	B2	2,250,000	Del Monte Corporation, 8.625% due 12/15/2011
CCC+	B2	2,750,000	Doane Pet Care Company, 10.75% due 3/01/2012
BB-	B2	2,250,000	Dole Foods Company, 7.25% due 6/15/2010 (a)
B	B2	1,650,000	Merisant Company, 9.50% due 7/15/2013 (a)
NR*	Ba2	3,750,000	Smithfield Foods Inc., 8% due 10/15/2009
BB+	Ba1	2,500,000	Yum! Brands Inc., 7.70% due 7/01/2012

Gaming--4.3%	B+	B1	5,750,000	Boyd Gaming Corporation, 8.75% due 4/15/2011
	BB+	Ba2	4,000,000	Park Place Entertainment, 7.875% due 3/15/2011
	B	B2	1,000,000	Resorts International Hotel/Casino, 11.50% due 11/01/2010
	B+	B2	4,000,000	Sun International Hotels, 8.875% due 8/15/2011
	B-	B3	2,000,000	Trump Holdings & Funding, 11.625% due 3/15/2011
	B-	B3	2,500,000	Venetian Casino/LV Sands, 11% due 6/15/2010
	CCC+	B3	1,500,000	Wynn Las Vegas LLC, 12% due 11/01/2010

CORPORATE HIGH YIELD FUND VI, INC.

AUGUST 31, 2003

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[LOGO] Merrill Lynch Investment Managers

Schedule of Investments (continued)

(in U.S. dollars)

Industry+	S&P Ratings@	Moody's Ratings@	Face Amount	Corporate Bonds
Health Care--5.4%	B	B3	\$ 2,700,000	Alaris Medical Inc., 7.25% due 7/01/2011
	B+	B2	1,250,000	Fisher Scientific International: 8.125% due 5/01/2012
	B+	B2	2,000,000	8.125% due 5/01/2012 (a)
	B+	B2	2,150,000	8% due 9/01/2013 (a)
	BB-	Ba2	6,250,000	Fresenius Medical Capital Trust II, 7.875% due 11/01/2011
	B	NR*	4,075,000	ICN Pharmaceuticals Inc., 6.50% due 7/15/2011
	BB+	Ba2	1,950,000	OmniCare Inc., 6.125% due 6/01/2013
	BB	Ba3	2,500,000	Tenet Healthcare Corporation: 5.375% due 11/15/2006
	BB	Ba3	4,500,000	6.375% due 12/01/2011
Housing--4.0%	B	B2	6,750,000	Building Materials Corporation: 7.75% due 7/15/2005
	B	B2	1,000,000	8% due 12/01/2008
	BB-	Ba3	5,325,000	Forest City Enterprises Inc., 7.625% due 6/15/2011
	BB-	Ba1	1,500,000	Louisiana Pacific Corporation, 8.875% due 8/15/2011
	BB-	B1	2,700,000	Texas Industries Inc., 10.25% due 6/15/2011
	BB+	Ba2	2,500,000	Toll Corporation, 8.25% due 12/01/2011
Information Technology--0.5%	CCC+	Caa2	3,000,000	SCG Holdings Corporation, 12% due 8/01/2009

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Leisure--2.9%	B	B1	2,500,000	Felcor Lodging LP, 9.50% due 9/15/2008
	B+	Ba3	4,000,000	HMH Properties, Inc., 8.45% due 12/01/2008
	BB+	Ba1	3,500,000	ITT Corporation, 7.375% due 11/15/2015
	B+	B1	2,000,000	Intrawest Corporation, 9.75% due 8/15/2008
	B	B2	2,500,000	Vail Resorts Inc., 8.75% due 5/15/2009
Manufacturing--6.4%	BB-	Ba3	3,275,000	Case New Holland Inc., 9.25% due 8/01/2011
	B-	B3	5,500,000	Eagle-Picher, Inc., 9.75% due 9/01/2013 (a)
	CCC-	Caa1	4,500,000	International Wire Group, Inc., 11.75% due
	B	B2	4,500,000	JohnsonDiversey Inc., 9.625% due 5/15/2012
	B-	B3	1,500,000	Rexnord Corporation, 10.125% due 12/15/2012
	BB+	Ba3	3,500,000	SPX Corporation, 7.50% due 1/01/2013
	B	B3	3,500,000	Trimas Corporation, 9.875% due 6/15/2012
	BBB-	Ba2	7,000,000	Tyco International Group SA, 2.75% due 1/15/2013 (Convertible) (a)
Multi-Sector Holdings--4.9%	B+	B2	11,520,000	Morgan Stanley (TRACERS), 9.355% due 12/15/2013
	NR*	B1	12,628,572	TRAINS, HY-2003-1, 8.467% due 5/15/2013 (a)
Packaging--5.0%	B+	B2	1,500,000	Anchor Glass Container, 11% due 2/15/2013
	B	B2	1,250,000	Crown Euro Holdings SA, 10.875% due 3/01/2013
	CCC+	Caa2	4,500,000	Graham Packaging Company, 10.75% due 1/15/2013
	B-	Caa1	5,255,000	Huntsman Packaging Corporation, 13% due 6/01/2013
	BB	B1	2,000,000	Owens-Brockway Glass Container, 8.875% due 6/01/2013
	B+	B3	3,000,000	Owens-Illinois Inc., 7.15% due 5/15/2005
	B-	Caa1	245,000	Pliant Corporation, 13% due 6/01/2010
	B-	B3	4,250,000	Tekni-Plex Inc., 12.75% due 6/15/2010
	CCC+	B3	650,000	U.S. Can Corporation: 10.875% due 7/15/2010 (a)
	CCC+	Caa1	3,675,000	12.375% due 10/01/2010

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AUGUST 31, 2003

Schedule of Investments (continued)

(in U.S. dollars)

Industry+	S&P Ratings@	Moody's Ratings@	Face Amount	Corporate Bonds
Paper--5.5%	B+	B2	\$ 3,275,000	Caraustar Industries Inc., 9.875% due 4/01/2013
	BB+	Ba2	6,000,000	Georgia Pacific Corporation, 9.375% due 2/01/2013
	B-	B2	1,875,000	Graphic Packaging International (a): 8.50% due 8/15/2011
	B-	B3	2,200,000	9.50% due 8/15/2013
	B	B2	4,275,000	Jefferson Smurfit Corporation, 8.25% due 10/01/2013
	BB+	Ba2	2,250,000	MDP Acquisitions PLC, 9.625% due 10/01/2012
				Norampac Inc., 6.75% due 6/01/2013 (a)

