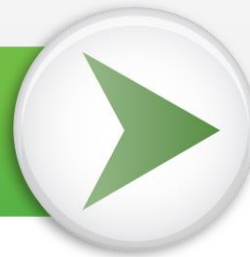


DCIP Business Results – Q3 2018

December 4, 2018



Scorecard – Q3 2018

Mission Statement:

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

Scorecard	Q3 2018 Actual	Q3 2018 Goal	Variance from Goal	2018 YTD Actual	2018 YTD Goal
Participation Rate (New Accounts)	357	-	-	1076	-
Participant Readiness (2K Rule of Thumb)	19%	-	-	19%	-

FINALIZED GOALS TO BE APPROVED BY PLANS BOARD

529 Industry Update

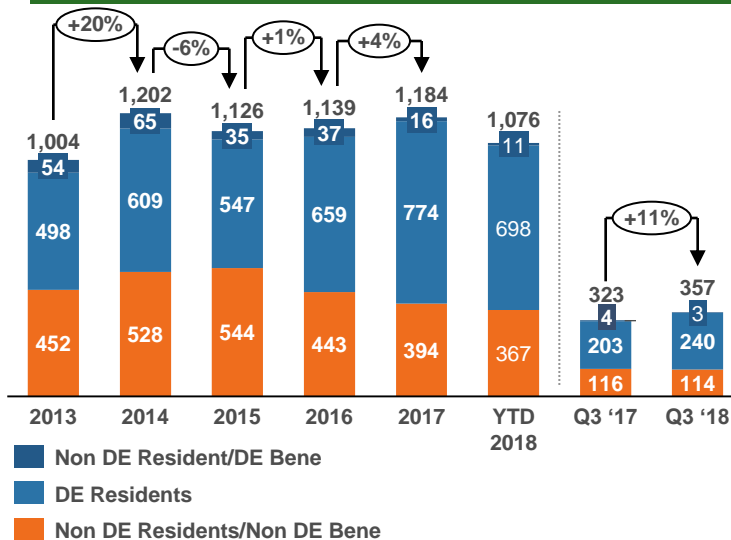
Direct Sold Program	Program Manager	Assets (\$M)	% Growth (Q2 2018 to Q3 2018)	Market Share
1. New York	Ascensus	\$24,736	2.2%	14.1%
2. Nevada	Ascensus	\$18,666	3.7%	10.6%
3. Utah	State of UT	\$13,139	4.0%	7.5%
4. New Hampshire	Fidelity	\$12,820	0.7%	7.3%
5. California	TIAA-CREF	\$8,791	2.3%	5.0%
6. Ohio	Ohio Tuition Trust Authority	\$6,115	2.3%	3.5%
7. MA	Fidelity	\$6,093	0.2%	3.5%
8. Maryland	T. Rowe Price	\$5,864	1.7%	3.3%
9. Illinois	Union Bank & Trust	\$5,769	2.6%	3.3%
10. Michigan	TIAA-CREF	\$5,520	1.4%	3.1%
34. Delaware	Fidelity	\$670	-1.5%	0.4%
529 Industry		\$175,319	2.6%	N/A

- The 529 Industry Direct Sold plan assets increased by 2.6% from Q2 '18 to Q3' 18 and increased by 12.1% year-over-year ending September '18
- U.S. Equities increased by 7.1% and 17.6% while Investment Grade Debt was flat at 0.0% and increased 0.3% respectively during the same time periods ^
- Assets in the Delaware plan decreased 1.5% from Q2 '18 to Q3 '18 and decreased by .1% year-over year ending September '18

^ 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

Participation Rate

NEW ACCOUNTS



COMMENTARY

- In Q3 '18, there was an 11% increase in new accounts over Q3 '17. This was in line with industry growth (10.6%) over the same time period
- 71% of new accounts were opened by an existing Fidelity customer while 29% were new to Fidelity
- 40% of new accounts opened in Q3 '18 were for children under age 5

