FORM N-30D

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[PHOTO -- SEE EDGAR APPENDIX]

VANGUARD
QUANTITATIVE PORTFOLIOS

ANNUAL REPORT 1993

A BRAVE NEW WORLD FOR INVESTING

With the clarity of hindsight, we can now see that the past two decades composed one of the great cycles in the history of the financial markets, as reflected in the chart below.

* During the 1973-1982 decade, the nominal total returns (capital change plus income) of stocks and bonds averaged only about +6% per year; cash reserves averaged more than +8% annually. However, high inflation rates, averaging 8.7% annually, devastated these nominal results. Real returns (nominal returns less the inflation rate) for each of these three major asset classes were actually negative.

* During the 1983-1992 decade, quite the opposite situation prevailed. Nominal returns for stocks and bonds were close to their highest levels in history and forged well into double-digit territory. To make a good investment environment even better, inflation was tame (averaging 3.8% annually), and real returns were solidly positive.

[A TALE OF TWO DECADES CHART -- SEE EDGAR APPENDIX]

This sharp contrast provides us with perspective for the decade that will end in the year 2002. Some investors will fear a recurrence of the returns of the first decade, while others will hope for a recurrence of the second; most will likely anticipate something in between. Whatever the case, there are two essential elements involved in considering your investment program in the light of today's circumstances.

First, the yield of each investment class at the start of a decade has had an important relationship to its future return. Yields were low when 1973 began, high when 1983 began, and are again low today. In fact, current income yields are remarkably close to the levels of 20 years ago, as shown in the following table.

<TABLE>
<CAPTION>

INCOME YIELDS (January 1)

	1973	1983	1994
<S>	<C>	<C>	<C>
STOCKS	2.7%	4.9%	2.7%
BONDS	5.8	10.7	6.0
RESERVES	3.8	10.5	3.1

</TABLE>

But there is a second important element to consider: inflation. It got progressively worse during most of the first decade, but got progressively better in the second.

<TABLE>
<CAPTION>

	1973	1981	1993
<S>	<C>	<C>	<C>
INFLATION	3.4%	12.4%	2.7%

</TABLE>

Today's low yield levels suggest that more modest nominal returns are in prospect for the coming decade than in the 1980s; indeed, returns could gravitate

(Please turn to inside back cover)

VANGUARD QUANTITATIVE PORTFOLIOS SEEKS LONG-TERM GROWTH OF CAPITAL AND INCOME, WITH THE GOAL OF EXCEEDING THE RETURN ON THE UNMANAGED STANDARD & POOR'S 500 COMPOSITE STOCK PRICE INDEX OVER TIME. THE FUND'S BROADLY DIVERSIFIED PORTFOLIO IS WEIGHTED TOWARD THOSE STOCKS CONSIDERED MOST LIKELY TO OUTPERFORM THE INDEX, WHILE MAINTAINING INVESTMENT CHARACTERISTICS THAT, IN THE AGGREGATE, PARALLEL THE INDEX.

CHAIRMAN'S LETTER

FELLOW SHAREHOLDER:

With a return of +13.8% during the year ended December 31, 1993, Vanguard Quantitative Portfolios enjoyed another fine year. Indeed, relative to the market as a whole, it was the best year in our seven-year history.

As the following table shows, the Fund's total return (capital change plus income) was sharply ahead of the +10.1% return of the unmanaged Standard & Poor's 500 Composite Stock Price Index, a good measure of the returns achieved by large blue-chip corporations:

<TABLE>
<CAPTION>

<S>	Total Return Year Ended December 31, 1993 <C>
VANGUARD QUANTITATIVE PORTFOLIOS	+13.8%
STANDARD & POOR'S 500 STOCK INDEX	+10.1%

</TABLE>

The Fund's return is based on net asset values of $16.30 per share on December 31, 1992, and $16.45 on December 31, 1993, with the latter figure adjusted to take into account the reinvestment of two semi-annual dividends totaling $.39 per share from net investment income, and two distributions totaling $1.69 per share from net capital gains realized largely during calendar 1993. (We remind you that the Fund is now distributing semi-annual income dividends at the end of December and June; capital gains will continue to be distributed at the end of December.)

[PHOTO -- SEE EDGAR APPENDIX]

THE STOCK MARKET IN 1993

On an historical basis, 1993 was a good year for stocks. The Standard & Poor's 500 Index provided a return of +10.1%, virtually identical with its long-term (since 1926) average annual total return of +10.3%. (This 68-year historical span is by far the longest of any diversified stock market index.) Thanks to strong performance by smaller and medium-sized corporations, the all-market Wilshire 5000 Index enjoyed even better results, earning a return of +11.3%.

During the year, the market's returns accumulated gradually and with relative consistency, inch-by-inch, step-by-step, month-by-month. There were neither explosive rises nor plummeting declines. It is probably fair to say that such a steady course is the exception rather than the rule in market history. Indeed, it remains a virtual certainty that most years will witness the kind of spasmodic market action#and hence the higher volatility and risk#that has been typical of the stock market in the past.

The precipitating factor in the market's advance almost certainly was the decline in long-term interest rates. The yield on the long-term U.S. Treasury bond, which had opened the year at 7.4%, fell to 6.4% by year-end, engendering a price gain of about +14%. This sharp rate decline seemed to be driven largely by two factors: (1) a stubbornly weak economic recovery that encouraged the Federal Reserve to make ample credit available; and

[CUMULATIVE PERFORMANCE CHART -- SEE EDGAR APPENDIX]

(2) continuing evidence that inflation remained under control. The U.S. Consumer Price Index (CPI) increased 2.7% during 1993, down from 2.9% in 1992. As a result, despite the decline in interest rates, "real" yields (nominal yields less the inflation rate) on long bonds remain at healthy levels.

Since one factor that investors consider in setting their asset allocations is the relative yield of stocks versus bonds, falling bond yields provided impetus to stock prices. During 1993, the dividend yield on stocks (as measured by the Standard & Poor's 500 Index) declined from 2.8% to 2.7%, enough, in and of itself, to add some +5% to the price of the stocks in the Index. This upward revaluation, when added to a dividend yield that is extremely low by historical standards, accounted for the lion's share of the +10.1% total return achieved by the Standard & Poor's 500 Index.

