FORM 485BPOS

Post-effective amendments [Rule 485(b)]

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FILER

VANGUARD INSTITUTIONAL PORTFOLIOS INC

CIK:**846591**| State of Incorp.:**MD** | Fiscal Year End: **1130**
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Business Address
1300 MORRIS DR
P O BOX 2600
VALLEY FORGE PA 19482
2156691000

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form N-1A

REGISTRATION STATEMENT (NO. 33-27055) UNDER THE
SECURITIES ACT OF 1933
Pre-Effective Amendment No.
Post-Effective Amendment No. 5
and
REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940
Amendment No. 4
VANGUARD INSTITUTIONAL PORTFOLIOS, INC.
(Exact Name of Registrant as Specified in Charter)

1200 Morris Drive, P.O. Box 2600, Valley Forge, PA 19482
(Address of Principal Executive Office)
Registrant's Telephone Number (215) 648-6000
Raymond J. Klapinsky, Esquire
P.O. Box 876
Valley Forge, PA 19482

It is proposed that the amendment become effective on March 4, 1994, pursuant to paragraph (b) of Rule 485 of the Securities Act of 1933.

Approximate Date of Proposed Public Offering: As soon as practicable after this Registration Statement becomes effective*.

Registrant elects to register an indefinite number of shares pursuant to Regulation 24f-2 under the Investment Company Act of 1940. Registrant filed its Rule 24f-2 Notice for the year ended November 30, 1993 on January 25, 1994.

VANGUARD INSTITUTIONAL PORTFOLIOS, INC.
CROSS REFERENCE SHEET

FORM N-1A ITEM NUMBER   LOCATION IN PROSPECTUS
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Item 2.   Synopsis -- Not Applicable
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Item 6.   Capital Stock and Other Securities -- Opening an Account and Purchasing Shares; Selling Your Shares; The Portfolio Share Price; Dividends and Taxes; General Information
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Item 21. Underwriters -- Not Applicable
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THE VANGUARD GROUP
OF INVESTMENT
COMPANIES
INSTITUTIONAL INVESTOR SERVICES

Vanguard Financial Center
P.O. Box 2900
Valley Forge, PA 19482

PARTICIPANT SERVICES:
1-800-523-1188

TRANSFER AGENT:
The Vanguard Group, Inc.
Vanguard Financial Center
Valley Forge, PA 19482

P R O S P E C T U S
MARCH 8, 1994

A Member of The Vanguard Group

PROSPECTUS -- MARCH 8, 1994

NEW ACCOUNT INFORMATION: 1-800-523-1188

INVESTMENT OBJECTIVE AND POLICIES

Vanguard Institutional Money Market Portfolio (the "Portfolio") is an open-end diversified investment company. Designed primarily for institutional investors, the Portfolio's objective is to provide the maximum current income that is consistent with the preservation of capital and liquidity by investing in specified money market instruments. The Portfolio seeks to maintain a constant net asset value of $1.00 per share. ALTHOUGH THE PORTFOLIO INVESTS IN HIGH-QUALITY INSTRUMENTS, AN INVESTMENT IN THE PORTFOLIO IS NEITHER INSURED NOR GUARANTEED BY THE U.S. GOVERNMENT AND THERE CAN BE NO ASSURANCE THAT THE PORTFOLIO WILL BE ABLE TO MAINTAIN A STABLE NET ASSET VALUE OF $1.00 PER SHARE.

The Portfolio is an independent series of Vanguard Institutional Portfolios, Inc. (the Company). The Company is currently offering shares of one series.

OPENING AN ACCOUNT

Shares of the Portfolio may be purchased by Federal Funds wire. The minimum initial investment is $10 million.

ABOUT THIS PROSPECTUS

This Prospectus is designed to set forth concisely the information an investor should know about the Portfolio before investing. It should be retained for future reference. A "Statement of Additional Information" containing additional information about the Portfolio has been filed with the Securities and Exchange Commission. This Statement is dated March 8, 1994 and has been incorporated by reference into this Prospectus. A copy may be obtained without charge by writing to or calling Vanguard at 1-800-523-1188.

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THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

PORTFOLIO EXPENSES

The following table illustrates ALL expenses and fees that a shareholder of the Portfolio would incur. The expenses set forth below are for the 1993 fiscal year.

SHAREHOLDER TRANSACTION EXPENSES

Sales Load Imposed on Purchases	None
Sales Load Imposed on Reinvested Dividends	None
Redemption Fees*	None
Exchange Fees	None

ANNUAL FUND OPERATING EXPENSES

Management & Administrative Expenses		0.08%
Investment Advisory Fees		0.01
12b-1 Fees		None
Other Expenses		
Distribution Costs	0.03	
Miscellaneous Expenses	0.03	
Total Other Expenses		0.06
TOTAL OPERATING EXPENSES		0.15%

*Wire redemptions of less than $5,000 are subject to a $5 processing fee.

The purpose of this table is to assist an investor in understanding the various expenses that an investor in the Portfolio would bear directly or indirectly.

The following example illustrates the expenses that an investor would incur on a $1,000 investment over various periods, assuming (1) a 5% annual rate of return and (2) redemption at the end of each period. As noted in the table above, the Portfolio charges no redemption fees of any kind.

1 YEAR	3 YEARS	5 YEARS	10 YEARS
$2	$5	$8	$19

THIS EXAMPLE SHOULD NOT BE CONSIDERED A REPRESENTATION OF PAST OR FUTURE EXPENSES OR PERFORMANCE. ACTUAL EXPENSES MAY BE HIGHER OR LOWER THAN THOSE SHOWN.

FINANCIAL HIGHLIGHTS

The following financial highlights for a share outstanding throughout each period presented, have been audited by Price Waterhouse, independent accountants, whose report thereon was unqualified. This information should be read in conjunction with the financial statements and notes thereto, which are incorporated by reference in the Statement of Additional Information and this Prospectus, and which appear, along with the report of Price Waterhouse, in the Vanguard Institutional Money Market Portfolio's 1993 Annual Report to Shareholders. For a more complete discussion of the Portfolio's performance, please see the Portfolio's 1993 Annual Report to Shareholders, which may be obtained without charge by writing to the Portfolio or by calling Institutional Participant Services at 1-800-523-1188.

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	YEAR ENDED NOVEMBER 30,				OCT. 3,1989*
	1993	1992	1991	1990	TO NOV. 30, 1989
<S>	<C>	<C>	<C>	<C>	<C>
NET ASSET VALUE, BEGINNING OF PERIOD	$1.00	$1.00	$1.00	$1.00	$1.00
INVESTMENT OPERATIONS					
Net Investment Income	.031	.040	.063	.082	.014
Net Realized and Unrealized Gain on Investments	--	--	--	--	--
TOTAL FROM INVESTMENT OPERATIONS	.031	.040	.063	.082	.014
DISTRIBUTIONS					
Dividends from Net Investment Income	(.031)	(.040)	(.063)	(.082)	(.014)
Distributions from Realized Capital Gains	--	--	--	--	--
TOTAL DISTRIBUTIONS	(.031)	(.040)	(.063)	(.082)	(.014)

NET ASSET VALUE, END OF PERIOD	$1.00	$1.00	$1.00	$1.00	$1.00
TOTAL RETURN	3.19%	4.02%	6.52%	8.49%	1.40%
RATIOS/SUPPLEMENTAL DATA					
Net Assets, End of Period (Millions)	$306	$269	$218	$91	$69
Ratio of Expenses to Average Net Assets	.15%	.15%	.15%	.15%	.15%**
Ratio of Net Investment Income to Average Net Assets	3.14%	3.93%	6.14%	8.24%	8.90%**

<FN>
*Commencement of operations.
**Annualized.
</TABLE>

YIELD AND TOTAL RETURN

From time-to-time the Portfolio may advertise its yield and total return. Both yield and total return figures are based on historical earnings and are not intended to indicate future performance. The "total return" of the Portfolio refers to the average annual compounded rates of return over one-, five- and ten-year periods or over the life of the Portfolio (as stated in the advertisement) that would equate an initial amount invested at the beginning of a stated period to the ending redeemable value of the investment, assuming the reinvestment of all dividends and distributions.

The "seven-day" or "current" yield of the Portfolio reflects the income earned by a hypothetical account in the Portfolio during a seven-day period, expressed as an annual percentage rate. The "effective yield" of the Portfolio assumes the income over the seven-day period is reinvested weekly, resulting in a slightly higher stated yield through compounding. Methods used to calculate advertised yields are standardized for all money market funds. However, these methods differ from the accounting methods used by the Portfolio to maintain its books and records, and so advertised yields may not fully reflect the income paid to a shareholder's account or the yield reported in the Portfolio's Annual Report.

INVESTMENT OBJECTIVE

The Portfolio is designed primarily for institutional investors. The Portfolio's objective is to provide the maximum current income that is consistent with the preservation of capital and liquidity by investing in specified money market instruments. The Portfolio also seeks to maintain a constant net asset value of $1.00 per share.