STRATEGIC LEVERS

Ongoing Marketing

- Execute digital marketing plan
- Drive engagement through Social Media

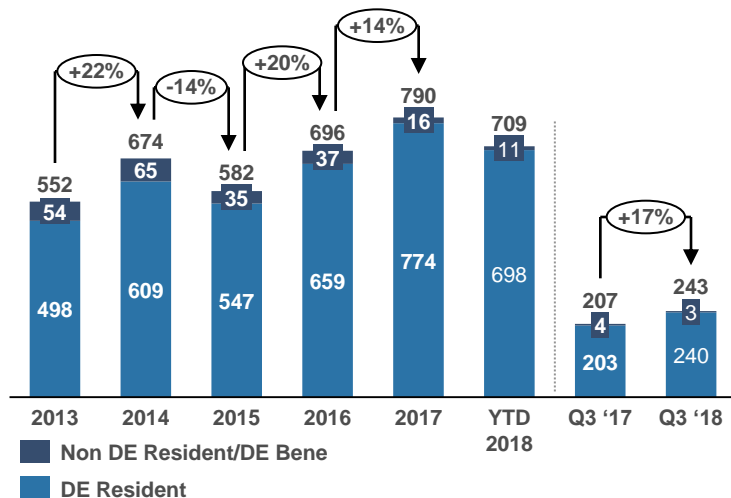
Completed Activities

- ✓ Eliminated account minimums - **Aug '18**
- ✓ College Savings Indicator (CSI) Press Release - **Aug '18**
- ✓ CSI radio media tour - **Sep '18**

What's Next?

- ❑ Launch next phase of Workplace Financial Wellness - **Q4 '18**

NEW ACCOUNTS



COMMENTARY

- In Q3 '18, there was a 17% increase in new accounts for Delaware residents over Q3 '17
- In Q3 '18, 58% of new accounts for Delaware residents were opened by an existing Fidelity customer while 42% were new to Fidelity

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

Completed Activities

- ✓ Increase in audience targeting tactic About, Amazon, and Babycenter - **Apr '18**

What's Next?

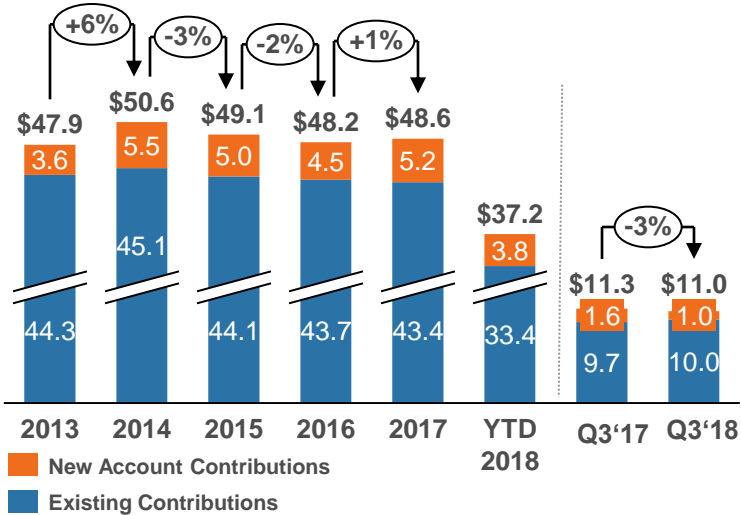
- ❑ Pursuing additional PR opportunities with Influencers - **Q4 '18**

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 Q3 '18, 19% of accounts were meeting the 2K rule of thumb, up from 18% in Q2 '18; This is consistent with analysis across Fidelity's plans 	<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"> ✓ Increased Social Gifting tool maximum dollar limit to \$15,000 – Aug '18 ✓ CSI Press Release - Aug '18 ✓ CSI radio media tour - Sep '18 ✓ Hosted 529 gifting-themed Twitter chat – Oct '18 <p>What's Next?</p> <ul style="list-style-type: none"> <input type="checkbox"/> Cyber Monday social posts to encourage gifting - Nov '18 <input type="checkbox"/> Continued improvement of social gifting experience - Q4 '18 <input type="checkbox"/> Explore ways to promote automated contributions Q4 '18
< 5	62%	9%	6%	24%		
5 -9	69%	10%	6%	16%		
10 -13	63%	10%	6%	20%		
14 -17	59%	12%	7%	22%		
Total	64%	10%	6%	19%		