What was most interesting about 1993 was the striking bias that the market exhibited toward "value" stocks-usually defined as those with above-average dividend yields and below-average price-earnings ratios-over "growth" stocks-those that provide lower yields but presumably richer prospects for earnings growth. (The Standard & Poor's 500 Index is divided so that one-half of its market capitalization is included in each category.) The disparity between the two groups' returns during 1993 was little short of astonishing: value stocks provided a return of +18.6%, while growth stocks provided a return of but +1.7%.

I should note that, based on the historical record, such dichotomies are unlikely to persist. Indeed, as shown in the chart to the left-which contrasts the cumulative returns of the Standard & Poor's 500 Index, Growth Index, and Value Index over the past five years-growth stocks were favored during the first three years, only to lag value stocks during the final two years. You can see that, despite the leadership of the Value Index in 1992 and 1993, the Growth Index (+102.0%) remains ahead of its Value counterpart (+88.7%) for the full five years. This comparison suggests, once again, the value of the broad diversification achieved by the ownership of the Standard & Poor's 500 Stock Index, the anchor of our investment strategy.

VANGUARD QUANTITATIVE PORTFOLIOS IN 1993

As you know, the Fund structures its portfolio so as to maintain essentially the same risk characteristics as the Standard & Poor's 500 Stock Index, all the while endeavoring to eke out a higher return by using a computer-driven investment strategy based on more than 30 different variables (including relative price-earnings ratios, changes in corporate earnings, stock price momentum, etc.). I think it is fair to say that, under the direction of our investment adviser, Franklin Portfolio Associates, we succeeded on both counts during 1993. (The adviser's report begins on page 8.)

With respect to risk, we continued to closely reflect the market risk of the Standard & Poor's 500 Index. The standard, measured by the so-called Beta ratio, is 1.00; our risk measure is 1.02, and we continue to have nearly all of the variations in our monthly returns correspond with those of the Index. In fact, 97% of our return is explained by the

return of the Index. We seek our advantage, such as it may prove to be, by essentially duplicating the industry sector weightings of the Index, while varying our holdings of individual stocks in each industry sector based on the analysis by our computer models. This table shows how consistent our industry positions were relative to those of the Index:

<TABLE>
<CAPTION>

	1993 Sector Composition	
	Quantitative Portfolios	S&P 500 Index
<S>	<C>	<C>
UTILITIES	15.2%	15.3%
ENERGY	11.2	11.1
FINANCIALS	15.6	11.2
INDUSTRIAL CYCLICALS	9.7	11.5
CONSUMER DURABLES	7.7	6.9
CONSUMER STAPLES	11.4	10.9
SERVICES	6.0	8.6
RETAIL	6.2	7.0
HEALTH CARE	7.2	7.6
TECHNOLOGY	9.8	9.9
TOTAL	100.0%	100.0%

</TABLE>

As you can see, our only major overweighting was in the financial stocks. This sector performed about in line with the Standard & Poor's 500 Index during 1993, but the returns on the stocks held by the Fund were exceptional, earning us a nice extra return. Even more importantly, the Fund traditionally has maintained a somewhat larger position in stocks with marginally lower price-earnings ratios and lower price-book value ratios#two of the traditional measures of relative value#than the broadbased Standard & Poor's 500 Index. As noted earlier, value stocks outpaced growth stocks by an extraordinary margin in 1993. This strategy, then, generated another "plus" in our total return. In all, we outpaced the Index by +13.8% versus +10.1%.

We also provided a solid return relative to the +11.4% return for the average growth and income (or value) mutual fund. We believe that this group best characterizes our overall strategy, and it is the comparison we have consistently presented to you in the past. Simply put, along with

[CUMULATIVE PERFORMANCE CHART -- SEE EDGAR APPENDIX]

good selections of individual stocks, our larger positions in the utilities sector and the energy sector helped us to carry the day. Indeed, when the final scores for 1993 were tallied, Vanguard Quantitative Portfolios had outpaced 209 of the 303 growth and income funds in operation for the full year.

In all, then, the Fund gave a fine account of itself both on an absolute and a relative basis during 1993. A return of +13.8% is a very good one by any long-term historical standard. And outpacing our two performance benchmarks by an average of +3.1% (310 "basis points") is probably at the edge of the upper range of what even the "true believer" in our innovative enhanced index strategy might reasonably expect in a given year. Over the long-term, this margin would make a dramatic difference.

A LIFETIME PERSPECTIVE

Even though our history has been a relatively short one-#we began operations in December 1986#our lifetime record should be given much greater weight than our record in any single year. In this sense, 1993 was a bit of a paradox. Our absolute rate of return for the year was very close to our longer-term norm (+13.9%), but our return relative to our two benchmarks was well above the norm.

The chart at the bottom of page 3 shows our return since 1986 compared with the returns of our two competitive standards. This table summarizes the results:

	Total Return December 31, 1986, to December 31, 1993	
	Cumulative	Annual Rate
VANGUARD QUANTITATIVE PORTFOLIOS	+148%	+13.9%
AVERAGE GROWTH AND INCOME FUND	+113%	+11.4%
STANDARD & POOR'S 500 STOCK INDEX	+141	+13.4

I should emphasize that these returns reflect past performance and are in no way intended as an indication of the results that the Fund, the average growth and income fund, or the Standard & Poor's 500 Stock Index may achieve in the future.

In the competitive world of mutual fund performance, it is of course gratifying to have churned out such a substantial margin over our peer group during this period. It is perhaps even more gratifying to have also surpassed the cumulative return of the Standard & Poor's 500 Index. While our annual margin over our peers has been fairly consistent, our returns relative to the Index have been mixed, generally within plus or minus 70 basis points. The sole exception was in a turbulent 1987#our first full year of operations#when we fell 120 basis points short. However, with our 370-basis-point margin over the Index during 1993, we now enjoy a positive margin averaging 50 basis points per year.

