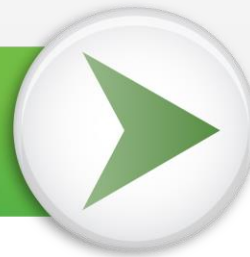


DCIP Business Results – Q4 2018

March 5, 2019



Scorecard – Q4 2018

Mission Statement:

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

Scorecard	Q4 2018 Actual	Q4 2018 Goal	Variance from Goal	2018 YTD Actual	2018 YTD Goal
Participation Rate (New Accounts)	421	-	-	1,497	-
Participant Readiness (2K Rule of Thumb)	20%	-	-	20%	-

FINALIZED GOALS TO BE APPROVED BY PLANS BOARD

529 Industry Update

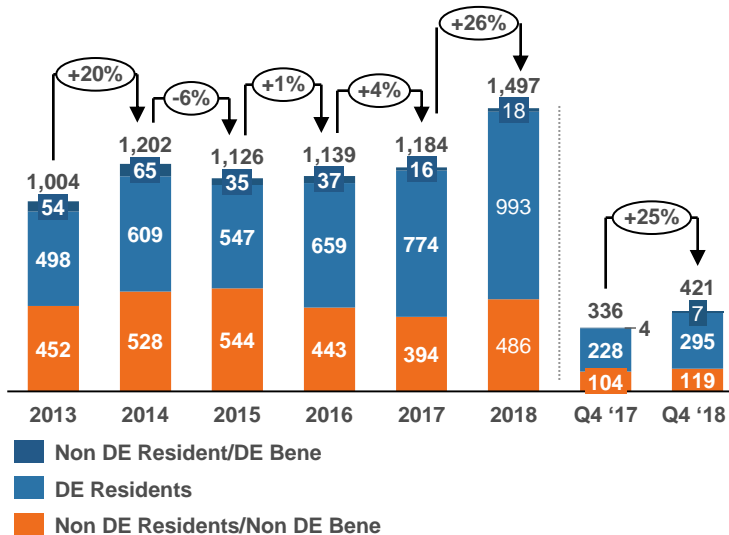
Direct Sold Program	Program Manager	Assets (\$M)	% Growth (Q3 2018 to Q4 2018)	Market Share
1. New York	Ascensus	\$23,183	-6.3%	14.1%
2. Nevada	Ascensus	\$17,449	-6.5%	10.6%
3. Utah	State of UT	\$12,215	-7.0%	7.4%
4. New Hampshire	Fidelity	\$12,071	-5.8%	7.3%
5. California	TIAA-CREF	\$8,251	-6.1%	5.0%
6. Ohio	Ohio Tuition Trust Authority	\$5,747	-6.0%	3.5%
7. MA	Fidelity	\$5,732	-5.9%	3.5%
8. Maryland	T. Rowe Price	\$5,534	-5.6%	3.4%
9. Illinois	Union Bank & Trust	\$5,509	-4.5%	3.3%
10. Michigan	TIAA-CREF	\$5,173	-6.3%	3.1%
35. Delaware	Fidelity	\$624	-6.8%	0.4%
529 Industry		\$164,915	-5.9%	N/A

- The 529 Industry Direct Sold plan assets decreased by 5.9% from Q3 '18 to Q4 '18 and were effectively flat year-over-year ending December '18
- U.S. Equities decreased by 14.4% for the quarter and 5.3% year-over-year *
- Investment Grade Debt increased by 1.6% for the quarter and was flat year-over-year. *
- Assets in the Delaware plan decreased 6.8% from Q3 '18 to Q4 '18 and decreased by 8.4% year-over-year ending December '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 Q4 '18, there was a 25% increase in new accounts over Q4 '17. This significantly outpaced the industry (-3.6%) over the same time period
- 66% of new accounts were opened by an existing Fidelity customer while 34% were new to Fidelity
- 48% of new accounts opened in Q4 '18 were for children under age 5, which represented the high for the year

