

# DCIP Business Results – Q3 2020

December 8, 2020



# Scorecard – Q3 2020

## Mission Statement:

***Provide State of Delaware residents with a tax- advantaged voluntary savings program that promotes college readiness.***

Scorecard	Q3 2020 Actual	Q3 2020 Goal	Variance from Goal	2020 YTD Actual	2020 YTD Goal
Participation Rate (New Accounts)	425	-	-	1,368	-
Participant Readiness (2K Rule of Thumb)	16%	-	-	16%	-

*FINALIZED GOALS TO BE APPROVED BY PLANS BOARD*

# 529 Industry Update

Direct Sold Program	Program Manager	Assets (\$M)	% Growth (Q2 '20 to Q3 '20)	Market Share
1. New York	Ascensus	\$30,149	4.2%	14.2%
2. Nevada	Ascensus	\$23,937	5.5%	11.3%
3. Utah	State of UT	\$16,147	5.2%	7.6%
4. New Hampshire	Fidelity	\$15,193	3.5%	7.2%
5. California	TIAA-CREF	\$10,402	4.1%	4.9%
6. Ohio	Ohio Tuition Trust Authority	\$7,576	4.5%	3.6%
7. Illinois	Union Bank & Trust	\$7,498	4.7%	3.5%
8. Massachusetts	Fidelity	\$7,118	2.7%	3.4%
9. Maryland	T Rowe Price	\$7,021	4.2%	3.3%
10. Michigan	TIAA-CREF	\$6,341	2.9%	3.0%
<b>38. Delaware</b>	<b>Fidelity</b>	<b>\$688</b>	<b>0.8%</b>	<b>0.3%</b>
<b>529 Industry</b>		<b>\$212,335</b>	<b>4.1%</b>	<b>N/A</b>

- The 529 Industry Direct Sold plan assets were up 4.1% from Q2 '20 to Q3 '20
- U.S. Equities increased by 9.1% for the quarter and 14.8% year-over-year.\*
- Non-US Developed Equities increased by 5.0% for the quarter and 0.4% year-over-year.\*
- Investment Grade Debt increased by 0.6% for the quarter and 7.0% year-over-year.\*
- Assets in the Delaware plan increased 0.8% from Q2 '20 to Q3 '20 and increased 3% year-over-year ending September '20

\* You cannot invest directly in an index. Past performance is no guarantee of future results.

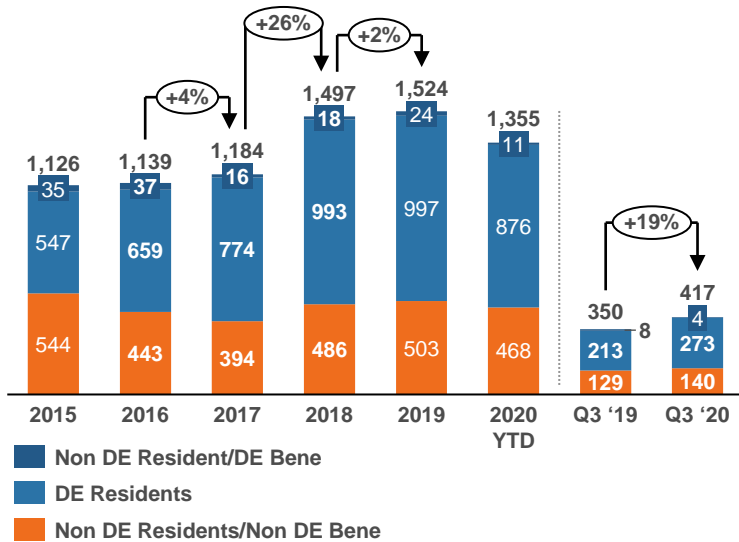
U.S. Equities - DJ U.S. Total Stock Market Index

Investment Grade Bonds - Bloomberg Barclays U.S. Aggregate Bond Index

Non US Developed - MSCI world xUS Index

# Participation Rate

## TOTAL NEW ACCOUNTS



## COMMENTARY

- In Q3 '20, there was a 19% increase in new accounts over Q3 '19 while the industry was up 4%
- 67% of new accounts were opened by an existing Fidelity customer, versus 70% in Q2 '20
- 49% of new accounts opened in Q3 '20 were for children under age 5, up from 48% in Q2 '20