Our advantage over an unmanaged index may not seem very large, but, as shown in the summary table, most of our peers have fallen remarkably short of the Index. I should add that the Standard & Poor's 500 Index is always a tough "bogey," since it operates only in a "paper world," bereft of the frictional costs of investing. We must operate in the "real world," paying the expenses of our operations and incurring the cost of portfolio transactions. Included in our expenses is the advisory fee that we pay to Franklin Portfolio Associates. This fee is set at a very low basic rate (about 18 basis points at current asset levels, compared with 75 to 100 basis points or more for many equity mutual funds). It also includes an incentive/penalty provision in which the base advisory fee is increased when a positive annual margin of 1% or more versus our Index standard is achieved over three years; a 1% shortfall would reduce the fee by a similar amount. Given the Fund's success over the past three years, we are delighted to have our adviser receive an incentive fee in 1993.

A FEW FINAL THOUGHTS

One year ago, I cited a renowned stock market oracle who predicted that in 1993 those who invest "in some form of indexing vehicle . . . are going to

be disappointed." To the extent that forecast was intended to relate to the Standard & Poor's 500 Index, it was vaguely on the mark. The Index, with its bias toward large stocks, outpaced "only" 40% of all general equity mutual funds, and Vanguard Quantitative Portfolios outperformed 60% of these funds. Given that outcome in a relatively tough year, it is hard to be negative on index funds as a group, and easy to be enthusiastic about the Fund's "enhanced indexing" strategy.

That said, Vanguard Quantitative Portfolios, as a matter of policy, remains 100% invested in common stocks. You should not lose sight of the fact that stocks, because they carry substantial short-term price volatility, involve significant risk. "The stock market giveth, and the stock market taketh away" is a biblical-like way of summarizing this risk. With stock yields at extremely low levels on an historical basis, it would be logical to assume that the risks involved in stocks today are higher than historical norms.

These comments are in no way intended to derogate the considerable long-term merits of investing in stocks. Indeed, if, in the future, we are able to emulate our relative performance since our inception, the particular merits of an enhanced index strategy will prove eminently worthwhile. However, you should, at all times, maintain a portfolio that includes bonds and short-term reserves as well as stocks, balanced in whatever proportion meets your own investment objectives and tolerance for risk. This advice was valid when I presented it to you one year ago. It is at least equally valid today. Indeed, it is a "strategy for the ages."

Sincerely,

/s/ John C. Bogle
- ---------------------
John C. Bogle
Chairman of the Board

January 6, 1994

Note: Mutual fund data from Lipper Analytical Services, Inc.

NOTE: In March 1994, the Fund will be making a distribution of about $.42 per share from net capital gains realized from 1993 operations, but taxable to shareholders in 1994.

AVERAGE ANNUAL TOTAL RETURNS

AVERAGE ANNUAL TOTAL RETURNS#THE AVERAGE ANNUAL TOTAL RETURNS FOR THE FUND (PERIODS ENDED DECEMBER 31, 1993) ARE AS FOLLOWS:

1 YEAR: +13.83%   5 YEARS: +15.37%   SINCE INCEPTION (12/10/86): +13.25%

THE AVERAGE ANNUAL TOTAL RETURN SINCE INCEPTION INCLUDES A CAPITAL RETURN OF +10.07% AND AN INCOME RETURN OF +3.18%. ALL OF THE DATA REPRESENT PAST PERFORMANCE. THE INVESTMENT RETURN AND PRINCIPAL VALUE OF AN INVESTMENT WILL FLUCTUATE SO THAT AN INVESTOR'S SHARES, WHEN REDEEMED, MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST.

TOTAL INVESTMENT RETURN

The table below illustrates the returns for Vanguard Quantitative Portfolios from December 10, 1986, to December 31, 1993, the lifetime of the Fund. During this period, stock prices fluctuated and were higher at the end than at the beginning. These results should not be considered a representation of the dividend income or capital gain or loss that may be realized from an investment made in the Fund today.

<TABLE>
<CAPTION>

PERIOD	PER SHARE DATA				YEAR-END VALUE		TOTAL INVESTMENT RETURN	
							Annual Percentage Change*	
Year Ended December 31	Net Asset Value	Income Dividends	Capital Gains Distributions	Value with Income Dividends & Capital Gains Reinvested	Vanguard Quantitative Portfolios	S&P 500 Index	Vanguard Quantitative Portfolios	S&P 500 Index
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
INITIAL (12/86)	$10.00	-	-	$10.00	$10,000	$10,000	-	-
1986	9.69	-	-	9.69	9,690	9,668	-3.1%	- 3.3%
1987	9.80	$ .25	$ .06	10.08	10,080	10,169	+4.0	+ 5.2
1988	11.08	.35	-	11.77	11,773	11,847	+16.8	+16.5
1989	14.14	.47	-	15.54	15,540	15,589	+32.0	+31.6
1990	13.29	.47	.04	15.16	15,161	15,103	-2.4	- 3.1

1991	16.32	.47	.44	19.75	19,753	19,694	+30.3	+30.4
1992	16.30	.44	.71	21.13	21,136	21,193	+ 7.0	+ 7.6
1993	16.45	.39	1.69	24.06	24,061	23,325	+13.8	+10.1
LIFETIME		$2.84	$2.94		+140.6%	+133.3%	+13.2%	+12.7%

</TABLE>

* Adjusted to include reinvestment of income dividends and any capital gains distributions both for the Fund and the Index.
Note: No adjustment has been made for income taxes payable by shareholders on reinvested income dividends and capital gains distributions.

REPORT FROM THE INVESTMENT ADVISER

The slow economic recovery continued during 1993, as did the decline in the general level of interest rates. Inflation has not been a significant concern to experienced observers of the economy for some time, and in our view, it is not a near-term threat. Overall concern about the Administration lessened as the President's approval ratings rose. All of these factors led to a continued advance in equity prices.

The passage of NAFTA and movement toward a GATT agreement were, in our view, positive long-term developments for the worldwide economy. Indeed, NAFTA epitomizes the continued evolution of the cross-border trading relationships and the increasing reliance of all countries on international trade. In this regard, global economic problems abound. Nonetheless, we believe that there has been worldwide economic progress, and that the groundwork has been laid for increased economic well-being.