Readiness – Contributions

CONTRIBUTIONS(\$M)



COMMENTARY

- In Q3 '18, total contributions were down 3% vs. Q3 '17 while the overall industry increased by 27%
- In Q3 '18, new account contributions were down 38% vs. Q3 '17
 - A review of Q3 '17 contributions determined that there were a number of unusually large deposits (\$70K +)
- In Q3 '18, existing account contributions were up 3% vs Q3 '17

STRATEGIC LEVERS

Ongoing Marketing

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

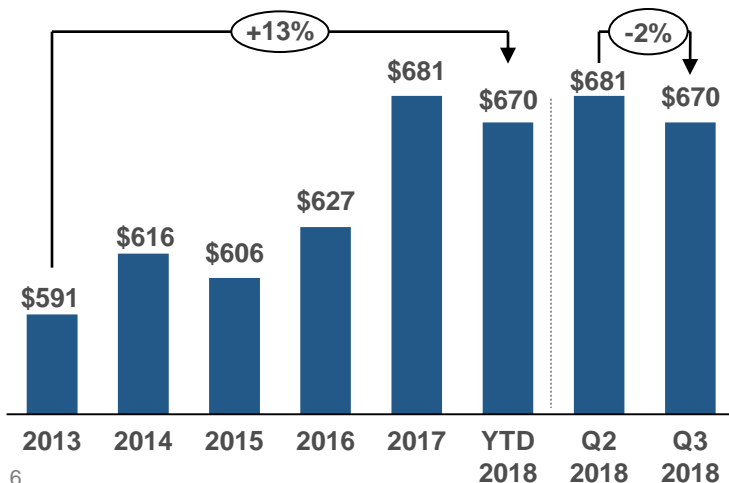
Completed Activities

- ✓ Increased Social Gifting tool maximum dollar limit to \$15,000 - **Aug '18**
- ✓ CSI Press Release - **Aug '18**
- ✓ CSI radio media tour - **Sep '18**
- ✓ Hosted 529 gifting-themed Twitter chat - **Oct '18**

What's Next?

- Cyber Monday social posts to encourage gifting - **Nov '18**
- Satellite tour focused on CSI and gifting - **Nov '18**
- Continued improvement of social gifting experience - **Q4 '18**
- Explore ways to promote automated contributions **Q4 '18**

ASSETS UNDER MANAGEMENT (\$M)



COMMENTARY

- In Q3 '18 the stock market was up 7.1% while plan assets were down 2% over the same time period
- In Q3 '18, overall assets under management were \$670M, down 2% YTD
- The rolling 13 month attrition rate was 11.5% through Q3 '18, up from 10.6% at the end of Q2 and 10.3% at the end of 2017

DCIP Marketing Update

Q3 Results

Digital Advertising

DCIP account starts and completes are up YOY, 36% and 39%*.

Paid search is our most effective tactic and while we've spent 1/3 more this year in this channel, new accounts have grown 65% at a lower cost per account (-19%).

New accounts driven by paid display (website banner ads) are relatively flat YOY (up 2%) however, we spent more to drive conversions with increases in audience targeting tactic, About, Amazon and Babycenter .

Q3 Activities

Fidelity.com

Re-launched Fidelity.com online gifting ad banners targeting owners on November 15.



Social Media

Hosted 529 gifting-themed Twitter chat on October 25.



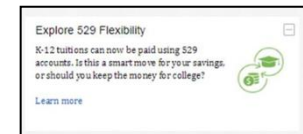
Q4 Preview

Social Media

Social posts scheduled for Cyber Monday (Nov 26) to encourage 529 gifting

Fidelity.com/Viewpoints article promotion

Onsite Fidelity.com ad linking to Viewpoints article that provides guidance on whether or not to consider using 529 savings for K-12 education (November 15).



College Gifting/CSI

Television tour promoting gifting to 529s on November 13.