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	BB	Ba2	2,000,000	Norske Skog of Canada, 8.625% due 6/15/2011
	BB	Ba1	1,050,000	Tembec Industries, Inc., 8.625% due 6/30/2011
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Services--4.6%	B+	B2	6,000,000	Allied Waste North America, 10% due 8/01/2010
	B	B2	5,025,000	Coinmach Corporation, 9% due 2/01/2010
	B	B1	4,500,000	Corrections Corporation of America, 7.50% due 12/15/2009
	B	B3	6,500,000	Williams Scotsman, Inc.: 9.875% due 6/01/2007
	B+	B2	850,000	10% due 8/15/2008 (a)
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Steel--1.4%	B+	B2	1,600,000	AK Steel Corporation, 7.875% due 2/15/2009
	B+	B2	4,000,000	Gerdau Ameristeel Corporation, 10.375% due 12/15/2009
	NR*	B1	1,175,000	Oregon Steel Mills Inc., 10% due 7/15/2009
	B	B3	1,000,000	UCAR Finance Inc., 10.25% due 2/15/2012
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Telecommunications--4.5%	B-	B2	2,725,000	Alaska Communication System Holdings, 9.875% due 12/15/2009
	BB+	B1	700,000	Eircom Funding, 8.25% due 8/15/2013 (a)
	B-	Caa1	3,750,000	Fairpoint Communications: 9.50% due 5/01/2008
	B-	Caa1	2,000,000	12.50% due 5/01/2010
	CCC+	Caa2	7,000,000	Qwest Capital Funding, 7.25% due 2/15/2011
	CCC+	NR*	2,000,000	Qwest Services Corporation, 13.50% due 12/15/2009
	CCC+	B3	5,000,000	Time Warner Telecom LLC, 9.75% due 7/15/2009
	CCC+	Caa2	1,000,000	US West Capital Funding, 6.25% due 7/15/2009
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Transportation--1.6%	B+	B1	2,000,000	General Maritime Corporation, 10% due 3/15/2010
	NR*	B2	3,050,000	Laidlaw International Inc., 10.75% due 6/15/2010
	BB-	Ba2	2,500,000	Teekay Shipping Corporation, 8.875% due 7/15/2010
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Utilities--12.6%				The AES Corporation:
	B-	Caa1	8,000,000	8.375% due 8/15/2007
	B-	Caa1	2,000,000	8.50% due 11/01/2007
	B-	B3	2,000,000	9.375% due 9/15/2010
	B+	B3	572,000	CMS Energy Corporation, 6.75% due 1/15/2004
	CCC+	B1	12,014,714	Calpine Canada Energy Finance, 8.50% due 5/15/2005
	CCC+	B1	2,250,000	Calpine Corporation, 8.25% due 8/15/2005
	B	Caa1	3,500,000	Coastal Corporation, 7.75% due 6/15/2010
	BB	Ba1	925,000	ESI Tractebel Acquisition Corp., 7.99% due 12/15/2009
	B-	B3	1,500,000	Edison International Inc., 6.875% due 9/15/2009
	B	B3	4,500,000	Illinois Power Corporation, 11.50% due 12/15/2009
	BB	Ba1	2,400,000	MSW Energy Holdings, 8.50% due 9/01/2010 (a)
	B-	Caa2	11,500,000	Mission Energy Holdings, 13.50% due 7/15/2009
				Nevada Power Company:
	NR*	Ba2	500,000	10.875% due 10/15/2009
	BB	Ba2	3,000,000	8.25% due 6/01/2011
	BB	Ba2	1,150,000	9% due 8/15/2013 (a)
	B+	B1	3,000,000	Northwest Pipeline Corporation, 0.625% due 12/15/2009
	BB	Ba2	2,000,000	Sierra Pacific Power Company, 8% due 6/01/2010
	B+	B1	1,650,000	Southern Natural Gas, 8.875% due 3/15/2010

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CORPORATE HIGH YIELD FUND VI, INC.

AUGUST 31, 2003

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[LOGO] Merrill Lynch Investment Managers

Schedule of Investments (concluded)

(in U.S. dollars)

Industry+	S&P Ratings@	Moody's Ratings@	Face Amount	Corporate Bonds
Utilities (concluded)	B+	B3	\$ 3,375,000	Williams Companies Inc.: 6.50% due 8/01/2006
	B+	B3	6,625,000	7.125% due 9/01/2011
Wireless--5.8%	CCC	Caa1	7,000,000	American Tower Corporation, 9.375% due 2/01/2011
	CCC	Caa1	1,475,000	Centennial Cell/Communications, 10.125% due 2/01/2011
	CCC	B3	5,000,000	Crown Castle International Corporation, 9.375% due 2/01/2011
	CCC+	B3	3,000,000	Mobifon Holdings BV, 12.50% due 7/31/2010 (a)
	NR*	NR*	2,000,000	NII Holdings Inc., 10.729%** due 11/01/2009
				Nextel Communications, Inc.: 9.50% due 2/01/2011
	B+	B2	1,000,000	7.375% due 8/01/2015
	B+	B2	1,475,000	
	CCC+	B3	5,000,000	Spectrasite Inc., 8.25% due 5/15/2010 (a)
	CCC	Caa2	2,475,000	Western Wireless Corporation, 9.25% due 7/15/2010
				Total Investments in Corporate Bonds (Cost--\$608,622,530)--119.5%

	Shares Held	Preferred Stocks
Automotive--1.2%	230,000	General Motors Corp. (Convertible)
		Total Investments in Preferred Stocks (Cost--\$614,371,430)--120.7%
Liabilities in Excess of Other Assets--(20.7%)		
Net Assets (f)--100.0%		

+ For Fund compliance purposes, "Industry" means any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease. These industry classifications are unaudited.

@ Ratings of issues shown are unaudited.

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- * Not Rated.
- ** Represents a zero coupon or step bond; the interest rate shown reflects the effective yield at the time of purchase by the Fund.
- (a) The security may be offered and sold to "qualified institutional buyers" under Rule 144A of the Securities Act of 1933.
- (b) Non-income producing security.
- (c) Tradeable Custodial Receipts (TRACERS).
- (d) Restricted securities as to resale. The value of the Fund's investment in restricted securities was approximately \$1,698,000, representing 0.3% of net assets.

Issue	Acquisition Date	Cost	Value
HMP Equity Holdings Corporation, 15.382% due 5/15/2008	5/28/2003	\$1,745,912	\$1,697,500
Total		\$1,745,912	\$1,697,500

- (e) Targeted Return Index Securities Trust (TRAINS).
- (f) Investments in companies considered to be an affiliate of the Fund (such companies are defined as "Affiliated Companies" in Section 2(a)(3) of the Investment Company Act of 1940) are as follows:

Affiliate	Net Activity	Interest/Dividend Income
Merrill Lynch Liquidity Series, LLC Cash Sweep Series I	--	\$ 39,036
Merrill Lynch Premier Institutional Fund	--	\$117,373

See Notes to Financial Statements.

10 CORPORATE HIGH YIELD FUND VI, INC. AUGUST 31, 2003

Statement of Assets, Liabilities and Capital

As of August 31, 2003

Assets

Investments, at value (identified cost -- \$614,371,430)	
Receivables:	
Interest	\$ 12,772
Securities sold	1,547
Total assets	

Liabilities

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Loans	
Payables:	
Custodian bank	5,405
Offering costs	291
Investment adviser	225
Dividends to shareholders	111
Interest on loans	53
Other affiliates	2

Accrued expenses and other liabilities	
Total liabilities	

Net Assets

Net assets	
------------------	--

Capital

Common Stock, \$.10 par value, 200,000,000 shares authorized	
Paid-in capital in excess of par	
Undistributed investment income -- net	\$ 3,457
Undistributed realized capital gains on investments -- net	835
Unrealized depreciation on investments -- net	(1,668)

Total accumulated earnings -- net	
Total -- Equivalent to \$14.39 per share based on 35,281,981 shares of capital stock outstanding (market price -- \$13.61)	

See Notes to Financial Statements.

CORPORATE HIGH YIELD FUND VI, INC.

AUGUST 31, 2003

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[LOGO] Merrill Lynch Investment Managers

Statement of Operations

For the Period May 30, 2003+ to August 31, 2003

Investment Income

Interest	
Interest from affiliates	
Other	
Total income	

Expenses

Investment advisory fees	\$ 947
Loan interest expense	87

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Borrowing costs	51
Accounting services	42
Directors' fees and expenses	10
Professional fees	10
Custodian fees	7
Transfer agent fees	7
Pricing services	4
Other	3

Total expenses before waiver	1,171
Waiver of expenses	(504)

Total expenses after waiver	
Investment income -- net	

Realized & Unrealized Gain (Loss) on Investments -- Net

Realized gain on investments -- net	
Unrealized depreciation on investments -- net	
Total realized and unrealized loss on investments -- net	
Net Increase in Net Assets Resulting from Operations	

+ Commencement of operations.