In this environment, it is easy to cite economic and financial benchmarks that indicate that equity prices are somewhat high based on fundamental valuation measures. Our investment program has always been directed toward the long term, and we view the shorter-term prognosticating of equity prices to be a difficult, if not impossible, task. We view the long-term prospect for equities as quite attractive, especially when compared to fixed-income alternatives.

There were significant differences in performance among different sectors of the equity market. In general, value stocks outperformed growth stocks, and smaller-cap stocks outperformed larger-cap stocks. The volatility of individual stocks seemed higher than normal to us, and all investors should be sensitive to what this increased volatility means in terms of short-term uncertainty. In this regard, we emphasize our long-term perspective in terms of investment objectives.

As noted in prior reports to you, we compare our performance with both the S&P 500 Index, our investment policy proxy, and our competitors. For a competitive proxy, we use the CADENCE mutual fund universe for growth and income mutual funds. We had a fine 1993, our seventh year of serving as the Fund's adviser, versus the S&P 500, and we beat roughly 60% of our competitors. Our longer-term performance compares quite favorably to our performance objectives. We do not expect to always have pleasing short-term results, but we would be disappointed if our longer-term results lagged our objectives. We would remind you that our focus is on the longer term, and that we will inevitably have periods when shorter-term performance does not compare favorably with competitive benchmarks.

<TABLE>
<CAPTION>

Vanguard Quantitative Portfolios versus CADENCE Growth and Income Funds

Periods Ended December 31, 1993	VQP versus Competitor Funds
<S>	<C>
7 YEARS	12TH OUT OF 137
5 YEARS	19TH OUT OF 188
3 YEARS	80TH OUT OF 211
1 YEAR	89TH OUT OF 219

</TABLE>

Source: CADENCE.

An important aspect of our portfolio management process is the "risk control" that we employ to keep the portfolio in line with the Standard & Poor's 500 Index. Our intent in employing this risk control is to ensure a high degree of conformity with the returns of the Index, while trying to make the deviations from this performance occur on the positive side. However, Fund investors should not regard our risk control as a potential cure for a meaningful decline in equity prices. The risk-control process assures us that representative equity returns, as represented by the returns of the S&P 500, are not overly different than the returns of the Fund.

Our strategy for your Fund is to build a margin of superiority over alternative equity investments by trying to achieve many small positive differences in performance rather than a few big ones. This strategy leads to our being virtually fully invested in equities at all times, and thus the value of the portfolio is almost certain to

decline in a sustained bear market for equities. Thus, our strategy is more compatible with long-term equity investors than with speculators.

The S&P 500 Index has been a more than worthy opponent for managed growth and income funds over the seven years of Vanguard Quantitative Portfolios' operations. We believe our success in outperforming this unmanaged benchmark is illustrative of the effectiveness of the Franklin game plan: seeking to win while avoiding periods of major loss. Our goal with your assets is to be consistently above average. We believe that consistency builds strong long-term performance and will continue to make Vanguard Quantitative Portfolios an attractive option for equity investors.

Respectfully,

Franklin Portfolio Associates

January 11, 1994

STATEMENT OF NET ASSETS

FINANCIAL STATEMENTS
December 31, 1993

<TABLE>
<CAPTION>

	Shares	Market Value (000)+
<S>	<C>	<C>
COMMON STOCKS (98.8%)		
General Electric Co.	186,700	$19,580
Wal-Mart Stores, Inc.	521,900	13,048
Mobil Corp.	126,800	10,017
Procter & Gamble Co.	170,084	9,695
American International Group, Inc.	103,300	9,065
Amoco Corp.	164,200	8,682
The Coca Cola Co.	182,700	8,153
J.C. Penney Co., Inc.	151,600	7,940
Unilever NV	66,700	7,704
Exxon Corp.	120,800	7,610
GTE Corp.	211,800	7,413
MCI Communications Corp.	262,200	7,374
American Express Co.	232,200	7,169
International Business Machines Corp.	126,200	7,130
Sprint Corp.	200,900	6,981
Johnson & Johnson	154,700	6,923
Philip Morris Cos., Inc.	123,500	6,885
Southwestern Bell Corp.	165,400	6,864
Sara Lee Corp.	266,600	6,665
Chevron Corp.	75,000	6,534
Bristol-Myers Squibb Co.	110,080	6,398
Public Service Enterprise Group Inc.	198,300	6,346
The Tribune Co.	104,600	6,289
Colgate-Palmolive Co.	98,700	6,156
Merck & Co., Inc.	178,600	6,139
Philadelphia Electric Co.	202,200	6,117
Chrysler Corp.	113,500	6,044
*Crown Cork & Seal Co., Inc.	142,300	5,959
Intel Corp.	90,800	5,630
Pacificorp	291,200	5,606
H.J. Heinz Co.	151,500	5,435
Black & Decker Corp.	272,100	5,374
Aetna Life and Casualty Co.	89,000	5,373
Merrill Lynch & Co., Inc.	123,300	5,179
Syntex Corp.	325,800	5,172
Texas Instruments, Inc.	80,200	5,093
Wendys International, Inc.	291,600	5,067
Lincoln National Corp.	115,900	5,042
Baltimore Gas & Electric Co.	195,500	4,961
Nalco Chemical, Inc.	128,900	4,834