STRATEGIC LEVERS

Ongoing Marketing

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

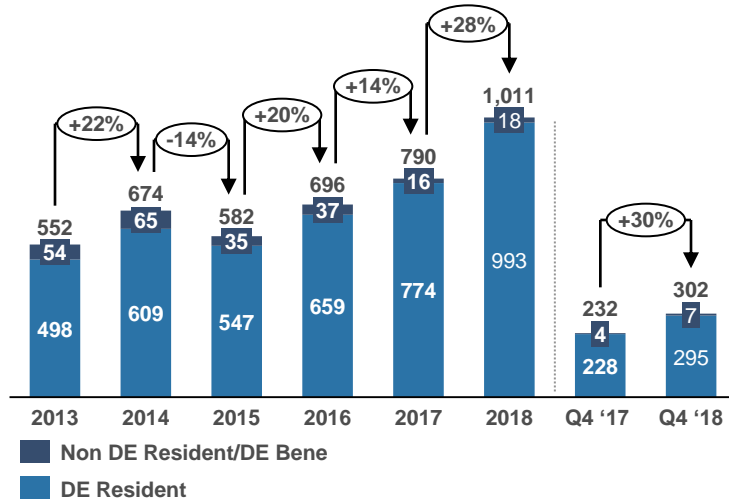
Completed Activities

- ✓ Financial Resolutions TV and Radio Tour - Q4 '18

What's Next?

- ❑ Explore new testing opportunities with both Twitter and Pinterest – Q1 '19
- ❑ Twitter chat around college savings – Q1 '19

NEW ACCOUNTS



COMMENTARY

- In Q4 '18, there was a 30% increase in new accounts for Delaware residents over Q4 '17
- Over the same period, new accounts for non-DE residents were up 13%
- 302 new accounts opened by DE residents in Q4 is a record for the plan

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

- ✓ Finalized 2019 local marketing development plan – Q4 '18

What's Next?

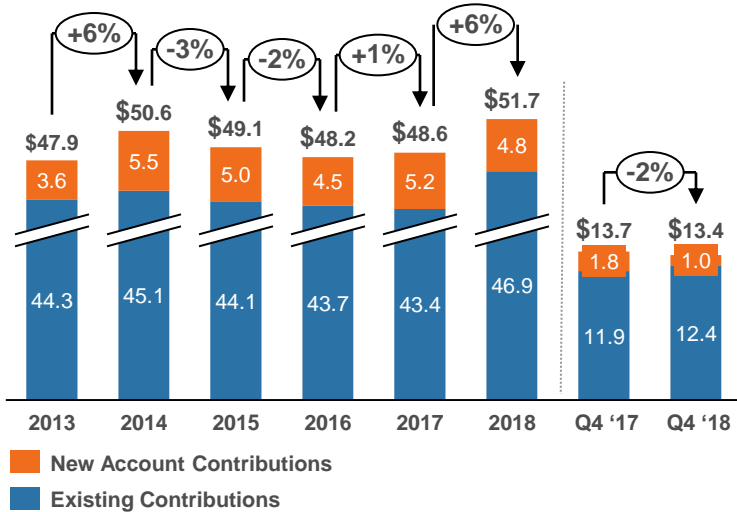
- ❑ Delaware Children's Theatre Sponsored Event – Q2 '19

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 '18, 20% of accounts were meeting the 2K rule of thumb, up from 19% in Q3 '18 	<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"> Cyber Monday social posts to encourage gifting - Nov '18 Completed satellite tour focused on CSI and gifting – Q4 '18 <p>What's Next?</p> <ul style="list-style-type: none"> Continued improvement of social gifting experience – Q1 '19 Perform additional testing with Pinterest and Pandora – Q1 '19
< 5	62%	8%	5%	25%		
5 -9	71%	9%	5%	15%		
10 -13	64%	10%	7%	18%		
14 -17	60%	11%	7%	21%		
Total	64%	10%	6%	20%		