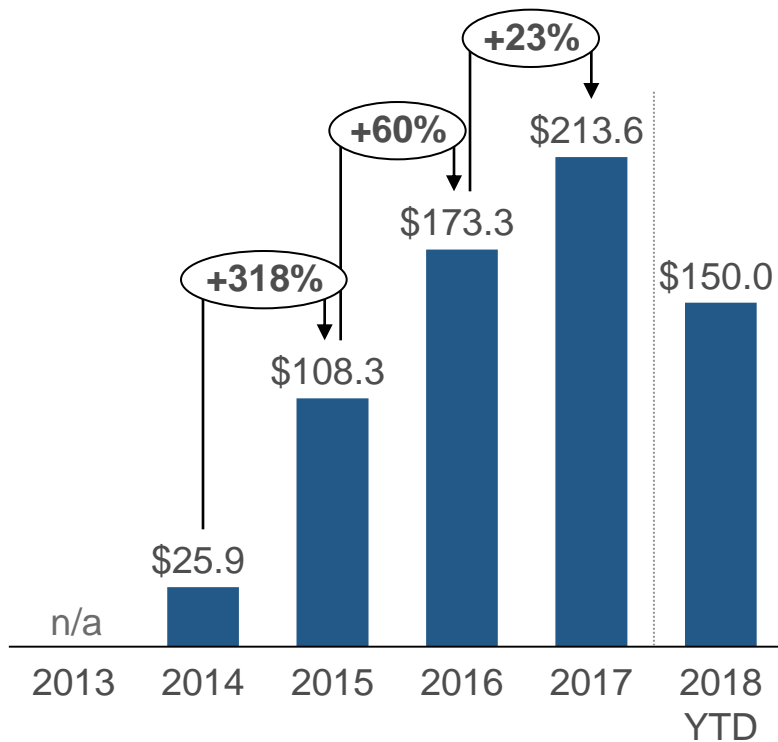
Appendix

DCIP Business Results YTD and Historical

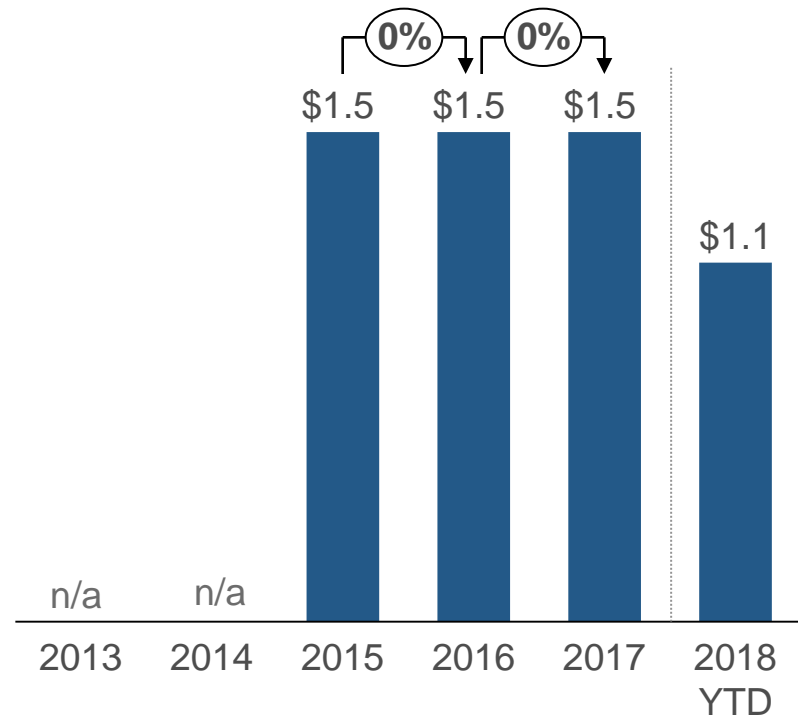
 Delaware college investment plan	Q3 2014	Q3 2015	Q3 2016	Q3 2017	Q3 2018	% Change (2018 vs. 2017)
Total Accounts (since inception)	30,530	31,671	32,828	33,978	35,420	+4%
Total Accounts with Balances	22,187	22,131	22,017	21,908	21,851	-
New Accounts	262	255	263	323	357	+11%
New Account Contributions	\$1.1M	\$1.2M	\$1.2M	\$1.6M	\$1.0M	-36%
Existing Account Contributions	\$9.5M	\$9.6M	\$9.7M	\$9.7M	\$10.0M	+3%
Total Contributions	\$10.6M	\$10.8M	\$10.9M	\$11.3M	\$11.0M	-3%
Distributions	\$21.1M	\$22.3M	\$25.6M	\$29.0M	\$32.0M	+10%
Net Sales	-\$10.4M	-\$11.5M	-\$14.8M	-\$17.8M	-\$21.0M	+18%
Assets	\$609M	\$596M	\$635M	\$671M	\$670M	-0.2%