NYNEX Corp.	113,000	4,534
Abbott Laboratories, Inc.	151,500	4,469
BellSouth Corp.	75,900	4,393
Sonat, Inc.	149,800	4,325
PNC Bank Corp.	148,900	4,318
McDonald's Corp.	74,700	4,258
Motorola, Inc.	46,000	4,249
Yellow Corp.	168,800	4,199
*Unisys Corp.	325,400	4,108
J.P. Morgan & Co., Inc.	58,641	4,068
*Toys R Us, Inc.	97,200	3,973
Ohio Edison Co.	174,000	3,958
Royal Dutch Petroleum Co.	36,300	3,789
Unocal Corp.	135,500	3,777
Rockwell International Corp.	101,200	3,757
Entergy Corp.	99,850	3,595
Archer-Daniels-Midland Co.	157,132	3,575
Anheuser-Busch Co., Inc.	72,500	3,562
Niagara Mohawk Power Corp.	175,300	3,550
Deere & Co.	47,800	3,537
USF&G Corp.	237,700	3,506
Norwest Corp.	141,400	3,447
Comcast Corp. Class A	95,300	3,443
Pennzoil Co.	64,200	3,419
Federal National Mortgage Assn.	43,500	3,415
Dow Chemical Co.	59,500	3,377
Clorox Co.	62,100	3,369
Sears, Roebuck & Co.	63,800	3,365
Transamerica Corp.	58,900	3,343
CBS, Inc.	11,400	3,289
Pacific Gas & Electric Co.	91,200	3,203
Lockheed Corp.	45,600	3,112
Bausch & Lomb, Inc.	60,000	3,075
*Citicorp	82,300	3,025
Whitman Corp.	183,300	2,979
Pall Corp.	155,600	2,859
The Goodyear Tire & Rubber Co.	62,000	2,836
WMX Technologies Inc.	106,300	2,804
*Federal Express Corp.	38,800	2,750
International Paper Co.	38,200	2,588
Union Carbide Corp.	111,900	2,504
Computer Associates International, Inc.	61,800	2,472
Great Lakes Chemical Corp.	32,400	2,418
NationsBank, Inc.	48,500	2,376
*National Semiconductor Corp.	132,500	2,137

</TABLE>

<TABLE>
<CAPTION>

<S>	Shares <C>	Market Value (000)+ <C>
*Compaq Computer Corp.	28,300	$2,094
*The Kroger Co.	103,400	2,081
Homestake Mining Co.	92,600	2,037
McKesson Corp.	37,700	2,036
Primerica Corp.	51,500	2,002
CSX Corp.	24,400	1,976
Monsanto Co.	26,500	1,944
May Department Stores Co.	49,200	1,937
Dana Corp.	31,000	1,856
Helmerich & Payne, Inc.	66,400	1,851
Norfolk Southern Corp.	25,600	1,805
American Stores Co.	41,300	1,776
Dow Jones & Co., Inc.	49,000	1,752
Handleman Co.	129,600	1,717
E-Systems, Inc.	39,500	1,713
Banc One Corp.	43,775	1,713
American Home Products Corp.	26,200	1,696
General Motors Corp.	30,100	1,652
*Armco, Inc.	272,400	1,634
USLIFE Corp.	42,150	1,618
American Telephone & Telegraph Co.	29,300	1,538
Enron Corp.	51,500	1,494
Caterpillar, Inc.	16,600	1,477
Pep Boys (Manny, Moe & Jack)	54,300	1,425
Boatmen's Bancshares, Inc.	47,700	1,425
Ford Motor Co.	21,900	1,413
Mattel, Inc.	51,100	1,412
Alcan Aluminium Ltd.	61,900	1,284

McDermott International, Inc.	47,000	1,245
Grumman Corp.	31,100	1,228
Snap-On Tools Corp.	30,600	1,159
Union Pacific Corp.	18,500	1,159
Chemical Banking Corp.	28,700	1,152
*Sun Microsystems, Inc.	38,100	1,110
Walgreen Co.	26,700	1,091
James River Corp.	54,900	1,057
Sun Co., Inc.	35,900	1,055
*Rowan Cos., Inc.	115,800	1,042
*Varity Corp.	23,200	1,038
Zurn Industries, Inc.	36,600	1,002
Briggs & Stratton Corp.	12,000	990
Dresser Industries, Inc.	47,300	981
Suntrust Banks, Inc.	21,800	981
Barnett Banks of Florida, Inc.	23,600	979
Bankers Trust New York Corp.	12,300	973
Placer Dome Group, Inc.	38,500	958
St. Paul Cos., Inc.	10,300	926
Aluminum Co. of America	13,000	902
The Chase Manhattan Corp.	26,400	894
Fleming Cos., Inc.	35,847	887
IMCERA Group, Inc.	25,900	871
UST, Inc.	31,300	869
Safeco Corp.	14,100	772
Arkla, Inc.	96,200	758
Panhandle Eastern Corp.	26,700	631
Echlin, Inc.	18,700	622
Maytag Corp.	31,600	569
Reynolds Metals Co.	12,100	549
Cummins Engine Co., Inc.	10,200	548
Browning-Ferris Industries, Inc.	21,200	546
First Interstate Bancorp.	8,300	532
Beneficial Corp.	13,800	528
Champion International Corp.	15,500	517
Warner-Lambert Co.	6,700	452
Adolph Coors Co. Class B	27,500	440
Conrail, Inc.	6,500	435
First Fidelity Bancorp.	9,500	432
Pulte Corp.	11,300	410
Westvaco Corp.	10,800	385
*Hartmarx Corp.	51,400	360
Scott Paper Co.	8,400	345
Shawmut National Corp.	14,400	313
*National Intergroup, Inc.	23,600	313
Fleet Financial Group, Inc.	9,300	310
SuperValu, Inc.	7,700	279
General Dynamics Corp.	2,700	249
Luby's Cafeterias, Inc.	9,800	220
Blockbuster Entertainment Corp.	6,900	211
CoreStates Financial Corp.	6,800	178
Centex Corp.	4,000	168
Weyerhaeuser Co.	3,700	165
Echo Bay Mines Ltd.	9,300	120
Morrison-Knudsen Co., Inc.	2,800	70
Union Camp Corp.	800	38
Ashland Oil, Inc.	900	31
American Barrick Resources	1,000	28
Perkin-Elmer Corp.	100	4
TOTAL COMMON STOCKS (Cost $475,586)		524,186

</TABLE>

STATEMENT OF NET ASSETS (continued)

<TABLE>
<CAPTION>

	Shares	Market Value (000)+
<S>	<C>	<C>
TEMPORARY CASH INVESTMENTS (2.4%)		
U.S. Treasury Bill-Note E 3.06%, 3/17/94	$425	$422
REPURCHASE AGREEMENT		
Collateralized by U.S. Government		