See Notes to Financial Statements.

12 CORPORATE HIGH YIELD FUND VI, INC. AUGUST 31, 2003

Statement of Changes in Net Assets

	For the
	May 30,
	to August
	2003
Increase (Decrease) in Net Assets:	
-----	-----
Operations	
-----	-----
Investment income -- net	\$ 10,58
Realized gain on investments -- net	83
Unrealized depreciation on investments -- net	(1,66

Net increase in net assets resulting from operations	9,74

Dividends to Shareholders	
-----	-----
Dividends to shareholders from investment income -- net	(7,12

Capital Stock Transactions	
-----	-----

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Proceeds from issuance of Common Stock	505,31
Offering costs resulting from the issuance of Common Stock	(45
Net increase in net assets derived from capital stock transactions	504,86

Net Assets

Total increase in net assets	507,48
Beginning of period	10
End of period*	\$ 507,58
*Undistributed investment income -- net	\$ 3,45

+ Commencement of operations.

See Notes to Financial Statements.

CORPORATE HIGH YIELD FUND VI, INC.

AUGUST 31, 2003

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[LOGO] Merrill Lynch Investment Managers

Statement of Cash Flows

For the Period May 30, 2003+ to August 31, 2003

Cash Provided by Operating Activities

Net increase in net assets resulting from operations	\$ 9,74
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities:	
Increase in receivables	(12,77
Increase in other liabilities	5,73
Realized and unrealized loss on investments -- net	83
Amortization of discount	(11
Net cash provided by operating activities	3,42

Cash Used for Investing Activities

Proceeds from sales of long-term investments	294,36
Purchases of long-term investments	(909,33
Net cash used for investing activities	(614,97

Cash Provided by Financing Activities

Proceeds from issuance of Common Stock	505,31
Offering costs paid for the issuance of Common Stock	(15
Cash receipts from borrowings	124,80
Cash payments on borrowings	(11,50
Dividends paid to shareholders	(7,01

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Net cash provided by financing activities	611,44

Cash	

Net decrease in cash	(10
Cash at beginning of period	10

Cash at end of period	\$
	=====

Cash Flow Information	

Cash paid for interest	\$ 3
	=====

+ Commencement of operations.
See Notes to Financial Statements.

14 CORPORATE HIGH YIELD FUND VI, INC. AUGUST 31, 2003

Financial Highlights

The following per share data and ratios have been derived from information provided in the financial statements.

Increase (Decrease) in Net Asset Value:

Per Share Operating Performance

Net asset value, beginning of period	
Investment income -- net	
Realized and unrealized loss on investments -- net	
Total from investment operations	
Less dividends from investment income -- net	
Offering costs resulting from the issuance of Common Stock	
Net asset value, end of period	
Market price per share, end of period	

Total Investment Return**	

Based on net asset value per share	
Based on market price per share	

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(a) Valuation of investments -- Securities that are held by the Fund that are traded on stock exchanges or the NASDAQ National Market are valued at the last sale price or official close price on the exchange on which such securities are traded, as of the close of business on the day the securities are being valued or, lacking any sales, at the last available bid price for long positions, and at the last available ask price for short positions. In cases where securities are traded on more than one exchange, the securities are valued on the exchange designated as the primary market by or under the authority of the Board of the Fund. Long positions in securities traded in the over-the-counter ("OTC") market, NASDAQ Small Cap or Bulletin Board are valued at the last available bid price or yield equivalent obtained from one or more dealers or pricing services approved by the Board of the Fund. Short positions in securities traded in the OTC market are valued at the last available ask price. Portfolio securities that are traded both in the OTC market and on a stock exchange are valued according to the broadest and most representative market. When the Fund writes an option, the amount of the premium received is recorded on the books of the Fund as an asset and an equivalent liability. The amount of the liability is subsequently valued to reflect the current market value of the option written, based on the last sale price in the case of exchange-traded options or, in the case of options traded in the OTC market, the last ask price. Options purchased by the Fund are valued at their last sale price in the case of exchange-traded options or, in the case of options traded in the OTC market, the last bid price. The value of swaps, including interest rate swaps, caps and floors, will be determined by obtaining dealer quotations. Other investments, including futures contracts and related options, are stated at market value. Obligations with remaining maturities of 60 days or less are valued at amortized cost unless the Investment Adviser believes that this method no longer produces fair valuations. Repurchase agreements will be valued at cost plus accrued interest. The Fund employs certain pricing services to provide securities prices for the Fund. Securities and assets for which market quotations are not readily available are valued at fair value as determined in good faith by or under the direction of the Directors of the Fund, including valuations furnished by the pricing services retained by the Fund, which may use a matrix system for valuations. The procedures of a pricing service and its valuations are reviewed by the officers of the Fund under the general supervision of the Directors. Such valuations and procedures will be reviewed periodically by the Directors.

Generally, trading in foreign securities, as well as U.S. government securities and money market instruments, is substantially completed each day at various times prior to the close of business on the NYSE. The values of such securities used in computing the net asset value of the Fund's shares are determined as of such times. Foreign currency exchange rates also are generally determined prior to the close of business on the NYSE. Occasionally, events affecting the values of such securities and such exchange rates may occur between the times at which they are determined and the close of business on the NYSE that may not be reflected in the computation of the Fund's net asset value. If events (for example, a company announcement, market volatility or a natural disaster) occur during such periods that are expected to materially affect the value of such securities, those securities may be valued at their fair value as determined in good faith by the Board of Directors or by the Investment Adviser using a pricing service and/or procedures approved by the Board of Directors.

(b) Derivative financial instruments -- The Fund may engage in various portfolio investment strategies both to increase the return of the Fund and to hedge, or protect, its exposure to interest rate movement and movements in the securities markets. Losses may arise due to changes in the value of the contract or if the counterparty does not perform under the contract.

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Notes to Financial Statements (continued)

- o Options -- The Fund may write and purchase call and put options. When the Fund writes an option, an amount equal to the premium received by the Fund is reflected as an asset and an equivalent liability. The amount of the liability is subsequently marked to market to reflect the current market value of the option written.

When a security is purchased or sold through an exercise of an option, the related premium paid (or received) is added to (or deducted from) the basis of the security acquired or deducted from (or added to) the proceeds of the security sold. When an option expires (or the Fund enters into a closing transaction), the Fund realizes a gain or loss on the option to the extent of the premiums received or paid (or gain or loss to the extent the cost of the closing transaction exceeds the premium paid or received).

Written and purchased options are non-income producing investments.

- o Financial futures contracts -- The Fund may purchase or sell financial futures contracts and options on such futures contracts. Futures contracts are contracts for delayed delivery of securities at a specific future date and at a specific price or yield. Upon entering into a contract, the Fund deposits and maintains as collateral such initial margin as required by the exchange on which the transaction is effected. Pursuant to the contract, the Fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as variation margin and are recorded by the Fund as unrealized gains or losses. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.
- o Swaps -- The Fund may enter into swap agreements, which are over-the-counter contracts in which the Fund and a counterparty agree to make periodic net payments on a specified notional amount. The net payments can be made for a set period of time or may be triggered by a pre-determined credit event. The net periodic payments may be based on a fixed or variable interest rate; the change in market value of a specified security, basket of securities, or index; or the return generated by a security.

(c) Income taxes -- It is the Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no Federal income tax provision is required.

(d) Security transactions and investment income -- Security transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on security transactions are determined on the identified cost basis. Dividend income is recorded on the ex-dividend dates. Interest income is recognized on the accrual basis. The Fund amortizes all premiums and discounts on debt securities.

(e) Offering expenses -- Direct expenses relating to the public offering of the Fund's Common Stock were charged to capital at the time of issuance of the shares.

(f) Dividends and distributions -- Dividends from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates.