Readiness – Contributions

CONTRIBUTIONS(\$M)



COMMENTARY

- In Q4 '18, total contributions were down 2% vs. Q4 '17 while the overall industry increased by 10%
- In Q4 '18, new account contributions were down 44% vs. Q4 '17*
- In Q4 '18, existing account contributions were up 5% vs Q4 '17, still slightly trailing the industry

*October '17 represented the most monthly new account contributions since this data has been tracked (\$1.5M)

STRATEGIC LEVERS

Ongoing Marketing

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

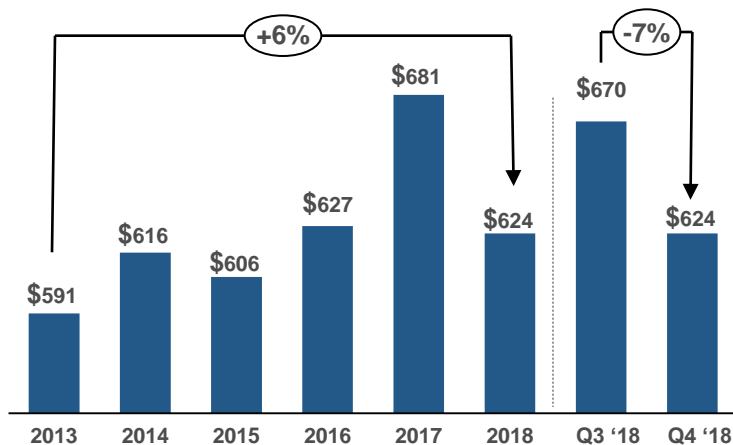
Completed Activities

- ✓ Cyber Monday social posts to encourage gifting – Q4 '18
- ✓ Completed satellite tour focused on CSI and gifting – Q4 '18

What's Next?

- ❑ Continued improvement of social gifting experience – Q1 '19
- ❑ Perform additional testing with Pinterest and Pandora – Q1 '19

ASSETS UNDER MANAGEMENT (\$M)



COMMENTARY

- In Q4 '18, overall assets under management were \$624M, down 6.8% for the quarter and slightly trailing the overall industry (-5.9%)
- Plan assets were down 8.4% for 2018, while the industry was flat
- The rolling 13 month attrition rate was 11.2%, up from 10.3% at the end of 2017

DCIP Marketing Update

Q4 Results

Digital Advertising

Overall DCIP account starts and completes are up YOY, 35% and 39%*.

Paid search is our most effective tactic and while we've spent 1/3 more this year, our new accounts have grown 75% at a lower cost per account (-25%).

Our website banner ad click thru rate (CTR) which measures engagement on our ads is up 3x YOY (266%) however our new accounts are down slightly (-7%).

*Data as of 11/18/2018

Q4 Activities

Fidelity Viewpoints

Fidelity Viewpoints e-news article that provides a 3-step plan to help keep you on track with goals including college savings (December 12) and ad on Fidelity.com linking to article on using 529 savings for K-12 education (November 15).

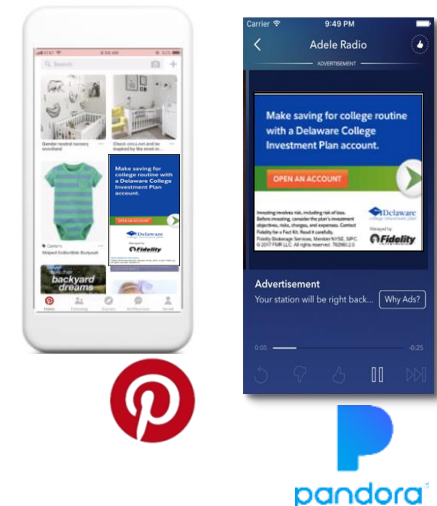
PR & Social Media

529 gifting social posts on Cyber Monday (Nov 26) and television tour promoting gifting to 529s on November 13. Additional Financial Resolutions TV & Radio media tour (Dec 18; Jan 8) and Twitter chat (Jan 10) includes college savings.