## STRATEGIC LEVERS

### Ongoing Marketing

- ✓ Execute digital marketing plan
- ✓ Drive engagement through Social Media

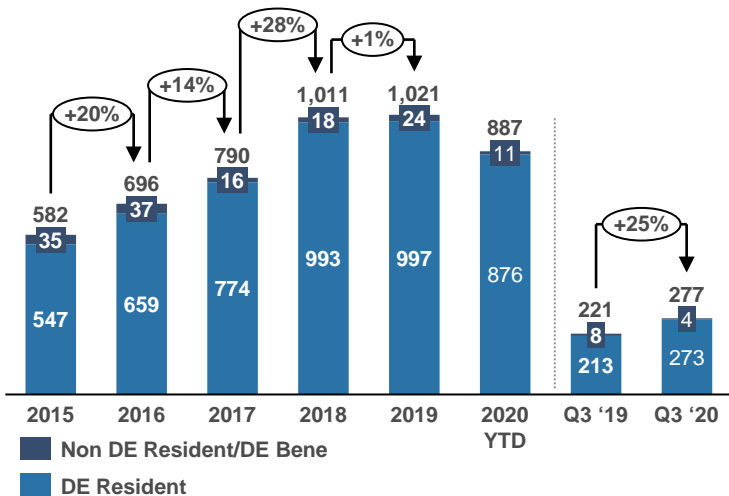
### Completed Activities

- 529 Overview page on Fidelity.com highlights a state plan based upon a logged in customer's address of record

### What's Next?

- Additional testing/updates on 529 Overview page on Fidelity.com

## DELAWARE NEW ACCOUNTS



## COMMENTARY

- In Q3 '20, there was a 25% increase in new accounts for Delaware residents versus Q2 '19 while the industry was up 4%

## STRATEGIC LEVERS

### Ongoing Marketing

- ✓ Execute digital marketing plan with geo-targeting for Delaware residents
- ✓ Targeting new/expecting parents with Newborn Channel in local hospitals
- ✓ Continued engagement on local development plan

### What's Next?

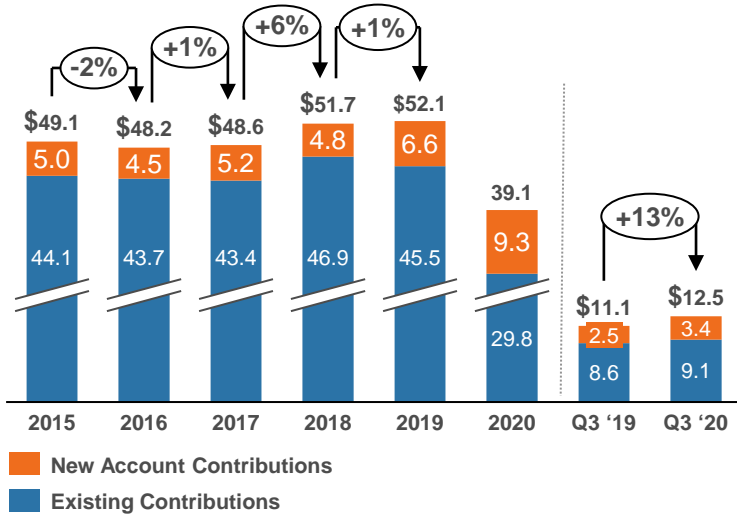
- Review 2021 marketing plan, including local marketing development plan, in mid December

# Readiness

2K RULE					COMMENTARY	STRATEGIC LEVERS
Age Bands	<1x	1-1.5x	1.5-2x	>2x	<ul style="list-style-type: none"> <li>The 2K Rule of Thumb defines readiness as having \$2K x beneficiary age saved</li> <li>As of Q3 '20, 16% of accounts were meeting the 2K Rule of Thumb, in line with Q2 '20</li> <li>20% beneficiaries under 5 years old were meeting the rule for Q3'20, up from 18% in Q2 '20.</li> </ul>	<p><b>Ongoing Marketing</b></p> <ul style="list-style-type: none"> <li>✓ Use digital advertising to target existing DCIP customers and encourage them to contribute more</li> </ul> <p><b>Completed Activities</b></p> <ul style="list-style-type: none"> <li>Enhanced digital transfer experience on Fidelity.com includes 529 contributions</li> <li>Daily change captured on the Positions page for 529 accounts</li> </ul> <p><b>What's Next?</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Additional updates to post-login 529 digital experience on Fidelity.com</li> <li><input type="checkbox"/> Continue work on social gifting experience to drive contributions through gifting</li> </ul>
< 5	64%	10%	6%	20%		
5 -9	70%	9%	6%	15%		
10 -13	65%	11%	6%	18%		
14 -17	58%	12%	7%	23%		
18-22	69%	10%	6%	15%		
<b>Total</b>	<b>69%</b>	<b>10%</b>	<b>6%</b>	<b>16%</b>		

