

DE 529 Business Results – Q4 2020

March 2, 2021



Scorecard – Q4 2020

Mission Statement:

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

Scorecard	Q4 2020 Actual	Q4 2020 Goal	Variance from Goal	2020 YTD Actual	2020 YTD Goal
Participation Rate (New Accounts)	527	-	-	1,894	-
Participant Readiness (2K Rule of Thumb)	18%	-	-	18%	-

FINALIZED GOALS TO BE APPROVED BY PLANS BOARD

529 Industry Update

Direct Sold Program	Program Manager	Assets (\$M)	% Growth (Q3 '20 to Q4 '20)	Market Share
1. New York	Ascensus	\$33,449	10.9%	14.3%
2. Nevada	Ascensus	\$26,701	11.5%	11.4%
3. Utah	State of UT	\$17,948	11.2%	7.7%
4. New Hampshire	Fidelity	\$16,592	9.2%	7.1%
5. California	TIAA-CREF	\$11,361	9.2%	4.8%
6. Illinois	Union Bank & Trust	\$8,452	12.7%	3.6%
7. Ohio	Ohio Tuition Trust Authority	\$8,410	11.0%	3.6%
8. Maryland	T Rowe Price	\$7,817	11.3%	3.3%
9. Massachusetts	Fidelity	\$7,739	8.7%	3.3%
10. Michigan	TIAA-CREF	\$6,873	8.4%	2.9%
39. Delaware	Fidelity	\$728	5.8%	0.3%
529 Industry		\$234,447	10.4%	N/A

- The 529 Industry Direct Sold plan assets were up 10.4% from Q3 '20 to Q4 '20
- U.S. Equities increased by 14.8% for the quarter and 20.8% year-over-year.*
- Non-US Developed Equities increased by 15.9% for the quarter and increased 7.8% year-over-year.*
- Investment Grade Debt increased by 0.7% for the quarter and 7.5% year-over-year.*
- Assets in the Delaware plan increased 5.8% from Q3 '20 to Q4 '20

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

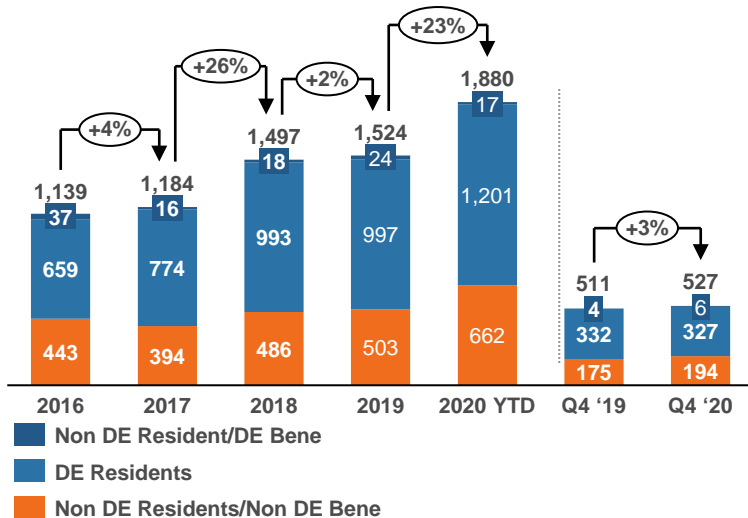
U.S. Equities - DJ U.S. Total Stock Market Index

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

Non US Developed - MSCI world xUS Index

Participation Rate

TOTAL NEW ACCOUNTS



COMMENTARY

- In Q4 '20, there was a 3% increase in new accounts over Q4 '19 while the industry was up 6%
- 69% of new accounts were opened by an existing Fidelity customer, versus 67% in Q3' 20
- 50% of new accounts opened in Q4 '20 were for children under age 5, up from 49% in Q3 '20

