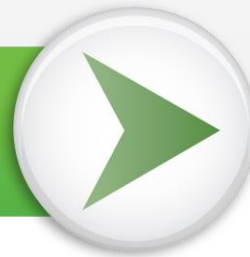


DCIP Business Results – Q1 2019

June 4, 2019



Scorecard – Q1 2019

Mission Statement:

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

Scorecard	Q1 2019 Actual	Q1 2019 Goal	Variance from Goal	2019 YTD Actual	2019 YTD Goal
Participation Rate (New Accounts)	359	-	-	359	-
Participant Readiness (2K Rule of Thumb)	18%	-	-	18%	-

FINALIZED GOALS TO BE APPROVED BY PLANS BOARD

529 Industry Update

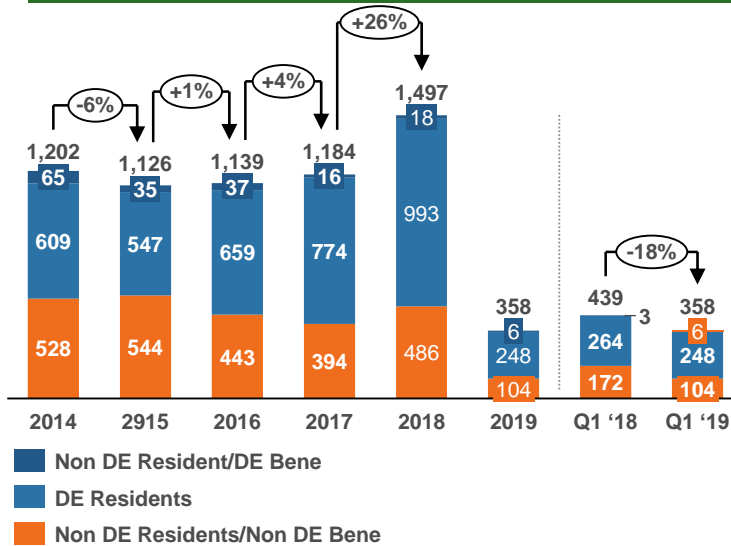
Direct Sold Program	Program Manager	Assets (\$M)	% Growth (Q4 2018 to Q1 2019)	Market Share
1. New York	Ascensus	\$25,597	10.4%	14.2%
2. Nevada	Ascensus	\$19,432	11.4%	10.7%
3. Utah	State of UT	\$13,519	10.7%	7.5%
4. New Hampshire	Fidelity	\$13,092	8.5%	7.2%
5. California	TIAA-CREF	\$8,985	8.9%	5.0%
6. Ohio	Ohio Tuition Trust Authority	\$6,335	10.2%	3.5%
7. MA	Fidelity	\$6,225	8.6%	3.4%
8. Illinois	Union Bank & Trust	\$6,097	10.7%	3.4%
9. Maryland	T. Rowe Price	\$6,049	9.3%	3.3%
10. Michigan	TIAA-CREF	\$5,626	8.8%	3.1%
36. Delaware	Fidelity	\$663	6.2%	0.4%
529 Industry		\$180,888	9.7%	N/A

- The 529 Industry Direct Sold plan assets increased by 9.7% from Q4 '18 to Q1' 19 and increased 8.7% year-over-year ending March '19
- U.S. Equities increased by 14.0% for the quarter and 8.7% year over year while Investment Grade Debt increased by 2.9% and 4.5% respectively during the same time periods. ^
- Assets in the Delaware plan increased 6.2% from Q4 '18 to Q1 '19 and decreased by 2% year-over-year ending March '19

^ 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 Q1 '19, there was an 18% decrease in new accounts over Q1 '18. This was in line with the industry (-19%) over the same time period
- 72% of new accounts were opened by an existing Fidelity customer while 28% were new to Fidelity
- 45% of new accounts opened in Q1 '19 were for children under age 5, in line with the previous quarter (48%)