INVESTMENT POLICIES

THE PORTFOLIO INVESTS IN HIGH QUALITY MONEY MARKET SECURITIES

The Portfolio will invest in the following high-quality money market obligations issued by financial institutions, non-financial corporations, the U.S. Government, its agencies and instrumentalities and state and municipal governments and their agencies or instrumentalities:

(1) Negotiable certificates of deposit and bankers' acceptances of U.S. banks having total assets in excess of $1 billion.

(2) Commercial paper (including variable amount master demand notes) rated Prime-1 by Moody's Investors Services, Inc. or A-1 by Standard & Poor's Corporation or, if unrated, issued by a corporation having an outstanding debt issue rated Aa3 or better by Moody's or AA- or better by Standard & Poor's.

(3) Short-term corporate obligations rated Aa3 or better by Moody's or AA- or better by Standard & Poor's.

(4) Eurodollar and Yankee bank obligations. Eurodollar bank obligations are dollar-denominated certificates of deposit or time deposits issued outside the U.S. by the foreign branches of U.S. banks and by foreign banks; Yankee bank obligations are dollar-denominated obligations issued in the U.S. by foreign banks.

(5) United States Treasury obligations including bills, notes, bonds, and other debt obligations issued by the United States Treasury. These securities are backed by the full faith and credit of the U.S. Government.

(6) Securities issued or guaranteed by agencies and instrumentalities of the U.S. Government. These include securities issued by the Federal Home Loan Bank, Federal Land Bank, Farmers Home Administration, Farm Credit Bank, Federal Intermediate Credit Bank, Federal National Mortgage Association, Federal Financing Bank, Tennessee Valley Authority, and others. Such "agency" securities may not be backed by the full faith and credit of the U.S. Government.

(7) Repurchase agreements collateralized by the securities listed in (5) and (6) above.

In addition, up to 10% of the Portfolio's net assets may be invested in "restricted" money market securities, which are not freely marketable or which are subject to restrictions on disposition under the Securities Act of 1933. As an operational policy, the Portfolio will not, in the aggregate, enter into repurchase agreements maturing in more than seven days, purchase restricted securities, or invest in any other illiquid securities if, as a result, more than 10% of the net assets of the Portfolio would be invested in such assets.

The Portfolio invests in money market instruments that mature in 13 months or less. The Portfolio will also maintain an average weighted maturity of 90 days or less.

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IMPLEMENTATION OF POLICIES

THE PORTFOLIO MAY INVEST IN REPURCHASE AGREEMENTS

The Portfolio may invest in repurchase agreements according to the restrictions and limitations set forth above in "Investment Policies." A repurchase agreement is a means of investing monies for a short period. In a repurchase agreement, a seller -- a U.S. commercial bank or recognized U.S. securities dealer -- sells securities to the Portfolio and agrees to repurchase the securities at the Portfolio's cost plus interest within a specified period (normally one day). In these transactions, the securities purchased by the Portfolio will have a total value equal to or in excess of the value of the repurchase agreement, and will be held by the Portfolio's Custodian Bank until repurchased.

The use of repurchase agreements involves certain risks. For example, if the seller of the agreement defaults on its obligation to repurchase the underlying securities at a time when the value of these securities has declined, the Portfolio may incur a loss upon disposition of them. If the seller of the agreement becomes insolvent and subject to liquidation or reorganization under the bankruptcy code or other laws, a bankruptcy court may determine that the underlying securities are collateral not within the control of the Portfolio and therefore subject to sale by the trustee in bankruptcy. Finally, it is possible that the Portfolio may not be able to substantiate its interest in the underlying securities. While the Portfolio's management acknowledges these risks, it is expected that they can be controlled through stringent security selection and careful monitoring.

THE PORTFOLIO MAY INVEST IN EURODOLLAR OR YANKEE OBLIGATIONS

Eurodollar bank obligations are dollar-denominated certificates of deposit or time deposits issued outside the U.S. capital markets by the foreign branches of U.S. banks and by foreign banks. Yankee bank obligations are dollar-denominated obligations issued in the U.S. capital markets by foreign banks.

Eurodollar and Yankee obligations are subject to the same risks that pertain to domestic issues, notably credit risk, market risk and liquidity risk. Additionally, Eurodollar (and to a limited extent, Yankee) obligations are subject to certain sovereign risks. One such risk is the possibility that a foreign government might prevent dollar-denominated funds from flowing across its borders. Other risks include: adverse political and economic developments in a foreign country; the extent and quality of government regulation of financial markets and institutions; the imposition of foreign withholding taxes; and expropriation or nationalization of foreign issuers. However, Eurodollar and Yankee obligations will undergo the same credit analysis as domestic issues in which the Portfolio invests, and foreign issuers will be required to meet the same tests of financial strength as the domestic issuers approved for the Portfolio.

PORTFOLIO TURNOVER WILL BE HIGH

The Portfolio is expected to have a high portfolio turnover rate due to the short maturities of the securities purchased. However, this high turnover rate should not increase the Portfolio's costs since brokerage commissions are not normally charged on the purchase or sale of money market instruments.

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INVESTMENT LIMITATIONS

The Portfolio has adopted certain limitations designed to reduce its risk exposure. These limitations include the following:

THE PORTFOLIO HAS ADOPTED CERTAIN FUNDAMENTAL LIMITATIONS

(a) The Portfolio will not invest more than 5% of its assets in the securities of any single company, excluding obligations of the United States Government.

(b) The Portfolio will not purchase more than 10% of any class of securities of any issuer.

(c) The Portfolio will not invest more than 25% of its assets in any one industry, excluding obligations of the United States Government or certificates of deposit or banker's acceptances of domestic institutions.

(d) The Portfolio will not borrow money except for emergency purposes and then not in excess of 15% of total assets.

These investment limitations are considered at the time investment securities are purchased. The limitations described here and in the Statement of Additional Information may be changed only with the approval of a majority of the Portfolio's shareholders.

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MANAGEMENT OF THE PORTFOLIO

VANGUARD ADMINISTERS AND DISTRIBUTES THE PORTFOLIO

The Portfolio is a member of The Vanguard Group of Investment Companies, a family of 32 investment companies with 77 distinct investment portfolios and total assets in excess of $120 billion. Through their jointly owned subsidiary, The Vanguard Group, Inc. ("Vanguard"), the Fund and the other funds in the Group obtain at cost virtually all of their corporate management, administrative, shareholder accounting and distribution services. Vanguard also provides investment advisory services on an at-cost basis to certain Vanguard funds. As a result of Vanguard's unique corporate structure, the Vanguard funds have costs substantially lower than those of most competing mutual funds. In 1993, the average expense ratio (annual costs including advisory fees divided by total net assets) for the Vanguard funds amounted to approximately .30% compared to an average of 1.02% for the mutual fund industry (data provided by Lipper Analytical Services).

The Officers of the Portfolio manage its day-to-day operations and are responsible to the Portfolio's Board of Directors. The Directors set broad policies for the Portfolio and choose its Officers. A list of Directors and Officers of the Portfolio and a statement of their present positions and principal occupations during the past five years can be found in the Statement of Additional Information.

Vanguard employs a supporting staff of management and administrative personnel needed to provide the requisite services to the funds and also furnishes the funds with necessary office space, furnishings and equipment. Each fund pays its share of Vanguard's total expenses, which are allocated among the funds under methods approved by the Board of Directors (Trustees) of each fund. In addition, each fund bears its own direct expenses, such as legal, auditing and custodian fees.

Vanguard also provides distribution and marketing services to the Vanguard funds. The funds are available on a no-load basis (i.e., there are no sales commissions or 12b-1 fees). However, each fund bears its share of the Group's distribution costs.

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INVESTMENT ADVISER

VANGUARD MANAGES THE PORTFOLIO'S INVESTMENTS

The Portfolio receives all investment advisory services on an at-cost basis from Vanguard's Fixed Income Group. The Group also provides investment advisory services to 34 other Vanguard money market and bond portfolios, both taxable and tax-exempt. Total assets under management by Vanguard's Fixed Income Group were $52 billion as of December 31, 1993. The Fixed Income Group is supervised by the Officers of the Portfolio. Ian A. MacKinnon, Senior Vice President of Vanguard, has been in charge of the Group since its inception in 1981.

The Fixed Income Group manages the investment and reinvestment of the assets of the Portfolio and continuously reviews, supervises and administers the Portfolio's investment program, subject to the maturity and quality standards specified in this Prospectus and supplemental guidelines approved by the Board of Directors. The Fixed Income Group's selection of investments for the Portfolio is based on: (a) continuing credit analysis of those instruments held in the Portfolio and those being considered for inclusion therein; (b) possible disparities in yield relationships between different money market instruments; and (c) actual or anticipated movements in the general level of interest rates.

The Fixed Income Group is also responsible for the allocation of principal business and portfolio brokerage and the negotiation of commissions. The purchase and sale of investment securities will ordinarily be principal transactions. Portfolio securities will normally be purchased directly from the issuer or from an underwriter or market maker for the securities. There usually will be no brokerage commissions paid by the Portfolio for securities purchased directly from an issuer. Purchases from underwriters of securities will include a commission or concession paid by the issuer to the underwriter. Purchases from dealers serving as market makers will include a dealer's mark-up.