2019 Preview

Digital Advertising

New testing opportunities in 2019 include Pandora streaming radio and Pinterest.





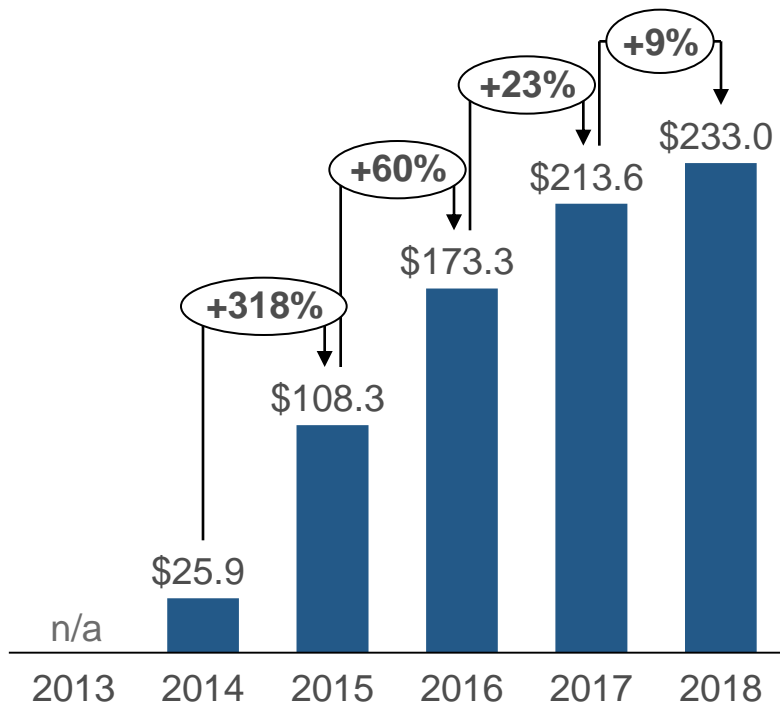
Appendix

DCIP Business Results YTD and Historical

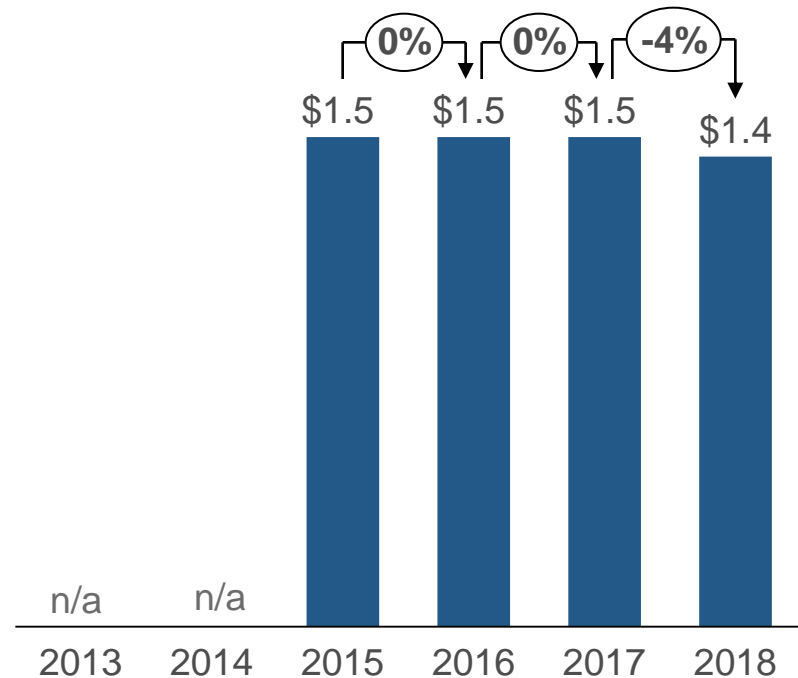
 Delaware college investment plan	Q4 2014	Q4 2015	Q4 2016	Q4 2017	Q4 2018	% Change (2018 vs. 2017)
Total Accounts (since inception)	30,894	31,991	33,133	34,319	35,841	+4%
Total Accounts with Balances	22,177	22,075	21,964	21,901	21,823	-
New Accounts	335	320	304	340	421	+24%
New Account Contributions	\$1.4M	\$2.1M	\$1.3M	\$1.8M	\$1.0M	-44%
Existing Account Contributions	\$12.6M	\$12.8M	\$12.7M	\$11.9M	\$12.5M	+5%
Total Contributions	\$14.0M	\$14.9M	\$14.0M	\$13.8M	\$13.5M	-2%
Distributions	\$16.6M	\$17.5M	\$18.7M	\$18.5M	\$21.0M	+10%
Net Sales	-\$2.6M	-\$2.6M	-\$4.7M	-\$4.8M	-\$7.5M	+14%
Assets	\$616M	\$606M	\$627M	\$681M	\$624M	-8%