Readiness: Contributions from Gifting and Rewards Card

CONTRIBUTIONS – FROM GIFTING (\$K)

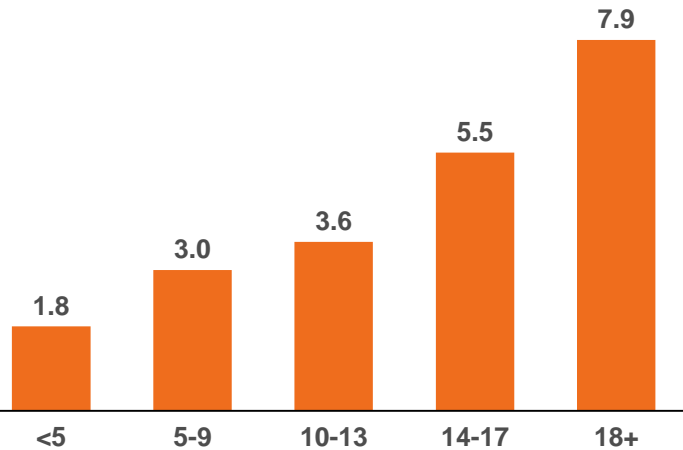


CONTRIBUTIONS – FROM REWARDS (\$M)



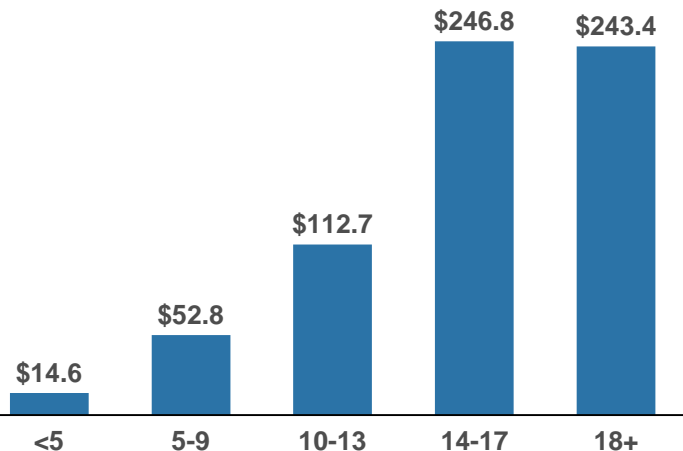
Readiness: The Age Wave

ACCOUNTS*(K)



*active accounts with balances

Assets Under Management (\$M)



COMMENTARY

- In Q3 '18, the average account size for accounts with balances was just over \$30,500
- 40% of new accounts opened in Q3 '18 were for children under age 5
- Assets Under Management continued to be significantly concentrated toward the older age bands (>14 years old)

STRATEGIC LEVERS

Ongoing Marketing

- ✓ Advertising to new and expecting parents including Babycenter.com and Newborn Channel in local hospitals
- ✓ Target millennial investors with relevant content

Completed Activities

- ✓ Eliminated account minimums - **Aug '18**

What's Next?

- ☐ Pursuing additional PR opportunities with Influencers - **Q4 '18**

2018 Marketing Details

MEDIUM		Q1	Q2	Q3	Q4	Broadcast GRPs / Print Insertions	Imps (000)	\$k
PRINT	Delaware Today					2	42	7
	Fit Pregnancy & Baby, Family Fun & Parents					3	60	7
	MetroKids DE					3	66	7
DISPLAY	DBM (Audience targeting & retargeting)					N/A	5,387	66
	Amazon					N/A	3,330	62
	BabyCenter					N/A	1,668	25
	The Balance					N/A	1,250	25
	Saving for College					N/A	132	18
SEARCH	Google					N/A	230	13
	Bing					N/A	3	2
OOH	The Newborn Channel (:30 spot)					N/A	N/A	28
	Wilmington Station Digital (7.5 sec spot)					N/A	N/A	-
LOCAL EVENTS & SPONSORSHIP	Delaware Museum of National History					N/A	N/A	5
	Delaware Children's Theatre					N/A	N/A	5
	Ice Cream TBD / Giveaways					N/A	N/A	5
							280*	