In purchasing and selling securities, it is the Portfolio's policy to seek to obtain quality execution at the most favorable prices through responsible broker-dealers. In selecting broker-dealers to execute the securities transactions for the Portfolio, consideration will be given to such factors as: the price of the security; the rate of the commission; the size and difficulty of the order; the reliability, integrity, financial condition, general execution and operational capabilities of competing broker-dealers; and the brokerage and research services provided to the Portfolio.

DIVIDENDS AND TAXES

DIVIDENDS ARE PAID ON THE FIRST BUSINESS DAY OF EACH MONTH

The Portfolio's dividends are accrued daily and are distributed on the first business day of the month. The Portfolio's dividends will be automatically reinvested in additional shares unless the Portfolio is notified otherwise.

The Portfolio's dividends are computed and declared as of the regular close of the New York Stock Exchange (generally 4:00 p.m. Eastern time) each day, and are payable to shareholders of record as of 12:00 noon (Eastern time) on that day. In other words, shareholders whose purchases of shares are effective as of 12:00 noon will receive the dividend for that day. See "Dividend and Trade Date Policy" for more information about the crediting of dividends.

Net realized short-term capital gains of the Portfolio, if any, will be distributed whenever the Directors determine that such distributions would be in the best interest of shareholders, but in any event at least once a year. The Portfolio does not expect to realize any long-term capital gains. Should any such gains be realized, they will be distributed annually.

In addition, in order to satisfy certain distribution requirements of the Tax Reform Act of 1986, the Fund may declare special or regular year-end dividend and capital gains distributions during December. Such distributions, if received by shareholders by January 31, are deemed to have been paid by the Fund and received by shareholders on December 31 of the prior year.

DIVIDENDS WILL BE SUBJECT TO FEDERAL INCOME TAX

The Portfolio intends to continue to qualify for taxation as a "regulated investment company" under the Internal Revenue Code so that it will not be subject to federal income tax to the extent its income is distributed to shareholders. Dividends paid by the Portfolio from net investment income, whether received in cash or reinvested in additional shares, will be taxable to shareholders as ordinary income. For corporate investors, dividends from net investment income will not qualify for the intercorporate dividends-received deduction.

Although the Portfolio does not expect to distribute any long-term capital gains, any capital gains distribution made by the Portfolio would be subject to federal income tax. Such distributions would not qualify for the intercorporate dividends-received deduction.

A sale of shares of the Portfolio, either by redemption or exchange, is a taxable event, and may result in a capital gain or loss. However, since the Portfolio seeks to maintain a constant $1.00 share price for both purchases and redemptions, shareholders are not expected to realize a capital gain or loss upon sale.

Dividend distributions, any capital gains distributions, and any capital gains or losses from redemptions and exchanges may be subject to state and local taxes. However, depending on a state's tax rules, the portion of the Portfolio's income derived from direct U.S. Treasury obligations may be exempt from state and local taxes. Vanguard will indicate each year the portion of the Portfolio's income, if any, that may qualify for this exemption.

The Portfolio is required to withhold 31% of taxable dividends, capital gains distributions, and redemptions paid to shareholders who have not complied with IRS taxpayer identification regulations. This withholding requirement may be avoided by certifying on the Account Registration Form the appropriate Taxpayer Identification Number and by certifying that backup withholding does not apply.

The Portfolio has obtained a Certificate of Authority to do business as a foreign corporation in Pennsylvania, and does business and maintains an office in that state. In the opinion of counsel, the shares of the Portfolio will be exempt from Pennsylvania personal property taxes.

The tax discussion set forth above is included for general information only. Prospective investors should consult their own tax advisers concerning the tax consequences of an investment in the Portfolio. The Portfolio is managed without regard to tax ramifications.

SHARE PRICE DETERMINATION

The Portfolio's share price or "net asset value" per share is calculated daily at the regular close of trading on the New York Stock Exchange (the "Exchange"), generally 4:00 p.m. Eastern time. The Portfolio determines its net asset value per share by subtracting the Portfolio's liabilities (including accrued expenses and dividends payable) from the total value of the Portfolio's investments and other assets and dividing the result by the total outstanding shares of the Portfolio.

For the purpose of calculating the Portfolio's net asset value per share, securities are valued by the "amortized cost" method of valuation, which does not take into account unrealized gains or losses. This involves valuing an instrument at its cost and thereafter assuming a constant amortization to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of the instrument. While this method provides certainty in valuation, it may result in periods during which value, as determined by amortized cost, is higher or lower than the price the Portfolio would receive if it sold the instrument.

The use of amortized cost and the maintenance of the

Portfolio's per share net asset value at $1.00 is based on its election to operate under the provisions of Rule 2a-7 under the Investment Company Act of 1940. As a condition of operating under that rule, the Portfolio must maintain a dollar-weighted average portfolio maturity of 90 days or less, purchase only instruments having remaining maturities of 13 months or less, and invest only in securities which are determined by the Directors to present minimal credit risks and which are of high-quality as determined by any major rating service, or in the case of any instrument not so rated, considered by the Directors to be of comparable quality.

The Directors have also agreed to establish procedures reasonably designed, taking into account current market conditions and the Portfolio's investment objective, to stabilize the net asset value per share as computed for the purposes of sales and redemptions at $1.00. These procedures include periodic review, as the Directors deem appropriate and at such intervals as are reasonable in light of current market conditions, of the relationship between the amortized cost value per share and a net asset value per share based upon available indications of market value. In such a review, investments for which market quotations are readily available are valued at the most recent bid price or quoted yield equivalent for such securities or for securities of comparable maturity, quality and type as obtained from one or more of the major market makers for the securities to be valued. Other investments and assets are valued at fair value, as determined in good faith by the Directors.

In the event of a deviation of over 1/2 of 1% between the Portfolio's net asset value based upon available market quotations or market equivalents and $1.00 per share based on amortized cost, the Directors will promptly consider what action, if any, should be taken. The Directors will also take such action as they deem appropriate to eliminate or to reduce to the extent reasonably practicable any material dilution or other unfair results which might arise from

differences between the two. Such action may include redeeming shares in kind, selling instruments prior to maturity to realize capital gains or losses or to shorten average maturity, withholding dividends, paying distributions from capital or capital gains, or utilizing a net asset value per share based upon available market quotations.

GENERAL INFORMATION

The Portfolio, Vanguard Institutional Money Market Portfolio, is a class of shares offered by Vanguard Institutional Portfolios, Inc., a Maryland corporation established under Articles of Incorporation dated December 15, 1988. The Articles of Incorporation permit the Directors to issue 20,000,000,000 shares of common stock, with a $.001 par value. The Board of Directors has the power to designate one or more classes ("Portfolios") of shares of common stock and to classify or reclassify any unissued shares with respect to such Portfolios. Currently, the Company is offering shares of one Portfolio.

The shares of the Portfolio are fully paid and non-assessable; have no preference as to conversion, exchange, dividends, retirement or other features; and have no pre-emptive rights. The shares of the Portfolio have non-cumulative voting rights, meaning that the holders of more than 50% of the shares voting for the election of Directors can elect 100% of the Directors if they choose to do so.

Annual meetings of shareholders will not be held except as required by the Investment Company Act of 1940 and other applicable law. An annual meeting will be held to vote on the removal of a Director or Directors of the Portfolio if requested in writing by holders of not less than 10% of the outstanding shares of the Portfolio.

CoreStates Bank, N.A., Philadelphia, PA, has been retained to act as Custodian of the assets of the Portfolio. The Vanguard Group, Inc., Valley Forge, PA, serves as the Portfolio's Transfer and Dividend Disbursing Agent. Price Waterhouse serves as independent accountants for the Portfolio and will audit its financial statements annually. The Portfolio is not involved in any litigation.

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SHAREHOLDER GUIDE

OPENING AN ACCOUNT AND PURCHASING SHARES

To open a new account, complete an Account Registration Form and mail it to:

VANGUARD FINANCIAL CENTER
VANGUARD INSTITUTIONAL MONEY MARKET PORTFOLIO
ATTN: INSTITUTIONAL INVESTOR SERVICES
P.O. BOX 1472
VALLEY FORGE, PA 19482

For express or registered mail, send your registration form to: Vanguard Financial Center, Vanguard Institutional Money Market Portfolio, Attn: Institutional Investor Services, 100 Vanguard Boulevard, Malvern, PA 19355.

Once the account has been opened, Vanguard will assign an Institutional Investor Services Representative for future account transactions.

Shares of the Portfolio may be purchased by Federal Funds wire. The minimum initial investment for the Portfolio is $10 million. Please contact your Institutional Investor Services Representative or call the Vanguard Group at 1-800-523-1188 to notify the Portfolio of the intended investment and to receive an account number. Wiring instructions are provided below.

Subsequent investments of $5 million or more will qualify for dividends on the date of purchase if Vanguard is notified one business day in advance of the intended purchase, and a Federal Funds wire is received by the close of the New York Stock Exchange (generally 4:00 p.m. Eastern time) on the date of purchase. See "Dividend and Trade Date Policy".