STRATEGIC LEVERS

Ongoing Marketing

- Execute digital marketing plan
- Drive engagement through Social Media

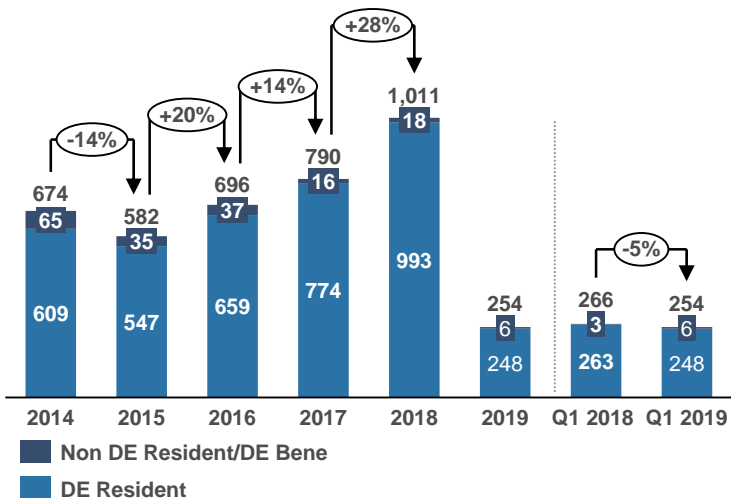
Completed Activities

- Financial Resolutions Radio media tour (Jan 8) and Twitter chat (Jan 10) includes college savings

What's Next?

- Delaware Children's Theatre Sponsored Event – Q2 '19
- New testing opportunities in 2019 include Pandora streaming radio and Pinterest

NEW ACCOUNTS



COMMENTARY

- In Q1 '19, there was a 5% decrease in new accounts for Delaware residents over Q1 '18
- With overall new accounts in the industry down 19% over the same time period, DE resident account opening continued to outpace the industry

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?

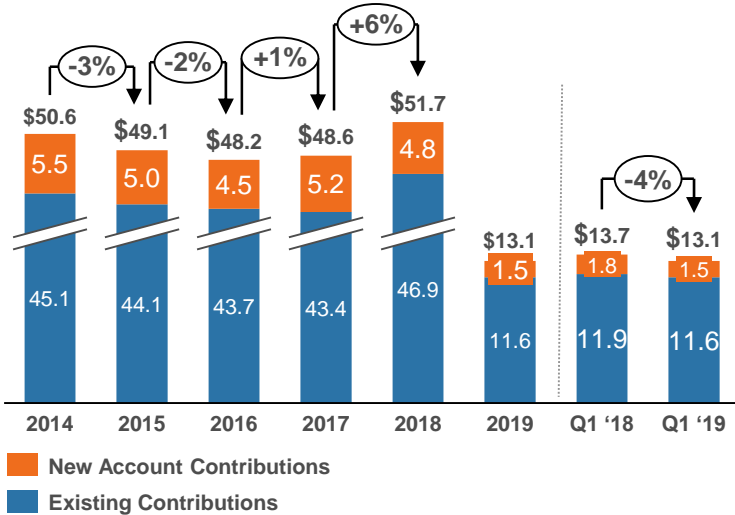
- Delaware Children's Theatre Sponsored Event – Q2 '19
- Local branch coverage at 529 Day event

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 Q1 '19, 18% of accounts were meeting the 2K rule of thumb, down from 20% in Q4 '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>What's Next?</p> <ul style="list-style-type: none"> <input type="checkbox"/> Continued improvement of social gifting experience – 2019 Ongoing <input type="checkbox"/> Gifting Logout Banner – May '19
< 5	70%	9%	5%	16%		
5 -9	73%	9%	4%	14%		
10 -13	67%	10%	6%	18%		
14 -17	60%	12%	7%	22%		
Total	66%	10%	6%	18%		

Readiness – Contributions

CONTRIBUTIONS(\$M)



COMMENTARY

- In Q1 '19, total contributions were down 4% vs. Q1 '18 while the overall industry decreased by 18% over the same time period
- In Q1 '19, new account contributions were down 17% vs. Q1 '18
- In Q1 '19, existing account contributions were down 3% vs Q1 '18, outpacing the industry