STRATEGIC LEVERS

Ongoing Marketing

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

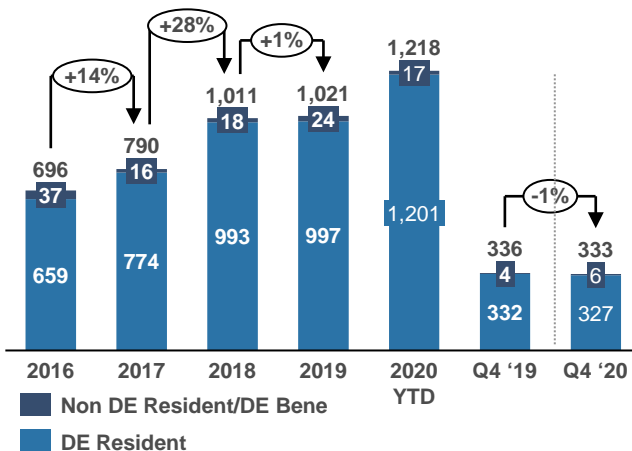
Completed Activities

- Launched new DE 529 ads on Facebook and Instagram stories

What's Next?

- Execute 2021 marketing plan

DELAWARE NEW ACCOUNTS



COMMENTARY

- In Q4 '20, there was a 1% decrease in new accounts for Delaware residents versus Q4 '19 while the industry was up 6%

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?

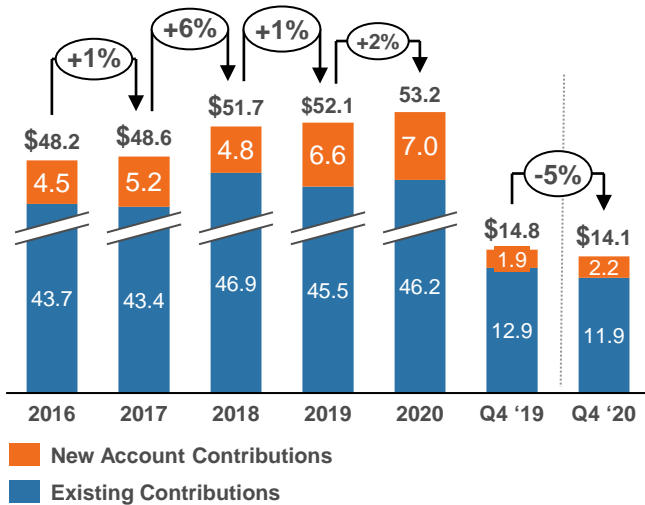
- Execute 2021 marketing plan

Readiness

2K RULE					COMMENTARY	STRATEGIC LEVERS
Age Bands	<1x	1-1.5x	1.5-2x	>2x	<ul style="list-style-type: none"> The 2K Rule of Thumb defines readiness as having \$2K x beneficiary age saved As of Q4 '20, 18% of accounts were meeting the 2K Rule of Thumb, up from 16% in Q3 '20 23% beneficiaries under 5 years old were meeting the rule for Q4 '20, up from 20% in Q3 '20. 	<p>Ongoing Marketing</p> <ul style="list-style-type: none"> ✓ Use digital advertising to target existing DCIP customers and encourage them to contribute more <p>Completed Activities</p> <ul style="list-style-type: none"> • Educational articles ran on how to ask for and give gifts to a 529 account <p>What's Next?</p> <ul style="list-style-type: none"> <input type="checkbox"/> Additional updates to post-login 529 digital experience on Fidelity.com including simplification of the "I want to..." card <input type="checkbox"/> Continue work on social gifting experience to drive contributions through gifting
< 5	60%	10%	6%	23%		
5 -9	69%	9%	6%	16%		
10 -13	64%	11%	6%	19%		
14 -17	57%	12%	7%	25%		
18-22	69%	10%	6%	15%		
Total	69%	10%	6%	18%		

Readiness – Contributions

CONTRIBUTIONS(\$M)