Obligations in a Pooled Cash Account 3.26%, 1/3/94	12,353	12,353
TOTAL TEMPORARY CASH INVESTMENTS (Cost $12,775)		12,775
TOTAL INVESTMENTS (101.2%) (Cost $488,361)		536,961
OTHER ASSETS AND LIABILITIES (-1.2%)		
Accounts Receivable for Securities Sold		33,363
Other Assets-Note C		3,124
Accounts Payable for Securities Purchased		(40,099)
Other Liabilities		(2,613)
		(6,225)
NET ASSETS (100%)		
Applicable to 32,260,305 outstanding $.001 par value shares (authorized 1,000,000,000 shares)		$530,736
NET ASSET VALUE PER SHARE		$16.45

+See Note A to Financial Statements.
*Non-Income Producing Security.
</TABLE>

<TABLE>
<CAPTION>

AT DECEMBER 31, 1993,
NET ASSETS CONSISTED OF:

<S>	Amount (000) <C>	Per Share <C>
Paid in Capital	$466,511	$14.46
Undistributed Net Investment Income	1,903	.06
Accumulated Net Realized Gains	13,666	.42
Unrealized Appreciation of Investments	48,656	1.51
NET ASSETS	$530,736	$16.45

</TABLE>

STATEMENT OF OPERATIONS

<TABLE>
<CAPTION>

<S>	<C>	Year Ended December 31, 1993 (000) <C>
INVESTMENT INCOME		
INCOME		
Dividends		$12,213
Interest		406
Total Income		12,619
EXPENSES		
Investment Advisory Fees-Note B		
Basic Fees	$ 852	
Performance Adjustments	223	1,075
The Vanguard Group-Note C		
Management and Administrative	1,039	
Marketing and Distribution	109	1,148
Taxes (other than income taxes)-Note A		38
Custodian's Fees		5

Auditing Fees	9
Shareholders' Reports	39
Annual Meeting and Proxy Costs	6
Directors' Fees and Expenses	1
Total Expenses	2,321
Net Investment Income	10,298
REALIZED NET GAIN-Note D	
Investment Securities Sold	60,901
Futures Contracts	540
Realized Net Gain	61,441
CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION) - Notes D and E	
Investment Securities	(12,380)
Futures Contracts	(24)
Change in Unrealized Appreciation (Depreciation)	(12,404)
Net Increase in Net Assets Resulting from Operations	$59,335

</TABLE>

STATEMENT OF CHANGES IN NET ASSETS

<TABLE>
<CAPTION>

<S>	<C> YEAR ENDED DECEMBER 31, 1993 (000)	Year Ended December 31, 1992 (000)
INCREASE IN NET ASSETS OPERATIONS		
Net Investment Income	$ 10,298	$ 9,804
Realized Net Gain-Note D	61,441	13,893
Change in Unrealized Appreciation (Depreciation)-Notes D and E	(12,404)	3,300
Net Increase in Net Assets Resulting from Operations	59,335	26,997
DISTRIBUTIONS (1)		
Net Investment Income	(10,830)	(10,320)
Realized Net Gain	(48,656)	(16,716)
Total Distributions	(59,486)	(27,036)
NET EQUALIZATION CREDITS-Note A	877	634
CAPITAL SHARE TRANSACTIONS (2)		
Issued - Regular	111,687	108,348
- In Lieu of Cash Distributions	57,229	25,531
- Exchange	29,204	21,253
Redeemed - Regular	(56,419)	(56,981)
- Exchange	(27,219)	(18,006)
Net Increase from Capital Share Transactions	114,482	80,145
Total Increase	115,208	80,740
NET ASSETS		
Beginning of Year	415,528	334,788
End of Year (3)	$530,736	$415,528
(1) Distributions Per Share		
Net Investment Income	$ .39	$ .44
Realized Net Gain	$ 1.69	$ .71
(2) Shares Issued and Redeemed		
Issued	8,164	8,110
Issued in Lieu of Cash Distributions	3,501	1,569
Redeemed	(4,892)	(4,708)
	6,773	4,971
(3) Undistributed Net Investment Income	$ 1,903	$ 1,558

</TABLE>

FINANCIAL HIGHLIGHTS

<TABLE>
<CAPTION>

For a Share Outstanding Throughout Each Year	Year Ended December 31, 1993	1992	1991	1990	1989
<S>	<C>	<C>	<C>	<C>	<C>
NET ASSET VALUE, BEGINNING OF YEAR	$16.30	$16.32	$13.29	$14.14	$11.08
INVESTMENT OPERATIONS					
Net Investment Income	.40	.44	.47	.49	.43
Net Realized and Unrealized Gain (Loss) on Investments	1.83	.69	3.47	(.83)	3.10
TOTAL FROM INVESTMENT OPERATIONS	2.23	1.13	3.94	(.34)	3.53
DISTRIBUTIONS					
Dividends from Net Investment Income	(.39)	(.44)	(.47)	(.47)	(.47)
Distributions from Realized Capital Gains	(1.69)	(.71)	(.44)	(.04)	-
Total Distributions	(2.08)	(1.15)	(.91)	(.51)	(.47)
NET ASSET VALUE, END OF YEAR	$16.45	$16.30	$16.32	$13.29	$14.14
TOTAL RETURN	+13.83%	+7.01%	+30.29%	-2.44%	+32.00%
RATIOS/SUPPLEMENTAL DATA					
Net Assets, End of Year (Millions)	$531	$416	$335	$211	$175
Ratio of Expenses to Average Net Assets	.50%	.40%	.43%	.48%	.53%
Ratio of Net Investment Income to Average Net Assets	2.22%	2.67%	2.95%	3.34%	3.35%
Portfolio Turnover Rate	85%	51%	61%	81%	78%

</TABLE>

NOTES TO FINANCIAL STATEMENTS

Vanguard Quantitative Portfolios is registered under the Investment Company Act of 1940 as a diversified open-end investment company.

A. The following significant accounting policies are in conformity with generally accepted accounting principles for investment companies. Such policies are consistently followed by the Fund in the preparation of financial statements.