STRATEGIC LEVERS

Ongoing Marketing

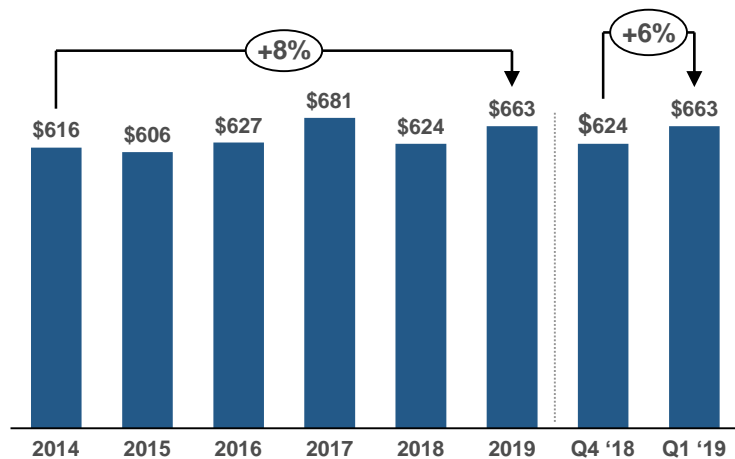
Use digital advertising to target existing DCIP customers and encourage them to contribute more

What's Next?

Continued improvement of social gifting experience – **2019 Ongoing**

Gifting Logout Banner – **May '19**

ASSETS UNDER MANAGEMENT (\$M)



COMMENTARY

- In Q1 '19, overall assets under management were \$663M, up 6.2% for the quarter while the overall industry was up 9.7% over the same time period
- Distributions in the plan were up 13% in Q1 '19 vs. Q1 '18 resulting in net sales of -\$2.4M

DCIP Marketing Update

Q1 Results

Digital Advertising

Overall DCIP account starts and completes are flat YOY (0%).

We've spent 98% more this year in paid search and while our new accounts have grown 20%, it's at a higher cost per account (65%).

Our website banner ad click thru rate (CTR) which measures engagement on our ads is down -42% and new accounts are down (-43%).

*Data as of 3/24/2019



Q1 Activities

PR & Social Media



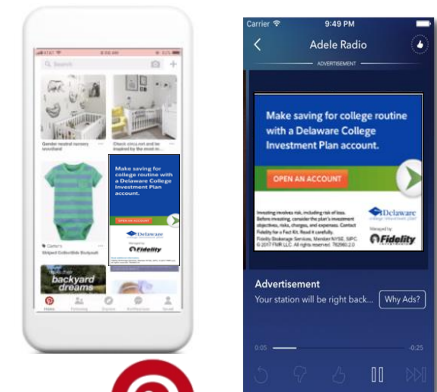
Financial Resolutions Radio media tour (Jan 8) and Twitter chat (Jan 10) includes college savings