# Readiness – Contributions

## CONTRIBUTIONS(\$M)



## COMMENTARY

- In Q3 '20, total contributions were up 13% vs. Q3 '19, while the overall industry increased by 7%
- YTD contributions received via Fidelity's gifting program were \$448K and are on pace to increase for the sixth straight year

## STRATEGIC LEVERS

### Ongoing Marketing

- ✓ Use digital advertising to target existing DCIP customers and encourage them to contribute more

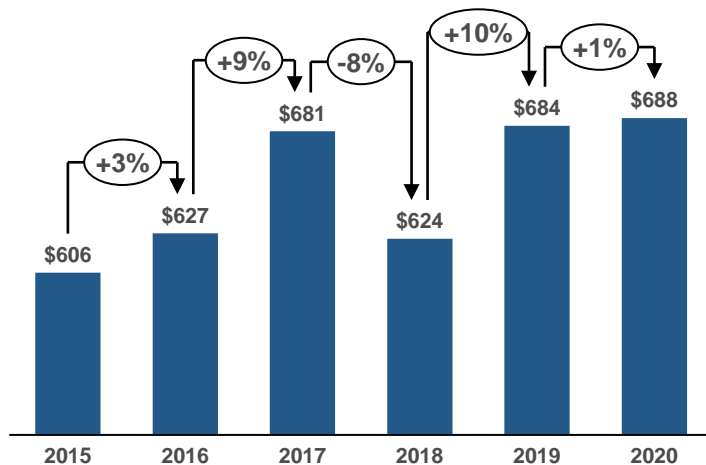
### Completed Activities

- Enhanced digital transfer experience on Fidelity.com includes 529 contributions
- Daily change captured on the Positions page for 529 accounts

### What's Next?

- Additional updates to post-login 529 digital experience on Fidelity.com
- Continue work on social gifting experience to drive contributions through gifting

## ASSETS UNDER MANAGEMENT (\$M)



## COMMENTARY

- In Q3 '20, overall assets under management were up 1% from Q2'20 at \$688M, trailing the industry which was up 4%
- Distributions in the plan were down 10% in Q3 '20 vs. Q3 '19 resulting in net sales of -\$19.8M. Note that this is the second consecutive quarter we have seen a decrease in YOY distributions.
- Assets in the plan continue to be concentrated in beneficiaries older than 14 years



# Appendix

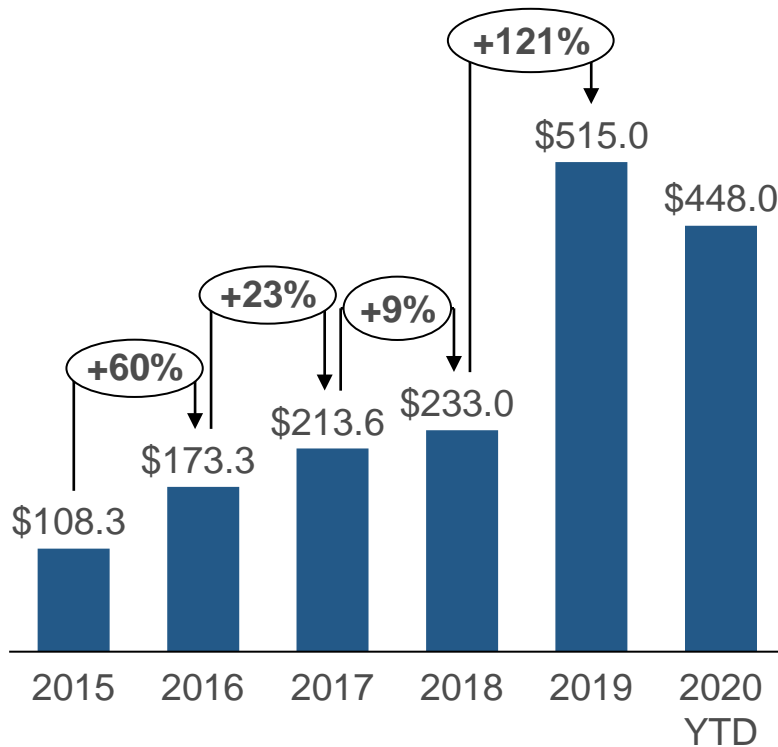
# DCIP Business Results YTD and Historical