COMMENTARY

- In Q4 '20, total contributions were down 5% vs. Q4 '19, while the overall industry increased by 12%
- New account contributions increased by 14% vs Q4 '19, outpacing the industry

STRATEGIC LEVERS

Ongoing Marketing

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

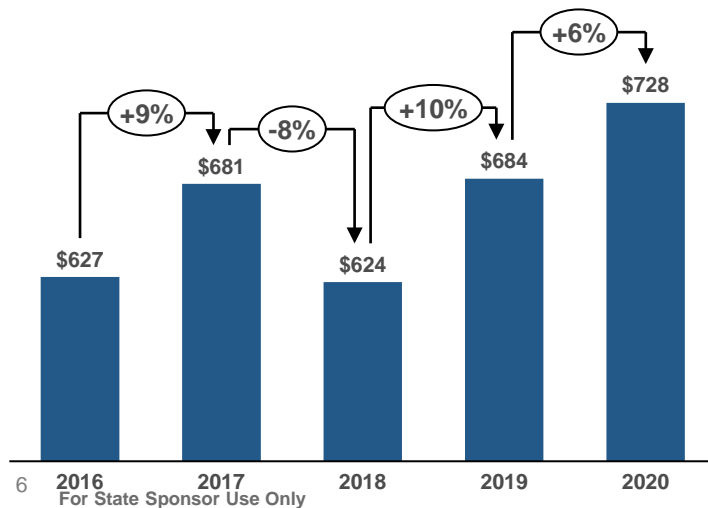
Completed Activities

- Educational articles ran on how to ask for and give gifts to a 529 account

What's Next?

- Additional updates to post-login 529 digital experience on Fidelity.com including simplification of the "I want to..." card
- Continue work on social gifting experience to drive contributions through gifting

ASSETS UNDER MANAGEMENT (\$M)



COMMENTARY

- In Q4 '20, overall assets under management were up 6% from Q3'20 at \$728M, trailing the industry which was up 10%
- Distributions in the plan were down 17% in Q4 '20 vs. Q4 '19 resulting in net sales of -\$19.8M. Note that this is the third consecutive quarter we have seen a decrease in YOY distributions.
- Assets in the plan continue to be concentrated in beneficiaries older than 14 years

DE 529 Marketing Update

Q4 Results

Digital Advertising

To date, our DE 529 account completes increased 79% YOY*, with a 42% decline in the average cost per new account complete (CPAC) at \$716.

Given broader success of 529 social advertising, launched new DCIP video ads on Facebook and Instagram stories. Ad engagement rates exceeded benchmarks.

*Data as of 10/25/20

Q4 Activities

529 Gifting

Article titled “how to ask for gifts to a 529” promoted via Fidelity Viewpoints e-newsletter and Fidelity’s social media channels.

“How to give financial gifts to loved ones” article promoted on social channels included benefits of 529s.

Ran 529 gifting ads on Fidelity.com

PR

Pitched year-end gifting fact sheet to national media and distributed audio news release.

“Life Events” College Ads

National digital ad campaign promoted college planning

Q1 Preview

Marketing Updates

Team presented a marketing plan recommendation for 2021 which included plans to continue with top performers and expand and innovate with new partners.