2019 Preview

Digital Advertising

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





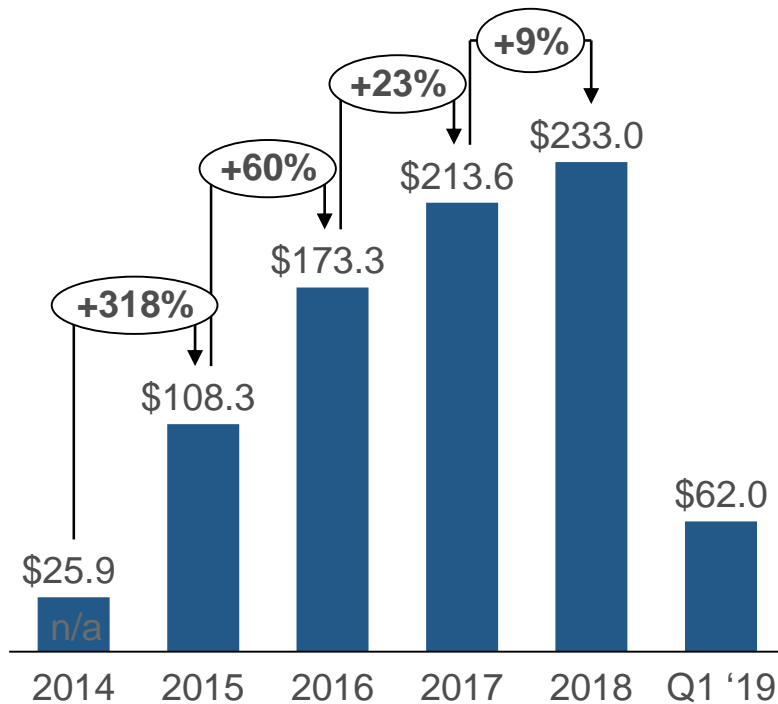
Appendix

DCIP Business Results YTD and Historical

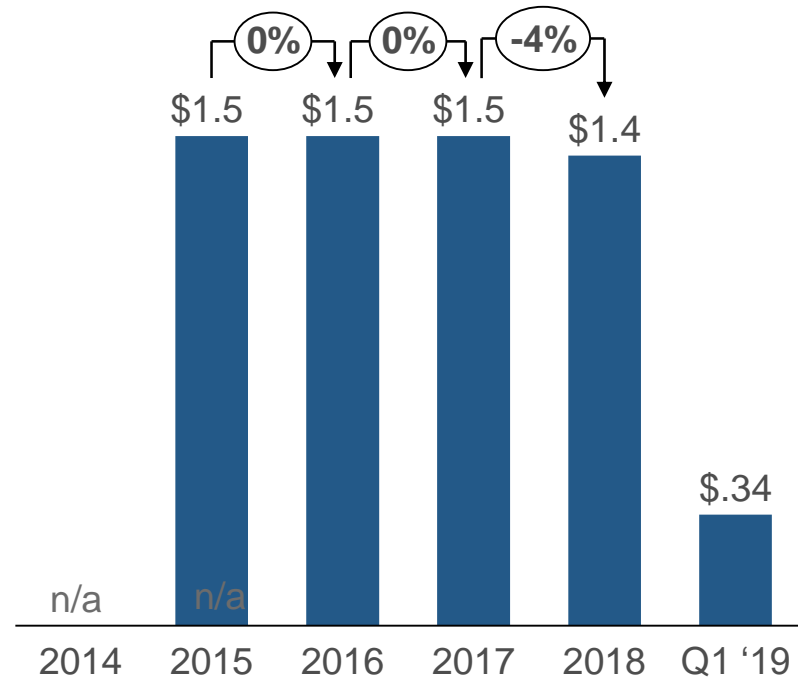
 Delaware college investment plan	Q1 2015	Q1 2016	Q1 2017	Q1 2018	Q1 2019	% Change (2018 vs. 2017)
Total Accounts (since inception)	31,167	32,322	33,431	34,758	36,200	+4%
Total Accounts with Balances	22,203	22,122	22,000	21,947	21,816	-
New Accounts	302	331	297	439	359	-18%
New Account Contributions	\$.99M	\$.75M	\$.89M	\$1.5M	\$1.4M	-7%
Existing Account Contributions	\$12.6M	\$11.4M	\$12.2M	\$13M	\$11.6M	-10%
Total Contributions	\$13.6M	\$12.1M	\$13M	\$14.5M	\$13M	-10%
Distributions	\$10.9M	\$10M	\$13M	\$13.6M	\$15.4M	+13%
Net Sales	\$2.7M	\$2.2M	\$.06M	\$.89M	-\$2.4M	N/A
Assets	\$631M	\$614M	\$644M	\$675M	\$663M	-2%

Readiness: Contributions from Gifting and Rewards Card

CONTRIBUTIONS – FROM GIFTING (\$K)

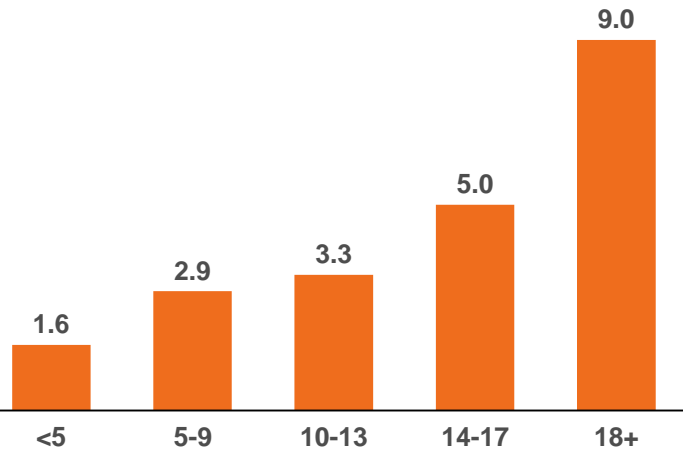


CONTRIBUTIONS – FROM REWARDS (\$M)



