

VANGUARD CHARITABLE ENDOWMENT PROGRAM

POOL PERFORMANCE – FOURTH QUARTER 2000

(Period ended December 31, 2000)

Continued weak performance in the investment markets resulted in positive returns for only two of the Program's four investment pools: the Moderate Growth Pool and the Gift Preservation Pool. Strong performance in the Wellington Fund influenced the overall return of the Moderate Growth Pool. The Program's newest pool, the Total Equity Pool, outperformed its benchmark but still reported a negative return. The Growth Pool, which also posted a negative return, closely paralleled its benchmark.

Note that pool returns are based on the total returns of the Vanguard mutual funds in each pool, net of four components: 1.) the Endowment Program's expenses; 2.) the funds' expenses; 3.) change in share price; and 4.) reinvestment of dividends and capital gains.

Pool Name / Composition (comprised of Vanguard Funds)	4th Quarter Return	1999 Return	Year-to- Date Return	Annual Average Return Since Gift Fund Inception [‡]
Total Equity Pool	-8.67 %	N/A	N/A	-12.60 %
Index 500 Fund (60%)	-7.81	N/A	-9.06	-11.60
Extended Market Index Fund (20%)	-18.76	N/A	-15.55	-17.79
Total International Stock Index Fund (20%)	-3.89	N/A	-15.61	-8.57
Benchmark Return ¹	-9.27	N/A	N/A	-13.19
Growth Pool	-7.55 %	18.21 %	-6.58 %	9.95 %
Total Stock Market Index Fund (80%)	-10.17	23.81	-10.57	11.14
Total Bond Market Index Fund (20%)	3.98	-0.76	11.39	6.35
Benchmark Return ²	-7.52	18.59	-6.63	10.14
Moderate Growth Pool	0.93 %	8.44 %	3.89 %	9.24 %
Balanced Index Fund (50%)	-4.54	13.61	-2.04	9.61
Wellington Fund (50%)	6.78	4.41	10.40	8.98
Benchmark Return ³	-4.63	13.54	-2.19	10.09
Gift Preservation Pool	1.92 %	3.70 %	6.77 %	5.21 %
Prime Money Market Fund (50%)	1.61	5.01	6.29	5.56
Short-Term Corporate Fund (50%)	2.50	3.30	8.17	6.03
Benchmark Return ⁴	2.02	3.47	7.08	5.50

Past performance is not indicative of future performance.

¹ The Total Equity Pool benchmark contains 60% S&P 500 Index, 20% Wilshire 4500 Completion Index, and 20% Total International Composite Index, which consists of MSCI's EAFE and SEMF indexes. ² The Growth Pool benchmark contains 80% Wilshire 5000 Equity Index and 20% Lehman Aggregate Bond Index. ³ The Moderate Growth Pool benchmark contains 60% Wilshire 5000 Equity Index and 40% Lehman Aggregate Bond Index. ⁴ The Gift Preservation Pool benchmark contains 50% Lipper Money Market Funds Average and 50% Lehman 1 – 5 Year Investment Grade Bond Index.

[‡]The inception date of the Total Equity Pool is August 21, 2000. The inception date of the Growth Pool, Moderate Growth Pool, and Gift Preservation Pool is December 17, 1997.

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