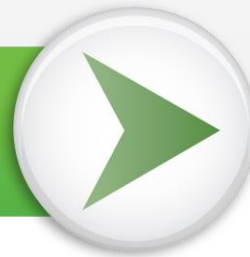


# DCIP Business Results – Q3 2019

December 10, 2019



# Scorecard – Q3 2019

## Mission Statement:

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

Scorecard	Q3 2019 Actual	Q3 2019 Goal	Variance from Goal	2019 YTD Actual	2019 YTD Goal
Participation Rate (New Accounts)	350	-	-	1,013	-
Participant Readiness (2K Rule of Thumb)	19%	-	-	19%	-

*FINALIZED GOALS TO BE APPROVED BY PLANS BOARD*

# 529 Industry Update

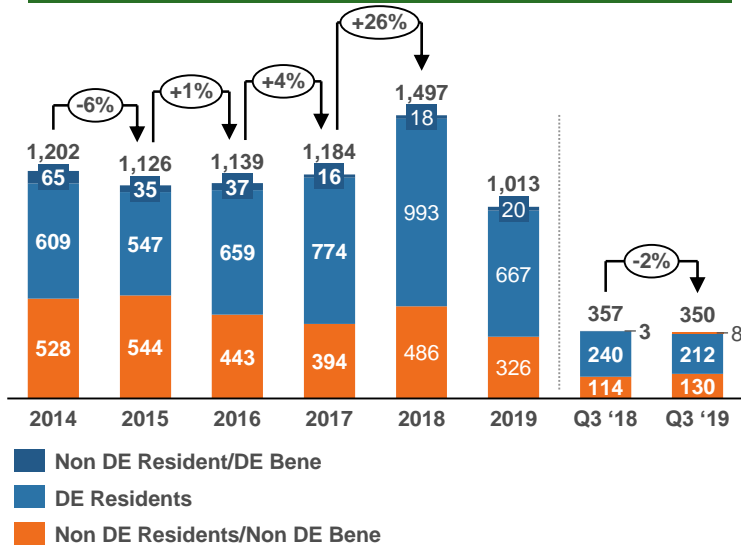
Direct Sold Program	Program Manager	Assets (\$M)	% Growth (Q2 2019 to Q3 2019)	Market Share
1. New York	Ascensus	\$26,792	0.0%	14.2%
2. Nevada	Ascensus	\$20,690	1.3%	10.9%
3. Utah	State of UT	\$14,258	0.8%	7.5%
4. New Hampshire	Fidelity	\$13,609	-0.5%	7.2%
5. California	TIAA-CREF	\$9,391	0.3%	5.0%
6. Ohio	Ohio Tuition Trust Authority	\$6,659	0.2%	3.5%
7. Illinois	Union Bank & Trust	\$6,450	0.6%	3.4%
8. MA	Fidelity	\$6,437	-1.1%	3.4%
9. Maryland	T. Rowe Price	\$6,298	-0.4%	3.3%
10. Michigan	TIAA-CREF	\$5,849	-0.1%	3.1%
<b>38. Delaware</b>	<b>Fidelity</b>	<b>\$667</b>	<b>-2.8%</b>	<b>0.4%</b>
<b>529 Industry</b>		<b>\$189,286</b>	<b>0.1%</b>	<b>N/A</b>

- The 529 Industry Direct Sold plan assets were flat from Q2 '19 to Q3 '19
- U.S. Equities increased by 1.1% for the quarter and 2.8% year-over-year while Investment Grade Debt increased by 2.3% and 10.3% respectively during the same time periods. ^
- Assets in the Delaware plan decreased 2.8% from Q2 '19 to Q3 '19 and decreased by .4% year-over-year ending September '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

## TOTAL NEW ACCOUNTS



## COMMENTARY

- In Q3 '19, there was a 2% decrease in new accounts over Q3 '18. The industry was down 2.4% over the same time period
- 71% of new accounts were opened by an existing Fidelity customer, up from 63% in Q2 '19 and in line with Q3 '18
- 43% of new accounts opened in Q3 '19 were for children under age 5, in line with the previous quarter

## STRATEGIC LEVERS

### Ongoing Marketing

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

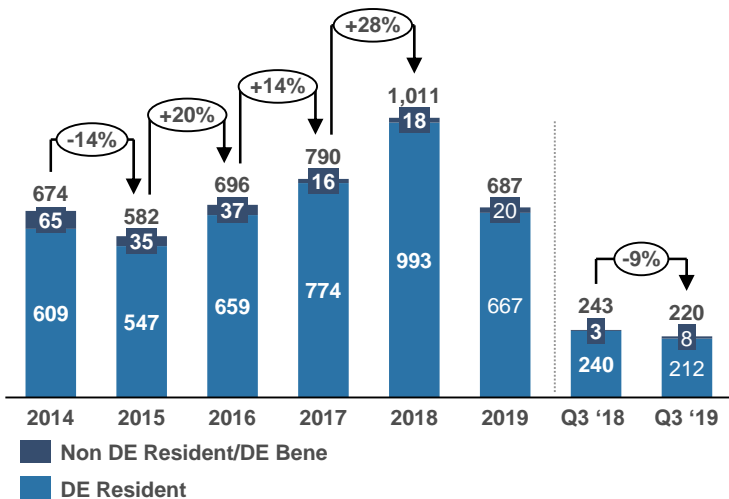
### Completed Activities

- Launched new placement with Pandora (Sep)
- Local Sponsorship at Truck & Tractor Day at Winterthur and Brandywine Zoo