(g) Custodian bank -- The Fund recorded an amount payable to the custodian bank

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resulting from a timing difference of security settlements and dividend payments.

2. Investment Advisory Agreement and Transactions with Affiliates:

The Fund has entered into an Investment Advisory Agreement with FAM. The general partner of FAM is Princeton Services, Inc. ("PSI"), an indirect, wholly-owned subsidiary of Merrill Lynch & Co., Inc. ("ML & Co."), which is the limited partner.

FAM is responsible for the management of the Fund's portfolio and provides the necessary personnel, facilities, equipment and certain other services necessary to the operation of the Fund. For such services, the Fund pays a monthly fee at an annual rate of .70% of the Fund's average weekly net assets plus the proceeds of any outstanding principal borrowed. For the period May 30, 2003 to August 31, 2003, FAM earned fees of \$947,588, of which \$504,756 was waived.

CORPORATE HIGH YIELD FUND VI, INC. AUGUST 31, 2003 17

[LOGO] Merrill Lynch Investment Managers

Notes to Financial Statements (concluded)

During the period May 30, 2003 to August 31, 2003, Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"), a subsidiary of ML & Co., received underwriting fees of \$19,067,154 in connection with the issuance of the Fund's Common Stock.

In addition, MLPF&S received \$33,094 in commissions on the execution of portfolio security transactions for the Fund for the period May 30, 2003 to August 31, 2003.

For the period May 30, 2003 to August 31, 2003, the Fund reimbursed FAM \$2,714 for certain accounting services.

Certain officers and/or directors of the Fund are officers and/or directors of FAM, PSI and/or ML & Co.

3. Investments:

Purchases and sales of investments, excluding short-term securities, for the period May 30, 2003 to August 31, 2003 were \$909,335,043 and \$295,909,960, respectively.

Net realized gains for the period May 30, 2003 to August 31, 2003 and net unrealized losses as of August 31, 2003 were as follows:

	Realized Gains	Unrealized Losses
Long-term investments	\$ 835,752	\$(1,668,880)
Total	\$ 835,752	\$(1,668,880)

As of August 31, 2003, net unrealized depreciation for Federal income tax purposes aggregated \$1,745,095, of which \$9,125,373 related to appreciated securities and \$10,870,468 related to depreciated securities. The aggregate cost of investments at August 31, 2003 for Federal income tax purposes was \$614,447,645.

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4. Capital Share Transactions:

The Fund is authorized to issue 200,000,000 shares of capital stock, par value \$.10, all of which were initially classified as Common Stock. The Board of Directors is authorized, however, to classify and reclassify any unissued shares of capital stock without approval of the holders of Common Stock.

Shares issued and outstanding during the period May 30, 2003 to August 31, 2003 increased by 35,275,000 from shares sold.

5. Short-Term Borrowings:

On July 11, 2003, the Fund entered into its \$250,000,000 revolving credit and security agreement with Citibank, N.A. and other lenders (the "Lenders"). Under the revolving credit and security agreement, the Fund may borrow money through (i) a line of credit from certain Lenders at the Eurodollar rate plus .75% or the highest of the Federal Funds rate plus .50%, a base rate as determined by Citibank, N.A. and/or the latest three-week moving average of secondary market morning offering rates in the United States for three-month certificates of deposit of major United States money market banks plus .50%, or (ii) the issuance of commercial paper notes by certain Lenders at rates of interest based upon the weighted average of the per annum rates paid or payable by such Lenders in respect of those commercial paper notes. As security for its obligations to the Lenders under the revolving credit and security agreement, the Fund has granted a security interest in substantially all of its assets to and in favor of the Lenders.

For the period May 30, 2003 to August 31, 2003, the average amount borrowed was approximately \$24,585,000 and the daily weighted average borrowing rate was 1.37%.

6. Distributions to Shareholders:

The Fund paid an ordinary income dividend in the amount of \$.118750 per share on September 30, 2003 to shareholders of record on September 16, 2003.

The tax character of distributions paid during the period May 30, 2003 to August 31, 2003 was as follows:

	5/30/2003+ to 8/31/2003
Distributions paid from:	
Ordinary income	\$7,123,440
Total taxable distributions	\$7,123,440 =====

+ Commencement of operations.

As of August 31, 2003, the components of accumulated earnings on a tax basis were as follows:

Undistributed ordinary income--net	\$ 4,369,469
Undistributed long-term capital gains--net	--
Total undistributed earnings--net	4,369,469
Capital loss carryforward	--
Unrealized losses--net	(1,745,095) *

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Total accumulated earnings--net \$ 2,624,374
=====

* The difference between book-basis and tax-basis net unrealized losses is attributable primarily to the tax deferral of losses on wash sales and the difference between book and tax amortization methods for premium and discounts on fixed income securities.

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Independent Auditors' Report

To the Shareholders and Board of Directors of
Corporate High Yield Fund VI, Inc.:

We have audited the accompanying statement of assets, liabilities and capital, including the schedule of investments, of Corporate High Yield Fund VI, Inc. as of August 31, 2003, the related statements of operations, changes in net assets and cash flows, and the financial highlights for the period May 30, 2003 (commencement of operations) to August 31, 2003. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of August 31, 2003, by correspondence with the custodian. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Corporate High Yield Fund VI, Inc. as of August 31, 2003, the results of its operations, the changes in its net assets, its cash flows, and its financial highlights for the period May 30, 2003 through August 31, 2003, in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP
Princeton, New Jersey
October 22, 2003

CORPORATE HIGH YIELD FUND VI, INC. AUGUST 31, 2003 19

[LOGO] Merrill Lynch Investment Managers

Portfolio Information (unaudited)

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As of August 31, 2003

Ten Largest Holdings

Targeted Return Index
Securities Trust (TRAINS)

Our position in TRAINS evidences the Fund's ownership of representing an ownership interest in a diversified portfolio trust that are placed in custody for TRAINS holders by Lehman. The portfolio consists of 68 high yield bonds with an average

Williams Companies Inc.*

Williams Companies is involved in a number of energy-related activities. Activities include transport and storage of natural gas and related products, as well as oil and gas exploration and production. The company is a refiner of petroleum products and trades energy and related

Morgan Stanley Traded Custody
Receipts (TRACERS)

Our position in TRACERS evidences the Fund's ownership of representing an ownership interest in a diversified portfolio trust placed in custody for TRACERS holders by Morgan Stanley. The portfolio consists of 24 high yield bonds with an average rating of B2/B+.

The AES Corporation*

AES is a worldwide power producer with operations in the United States, Latin America and Asia. Electricity generation and sales are primarily to wholesale customers, although the company has a direct distribution program to end users.

Calpine*

Calpine owns, develops and operates power-generation facilities and is selling electricity in the United States. The company also provides natural gas energy for industrial customers.

Vivendi Universal*

Vivendi is a diversified media company. The company records revenue from producing and distributing television programming and movie production, interactive games and offers communication services.

Qwest*

Qwest provides a broad range of telecommunications services including Internet-based data, voice and image communication, local and long-distance services to residential and business customers. The company also provides Web hosting, high-speed Internet access and networks.

Primedia, Inc.

Primedia, a media company, provides specialized information services to business-to-business and education markets. The company's specialty magazines, technical and trade magazines, information services, supplemental education materials and vocational networks. The company's magazines include Seventeen and New York.

CSC Holdings Inc.

CSC provides telecommunications and entertainment services and operations in multimedia delivery, subscription cable television, professional sports teams and national television. CSC serves cable customers primarily in the New York metropolitan area.

Edison International Inc.

This utility holding company operates electric power generation facilities worldwide through its subsidiaries. The company also is involved in infrastructure projects. Our bonds are primarily at the operating subsidiary.

* Includes combined holdings and/or affiliates.