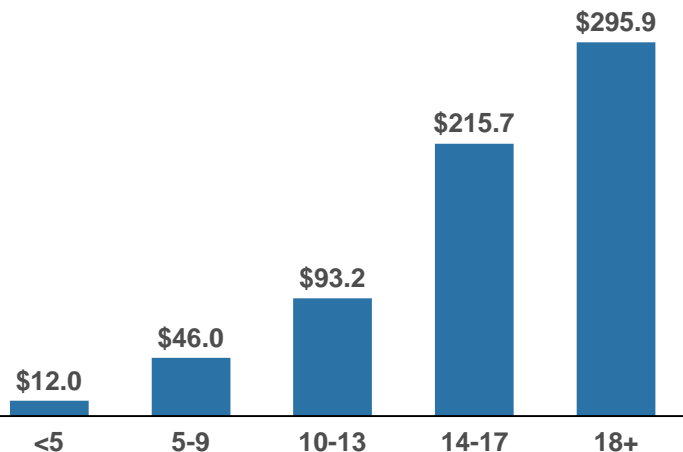
Readiness: The Age Wave

ACCOUNTS*(K)



*active accounts with balances

Assets Under Management (\$M)



COMMENTARY

- In Q1 '19, the average account size for accounts with balances remained flat at \$30,000
- 45% of new accounts opened in Q1 '19 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

- ✓ Financial Resolutions Radio media tour (Jan 8) and Twitter chat (Jan 10) includes college savings

What's Next?

- ☐ Pursuing additional PR opportunities with Influencers – Q1 '19

2019 Marketing Details

2019 Media Flowchart - DE

MEDIUM	January	February	March	April	May	June	July	August	September	October	November	December	Imps (000)	\$(000)
(Mon Start)	31 7 14 21	28 4 11 18 25	4 11 18 25	1 8 15 22 29	6 13 20 27	3 10 17 24	1 8 15 22 29	5 12 19 26	2 9 16 23	30 7 14 21	28 4 11 18 25	2 9 16 23		
PRINT	\$0	\$2	\$0	\$2	\$0	\$2		\$2	\$3	\$2	\$0	\$10	180	\$22
Magazine													180	\$22
Delaware Today													48	\$7
MetroKids DE													132	\$10
Budget Remainder														\$4
DISPLAY	\$13	\$13	\$18	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	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	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	4	\$44
Google													(clicks)	\$24
Bing														\$12
Ad Marketplace														\$8
SEARCH ADSERVING														\$0
OUTDOOR	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$4	\$11	\$0.4	\$4	\$8	305	\$30
Newborn Channel													106	\$4
Wilmington Station													199	\$26
Total	\$17	\$18	\$22	\$20	\$18	\$20	\$18	\$24	\$33	\$20	\$22	\$35	11,324	\$265

*Bought on CPC

2019 DCIP Local Market Development Plan

Activity	Expense	Details
Delaware Children's Theatre, Frog and Toad Performance <i>May 4-19, 2019</i>	\$5,000	<ul style="list-style-type: none"> • approx. 2500-3000 patrons/show • 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 • One scholarship to summer workshop donated in DCIP's name • May 18 Fidelity branch staff onsite at DCIP table
Delaware Museum of Natural History <i>June 22-September 2, 2019</i>	\$5,000	<ul style="list-style-type: none"> • Onsite June 22 Family Fun Day to kick off exhibit opening (650 expected) • 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 to 14,000 followers on Facebook, Twitter, Instagram during exhibit • Mention/Article in eNewsletter sent to 5,000 subscribers, Discovery magazine mailed 3x per year to 2,000 Members
New Castle Ice-Cream Festival at Rockwood <i>June 29, 2019</i>	\$3,000	<ul style="list-style-type: none"> • Onsite with branch inclusion to engage directly with attendees, hand out brochures, giveaway • DCIP logo included on onsite materials, online website • Inclusion in any additional marketing items such as e-newsletters • Inclusion in Social Media
Brandywine Zoo <i>October 18 – 20, 2019</i>	\$500	<ul style="list-style-type: none"> • Onsite DCIP table to giveaway cinch bags, brochures and logo'd lollipops • DCIP Logo included on on-site signage – map, welcome sign, thank you to our sponsors • Logo on website – special boo event page
Activation Giveaway items	\$1,500	<ul style="list-style-type: none"> • cinch bags, logo'd lollipops,
	\$15,000	

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