Readiness: Contributions from Gifting and Rewards Card

CONTRIBUTIONS – FROM GIFTING (\$K)

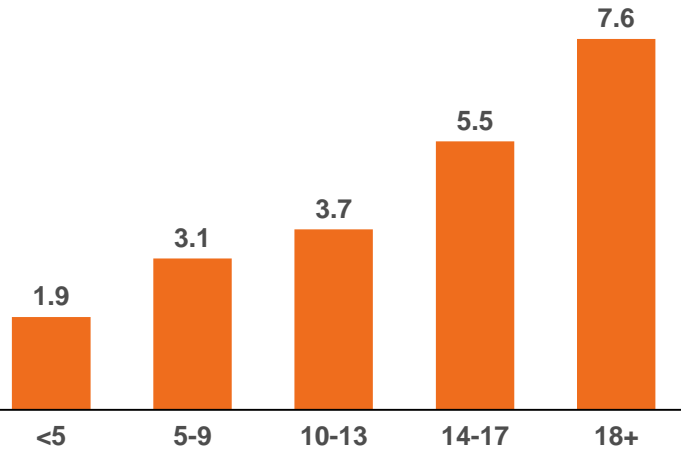


CONTRIBUTIONS – FROM REWARDS (\$M)



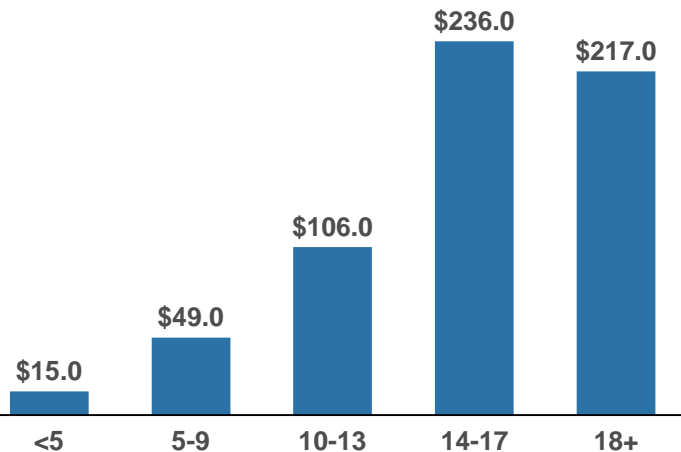
Readiness: The Age Wave

ACCOUNTS*(K)



*active accounts with balances

Assets Under Management (\$M)



COMMENTARY

- In Q4 '18, the average account size for accounts with balances remained approximately \$30,000
- 48% of new accounts opened in Q4 '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
- ✓ Execute 2019 local marketing development plan, including additional sponsorship at the Brandywine Zoo

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>	

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