Portfolio Profile

Quality Ratings by

Percent of

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Standard & Poor's	Long-Term Investments
BBB	2%
BB	23
B	63
CCC	10
CC	1
NR (Not Rated)	1

Five Largest Industries*	Percent of Total Assets
Utilities	10.2%
Chemicals	6.3
Diversified Media	5.9
Manufacturing	5.2
Cable--U.S.	5.1

* For Fund compliance purposes, "Industries" means any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease. These industry classifications are unaudited.

Five Largest Countries*	Percent of Long-Term Investments
Canada	3.4%
France	2.1
Bermuda	1.3
Luxembourg	1.2
Netherlands	1.1

* All holdings are denominated in U.S. dollars.

Foreign Holdings*	Percent of Long-Term Investments
Total Foreign Holdings	12.9%
Emerging Markets Holdings	0

* All holdings are denominated in U.S. dollars.

Average Portfolio Maturity	7.0 years
----------------------------------	-----------

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AUGUST 31, 2003

Automatic Dividend Reinvestment Plan

The following description of the Fund's Automatic Dividend Reinvestment Plan (the "Plan") is sent to you annually as required by Federal securities laws.

Pursuant to the Fund's Plan, unless a holder of Common Stock otherwise elects, all dividend and capital gains distributions will be automatically reinvested by EquiServe (the "Plan Agent"), as agent for shareholders in administering the Plan, in additional shares of Common Stock of the Fund. Holders of Common Stock

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who elect not to participate in the Plan will receive all distributions in cash paid by check mailed directly to the shareholder of record (or, if the shares are held in street or other nominee name then to such nominee) by The Bank of New York, as dividend paying agent. Such participants may elect not to participate in the Plan and to receive all distributions of dividends and capital gains in cash by sending written instructions to The Bank of New York, as dividend paying agent, at the address set forth below. Participation in the Plan is completely voluntary and may be terminated or resumed at any time without penalty by written notice if received by the Plan Agent not less than ten days prior to any dividend record date; otherwise such termination will be effective with respect to any subsequently declared dividend or distribution.

Whenever the Fund declares an income dividend or capital gains distribution (collectively referred to as "dividends") payable either in shares or in cash, non-participants in the Plan will receive cash and participants in the Plan will receive the equivalent in shares of Common Stock. The shares will be acquired by the Plan Agent for the participant's account, depending upon the circumstances described below, either (i) through receipt of additional unissued but authorized shares of Common Stock from the Fund ("newly issued shares") or (ii) by purchase of outstanding shares of Common Stock on the open market ("open-market purchases") on the New York Stock Exchange or elsewhere. If on the payment date for the dividend, the net asset value per share of the Common Stock is equal to or less than the market price per share of the Common Stock plus estimated brokerage commissions (such conditions being referred to herein as "market premium"), the Plan Agent will invest the dividend amount in newly issued shares on behalf of the participant. The number of newly issued shares of Common Stock to be credited to the participant's account will be determined by dividing the dollar amount of the dividend by the net asset value per share on the date the shares are issued, provided that the maximum discount from the then current market price per share on the date of issuance may not exceed 5%. If on the dividend payment date the net asset value per share is greater than the market value (such condition being referred to herein as "market discount"), the Plan Agent will invest the dividend amount in shares acquired on behalf of the participant in open-market purchases.

In the event of a market discount on the dividend payment date, the Plan Agent will have until the last business day before the next date on which the shares trade on an "ex-dividend" basis or in no event more than 30 days after the dividend payment date (the "last purchase date") to invest the dividend amount in shares acquired in open-market purchases. It is contemplated that the Fund will pay monthly income dividends. Therefore, the period during which open-market purchases can be made will exist only from the payment date on the dividend through the date before the next "ex-dividend" date, which typically will be approximately ten days. If, before the Plan Agent has completed its open-market purchases, the market price of a share of Common Stock exceeds the net asset value per share, the average per share purchase price paid by the Plan Agent may exceed the net asset value of the Fund's shares, resulting in the acquisitions of fewer shares than if the dividend had been paid in newly issued shares on the dividend payment date. Because of the foregoing difficulty with respect to open-market purchases, the Plan provides that if the Plan Agent is unable to invest the full dividend amount in open-market purchases during the purchase period or if the market discount shifts to a market premium during the purchase period, the Plan Agent will cease making open-market purchases and will invest the uninvested portion of the dividend amount in newly issued shares at the close of business on the last purchase date determined by dividing the uninvested portion of the dividend by the net asset value per share.

The Plan Agent maintains all shareholders' accounts in the Plan and furnishes written confirmation of all transactions in the account, including information needed by shareholders for tax records. Shares in the account of each Plan participant will be held by the Plan Agent in non-certificated form in the name of the participant, and each shareholder's proxy will include those shares

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purchased or received pursuant to the Plan. The Plan Agent will forward all proxy solicitation materials to participants and vote proxies for shares held pursuant to the Plan in accordance with the instructions of the participants.

CORPORATE HIGH YIELD FUND VI, INC.

AUGUST 31, 2003

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[LOGO] Merrill Lynch Investment Managers

Automatic Dividend Reinvestment Plan (concluded)

In the case of shareholders such as banks, brokers or nominees which hold shares of others who are the beneficial owners, the Plan Agent will administer the Plan on the basis of the number of shares certified from time to time by the record shareholders as representing the total amount registered in the record shareholder's name and held for the account of beneficial owners who are to participate in the Plan.

There will be no brokerage charges with respect to shares issued directly by the Fund as a result of dividends or capital gains distributions payable either in shares or in cash. However, each participant will pay a pro rata share of brokerage commissions incurred with respect to the Plan Agent's open-market purchases in connection with the reinvestment of dividends.

The automatic reinvestment of dividends and distributions will not relieve participants of any Federal, state or local income tax that may be payable (or required to be withheld) on such dividends.

Shareholders participating in the Plan may receive benefits not available to shareholders not participating in the Plan. If the market price plus commissions of the Fund's shares is above the net asset value, participants in the Plan will receive shares of the Fund at less than they could otherwise purchase them and will have shares with a cash value greater than the value of any cash distribution they would have received on their shares. If the market price plus commissions is below the net asset value, participants will receive distributions in shares with a net asset value greater than the value of any cash distribution they would have received on their shares. However, there may be insufficient shares available in the market to make distributions in shares at prices below the net asset value. Also, since the Fund does not redeem shares, the price on resale may be more or less than the net asset value.

The value of shares acquired pursuant to the Plan will generally be excluded from gross income to the extent that the cash amount reinvested would be excluded from gross income. If, when the Fund's shares are trading at a premium over net asset value, the Fund issues shares pursuant to the Plan that have a greater fair market value than the amount of cash reinvested, it is possible that all or a portion of such discount (which may not exceed 5% of the fair market value of the Fund's shares) could be viewed as a taxable distribution. If the discount is viewed as a taxable distribution, it is also possible that the taxable character of this discount would be allocable to all the shareholders, including shareholders who do not participate in the Plan. Thus, shareholders who do not participate in the Plan might be required to report as ordinary income a portion of their distributions equal to their allocable share of the discount.

Experience under the Plan may indicate that changes are desirable. Accordingly, the Fund reserves the right to amend or terminate the Plan. There is no direct service charge to participants in the Plan; however, the Fund reserves the right to amend the Plan to include a service charge payable by the participants.

All correspondence concerning the Plan should be directed to the Plan Agent at

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EquiServe, P.O. Box 43010, Providence, RI 02940-3010, Telephone: 800-426-5523.