ADDITIONAL INVESTMENTS

Please contact your Institutional Investor Services Representative

Additional investments may be made at any time by wiring monies to Vanguard. As noted above, subsequent investments of $5 million or more require prior day notification to qualify for dividends on the date of purchase. To ensure prompt investment, please notify your Institutional Investor Services Representative in advance of the wire.

PURCHASING BY WIRE

BEFORE WIRING
Please contact your Institutional Investor Services Representative

Monies should be wired to:

CORESTATES BANK, N.A.
ABA 031000011
CORESTATES NO 0144 6936
ATTN VANGUARD
VANGUARD INSTITUTIONAL MONEY MARKET PORTFOLIO
ACCOUNT NUMBER
ACCOUNT REGISTRATION

To ensure proper receipt, please be sure to include in the wiring instructions the complete Portfolio name and the account number Vanguard has assigned. NOTE: Federal Funds wire purchase orders will be accepted only when the Portfolio and Custodian Bank are open for business.

PURCHASING BY EXCHANGE (from a Vanguard account)

Purchases may also be made by exchange from an existing Vanguard Fund account. However, the Portfolio reserves the right to refuse any exchange purchase request. Please call your Institutional Investor Services Representative or call Participant Services at 1-800-523-1188 for more information.

DIVIDEND DISTRIBUTIONS

Dividend distributions paid by the Portfolio will be automatically reinvested in additional Portfolio shares. A cash dividend option is also available from the Portfolio. Please contact your Institutional Investor Services Representative for further information.

CERTIFICATES

Share certificates will not be issued for the Portfolio.

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DIVIDEND AND TRADE DATE POLICY

Investments will qualify for dividends on the date of purchase under the following conditions:

* FOR INVESTMENTS OF $5 MILLION OR MORE: The Portfolio must be notified of the intended purchase by 4:00 p.m. (Eastern time) on the prior business day and the Federal Funds wire must be received by Vanguard by 4:00 p.m. (Eastern time) on the day of purchase.

* FOR INVESTMENTS OF LESS THAN $5 MILLION: The Portfolio must be notified of the intended purchase by 10:45 a.m. (Eastern time) on the day of purchase and the Federal Funds wire must be received by 4:00 p.m. (Eastern time).

Generally, if these requirements are not met, an investment will begin to earn dividends on the business day following receipt of a Federal Funds wire.

The trade date, the day on which an account is credited, is generally the day on which the Portfolio receives an investment in the form of Federal Funds. For purchases by Federal Funds wire or by exchange, the Portfolio is credited immediately with Federal Funds. If a purchase by Federal Funds wire or exchange is received by the close of the Exchange, the trade date is the day of receipt. If a purchase is received after the close of the Exchange, the trade date is the business day following the receipt of the wire or exchange.

The Portfolio reserves the right to suspend the offering of shares for a period of time. The Portfolio also reserves the right to reject any specific purchase request.

SELLING SHARES

WIRE PROCEEDS

Any portion of an account may be withdrawn by contacting your Institutional Investor Services Representative. The redemption proceeds will be wired to the bank account indicated on the Account Registration Form on the business day following receipt of a request.

For a redemption of an entire account balance, accrued dividends will not be included in the initial redemption wire, but will be sent separately by check or wire.

Wire redemptions of less than $5,000 are subject to a $5 charge deducted from the principal in your account. There is no charge for wire redemptions of $5,000 or more, or for subsequent dividend wires.

For our mutual protection, wiring instructions must be on file at Vanguard prior to executing any redemption request. A request to change the bank account associated with the wire redemption feature or a request to wire funds to a bank other than that on file must be received in writing. A signature guarantee of an authorized officer is required if the bank registration is not identical to the Vanguard Fund account registration.

SELLING BY EXCHANGE

Shares may also be sold by making an exchange to another Vanguard Fund account. For further information, please contact your Institutional Investor Services Representative.

OTHER REDEMPTION INFORMATION

The Portfolio may suspend the redemption rights or postpone payment at times when the New York Stock Exchange is closed or under any emergency circumstances as determined by the United States Securities and Exchange Commission.

The Portfolio reserves the right, for any account with a balance of less than $5 million, either to redeem shares or to transfer the account balance to another identically registered Vanguard money market portfolio. Shareholders will be provided with 60 days notice before any action is taken.

EXCHANGING SHARES

Shares of the Portfolio may be exchanged for those of other available Vanguard Funds either by telephone or mail. Contact your Institutional Investor Services Representative for further information. Telephone exchange requests must ordinarily be received by the close of the New York Stock Exchange (generally 4:00 p.m. Eastern time) in order to be processed on the date of receipt. The new Fund account will bear the identical registration of the Vanguard Institutional Money Market Portfolio account.

Telephone exchanges are not permitted for several Vanguard Funds, and there also may be restrictions on new investments in certain Funds. Large exchange requests (i.e., those over $250,000) require prior approval by Vanguard on behalf of the Fund. Contact your Institutional Investor Services Representative for full information, including a prospectus.

Neither the Portfolio nor Vanguard is responsible for the authenticity of exchange instructions received by telephone. Every effort will be made to maintain the exchange privilege. However, the Portfolio reserves the right to revise or terminate its provisions, limit the amount of or reject any exchange, as deemed necessary, at any time.

IMPORTANT INFORMATION ABOUT TELEPHONE TRANSACTIONS

The ability to initiate redemptions (except wire redemptions) and exchanges by telephone is automatically established on your account unless you request in writing that telephone transactions on your account not be permitted. The ability to initiate wire redemptions by telephone will be established on your account only if you specifically elect this option in writing.

To protect your account from losses resulting from unauthorized or fraudulent telephone instructions, Vanguard adheres to the following security procedures:

1. SECURITY CHECK. To request a transaction by telephone, the caller must know (i) the name of the Portfolio; (ii) the 10-digit account number; (iii) the exact name in which the account is registered; and (iv) the Social Security or Taxpayer Identification number listed on the account.

2. PAYMENT POLICY. The proceeds of any telephone redemption by mail will be made payable to the registered shareowner and mailed to the address of record, only. In the case of a telephone redemption by wire, the wire transfer will be made only in accordance with the shareowner's prior written instructions.

Neither the Portfolio nor Vanguard will be responsible for the authenticity of transaction instructions received by telephone, provided that reasonable security procedures have been followed. Vanguard believes that the security procedures described above are reasonable and that if such procedures are followed, you will bear the risk of any losses resulting from unauthorized or fraudulent telephone transactions on your account. If Vanguard fails to follow reasonable security procedures, it may be liable for any losses resulting from unauthorized or fraudulent telephone transactions on your account.

OTHER ACCOUNT INFORMATION

A current corporate resolution must be maintained on file at Vanguard at all times. The initial application serves as a corporate resolution. Any revisions to a corporate resolution must be submitted to your Institutional Investor Services Representative at Vanguard.

To change the registration of an account, a request must be submitted in writing to Vanguard and include the following information: the account number and portfolio name; authorized signatures; any applicable signature guarantees; and other supporting legal documents as necessary.

All requests should be mailed to the following address:

VANGUARD FINANCIAL CENTER
ATTN: INSTITUTIONAL INVESTOR SERVICES
P.O. BOX 1472
VALLEY FORGE, PA 19482

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VANGUARD INSTITUTIONAL PORTFOLIOS

PART B

STATEMENT OF ADDITIONAL INFORMATION
MARCH 8, 1994

This Statement is not a prospectus but should be read in conjunction with the current Prospectus for Vanguard Institutional Portfolios, Inc. (the "Fund") (dated March 8, 1994). To obtain the Prospectus please call the Investor Information Department:

1-800-662-7447

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INVESTMENT LIMITATIONS

The following restrictions and fundamental policies cannot be changed without approval of the holders of a majority of the outstanding shares of the Fund (as defined in the Investment Company Act of 1940), including a majority of the shares of the Fund. The Fund may not under any circumstances:

1) purchase securities for the Fund other than the securities in which the Fund is authorized to invest as set forth in the Prospectus under "Investment Objectives and Policies";

2) borrow money in excess of 15% of the total assets of the Fund taken at market value and then only from banks as a temporary measure for extraordinary or emergency purposes; the Fund will not borrow to increase income (leveraging) but only to facilitate redemption requests which might otherwise require untimely dispositions of portfolio securities; the Fund will repay all borrowings before making additional investments and interest paid on such borrowings will reduce net income;

3) make loans to other persons (except by the purchase of obligations in which the Fund is authorized to invest); provided, however, that the Fund will not enter into repurchase agreements if, as a result thereof, more than 10% of the net assets of the Fund (taken at current value) would be subject to repurchase agreements maturing in more than seven days;

4) purchase the securities of any issuer (other than obligations issued or guaranteed as to principal and interest by the Government of the United States, its agencies or instrumentalities) if, as a result, (a) more than 5% of the Fund's total assets (taken at current value) would be invested in the securities of such issuer, or (b) the Fund would hold more than 10% of any class of securities of such issuer (for this purpose, all debt obligations of an issuer maturing in less than one year are treated as a single class of securities);

5) write, or invest in, put, call, straddle or spread options or invest in interests in oil, gas or other mineral exploration or development programs;

6) purchase securities on margin or sell any securities short;