Appendix

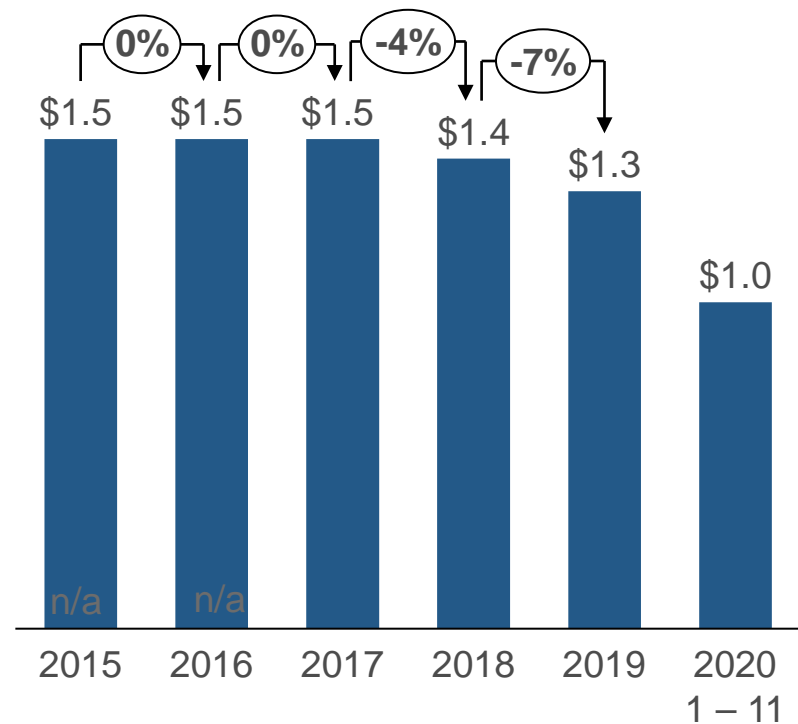
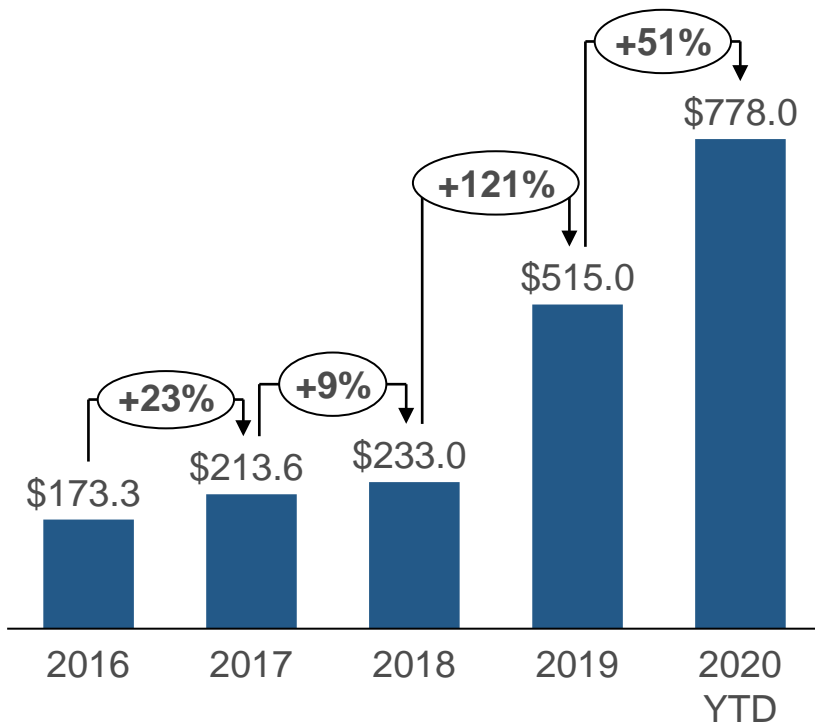
DE 529 Business Results YTD and Historical

 Delaware college investment plan	Q4 2016	Q4 2017	Q4 2018	Q4 2019	Q4 2020	% Change (2020 vs. 2019)
Total Accounts (since inception)	33,133	34,319	35,841	37,371	39,266	+5%
Total Accounts with Balances	21,964	21,901	21,823	21,774	22,346	+3%
New Accounts	304	340	421	511	527	+3%
New Account Contributions	\$1.3M	\$1.8M	\$1.0M	\$1.9M	\$2.2M	+14%
Existing Account Contributions	\$12.7M	\$11.9M	\$12.5M	\$12.9M	\$11.9M	-8%
Total Contributions	\$14.0M	\$13.8M	\$13.5M	\$14.9M	\$14.1M	-5%
Distributions	\$18.7M	\$18.5M	\$21.0M	\$23.7M	\$19.7M	-17%
Net Sales	-\$4.7M	-\$4.8M	-\$7.5M	-\$8.8M	-\$5.6M	+36%
Assets	\$627M	\$681M	\$624M	\$684M	\$728M	+6%