 Delaware college investment plan	Q3 2016	Q3 2017	Q3 2018	Q3 2019	Q3 2020	% Change (2020 vs. 2019)
<b>Total Accounts (since inception)</b>	32,828	33,978	35,420	36,860	38,739	+5%
<b>Total Accounts with Balances</b>	22,017	21,908	21,851	21,710	22,172	+2%
<b>New Accounts</b>	263	323	357	350	425	+21%
<b>New Account Contributions</b>	\$1.2M	\$1.6M	\$1.0M	\$1.2M	\$1.1M	-8%
<b>Existing Account Contributions</b>	\$9.7M	\$9.7M	\$10.0M	\$9.9M	\$11.5M	+14%
<b>Total Contributions</b>	\$10.9M	\$11.3M	\$11.0M	\$11.1M	\$12.5M	+12%
<b>Distributions</b>	\$25.6M	\$29.0M	\$32.0M	\$35.9M	\$32.3M	-10%
<b>Net Sales</b>	-\$14.8M	-\$17.8M	-\$21.0M	-\$24.8M	-\$19.8M	+20%
<b>Assets</b>	\$635M	\$671M	\$670M	\$667M	\$688M	+3%

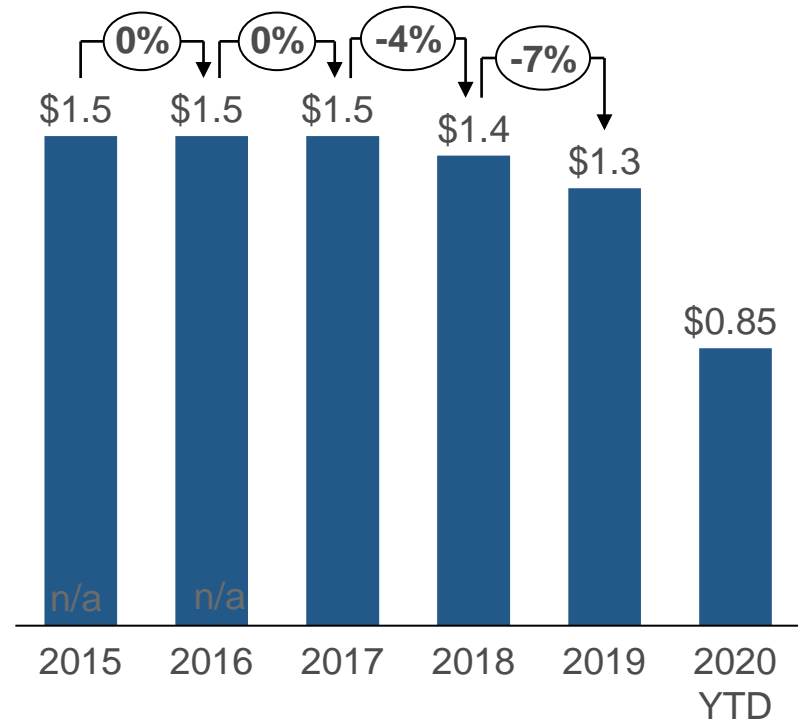


# Readiness: Contributions from Gifting and Rewards Card

CONTRIBUTIONS – FROM GIFTING (\$K)