7) purchase or retain securities of an issuer if an officer or director of such issuer is an officer or Director of the Fund or its investment adviser and one or more of such officers or directors (trustees) of the Fund or its investment adviser owns beneficially more than 1/2% of the shares of securities of such issuer and all such directors and officers owning more than 1/2% of such shares or securities together own more than 5% of such shares or securities;

8) purchase any securities which could cause more than 25% of the value of the Fund's total net assets at the time of such purchase to be invested in the securities of one or more issuers conducting their principal business activities in the same industry, provided that there is no limitation with respect to investments in United States Treasury Bills,

other obligations issued or guaranteed by the Federal Government, its agencies and instrumentalities or certificates of deposit or bankers' acceptances of domestic institutions;

9) mortgage, pledge or hypothecate its assets except in an amount up to 15% (10% as long as the Fund's shares are registered for sale in certain states) of the value of the Fund's total assets but only to secure borrowings for temporary or emergency purposes;

10) engage in the business of underwriting securities issued by other persons, except to the extent that the Portfolio may technically be deemed to be an underwriter under the Securities Act of 1933, as amended, in disposing of investment securities;

11) purchase or otherwise acquire any security if, as a result, more than 10% of its net assets (including any investment in The Vanguard Group Inc.) would be invested in securities that are illiquid;

12) purchase or sell real estate, real estate investment trust securities, commodities, or commodity contracts;

13) invest in companies for the purpose of exercising control;

14) invest in securities of other investment companies, except as they may be acquired as part of a merger, consolidation or acquisition of assets; and

15) issue senior securities.

Notwithstanding these limitations, the Fund may own all or any portion of the securities of, or make loans to, or contribute to the costs or other financial requirements of, any company which will be: (1) wholly owned by the Fund and one or more other investment companies, and is (2) primarily engaged in the business of providing, at-cost, management, administrative, distribution or related services to the Fund and other investment companies. See "Management of the Fund."

As an operational policy of the Fund, the Fund will not in the aggregate, enter into repurchase agreements aturing in more than seven days, purchase restricted securities or invest in any other illiquid securities if, as a result thereof, more than 10% of the net assets of the Fund would be invested in such assets.

The above-mentioned investment limitations are considered at the time investment securities are purchased.

YIELD AND TOTAL RETURN

The yield of the Fund for the 7 day period ended November 30, 1993 was 3.16%.

The average annual total return of the Fund for the year ended November 30, 1993 and the period since inception (October 3, 1989) ending November 30, 1993 was +3.19% and 5.67%, respectively. Total return is computed by finding the average compounded rate of return over the periods set forth above that would equate an initial amount invested at the beginning of each period to the ending redeemable value of the investment.

CALCULATION OF YIELD

The current yield of the Fund is calculated daily on a base period return of a hypothetical account having a beginning balance of one share for a particular period of time (generally 7 days). The return is determined by dividing the net change (exclusive of any capital changes) in such account by its average net asset value for the period, and then multiplying it by 365/7 to get the annualized current yield. The calculation of net change

reflects the value of additional shares purchased with the dividends by the Fund, including dividends on both the original share and on such additional shares. An effective yield, which reflects the effects of compounding and represents an annualization of the current yield with all dividends reinvested, may also be calculated for the Fund by adding 1 to the net change, raising the sum to the 365/7 power, and subtracting 1 from the result.

Set forth below is an example, for purposes of illustration only, of the current and effective yield calculations for the Institutional Money Market Portfolio for the 7 day base period ended November 30, 1993.

	MONEY MARKET PORTFOLIO
	11/30/93
Value of account at beginning of period..........	$1.00000
Value of same account at end of period*..........	1.00060

Net Change in account value.....................	.00060
Annualized Current Net Yield (Net Change X 365/7) average net asset value.................	3.13%
Effective Yield ((Net Change) + 1)365/7 - 1.......	3.18%
Average Weighted Maturity of Investments.........	58 Days

*Exclusive of any capital changes.

It is intended that the net asset value of a share of the Fund will remain at $1.00. The yield of the Fund will fluctuate. The annualization of a week's dividend is not a representation by the Fund as to what an investment in the Fund will actually yield in the future. Actual yields will depend on such variables as investment quality, average maturity, the type of instruments the Fund invests in, changes in interest rates on instruments, changes in the expenses of the Fund and other factors. Yields are one basis investors may use to analyze the Fund, and other investment vehicles; however, yields of other investment vehicles may not be comparable because of the factors set forth in the preceding sentence, differences in the time periods compared, and differences in the methods used in valuing portfolio instruments, computing net asset value and calculating yield.

PURCHASE OF SHARES

The Fund reserves the right in its sole discretion (i) to suspend the offerings of its shares, (ii) to reject purchase orders when in the judgment of management such rejection is in the best interest of the Fund, and (iii) to reduce or waive the minimum for initial and subsequent investments for certain fiduciary accounts or under circumstances where certain economies can be achieved in sales of the Fund's shares.

REDEMPTION OF SHARES

The Fund may suspend redemption privileges for the Fund or postpone the date of payment (i) during any period that the New York Stock Exchange is closed, or trading on the Exchange is restricted as determined by the Securities and Exchange Commission (the "Commission"), (ii) during any period when an emergency exists as defined by the rules of the Commission as a result of which it is not reasonably practicable for the Fund to dispose of securities owned by it, or fairly to determine the value of its assets, and (iii) for such other periods as the Commission may permit.

The Fund has made an election with the Commission to pay in cash all redemptions requested by any shareholder of record limited in amount during any 90-day period to the lesser of $250,000 or 1% of the net assets of the Fund at the beginning of such period. Such commitment is irrevocable without the prior approval of the Commission. Redemptions in excess of the above limits may be paid in whole or in part, in investment readily marketable securities or in cash, as the Directors may deem advisable; however, payment will be made wholly in cash unless the Directors believe that economic or market conditions exist which would make such a practice detrimental to the best interests of the Fund. If redemptions are paid in investment securities, such securities will be valued as set forth in the Prospectus under "Share Price Determination" and a redeeming shareholder would normally incur brokerage expenses if he converted these securities to cash.

No charge is made by the Fund for redemptions; except for wire withdrawals in amounts less than $5,000 which will be subject to a maximum charge of $5.00 which will be deducted from the principal in your account. Any redemption may be more or less than the shareholder's cost depending on the market value of the securities held by each Portfolio.

PERFORMANCE MEASURES

Vanguard Institutional Money Market Portfolio may use one or more, either singularly or in a composite, of the following unmanaged indexes for comparative performance purposes:

STANDARD AND POOR'S 500 COMPOSITE STOCK PRICE INDEX -- is a well diversified list of 500 companies representing the U.S. Stock Market.

WILSHIRE 5000 INDEX -- consists of nearly 5,000 common equity securities, covering all stocks in the U.S. for which daily pricing is available.

WILSHIRE 4500 INDEX -- consists of all stocks in the Wilshire 5000 except for the 500 stocks in the Standard and Poor's 500 Index.

MORGAN STANLEY CAPITAL INTERNATIONAL EAFE INDEX -- is an arithmetic, market value-weighted average of the performance of over 900 securities listed on the stock exchanges of countries in Europe, Australia and the Far East.

GOLDMAN SACHS 100 CONVERTIBLE BOND INDEX -- currently includes 67 bonds and 33 preferreds. The original list of names was generated by screening for convertible issues of 100 million or greater in market capitalization. The index is priced monthly.

SALOMON BROTHERS GNMA INDEX -- includes pools of mortgages originated by private lenders and guaranteed by the mortgage pools of the Government National Mortgage Association.

SALOMON BROTHERS HIGH-GRADE CORPORATE BOND INDEX -- consists of publicly issued, non-convertible corporate bonds rated AA or AAA. It is a value-weighted, total return index, including approximately 800 issues with maturities of 12 years or greater.

SALOMON BROTHERS BROAD INVESTMENT-GRADE BOND -- is a market-weighted index that contains approximately 4700 individually priced investment-grade corporate bonds rated BBB or better, U.S. Treasury/agency issues and mortgage passthrough securities.

SHEARSON LEHMAN LONG-TERM TREASURY BOND -- is composed of all bonds covered by the Shearson Lehman Hutton Treasury Bond Index with maturities of 10 years or greater.

MERRILL LYNCH CORPORATE & GOVERNMENT BOND -- consists of over 4,500 U.S. Treasury, Agency and investment grade corporate bonds.

SHEARSON LEHMAN CORPORATE (BAA) BOND INDEX -- all publicly offered fixed rate, nonconvertible domestic corporate bonds rated Baa by Moody's, with a maturity longer than 1 year and with more than $25 million outstanding. This index includes over 1,000 issues.

BOND BUYER MUNICIPAL INDEX (20 YEAR) BOND -- is a yield index on current coupon high grade general obligation municipal bonds.

STANDARD & POOR'S PREFERRED INDEX -- is a yield index based upon the average yield of four high grade, non-callable preferred stock issues.

NASDAQ INDUSTRIAL INDEX -- is composed of more than 3,000 industrial issues. It is a value-weighted index calculated on price change only and does not include income.

COMPOSITE INDEX -- 70% Standard & Poor's 500 Index and 30% NASDAQ Industrial Index.