Readiness: Contributions from Gifting and Rewards Card

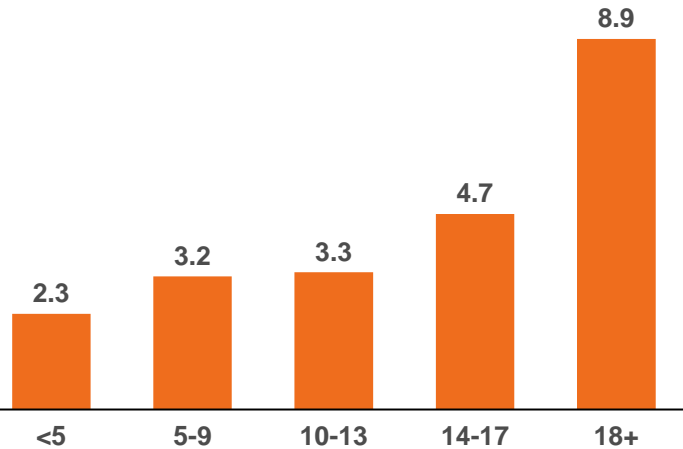
CONTRIBUTIONS – FROM GIFTING (\$K)

CONTRIBUTIONS – FROM REWARDS (\$M)



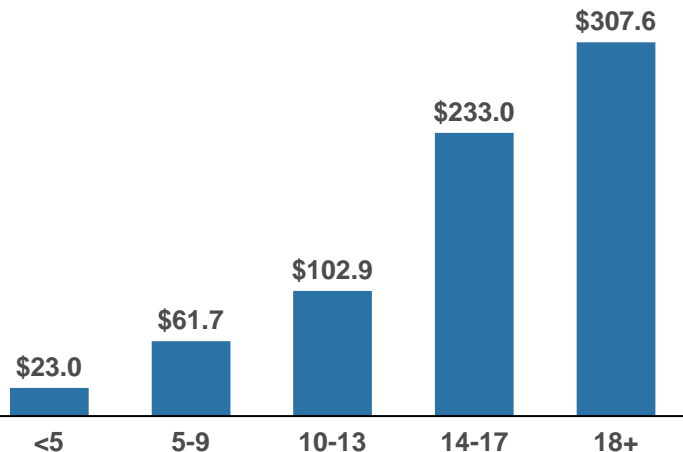
Readiness: The Age Wave

ACCOUNTS*(K)



*active accounts with balances

Assets Under Management (\$M)



COMMENTARY

- In Q4 '20, the average account size for accounts with balances was up 6% from Q3'20 at \$32,568
- 50% of new accounts opened in Q4 '20 were for children under age 5
- 74% of assets in the plan are for beneficiaries aged 14 and older down from 75% in Q3 '20

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
PRINT																											180	\$22																			
Magazine																											180	\$22																			
Delaware Today																											48	\$7																			
MetroKids DE																											132	\$10																			
Budget Remainder																												\$4																			
DISPLAY																											10,835	\$169																			
STRATEGIC DISPLAY																											1,324	\$42																			
YouTube																											423	\$17																			
Pandora																											865	\$14																			
Saving for College																											33	\$6																			
Pinterest*																											3	\$5																			
DIRECT RESPONSE																											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																			
DISPLAY AD SERVING																											N/A	\$3																			
SEARCH																											4	\$44																			
																											(clicks)																				
Google																												\$24																			
Bing																												\$12																			
Ad Marketplace																												\$8																			
SEARCH AD SERVING																												\$0																			
OUTDOOR																											305	\$30																			
Newborn Channel																											106	\$4																			
Wilmington Station																											199	\$26																			
Total																											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 9th 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.

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