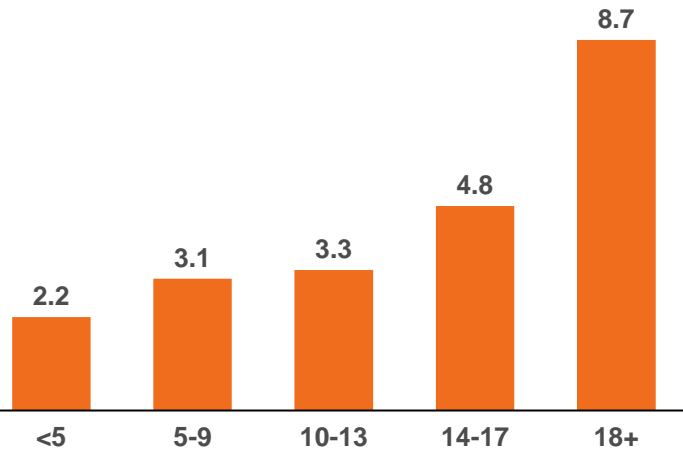


CONTRIBUTIONS – FROM REWARDS (\$M)



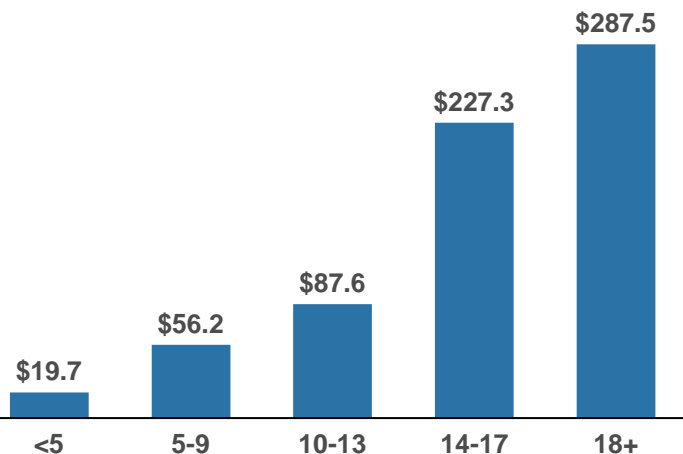
# Readiness: The Age Wave

## ACCOUNTS\*(K)



\*active accounts with balances

## Assets Under Management (\$M)



## COMMENTARY

- In Q2 '20, the average account size for accounts with balances was up 8% from Q1'20 at \$30,851
- 48% of new accounts opened in Q2 '20 were for children under age 5
- 75% of assets in the plan are for beneficiaries aged 14 and older which has resulted in increased distributions over time

## STRATEGIC LEVERS

### Ongoing Marketing

- ✓ Use digital advertising to target existing DCIP customers and encourage them to contribute more

### Completed Activities

- Enhanced digital transfer experience on Fidelity.com includes 529 contributions
- Daily change captured on the Positions page for 529 accounts

### What's Next?

- Additional updates to post-login 529 digital experience on Fidelity.com
- Continue work on social gifting experience to drive contributions through gifting

# 2020 Marketing Details

## 2019 Media Flowchart - DE

MEDIUM (Mon Start)	January		February		March		April		May		June		July		August		September		October		November		December		Imps (000)	\$(000)																					
	31	7	14	21	28	4	11	18	25	1	8	15	22	29	6	13	20	27	3	10	17	24	1	8			15	22	29	6	13	20	27	3	10	17	24	31	7	14	21	28	4	11	18	25	2
<b>PRINT</b>																									180	\$22																					
Magazine																									180	\$22																					
Delaware Today																									48	\$7																					
MetroKids DE																									132	\$10																					
Budget Remainder																										\$4																					
<b>DISPLAY</b>	\$13	\$13	\$18	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	10,835	\$169																					
<b>STRATEGIC DISPLAY</b>																									1,324	\$42																					
YouTube																									423	\$17																					
Pandora																									865	\$14																					
Saving for College																									33	\$6																					
Pinterest*																									3	\$5																					
<b>DIRECT RESPONSE</b>																									9,511	\$124																					
Amazon																									4,172	\$54																					
DBM Retargeting																									1,350	\$27																					
DBM 1st Party Data																									1,083	\$13																					
DBM Audience Targeting																									2,600	\$13																					
Saving for College																									306	\$17																					
<b>DISPLAY AD SERVING</b>																									N/A	\$3																					
<b>SEARCH</b>	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	4	\$44																					
																										(clicks)																					
Google																										\$24																					
Bing																										\$12																					
Ad Marketplace																										\$8																					
<b>SEARCH AD SERVING</b>																										\$0																					
<b>OUTDOOR</b>	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	305	\$30																					
Newborn Channel																									106	\$4																					
Wilmington Station																									199	\$26																					
<b>Total</b>	\$17	\$18	\$22	\$20	\$18	\$20	\$18	\$24	\$33	\$20	\$22	\$35	11,324	\$265																																	

# 2020 DCIP Local Market Development Plan

## Delaware Museum of Natural History



### **NEW** May 29, 2020 National 529 Day Facebook Presentations



5 presentations - 29 minutes after each hour on Facebook!