COMPOSITE INDEX -- 35% Standard & Poor's 500 Index and 65% Salomon Brothers High Grade Bond Index.

COMPOSITE INDEX -- 65% Standard & Poor's 500 Index and 35% Salomon Brothers High Grade Bond Index.

LEHMAN BROTHERS AGGREGATE BOND INDEX -- is a market weighted index that contains individually priced U.S. Treasury, agency, corporate, and mortgage pass-through securities corporate rated BBB- or better. The Index has a market value of over $4 trillion.

LEHMAN BROTHERS MUTUAL FUND SHORT (1-5) GOVERNMENT/CORPORATE INDEX -- is a market weighted index that contains individually priced U.S. Treasury, agency, and corporate investment grade bonds rated BBB- or better with maturities between 1 and 5 years. The index has a market value of over $1.3 trillion.

LEHMAN BROTHERS MUTUAL FUND INTERMEDIATE (5-10) GOVERNMENT/CORPORATE INDEX - -- is a market weighted index that contains individually priced U.S. Treasury, agency, and corporate securities rated BBB- or better with maturities between 5 and 10 years. The index has a market value of over $600 billion.

LEHMAN BROTHERS MUTUAL FUND LONG (10+) GOVERNMENT/CORPORATE INDEX -- is a market weighted index that contains individually priced U.S. Treasury, agency, and corporate securities rated BBB- or better with maturities greater than 10 years. The index has a market value of over $900 billion.

LIPPER SMALL COMPANY GROWTH FUND AVERAGE -- the average performance of small company growth funds as defined by Lipper Analytical Services, Inc. Lipper defines a small company growth fund as a fund that by prospectus or portfolio practice, limits its investments to companies on the basis of the size of the company. From time to time, Vanguard may advertise using the average performance and/or the average expense ratio of the small company growth funds. (This fund category was first established in 1982. For years prior to 1982, the results of the Lipper Small Company Growth category were estimated using the returns of the Funds that constituted the Group at its inception.)

RUSSELL 3000 INDEX -- consists of the 3,000 largest stocks of U.S. domiciled companies commonly traded on the New York and American Stock Exchanges or the NASDAQ over-the-counter market, accounting for over 90% of the market value of publicly traded Stocks in the U.S.

RUSSELL 2000 SMALL COMPANY STOCK INDEX -- consists of the smallest 2,000 stocks within the Russell 3000; a widely used benchmark for small capitalization common stocks.

LIPPER BALANCED FUND AVERAGE -- An industry benchmark of average balanced funds with similar investment objectives and policies, as measured by Lipper Analytical Services, Inc.

LIPPER NON-GOVERNMENT MONEY MARKET FUND AVERAGE -- An industry benchmark of average non-government money market funds with similar investment objectives and policies, as measured by Lipper Analytical Services, Inc.

LIPPER GOVERNMENT MONEY MARKET FUND AVERAGE -- An industry benchmark of average government money market funds with similar investment objectives and policies, as measured by Lipper Analytical Services, Inc.

Advertisements which refer to the use of the Fund as a potential investment for Individual Retirement Accounts may quote a total return based upon compounding of dividends on which it is presumed no federal income tax applies.

In assessing such comparisons of yields, an investor should keep in mind that the composition of the investments in the reported averages is not identical to the Fund's Portfolio and that the items included in the calculations of such averages may not be identical to the formula used by the Fund to calculate its yield. In addition there can be no assurance that the Fund will continue its performance as compared to such other averages.

MANAGEMENT OF THE FUND

DIRECTORS AND OFFICERS

The Officers of the Portfolio manage its day to day operations and are responsible to the Portfolio's Board of Directors. The Directors set broad policies for each Fund and choose its Officers. Following is a list of Directors and Officers of the Funds and a statement of their present positions and principal occupations during the past five years. The mailing address of the Directors and Officers of the Portfolio is Post Office Box 876, Valley Forge, PA 19482.

JOHN C. BOGLE, Chairman, Chief Executive Officer and Director*
Chairman, Chief Executive Officer, and Director of The Vanguard Group, Inc., and each of the investment companies in The Vanguard Group; Director of The Mead Corporation and General Accident Insurance.

JOHN J. BRENNAN, President & Director*
President and Director of The Vanguard Group, Inc. and each of the investment companies in The Vanguard Group.

ROBERT E. CAWTHORN, Director
Chairman and Chief Executive Officer, Rhone-Poulenc Rorer, Inc.; Director of Immune Response Corp. and Sun Company, Inc.; Trustee, Universal Health Realty Income Trust.

BARBARA BARNES HAUPTFUHRER, Director
Director of The Great Atlantic and Pacific Tea Company, Raytheon Company, Knight-Ridder, Inc., Massachusetts Mutual Life Insurance Co., and ALCO Standard Corp.

BRUCE K. MACLAURY, Director
President, The Brookings Institution; Director of Dayton Hudson Corporation, American Express Bank, Ltd. and The St. Paul Companies, Inc.

BURTON G. MALKIEL, Director
Chemical Bank Chairmen's Professor of Economics, Princeton University; Director of Prudential Insurance Co. of America, Amdahl Corporation, Baker Fentress & Co., Jeffrey Co., and The Southern New England Telephone Company and Armstrong Rubber Co.; Governor, American Stock Exchange, Inc.

ALFRED M. RANKIN, JR., Director
President, Chief Executive Officer and Director of NACCO Industries, Inc.; Director of The BFGoodrich Company, The Standard Products Company, and The Reliance Electric Company.

JOHN C. SAWHILL, Director
President and Chief Executive Officer of The Nature Conservancy; formerly, Director and Senior Partner, McKinsey & Co., and President, New York University; Director of Pacific Gas and Electric Company and NACCO Industries.

JAMES O. WELCH, JR., Director
Retired Chairman of Nabisco Brands, Inc., retired Vice Chairman and Director of RJR Nabisco; Director of TECO Energy, Inc.

J. LAWRENCE WILSON, Director
Chairman and Director of Rohm & Haas Company; Director Cummins Engine Company, Vanderbilt University, and Trustee of the Culver Educational Foundation.

RAYMOND J. KLAPINSKY, Secretary*
Senior Vice President and Secretary of The Vanguard Group, Inc.; Secretary of each of the investment companies in The Vanguard Group.

RICHARD F. HYLAND, Treasurer*
Treasurer of The Vanguard Group, Inc. and of each of the investment companies in The Vanguard Group.

KAREN E. WEST, Controller*
Vice President of The Vanguard Group, Inc.; Controller of each of the investment companies in The Vanguard Group.

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*Officers of the Portfolio are "interested persons" as defined in the Investment Company Act of 1940.

THE VANGUARD GROUP

The Fund is a member of The Vanguard Group of Investment Companies. Through their jointly-owned subsidiary, The Vanguard Group, Inc. ("Vanguard"), the Fund and the other Funds in the Group obtain at cost virtually all of their corporate management, administrative and distribution services. Vanguard also provides investment advisory services on an at-cost basis to certain of the Vanguard Funds.

Vanguard employs a supporting staff of management and administrative personnel needed to provide the requisite services to the Funds and also furnishes the Funds with necessary office space, furnishings and equipment. Each Fund pays its share of Vanguard's total expenses which are allocated among the Funds under methods approved by the Board of Directors (Trustees) of each Fund. In addition, each Fund bears its own direct expenses such as legal, auditing and custodian fees.

The Fund's Officers are also Officers and employees of Vanguard. No Officer or employee owns, or is permitted to own, any securities of any external adviser for the Funds.

The Vanguard Group was established and operates under a Funds' Service Agreement which was approved by the shareholders of each of the Funds. The amounts of which each of the Funds have invested are adjusted from time to time in order to maintain the proportionate relationship between each Fund's relative net assets and its contribution to Vanguard's capital. At November 30, 1993, the Fund had contributed capital of $50,000 to Vanguard, representing .3% of Vanguard's capitalization. The Fund's service agreement was amended on May 10, 1993, to provide as follows: (a) each Vanguard Fund may invest up to 0.40% of its current net assets in Vanguard and (b) there is no other limitation on the amount that each Vanguard Fund may contribute to Vanguard's capitalization.

MANAGEMENT. Corporate management and administrative services include: (1) executive staff; (2) accounting and financial; (3) legal and regulatory; (4) shareholder account maintenance; (5) monitoring and control of custodian relationships; (6) shareholder reporting; and (7) review and evaluation of advisory and other services provided to the Funds by third parties. During the year ended November 30, 1993, the Fund's share of Vanguard's actual net costs of operation relating to management and administrative services, (including transfer agency) totaled approximately $227,000.

DISTRIBUTION. Vanguard provides all distribution and marketing activities for the Funds in the Group. Vanguard Marketing Corporation, a wholly-owned subsidiary of The Vanguard Group, Inc., acts as Sales Agent for the shares of the Funds, in connection with any sales made directly to investors in the states of Florida, Missouri, New York, Ohio, Texas and such other states as it may be required.