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AUGUST 31, 2003

Officers and Directors (unaudited)

Name	Address & Age	Position(s) Held with Fund	Length of Time Served	Principal Occupation(s) During Past 5 Years
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Interested Director

Terry K. Glenn*	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 62	President and Director	2003 to present	President and Chairman of Merrill Lynch Investment Managers, L.P. ("MLIM")/Fund Asset Management, L.P. ("FAM")--Advised Funds since 1999; Chairman (Americas Region) of MLIM from 2000 to 2002; Executive Vice President of MLIM and MLIM (which terms as used herein include their corporate predecessors) from 1983 to 2002; President of FAM Distributors, Inc. ("FAMD") from 1986 to 2002 and Director thereof from 1991 to 2002; Executive Vice President and Director of Princeton Services, Inc. ("Princeton Services") from 1993 to 2002; President of Princeton Administrators, L.P. from 1989 to 2002; Director of Financial Development Services, Inc. since 1985.
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* Mr. Glenn is a director, trustee or member of an advisory board of certain other funds or MLIM acts as investment adviser. Mr. Glenn is an "interested person" as described in the Fund based on his former positions with FAM, MLIM, FAMD, Princeton Services, L.P. The Director's term is unlimited. Directors serve until their resignation, December 31 of the year in which they turn 72. As Fund President, Mr. Glenn serves as a Director.

Independent Directors*

James H. Bodurtha	P.O. Box 9095 Princeton, NJ 08543-9095 Age: 59	Director	2003 to present	Director, The China Business Group, Inc. since 1996 and Executive Vice President thereof from 1996 to 2003; Chairman, Berkshire Holding Corporation since 1980; Partner, Squire, Sanders & Demsey from 1980 to 1993.
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Joe Grills	P.O. Box 9095 Princeton, NJ 08543-9095 Age: 68	Director	2003 to present	Member of the Committee of Investment of Employee Benefit Assets of the Association of Financial Professionals ("CIEBA") since 1991 and its Chairman from 1991 to 1992; Member of the Investment Advisory Committees of the New York Common Retirement Fund since 1991; Member of the Investment Advisory Committee of the Howard Hughes Medical Institute from 1991 to 2000; Director, Duke Management Company since 1992 and Vice Chairman thereof since 1998; Director, LaSalle Street Fund from 1995 to 2000.
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Director, Kimco Realty Corporation since 1998; Member of the Investment Advisory Committee of the Virginia Retirement System since 1998 and Vice Chairman thereof since 2002; Director of the Montpelier Foundation since 1998 and Vice Chairman thereof since 2000; Member of the Investment Committee of the Woodberry Forest School since 2000; Member of the Investment Committee of the National Trust for Historic Preservation since 2000.

CORPORATE HIGH YIELD FUND VI, INC.

AUGUST 31, 2003

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[LOGO] Merrill Lynch Investment Managers

Officers and Directors (unaudited) (continued)

Name	Address & Age	Position(s) Held with Fund	Length of Time Served	Principal Occupation(s) During Past 5 Years

Independent Directors* (concluded)				

Herbert I. London	P.O. Box 9095 Princeton, NJ 08543-9095 Age: 64	Director	2003 to present	John M. Olin Professor of Humanities, New York University since 1993 and Professor thereof since 1980; President of Hudson Institute since 1997 and Trustee thereof since 1980.

Andre F. Perold	P.O. Box 9095 Princeton, NJ 08543-9095 Age: 51	Director	2003 to present	George Gund Professor of Finance and Banking at Harvard Business School since 2000 and a member of the faculty since 1979; Director and Chairman of the Board, UNX, Inc. since 2000; Director, Sanlam Limited and Sanlam Life since 2001; Director, Genbel Securities and Gensler Bank since 1999; Director, Stockback.com from 2002 to 2002; Trustee, Commonfund from 1980 to 2001; Director, Bulldogresearch.com from 2000 to 2001; Director, Sanlam Investment Management from 1999 to 2001; Director, Quantec Limited from 1991 to 1999.

Roberta Cooper Ramo	P.O. Box 9095 Princeton, NJ 08543-9095 Age: 61	Director	2003 to present	Shareholder, Modrall, Sperling, Roehl, Harris & Sisk, P.A. since 1993; Director of Cooper Ramo Inc. since 1999 and Chairman of the Board since 2000; Director of ECMC, Inc. since 2001.

Robert S. Salomon, Jr.	P.O. Box 9095 Princeton, NJ 08543-9095 Age: 66	Director	2003 to present	Principal of STI Management since 1994; Trustee of Commonfund from 1980 to 2001; Regular columnist with Forbes magazine from 1992 to 2001; Director of Rye Country Day School since 2001.

Stephen B.	P.O. Box 9095	Director	2003 to	Chairman, Fernwood Advisors (investment

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Swensrud Princeton, NJ present adviser) since 1996; Principal of Fernwood Associates (financial consultant) since 1988; Chairman of RPP Corporation since 1978; Director, International Mobile Communications Inc. since 1998.
08543-9095
Age: 70

* The Director's term is unlimited. Directors serve until their resignation, removal or the year in which they turn 72.

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Officers and Directors (unaudited) (concluded)

Name	Address & Age	Position(s) Held with Fund	Length of Time Served*	Principal Occupation(s) During Past 5 Years
Fund Officers				
Donald C. Burke	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 43	Vice President and Treasurer	2003 to present	First Vice President of FAM and MLIM since 1999; Senior Vice President and Treasurer of FAM since 1999; Director of FAM since 1999; Director of MLIM since 1999.
B. Daniel Evans	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 59	Vice President	2003 to present	Director (Global Fixed Income) of MLIM since 1995 to 2000.
Elizabeth M. Phillips	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 53	Vice President	2003 to present	Director (Global Fixed Income) of MLIM since 1994 to 2001.
David Clayton	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 36	Secretary	2003 to present	Vice President (Legal Advisory) of MLIM since 1995 to 2000.

* Officers of the Fund serve at the pleasure of the Board of Directors.

Custodian

State Street Bank and Trust Company
P.O. Box 351
Boston, MA 02101

Transfer Agent

EquiServe
P.O. Box 43010
Providence, RI 02940-3010

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NYSE Symbol

HYT

CORPORATE HIGH YIELD FUND VI, INC.

AUGUST 31, 2003

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[LOGO] Merrill Lynch Investment Managers

Electronic Delivery

The Fund is now offering electronic delivery of communications to its shareholders. In order to receive this service, you must register your account and provide us with e-mail information. To sign up for this service, simply access this website <http://www.icsdelivery.com/live> and follow the instructions. When you visit this site, you will obtain a personal identification number (PIN). You will need this PIN should you wish to update your e-mail address, choose to discontinue this service and/or make any other changes to the service. This service is not available for certain retirement accounts at this time.

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CORPORATE HIGH YIELD FUND VI, INC.

AUGUST 31, 2003

[LOGO] Merrill Lynch Investment Managers

www.mlim.ml.com

Corporate High Yield Fund VI, Inc. seeks to provide shareholders with current income by investing primarily in a diversified portfolio of fixed income securities that are rated in the lower rating categories of the established rating services (Ba or lower by Moody's Investors Service, Inc. or BB or lower by Standard & Poor's Corporation) or are unrated securities of comparable quality.

This report, including the financial information herein, is transmitted to shareholders of Corporate High Yield Fund VI, Inc. for their information. It is not a prospectus. The Fund has leveraged its Common Stock to provide Common Stock shareholders with a potentially higher rate of return. Leverage creates risk for Common Stock shareholders, including the likelihood of greater volatility of net asset value and market price of Common Stock shares, and the risk that fluctuations in short-term interest rates may reduce the Common Stock's yield. Past performance results shown in this report should not be considered a representation of future performance. Statements and other information herein are as dated and are subject to change.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available (1) without charge, upon request, by calling toll-free 1-800-MER-FUND (1-800-637-3863); (2) on www.mutualfunds.ml.com; and (3) on the Securities and Exchange Commission's website at <http://www.sec.gov>.