Hospitals (Newborn Channel)
Bayhealth Kent General
Christiana Hospital
Saint Francis Hospital
Bayhealth Medical Center - Milford Memorial Hospital

*Includes \$5K display ad serving/technology costs for ad selection and measurement



2018 Local Market Development Plan

Sponsorship Activities	Expense	Details
<p>“Zoo in You: The Human Micronome” exhibit January 27 - May 6, 2018</p>	<p>\$5,000</p>	<ul style="list-style-type: none"> ▪ Onsite at Member Preview Event Friday, January 26, 2018 and Sunday, April 29 during Money Saving Sunday event (added value opportunity) – branch inclusion ▪ DCIP logo and article with Treasurer’s quote in <i>Discovery</i> magazine, Winter 2018 (4,000 circulation) ▪ DCIP logo included on: highway sign, exhibit entrance wall, Museum’s website in all sections related to exhibit, sponsor “thank you” homepage scroll, rack card (5,000 dist. to area attractions, hotels, etc.) ▪ Social Media: Facebook, Twitter, Instagram during exhibit ▪ @DelMNH e-newsletter highlight once during exhibit, leverage <i>Discovery</i> magazine copy
<p>Disney’s Aladdin, Jr. musical April 28-29; May 5-6, 12-13, 19-20 (8 shows)</p>	<p>\$5,000</p>	<ul style="list-style-type: none"> • Show targets younger audience, typically first time attending a show, approx. 2500-3000 patrons/show • Onsite at on Saturday, May 5 pre and post show – branch inclusion • DCIP logo included on all marketing materials, show program, lobby signage and website • Brochure placed in lobby during show duration for all show dates • Prominent mention in weekly eBlasts with special section detailing DCIP • Social Media: Facebook posts during exhibit • Ad in program book • 125 tickets distributed to local Boys & Girls Club to send underserved children to theatre • One scholarship to summer workshop donated in DCIP’s name
<p>Rockwood Ice Cream Festival June 23 – 24, 2018</p>	<p>\$3,000</p>	<ul style="list-style-type: none"> • Goal: summer coverage at busy ice cream event • Rockwood Ice Cream Festival: partner with WJBR 99.5FM <ul style="list-style-type: none"> ○ 20,000+ attendees expected over the two days ○ Live music, kids activities, unlimited ice cream samples • Own one of four “Shade Tents” – DCIP would be closest to the Kids’ Stage • Tent includes 5 tables, 50 chairs (20x40), rectangular table for Fidelity associates to staff • Onsite with branch inclusion to engage directly with attendees, hand out brochures, backpacks • New: Fidelity to produce DCIP branded table cloth and horizontal banner • 10 festival passes • DCIP included in marketing & communications: <ul style="list-style-type: none"> ○ Signage on festival grounds ○ Website homepage banner ad with click through to www.fidelity.com/delaware ○ Logo inclusion on Ice Cream Festival Microsite, click through to www.fidelity.com/delaware
<p>Activation giveaway item</p>	<p>\$1,500</p>	
<p>DCIP tablecloth & banner</p>	<p>\$500</p>	

Fidelity.com 529 Advertising

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Summary | Positions | Balances | Activity & Orders | Analysis | Manage Cash | Statements | Account Features

All Accounts

529 Accounts
\$180,255,773.69

Your Balance Details
\$180,255,773.69

Your Balance History
 1 Month | 3 Year | Year-to-Date

Explore 529 Flexibility
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 • Request contributions via email, Facebook, and Twitter
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You may need to start taking Minimum Required Distributions (MRD) the year you turn 70 1/2.
 While you have some time before you need to start withdrawing money from your retirement accounts, you may want to read up on MRDs and start planning.
 As always, we're here to help if you have any questions.
[Learn more in the Retirement Distribution Center](#)



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