The principal distribution expenses are for advertising, promotional materials and marketing personnel. Distribution services may also include organizing and offering to the public, from time to time, one or more new investment companies which will become members of the Group. The Directors and Officers of Vanguard determine the amount to be spent annually on distribution activities, the manner and amount to be spent on each Fund, and whether to organize new investment companies.

One half of the distribution expenses of a marketing and promotional nature is allocated among the Funds based upon relative net assets. The remaining one half of those expenses is allocated among the Funds based upon each Fund's sales for the preceding 24 months relative to the total sales of the Funds as a Group, provided, however, that no Fund's aggregate quarterly rate of contribution for distribution expenses of a marketing and promotional nature shall exceed 125% of average distribution expense rate for the Group, and that no Fund shall incur annual distribution expenses in excess of 20/100 of 1% of its average month-end net assets. The Group's marketing and distribution expenses allocated to the Fund for the year ended November 30, 1993 was $99,000 or approximately 3/100 of 1% of its average month-end net assets.

INVESTMENT ADVISORY SERVICES. Vanguard also provides the Fund, Vanguard Money Market Reserves, Vanguard Municipal Bond Fund, Vanguard Bond Index Fund, several Portfolios of the Vanguard Fixed Income Securities Fund, Vanguard Admiral Funds, Vanguard Index Trust, Vanguard Institutional Index Fund, Vanguard International Equity Index Fund, Vanguard Balanced Index Fund, the Vanguard California Tax-Free Fund, the Vanguard Pennsylvania Tax-Free Fund, the Vanguard New York Insured Tax-Free Fund, Vanguard Ohio Tax-Free Fund, Vanguard Florida Tax-Free Fund and Vanguard New Jersey Tax-Free Fund with investment advisory services. These services are provided on an at-cost basis from a money management staff employed directly by Vanguard. The compensation and other expenses of this staff are paid by the Funds utilizing these services. During the years ended November 30, 1991, 1992 and 1993, the Fund paid approximately $8,000, $18,000 and $28,000, respectively, of Vanguard's expenses relating to investment advisory services.

REMUNERATION OF DIRECTORS. The Fund pays each Director (Trustee), who is not also an Officer, an annual fee plus travel and other expenses incurred in attending Board meetings. The Fund's Officers and employees are paid by Vanguard which, in turn, is reimbursed by the Fund and each other Fund in the Group, for its proportionate share of Officers' and employees' salaries and retirement benefits. During the year ended November 30, 1993, the remuneration paid by Vanguard to all officers as a group and allocated to the Fund, was approximately $13,189.

Under its retirement plan, Vanguard contributes annually an amount equal to 10% of each Officer's annual compensation plus 5.7% of that part of an eligible officer's compensation during the year, if any, that exceeds the Social Security Taxable Wage Base then in effect. Under its thrift plan, all employees are permitted to make pre-tax basic contributions in a maximum amount equal to 4% of total compensation. Vanguard matches the basic contributions on a 100% basis. Directors who are not officers are paid an annual fee based on the number of years of service on the board, up to 15 years of service, upon retirement. The fee is equal to $1,000 for each year of service and each investment company member of The Vanguard Group contributes a proportionate amount to this

fee based on its relative net assets. This fee is paid, subsequent to a Director's retirement, for a period of ten years or until the death of a retired Director. During the year ended November 30, 1993, the Fund's proportionate share of retirement benefits paid to all officers of the Fund was approximately $1,851.

DESCRIPTION OF SHARES AND VOTING RIGHTS

The Articles of Incorporation, as amended and restated, permit the Directors to issue 20,000,000,000 shares of common stock, with a $.001 par value. The Board of Directors has the power to designate one more classes ("Portfolios") of shares of common stock and to classify or reclassify any unissued shares with respect to such Portfolios. Currently the Fund is offering shares of one Portfolio.

The shares are fully paid and nonassessable, and have no preference as to conversion, exchange, dividends, retirement or other features. The shares have no pre-emptive rights. The shares have non-cumulative voting rights, which means that the holders of more than 50% of the shares voting for the election of Directors can elect 100% of the Directors if they choose to do so. A shareholder is entitled to one vote for each full share held (and a fractional vote for each fractional share held), then standing in his name on the books of the Fund. On any matter submitted to a vote of shareholders, all shares of the Fund then issued and outstanding and entitled to vote, irrespective of the class, shall be voted in the aggregate and not by class: except (i) when required by the Investment Company Act of 1940, shares shall be voted by individual class; and (ii) when the matter does not affect any interest of a particular class, then only shareholders of the affected class or classes shall be entitled to vote thereon.

APPENDIX -- DESCRIPTION OF SECURITIES AND RATINGS

A-1 AND PRIME-1 COMMERCIAL PAPER RATINGS

Commercial paper rated A-1 by Standard & Poor's has the following characteristics: (1) liquidity ratios are adequate to meet cash requirements; (2) long-term senior debt is rated "A" or better; (3) the issuer has access to at least two additional channels of borrowing; (4) basic earnings and cash flow have an upward trend with allowance made for unusual circumstances; (5) typically, the issuer's industry is well established and the issuer has a strong position within the industry; and (6) the reliability and quality of management are unquestioned. Relative strength or weakness of the above factors determine whether the issuer's commercial paper is A-1, A-2, or A-3. The rating Prime-1 is the highest commercial paper rating assigned by Moody's. Among the factors considered by Moody's in assigning ratings are the following: (1) evaluation of the management of the issuer; (2) economic evaluation of the issuer's industry or industries and the appraisal of speculative-type risks which may be inherent in certain areas; (3) evaluation of the issuer's products in relation to competition and customer acceptance; (4) liquidity; (5) amount and quality of long-term debt; (6) trend of earnings over a period of ten years; (7) financial strength of a parent company and the relationships which exist with the issuer; and (8) recognition by the management of obligations which may be present or may arise as a result of public interest questions and preparations to meet such obligations.

BOND RATINGS

Bonds rated AA by Standard & Poor's are judged by S&P to be high-grade obligations, and in the majority of instances differs only in small degrees from issues rated AAA (the AA rating may be modified by the addition of a plus or minus sign to show relative standing with the AA category). Bonds rated AAA are considered by S&P to be the highest grade obligations and possess the ultimate degree of protection as to principal and interest. Bonds rated Aa by Moody's are judged by Moody's to be of high quality by all standards. Together with the Aaa group, they comprise what are generally known as high-grade bonds. They are rated lower than Aaa bonds because margins of protection may not be as large or fluctuations of protective elements may be of greater amplitude or there may be other elements present which make the long-term risks appear somewhat larger. Moody's also supplies numerical indicators, 1, 2 and 3 to the Aa rating category. The modifier 1 indicates that the security is in the higher end of its rating category; the modifier 2 indicates a mid-range ranking and 3 indicates a ranking toward the lower end of the category.

VARIABLE AMOUNT MASTER DEMAND NOTES

Variable amount master demand notes are demand obligations that permit the investment of fluctuating amounts at varying market rates of interest pursuant to an arrangement between the issuer and a commercial bank acting as agent for the payees of such notes, whereby both parties have the right to vary the amount of the outstanding

indebtedness on the notes. Because variable amount master demand notes are direct lending arrangements between a lender and a borrower, it is not generally contemplated that such instruments will be traded, and there is no secondary market for these notes, although they are redeemable (and thus immediately repayable by the borrower) at face value, plus accrued interest, at different periods, for varying amounts. In connection with a Portfolio's investment in variable amount master demand notes, Vanguard's investment management staff will monitor, on an ongoing basis, the earning power, cash flow and other liquidity ratios of the issuer, and the borrower's ability to pay principal and interest on demand.

DESCRIPTION OF U.S. GOVERNMENT SECURITIES

As used in this prospectus, the term "U.S. Government Securities" refers to a variety of securities which are issued or guaranteed by the United States Treasury, by various agencies of the United States Government, and by various instrumentalities which have been established or sponsored by the United States Government. The term also refers to "repurchase agreements" collateralized by such United States Government securities.

U.S. Treasury Securities are backed by the "full faith and credit" of the United States. Securities issued or guaranteed by Federal agencies and the U.S. Government sponsored instrumentalities may or may not be backed by the full faith and credit of the United States. In the case of securities not backed by the full faith and credit of the United States, the investor must look principally to the agency or instrumentality issuing or guaranteeing the obligation for ultimate repayment, and may not be able to assert a claim against the United States itself in the event the agency or instrumentality does not meet its commitment.

Some of the U.S. Government agencies that issue or guarantee securities include the Export-Import Bank of the United States, Farmers Home Administration, Federal Housing Administration, Maritime Administration, Small Business Administration, and The Tennessee Valley Authority.

An instrumentality of the U.S. Government is a government agency organized under Federal charter with government supervision. Instrumentalities issuing or guaranteeing securities include, among others, Federal Home Loan Banks, the Federal Land Banks, Central Bank for Cooperatives, Federal Intermediate Credit Banks, and the Federal National Mortgage Association.

DESCRIPTION OF REPURCHASE AGREEMENTS

Repurchase agreements are transactions by which a person purchases a security and simultaneously commits to resell that security to the seller (a member bank of the Federal Reserve System or recognized securities dealer) at an agreed upon price on an agreed upon date within a number of days (usually not more than seven) from the date of purchase. The resale price reflects the purchase price plus an agreed upon market rate of interest which is unrelated to the coupon rate or maturity of the purchased security. A repurchase agreement involves the obligation of the seller to pay the agreed upon price, which obligation is in effect secured by the value of the underlying security.