1. SECURITY VALUATION: Securities listed on an exchange are valued at the latest quoted sales prices as of 4:00 PM on the valuation date; securities not traded are valued at the mean of the latest quoted bid and asked prices. Securities not listed are valued at the latest quoted bid prices. Temporary cash investments are valued at amortized cost which approximates market value.

2. FEDERAL INCOME TAXES: The Fund intends to continue to qualify as a regulated investment company and distribute all of its taxable income. Accordingly, no provision for Federal income taxes is required in the financial statements.

3. EQUALIZATION: The Fund follows the accounting practice known as "equalization," under which a portion of the price of capital shares issued and redeemed, equivalent to undistributed net investment income per share on the date of the transaction, is credited or charged to undistributed income. As a result, undistributed income per share is unaffected by Fund share sales or redemptions.

4. REPURCHASE AGREEMENTS: The Fund, along with other members of The Vanguard Group of Investment Companies, transfers uninvested cash balances into a Pooled Cash Account, the daily aggregate of which is invested in repurchase agreements secured by U.S. Government obligations. Securities pledged as collateral for repurchase agreements are held by the Fund's custodian bank until maturity of each repurchase agreement. Provisions of each agreement ensure that the market value of this collateral is sufficient in the event of default; however, in the event of default or bankruptcy by the other party to the agreement, realization and/or retention of the collateral may be subject to legal

proceedings.

5. FUTURES: The Fund may utilize futures contracts to a limited extent. The primary risks associated with the use of futures contracts are imperfect correlation between the change in market value of the securities held by the Fund and the prices of futures contracts, and the possibility of an illiquid market. Futures contracts are valued based upon their quoted daily settlement prices. Fluctuations in the value of futures contracts are recorded as unrealized appreciation (depreciation) until terminated, at which time realized gains (losses) are recognized. Unrealized appreciation (depreciation) related to open futures contracts is required to be treated as realized gain (loss) for Federal income tax purposes.

6. OTHER: Security transactions are accounted for on the date the securities are purchased or sold. Costs used in determining realized gains and losses on the sale of investment securities are those of specific securities sold. Dividend income and distributions to shareholders are recorded on the ex-dividend date.

* B. Under the terms of a contract which expires September 30, 1994, the Fund pays Franklin Portfolio Associates a basic advisory fee calculated at an annual percentage rate of average net assets. The basic fee thus computed is subject to quarterly adjustments based on performance relative to the Standard & Poor's 500 Stock Index. For the year ended December 31, 1993, the advisory fee represented an effective annual rate of .18% of 1% of average net assets before an increase of $223,000 (.05 of 1%) based on performance.

* C. The Vanguard Group, Inc. furnishes at cost corporate management, administrative, marketing and distribution services. The costs of such services are allocated to the Fund under methods approved by the Board of Directors. At December 31, 1993, the Fund had contributed capital of $85,000 to Vanguard (included in Other Assets), representing .4% of Vanguard's capitalization. The Fund's directors and officers are also directors and officers of Vanguard.

* D. During the year ended December 31, 1993, the Fund made purchases of $452,935,000 and sales of $382,204,000 of investment securities other than U.S. Government securities and temporary cash investments.

At December 31, 1993, unrealized appreciation of investment securities for financial reporting and Federal income tax purposes aggregated $48,600,000 of which $57,626,000 related to appreciated securities and $9,026,000 related to depreciated securities.

* E. At December 31, 1993, the aggregate settlement value of open Standard & Poor's 500 Index futures contracts expiring in March 1994, the related unrealized appreciation, and the market value of securities deposited as initial margin for those contracts were $9,399,000, $56,000, and $422,000, respectively.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholders and Board of Directors
Vanguard Quantitative Portfolios

In our opinion, the accompanying statement of net assets and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Vanguard Quantitative Portfolios (the "Fund") at December 31, 1993, the results of its operations, the changes in its net assets and the financial highlights for each of the respective periods presented, in conformity with generally accepted accounting principles. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities by correspondence with the custodian and brokers and the application of alternative auditing procedures where confirmations from brokers were not received, provide a reasonable basis for the opinion expressed above.

PRICE WATERHOUSE

Thirty South Seventeenth Street
Philadelphia, Pennsylvania 19103
January 31, 1994

SPECIAL TAX INFORMATION

SPECIAL 1993 TAX INFORMATION (UNAUDITED)
FOR VANGUARD QUANTITATIVE PORTFOLIOS, INC.

Corporate shareholders should note that for the year ended December 31, 1993, 43.2% of the Fund's investment income (i.e., dividend income plus short-term capital gains, if any) qualifies for the intercorporate dividends received deduction.

DIRECTORS AND OFFICERS

JOHN C. BOGLE, Chairman and Chief Executive Officer Chairman and Director of The Vanguard Group, Inc., and of each of the investment companies in The Vanguard Group.

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

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

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

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

BURTON G. MALKIEL, Chemical Bank Chairman's Professor of Economics, Princeton University; Director of Prudential Insurance Co. of America, Amdahl Corporation, Baker Fentress & Co., and The Southern New England Telephone Company.

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

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

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

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

- --

OTHER FUND OFFICERS

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

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.

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

OTHER VANGUARD GROUP OFFICERS

JEREMY G. DUFFIELD
Senior Vice President
Planning & Development

JAMES H. GATELY
Senior Vice President
Institutional

IAN A. MACKINNON
Senior Vice President
Fixed Income Group

VINCENT S. MCCORMACK
Senior Vice President
Operations

RALPH K. PACKARD
Senior Vice President
Chief Financial Officer

(Continued from inside front cover)

toward those of the 1970s. However, the current level of inflation suggests that future real returns may prove to be satisfactory. Looking forward, the main risks to the investor are two: (1) that yields on financial assets will rise sharply, reducing the prices of stocks and bonds alike; and (2) that inflation, presently at moderate levels, will accelerate.