With story time, an animal presentation, experiments and more, this virtual event will provide entertainment for the whole family. Sponsored by the Delaware College Investment Plan. (9:29am, 11:29am, 1:29pm, 4:29pm, 5:29pm)

### **July 18, 2020** Family Fun Day

Family Fun Day brings families to the Museum's backyard to explore outdoor activities with local community partners. Family Fun Day also celebrates the extending of the Tropical Odyssey exhibit - *still planning for Family Fun Day to happen on July 18. This is a primarily outdoor event (weather permitting) and hopeful that people come to have some family fun outdoors.*



- Logo on Kennett Pike Road Sign (June-July)
- Mention in Summer *Discovery* magazine mailed to 2,000
- Mention in Paid Advertising
- Mention in @DeIMNH electronic newsletter
- Included in social media: nearly 19,000 followers combined on Facebook, Twitter and Instagram
- Onsite signage for display during event

### **NEW** (October/November) Money Savings Sunday

Open to the public on Sunday mornings from 9-11 and at a discounted fee of \$3. Crafts and activities in exhibit hall, which is large and can allow for social distancing. Sponsored by the Delaware College Investment Plan

# 2020 DCIP Local Market Development Plan

## Winterthur Museum, Garden and Library



### **NEW** May 29, 2020 National 529 Day

Social post highlighting partner sponsor of upcoming Truck & Tractor Day

- *Happy National 529 Day! As a world-renowned teaching institution, education is a key part of Winterthur's mission, and we've been working hard to stay engaged with our students remotely during this challenging time. We look forward to when we can teach again in person and when we can welcome visitors of all ages back to Winterthur at some of our planned events later in the year, such as Truck & Tractor Day on Oct. 11, where we hope to see the future generation of college students! This year's event is sponsored by Delaware College Investment Plan managed by Fidelity.*

Blurb in Member What's Happening at Winterthur e-blast:

- *We are celebrating National 529 Day with our friends at the Delaware College Investment Plan managed by Fidelity. Education centered around the museum, garden, and library collections is a key part of Winterthur's mission. We look forward to welcoming visitors of all ages back to Winterthur for our fun and educational events like this year's Truck and Tractor Day, currently planned for October 11, sponsored by the Delaware College Investment Plan. [Learn more about the 529 Plan here.](#)*

### October 11, 2020 9<sup>th</sup> Annual Truck and Tractor Day

- Largest family program of the year - celebrates Winterthur's agricultural past and the many machines used to maintain the estate today
- DCIP logo/name on select advertisements, on-site signage, and invitations, including: digital signage, tent card, day sheet for event, and e-blasts
- Onsite DCIP table to hand out materials, and connect with current and future clients
- The Delaware College Investment Plan will be listed in Winterthur Honor Roll of Donors and in the Annual Report
- DCIP Logo and active link to the Fidelity website will be included in our weekly membership e-blast when promoting Truck and Tractor Day.
- DCIP logo will be featured on the event webpage.
- DCIP will receive a social media "shout out" before the event to let Winterthur's followers know the Delaware College Investment Plan will join us onsite for Truck and Tractor Day.



# Important Legal Information

**Please carefully consider the plan's investment objectives, risks, charges and expenses before investing. For this and other information on any 529 College Savings Plan managed by Fidelity, contact Fidelity for a free Fact Kit, or view one online. Read it carefully before you invest or send money.**

**The Delaware College Investment Plan is offered by the state of Delaware and managed by Fidelity Investments. If you or the designated beneficiary is not a Delaware resident, you may want to consider, before investing, whether your state or the beneficiary's home state offers its residents a plan with alternate state tax advantages or other state benefits such as financial aid, scholarship funds and protection from creditors.**

**Units of the Portfolios are municipal securities and may be subject to market volatility and fluctuation.**

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