Corporate High Yield Fund VI, Inc.
Box 9011
Princeton, NJ
08543-9011

#COYVI -- 8/03

Item 2 - Did registrant adopt a code of ethics, as of the end of the period

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covered by this report, that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the registrant or a third party? If not, why not? Briefly describe any amendments or waivers that occurred during the period. State here if code of ethics/amendments/waivers are on website and give website address-. State here if fund will send code of ethics to shareholders without charge upon request--

The registrant has adopted a code of ethics, as of the end of the period covered by this report, that applies to the registrant's principal executive officer, principal financial officer and principal accounting officer, or persons performing similar functions. A copy of the code of ethics is available without charge upon request by calling toll-free 1-800-MER-FUND (1-800-637-3863).

- Item 3 - Did the registrant's board of directors determine that the registrant either: (i) has at least one audit committee financial expert serving on its audit committee; or (ii) does not have an audit committee financial expert serving on its audit committee? If yes, disclose name of financial expert and whether he/she is "independent," (fund may, but is not required, to disclose name/independence of more than one financial expert) If no, explain why not. -

The registrant's board of directors has determined that (i) the registrant has the following audit committee financial experts serving on its audit committee and (ii) each audit committee financial expert is independent: (1) Joe Grills, (2) Andre Perold, (3) Robert S. Salomon, Jr., and (4) Stephen B. Swensrud.

- Item 4 - Disclose annually only (not answered until December 15, 2003)

- (a) Audit Fees - Disclose aggregate fees billed for each of the last two fiscal years for professional services rendered by the principal accountant for the audit of the registrant's annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years. N/A.
- (b) Audit-Related Fees - Disclose aggregate fees billed in each of the last two fiscal years for assurance and related services by the principal accountant that are reasonably related to the performance of the audit of the registrant's financial statements and are not reported under paragraph (a) of this Item. Registrants shall describe the nature of the services comprising the fees disclosed under this category. N/A.
- (c) Tax Fees - Disclose aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning. Registrants shall describe the nature of the services comprising the fees disclosed under this category. N/A.
- (d) All Other Fees - Disclose aggregate fees billed in each of the last two fiscal years for products and services provided by the principal accountant, other than the services reported in paragraphs (a) through

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(c) of this Item. Registrants shall describe the nature of the services comprising the fees disclosed under this category. N/A.

- (e) (1) Disclose the audit committee's pre-approval policies and procedures described in paragraph (c) (7) of Rule 2-01 of Regulation S-X. N/A.
- (e) (2) Disclose the percentage of services described in each of paragraphs (b) through (d) of this Item that were approved by the audit committee pursuant to paragraph (c) (7) (i) (C) of Rule 2-01 of Regulation S-X. N/A.
- (f) If greater than 50%, disclose the percentage of hours expended on the principal accountant's engagement to audit the registrant's financial statements for the most recent fiscal year that were attributed to work performed by persons other than the principal accountant's full-time, permanent employees. N/A.
- (g) Disclose the aggregate non-audit fees billed by the registrant's accountant for services rendered to the registrant, and rendered to the registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and any entity controlling, controlled by, or under common control with the adviser that provides ongoing services to the registrant for each of the last two fiscal years of the registrant. N/A.
- (h) Disclose whether the registrant's audit committee has considered whether the provision of non-audit services that were rendered to the registrant's investment adviser (not including any subadviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the registrant that were not pre-approved pursuant to paragraph (c) (7) (ii) of Rule 2-01 of Regulation S-X is compatible with maintaining the principal accountant's independence. N/A.

Item 5 - If the registrant is a listed issuer as defined in Rule 10A-3 under the Exchange Act, state whether or not the registrant has a separately-designated standing audit committee established in accordance with Section 3(a) (58) (A) of the Exchange Act. If the registrant has such a committee, however designated, identify each committee member. If the entire board of directors is acting as the registrant's audit committee in Section 3(a) (58) (B) of the Exchange Act, so state.

If applicable, provide the disclosure required by Rule 10A-3(d) under the Exchange Act regarding an exemption from the listing standards for audit committees. N/A

(Listed issuers must be in compliance with the new listing rules by the earlier of their first annual shareholders meeting after January 2004, or October 31, 2004 (annual requirement))

Item 6 - Reserved

Item 7 - For closed-end funds that contain voting securities in their portfolio, describe the policies and procedures that it uses to determine how to

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vote proxies relating to those portfolio securities.

Proxy Voting Policies and Procedures

Each Fund's Board of Directors/Trustees has delegated to Merrill Lynch Investment Managers, L.P. and/or Fund Asset Management, L.P. (the "Investment Adviser") authority to vote all proxies relating to the Fund's portfolio securities. The Investment Adviser has adopted policies and procedures ("Proxy Voting Procedures") with respect to the voting of proxies related to the portfolio securities held in the account of one or more of its clients, including a Fund. Pursuant to these Proxy Voting Procedures, the Investment Adviser's primary objective when voting proxies is to make proxy voting decisions solely in the best interests of each Fund and its shareholders, and to act in a manner that the Investment Adviser believes is most likely to enhance the economic value of the securities held by the Fund. The Proxy Voting Procedures are designed to ensure that the Investment Adviser considers the interests of its clients, including the Funds, and not the interests of the Investment Adviser, when voting proxies and that real (or perceived) material conflicts that may arise between the Investment Adviser's interest and those of the Investment Adviser's clients are properly addressed and resolved.

In order to implement the Proxy Voting Procedures, the Investment Adviser has formed a Proxy Voting Committee (the "Committee"). The Committee is comprised of the Investment Adviser's Chief Investment Officer (the "CIO"), one or more other senior investment professionals appointed by the CIO, portfolio managers and investment analysts appointed by the CIO and any other personnel the CIO deems appropriate. The Committee will also include two non-voting representatives from the Investment Adviser's Legal department appointed by the Investment Adviser's General Counsel. The Committee's membership shall be limited to full-time employees of the Investment Adviser. No person with any responsibilities for the Investment Adviser's affiliates may serve as a member of the Committee or participate in its decision making (except to the extent such person is asked by the Committee to present information to the Committee, on the same basis as other interested knowledgeable parties not affiliated with the Investment Adviser might be asked to do so). The Committee determines how to vote the proxies of all clients, including a Fund, that have delegated proxy voting authority to the Investment Adviser and seeks to ensure that all votes are consistent with the best interests of those clients and are free from unwarranted and inappropriate influences. The Committee establishes general proxy voting policies for the Investment Adviser and is responsible for determining how those policies are applied to specific proxy votes, in light of each issuer's unique structure, management, strategic options and, in certain circumstances, probable economic and other anticipated consequences of alternate actions. In so doing, the Committee may determine to vote a particular proxy in a manner contrary to its generally stated policies. In addition, the Committee will be responsible for ensuring that all reporting and recordkeeping requirements related to proxy voting are fulfilled.

The Committee may determine that the subject matter of a recurring proxy issue is not suitable for general voting policies and requires a case-by-case determination. In such cases, the Committee may elect not to adopt a specific voting policy applicable to that issue. The Investment Adviser believes that certain proxy voting issues require investment analysis - such as approval of mergers and other significant

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corporate transactions - akin to investment decisions, and are, therefore, not suitable for general guidelines. The Committee may elect to adopt a common position for the Investment Adviser on certain proxy votes that are akin to investment decisions, or determine to permit the portfolio manager to make individual decisions on how best to maximize economic value for a Fund (similar to normal buy/sell investment decisions made by such portfolio managers). While it is expected that the Investment Adviser will generally seek to vote proxies over which the Investment Adviser exercises voting authority in a uniform manner for all the Investment Adviser's clients, the Committee, in conjunction with a Fund's portfolio manager, may determine that the Fund's specific circumstances require that its proxies be voted differently.