The use of repurchase agreements involves certain risks. For example, if the seller of the agreement defaults on its obligation to repurchase the underlying securities at a time when the value of these securities has declined, the Portfolio may incur a loss upon disposition of them. If the seller of the agreement becomes insolvent and subject to liquidation or reorganization under the Bankruptcy Code or other laws, a bankruptcy court may determine that the underlying securities are collateral not within the control of the Portfolio and therefore subject to sale by the trustee in bankruptcy. Finally, it is possible that the Portfolio may not be able to substantiate its interest in the underlying securities. While the Fund's management acknowledges these risks, it is expected that they can be controlled through stringent security selection criteria and careful monitoring procedures.

EURODOLLAR AND YANKEE OBLIGATIONS

Eurodollar bank obligations are dollar-denominated certificates of deposit or time deposits issued outside the U.S. capital markets by foreign branches of U.S. banks and by foreign banks; Yankee bank obligations are dollar-denominated obligations issued in the U.S. capital markets by foreign banks.

Eurodollar and Yankee obligations are subject to the same risks that pertain to domestic issues, notably credit risk, market risk and liquidity risk. Additionally, Eurodollar (and to a limited extent, Yankee) obligations are subject to certain sovereign risks. One such risk is the possibility that a sovereign country might prevent capital, in the form of dollars, from flowing across their borders. Other risks include: adverse political and economic developments; the extent and quality of government regulation of financial markets and institutions; the imposition of

foreign withholding taxes; and expropriation or nationalization of foreign issuers. However, Eurodollar and Yankee obligations will undergo the same credit analysis as domestic issues in which the Portfolio invests, and will have at least the same financial strength as the domestic issuers approved for the Portfolio.

FINANCIAL STATEMENTS

The Portfolio's Financial Statements for the year ended November 30, 1993, including the financial highlights, appearing in the Vanguard Institutional Money Market Portfolio 1993 Annual Report to Shareholders, and the report thereon of Price Waterhouse, independent accountants, also appearing therein, are incorporated by reference in this Statement of Additional Information. The Portfolio's 1993 Annual Report to Shareholders is enclosed with this Statement of Additional Information.

PART C
VANGUARD INSTITUTIONAL PORTFOLIOS, INC.
OTHER INFORMATION

ITEM 24. FINANCIAL STATEMENTS AND EXHIBITS

(A) FINANCIAL STATEMENTS

The Registrant's audited financial statements for the year ended November 30, 1993, including Price Waterhouse's report thereon, are incorporated by reference, in the Statement of Additional Information, from the Registrant's 1993 Annual Report which has been filed with the Commission. The financial statements included in the Annual Report are:

1. Statement of Net Assets as of November 30, 1993.
2. Statement of Operations for the year ended November 30, 1993.
3. Statement of Changes in Net Assets for the years ended November 30, 1992 and 1993.
4. Financial Highlights for the respective periods presented (also appearing in the Prospectus).
5. Notes to Financial Statements.
6. Report of Independent Accountants.

(B) EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
1.............	Articles of Incorporation
2.............	By-Laws of Registrant
3.............	Not Applicable
4.............	Not Applicable
5.............	Not Applicable
6.............	Not Applicable
7.............	Reference is made to the section entitled "Management of the Fund" in the Registrant's Statement of Additional Information
8.............	Form of Custody Agreement
9.............	Form of Vanguard Service Agreement
10.............	Opinion of Counsel
11.............	Consent of Independent Accountants*
12.............	Financial Statements -- reference is made to (a) above
13.............	Not Applicable
14.............	Not Applicable
15.............	Not Applicable
16.............	Schedule for Computation of Performance Quotations*

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*Filed herewith

ITEM 25. PERSONS CONTROLLED BY OR UNDER COMMON CONTROL WITH REGISTRANT

Registrant is not controlled by or under common control with any person. The officers of the Registrant, the 32 investment companies in The Vanguard Group of Investment Companies and The Vanguard Group, Inc. are identical. Reference is made to the caption "Management of the Fund" in the Prospectus constituting Part A and in the Statement of Additional Information constituting Part B of this Registration Statement.

ITEM 26. NUMBER OF HOLDERS OF SECURITIES

As of November 30, 1993 there were 23 shareholders of the Fund.

ITEM 27. INDEMNIFICATION

Reference is made to Article IX of Registrant's Articles of Incorporation.

Insofar as indemnification for liability arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

ITEM 28. BUSINESS AND OTHER CONNECTIONS OF INVESTMENT ADVISER

Investment advisory services are provided to the Registrant on an at cost basis by The Vanguard Group, Inc. a jointly-owned subsidiary of the Registrant and the other Funds in the Group. See the information concerning The Vanguard Group set forth in Parts A and B.

ITEM 29. PRINCIPAL UNDERWRITERS

(a) None.

(b) Not Applicable

ITEM 30. LOCATION OF ACCOUNTS AND RECORDS

The books, accounts and other documents required by Section 31(a) under the Investment Company Act and the rules promulgated thereunder will be maintained in the physical possession of Registrant; Registrant's Transfer Agent, The Vanguard Group, Inc. c/o The Vanguard Financial Center, Valley Forge, Pennsylvania 19482; and the Registrant's Custodian, CoreStates, N.A., Philadelphia, Pa.

ITEM 31. MANAGEMENT SERVICES

Other than the Amended and Restated Funds' Service Agreement with The Vanguard Group, Inc. which was previously filed as Exhibit 9 and described in Part B hereof under "Management of the Fund;" the Registrant is not a party of any management-related service contract.

ITEM 32. UNDERTAKINGS

Registrant hereby undertakes to comply with the provisions of Section 16(c) of the Investment Company Act of 1940 in regard to shareholders' rights to call a meeting of shareholders for the purpose of voting on the removal of directors and to assist in shareholder communications in such matters, to the extent required by law.

Registrant hereby undertakes to provide an Annual Report to Shareholders or prospective investors, free of charge, upon request.

Pursuant to the requirements of the Securities Act of 1933 and the Investment Company Act of 1940, the Registrant certifies that it meets all the requirements for effectiveness of this Registration Statement pursuant to Rule 485(b) under the Securities Act of 1933 and has duly caused this Post-Effective Amendment to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the Town of Valley Forge and the Commonwealth of Pennsylvania, on the 2nd day of March, 1994.

VANGUARD INSTITUTIONAL PORTFOLIOS, INC.

BY: (Raymond J. Klapinsky)
John C. Bogle*, Chief Executive Officer and
Director
March 2, 1994

BY: (Raymond J. Klapinsky)
John J. Brennan*, President and Director
March 2, 1994

BY: (Raymond J. Klapinsky)
Barbara B. Hauptfuhrer*, Director
March 2, 1994

BY: (Raymond J. Klapinsky)
Bruce K. MacLaury
March 2, 1994

BY: (Raymond J. Klapinsky)
Burton G. Malkiel*, Director
March 2, 1994

BY: (Raymond J. Klapinsky)
John C. Sawhill*, Director
March 2, 1994

BY: (Raymond J. Klapinsky)
James O. Welch, Jr.*, Director
March 2, 1994

BY: (Raymond J. Klapinsky)
J. Lawrence Wilson*, Director
March 2, 1994

BY: (Raymond J. Klapinsky)
Richard F. Hyland*, Treasurer and Principal
Financial Officer and Accounting Officer
March 2, 1994

*By Power of Attorney. See 1933 Act File No. 2-14336, January 23, 1990.
Incorporated by Reference.

VANGUARD INSTITUTIONAL PORTFOLIOS, INC.

INDEX TO EXHIBITS

EXHIBIT 11

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Prospectus and the Statement of Additional Information, constituting parts of this amended Registration Statement on Form N-1A, of our report dated December 27, 1993, relating to the financial statements, including the financial highlights, appearing in the November 30, 1993 Annual Report to Shareholders of Vanguard Institutional Money Market Portfolio, which are also incorporated by reference into the Registration Statement. We also consent to the references to us under the headings "Financial Highlights" and "General Information" in the Prospectus and "Financial Statements" in the Statement of Additional Information.

BY: PRICE WATERHOUSE
Philadelphia, PA
March 1, 1994

EXHIBIT 16

SCHEDULE FOR COMPUTATION OF PERFORMANCE QUOTATIONS*
VANGUARD INSTITUTIONAL PORTFOLIOS, INC.
INSTITUTIONAL MONEY MARKET PORTFOLIO

1. Average Annual Total Return

$P (1 + T)^n = ERV$

Where:

P = a hypothetical initial payment of $1,000

T = average annual total return

N = number of years

ERV = ending redeemable value at the end of the period

EXAMPLE: One Year

P = $1,000

T = 3.19%

N = 1

ERV = $1,031.87

Five Year

P = $1,000

T = 5.67%*

N = 5

ERV = $1,257.77*

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*Since inception October 3, 1989

*Figures presented are as of the year ended November 30, 1993.