SOME COURSES OF ACTION
What, if any, present action should be taken by investors to deal with these two major risks? Should your allocation of assets among stock funds, bond funds, and money market funds be adjusted? Here are some reasonable courses of action to consider:

* For long-term investors who have built a substantial balanced portfolio of stock, bond, and money market funds, stay the course. Even if withdrawing from the stock market proves to be justified, the next decision--when to return--will one day be required. "Being right twice" is no mean challenge.
* For long-term investors gradually accumulating assets for, say, retirement, stay your present course. Continue to invest regularly. By doing so, you buy more shares of a mutual fund when its price falls, and fewer shares when its price rises, virtually assuring a reasonable average cost.
* For risk-averse investors who are highly confident that stock prices are "too high," make only marginal--not "all or nothing"--changes in your portfolio balance. Given the perils of predicting the future, any changes should be limited to, say, 15 percentage points. That is, if your normal portfolio allocation is 60% in stock funds, it might be reduced to 45%; if 85%, to 70%.
* For investors who simply must have more income, never lose sight of the added principal risk involved in shifting from money market funds to bond funds. Long-term bond funds provide a generous and durable income stream, but their prices are highly volatile. Short-term and intermediate-term bond funds offer a "middle way" of increasing income with more modest risk to principal.
* For investors who are tempted to find an "easy way" to higher returns, never forget that risk and reward go hand in hand. Precipitously replacing certificates of deposit with broad-based common stock funds verges on the irrational. Funds investing in other securities markets--emerging nations, international stocks and bonds, and small U.S. companies--carry their own special risks. Generally, limit such alternative investments to, say, 20% of your total portfolio.

For all investors, be prepared for sharp interim swings in stock and bond prices. The central tenet of investing is "prices fluctuate," and sensible long-term investors simply must take such fluctuations in their stride. Successful investing is as much a function of your own discipline and equanimity as it is of the returns available in the securities markets.

THREE ESSENTIAL PRINCIPLES
As we confront the brave new world of investing that may well lie ahead in the coming decade--and it is important to think in decade-length terms--we would underscore three caveats:

1. Have "rational expectations" for future returns. At prices prevailing today, it seems highly unlikely that the returns enjoyed by investors in the past decade will be repeated in the coming decade.
2. Maintain a balanced portfolio consisting of stock, bond, and money market funds. Each asset class has its own risk and reward characteristics. By allocating your resources among the three asset classes according to your own requirements, you can build a portfolio providing appropriate elements of capital appreciation, capital conservation, and current income.
3. In balancing risk against reward, be sure to consider cost. Many mutual funds carry hefty sales charges or high expense ratios, or both. Other factors held equal, expenses reduce returns, dollar for dollar. Put another way, high-cost funds must select investments with higher prospective gross

returns--which entail higher risks--to match the net returns earned by low-cost funds.

This brief Annual Report essay can provide only an elementary look at the challenges investors face today. History can give us perspective, but it cannot give us performance. Famed British economist Lord Keynes had it right when he said, "the inevitable never happens. It is the unexpected always."

THE VANGUARD FAMILY OF FUNDS

MONEY MARKET FUNDS

Vanguard Money Market Reserves

TAX-EXEMPT MONEY MARKET FUNDS

Vanguard Municipal Bond Fund
Money Market Portfolio
Vanguard State Tax-Free Funds
Money Market Portfolios (CA, NJ, OH, PA)

TAX-EXEMPT INCOME FUNDS

Vanguard Municipal Bond Fund
Vanguard State Tax-Free Funds
Insured Long-Term Portfolios
(CA, FL, NJ, NY, OH, PA)

FIXED INCOME FUNDS

Vanguard Admiral Funds
Vanguard Bond Index Fund
Vanguard Fixed Income Securities Fund
Vanguard Preferred Stock Fund

BALANCED FUNDS

Vanguard Asset Allocation Fund
Vanguard Balanced Index Fund
Vanguard STAR Fund
Vanguard/Wellesley Income Fund
Vanguard/Wellington Fund

EQUITY FUNDS

GROWTH AND INCOME FUNDS

Vanguard Convertible Securities Fund
Vanguard Equity Income Fund
Vanguard Index Trust
Vanguard Quantitative Portfolios
Vanguard/Trustees' Equity Fund
U.S. Portfolio
Vanguard/Windsor Fund
Vanguard/Windsor II

GROWTH FUNDS

Vanguard/Morgan Growth Fund
Vanguard/PRIMECAP Fund
Vanguard U.S. Growth Portfolio

AGGRESSIVE GROWTH FUNDS

Vanguard Explorer Fund
Vanguard Small Capitalization Stock Fund
Vanguard Specialized Portfolios

INTERNATIONAL FUNDS

Vanguard International Equity Index Fund
Vanguard International Growth Portfolio
Vanguard/Trustees' Equity Fund
International Portfolio

[VANGUARD LOGO]

Vanguard Financial Center - Valley Forge, Pennsylvania 19482

<TABLE>
<S> <C>

New Account Information 1-(800)662-7447	Shareholder Account Services: 1-(800) 662-2739

</TABLE>

This Report has been prepared for shareholders and may be distributed to others only if preceded or accompanied by a current prospectus. All Funds in the Vanguard Family are offered by prospectus only.

Q930-12/93

EDGAR Appendix

This appendix describes components of the printed version of this report that do not translate into a format acceptable to the EDGAR system.

The cover of the printed version of this report features the flags of The United State of America and Vanguard flying from a halyard.

A bar chart called "A Tale of Two Decades" appears on the inside front cover. This chart illustrates Average Annual Total Return, in nominal and real terms, of Stocks, Bonds and Reserves (U.S. Treasury bills) for the two decades since 1973.

A running head featuring the Vanguard flag logo appears at the top of pages one through 24.

A photograph of John C. Bogle appears at the upper-right of page one.

A line chart of the Indexed value (Standard & Poor's Growth Index, Standard & Poor's 500 Index and Standard & Poor's Value Index) of the Quantitative Portfolio for the Fiscal Years 1989 through 1993 appears at the upper-left of page two.

Line charts illustrating cumulative performance of the Vanguard Quantitative Portfolio compared to (i) the S&P 500 Index and (ii) Average Growth and Income Funds for the Fiscal Years 1987 through 1983 appear on page three.