To assist the Investment Adviser in voting proxies, the Committee has retained Institutional Shareholder Services ("ISS"). ISS is an independent adviser that specializes in providing a variety of fiduciary-level proxy-related services to institutional investment managers, plan sponsors, custodians, consultants, and other institutional investors. The services provided to the Investment Adviser by ISS include in-depth research, voting recommendations (although the Investment Adviser is not obligated to follow such recommendations), vote execution, and recordkeeping. ISS will also assist the Fund in fulfilling its reporting and recordkeeping obligations under the Investment Company Act.

The Investment Adviser's Proxy Voting Procedures also address special circumstances that can arise in connection with proxy voting. For instance, under the Proxy Voting Procedures, the Investment Adviser generally will not seek to vote proxies related to portfolio securities that are on loan, although it may do so under certain circumstances. In addition, the Investment Adviser will vote proxies related to securities of foreign issuers only on a best efforts basis and may elect not to vote at all in certain countries where the Committee determines that the costs associated with voting generally outweigh the benefits. The Committee may at any time override these general policies if it determines that such action is in the best interests of a Fund.

From time to time, the Investment Adviser may be required to vote proxies in respect of an issuer where an affiliate of the Investment Adviser (each, an "Affiliate"), or a money management or other client of the Investment Adviser (each, a "Client") is involved. The Proxy Voting Procedures and the Investment Adviser's adherence to those procedures are designed to address such conflicts of interest. The Committee intends to strictly adhere to the Proxy Voting Procedures in all proxy matters, including matters involving Affiliates and Clients. If, however, an issue representing a non-routine matter that is material to an Affiliate or a widely known Client is involved such that the Committee does not reasonably believe it is able to follow its guidelines (or if the particular proxy matter is not addressed by the guidelines) and vote impartially, the Committee may, in its discretion for the purposes of ensuring that an independent determination is reached, retain an independent fiduciary to advise the Committee on how to vote or to cast votes on behalf of the Investment Adviser's clients.

In the event that the Committee determines not to retain an independent fiduciary, or it does not follow the advice of such an independent fiduciary, the powers of the Committee shall pass to a subcommittee, appointed by the CIO (with advice from the Secretary of the Committee), consisting solely of Committee members selected by the CIO. The CIO shall appoint to the subcommittee, where appropriate, only persons whose job responsibilities do not include contact with the Client and

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whose job evaluations would not be affected by the Investment Adviser's relationship with the Client (or failure to retain such relationship). The subcommittee shall determine whether and how to vote all proxies on behalf of the Investment Adviser's clients or, if the proxy matter is, in their judgment, akin to an investment decision, to defer to the applicable portfolio managers, provided that, if the subcommittee determines to alter the Investment Adviser's normal voting guidelines or, on matters where the Investment Adviser's policy is case-by-case, does not follow the voting recommendation of any proxy voting service or other independent fiduciary that may be retained to provide research or advice to the Investment Adviser on that matter, no proxies relating to the Client may be voted unless the Secretary, or in the Secretary's absence, the Assistant Secretary of the Committee concurs that the subcommittee's determination is consistent with the Investment Adviser's fiduciary duties

In addition to the general principles outlined above, the Investment Adviser has adopted voting guidelines with respect to certain recurring proxy issues that are not expected to involve unusual circumstances. These policies are guidelines only, and the Investment Adviser may elect to vote differently from the recommendation set forth in a voting guideline if the Committee determines that it is in a Fund's best interest to do so. In addition, the guidelines may be reviewed at any time upon the request of a Committee member and may be amended or deleted upon the vote of a majority of Committee members present at a Committee meeting at which there is a quorum.

The Investment Adviser has adopted specific voting guidelines with respect to the following proxy issues:

- o Proposals related to the composition of the Board of Directors of issuers other than investment companies. As a general matter, the Committee believes that a company's Board of Directors (rather than shareholders) is most likely to have access to important, nonpublic information regarding a company's business and prospects, and is therefore best-positioned to set corporate policy and oversee management. The Committee, therefore, believes that the foundation of good corporate governance is the election of qualified, independent corporate directors who are likely to diligently represent the interests of shareholders and oversee management of the corporation in a manner that will seek to maximize shareholder value over time. In individual cases, the Committee may look at a nominee's history of representing shareholder interests as a director of other companies or other factors, to the extent the Committee deems relevant.
- o Proposals related to the selection of an issuer's independent auditors. As a general matter, the Committee believes that corporate auditors have a responsibility to represent the interests of shareholders and provide an independent view on the propriety of financial reporting decisions of corporate management. While the Committee will generally defer to a corporation's choice of auditor, in individual cases, the Committee may look at an auditors' history of representing shareholder interests as auditor of other companies, to the extent the Committee deems relevant.
- o Proposals related to management compensation and employee benefits. As a general matter, the Committee favors disclosure of an issuer's compensation and benefit policies and opposes excessive compensation, but believes that compensation matters are normally best determined by an issuer's board of directors, rather than shareholders. Proposals to "micro-manage" an issuer's compensation practices or to set arbitrary restrictions on compensation or benefits will, therefore, generally not be

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supported.

- o Proposals related to requests, principally from management, for approval of amendments that would alter an issuer's capital structure. As a general matter, the Committee will support requests that enhance the rights of common shareholders and oppose requests that appear to be unreasonably dilutive.
- o Proposals related to requests for approval of amendments to an issuer's charter or by-laws. As a general matter, the Committee opposes poison pill provisions.
- o Routine proposals related to requests regarding the formalities of corporate meetings.
- o Proposals related to proxy issues associated solely with holdings of investment company shares. As with other types of companies, the Committee believes that a fund's Board of Directors (rather than its shareholders) is best-positioned to set fund policy and oversee management. However, the Committee opposes granting Boards of Directors authority over certain matters, such as changes to a fund's investment objective, that the Investment Company Act envisions will be approved directly by shareholders.
- o Proposals related to limiting corporate conduct in some manner that relates to the shareholder's environmental or social concerns. The Committee generally believes that annual shareholder meetings are inappropriate forums for discussion of larger social issues, and opposes shareholder resolutions "micromanaging" corporate conduct or requesting release of information that would not help a shareholder evaluate an investment in the corporation as an economic matter. While the Committee is generally supportive of proposals to require corporate disclosure of matters that seem relevant and material to the economic interests of shareholders, the Committee is generally not supportive of proposals to require disclosure of corporate matters for other purposes.

Item 8 -- Reserved

Item 9(a) - The registrant's certifying officers have reasonably designed such disclosure controls and procedures to ensure material information relating to the registrant is made known to us by others particularly during the period in which this report is being prepared. The registrant's certifying officers have determined that the registrant's disclosure controls and procedures are effective based on our evaluation of these controls and procedures as of a date within 90 days prior to the filing date of this report.

Item 9(b) -- There were no significant changes in the registrant's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Item 10 - Exhibits

10(a) - Attach code of ethics or amendments/waivers, unless code of ethics or amendments/waivers is on website or offered to shareholders upon request without charge. N/A.

10(b) - Attach certifications pursuant to Section 302 of the Sarbanes-Oxley Act.

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Attached hereto.

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Corporate High Yield Fund VI, Inc.

By: /s/ Terry K. Glenn

Terry K. Glenn,
President of
Corporate High Yield Fund VI, Inc.

Date: October 24, 2003

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Terry K. Glenn

Terry K. Glenn,
President of
Corporate High Yield Fund VI, Inc.

Date: October 24, 2003

By: /s/ Donald C. Burke

Donald C. Burke,
Chief Financial Officer of
Corporate High Yield Fund VI, Inc.

Date: October 24, 2003

Attached hereto as a furnished exhibit are the certifications pursuant to Section 906 of the Sarbanes-Oxley Act.