### What's Next?

- Launch content promoting expanded College Planning life event
- Continued improvement to the overall 529 digital experience on Fidelity.com

## DELAWARE NEW ACCOUNTS



## COMMENTARY

- In Q3 '19, there was a 9% decrease in new accounts for Delaware residents versus Q3 '18

## 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

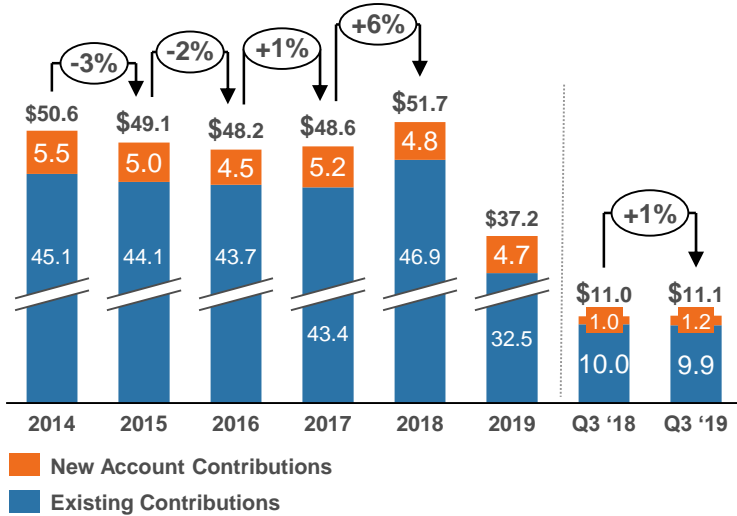
- Local Sponsorship at Truck & Tractor Day at Winterthur and Brandywine Zoo

# 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 '19, 19% of accounts were meeting the 2K Rule of Thumb, up from 18% in Q2 '19</li> <li>For beneficiaries 5 years old and younger, 24% were meeting the 2K Rule of Thumb, up from 20% in Q2 '19. This continued a positive trend as only 16% were meeting the rule as of Q1 '19</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>Hosted satellite media tour highlighting the importance of college gifting (Sep)</li> <li>Launched new placement with Pandora (Sep)</li> </ul> <p><b>What's Next?</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Improvement to the overall 529 digital experience on Fidelity.com</li> <li><input type="checkbox"/> Continued improvement of social gifting experience</li> </ul>
< 5	61%	9%	6%	24%		
5 -9	71%	9%	5%	15%		
10 -13	64%	10%	6%	19%		
14 -17	59%	11%	7%	23%		
<b>Total</b>	<b>65%</b>	<b>10%</b>	<b>6%</b>	<b>19%</b>		

# Readiness – Contributions

## CONTRIBUTIONS(\$M)



## COMMENTARY

- In Q3 '19, total contributions were up 1% vs. Q3 '18, outpacing the overall industry which decreased by 8.0% over the same time period
- In Q3 '19, new account contributions were up 22% vs. Q3 '18 and existing account contributions were down 1.6% vs Q3 '18
- Through Q3 '19, with \$37.2M in contributions, the plan is tracking in line with 2018's total

## STRATEGIC LEVERS

### Ongoing Marketing

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

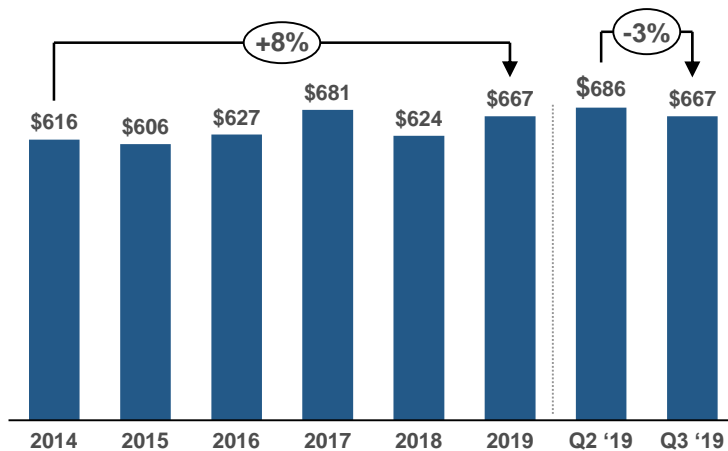
### Completed Activities

- Hosted satellite media tour highlighting the importance of college gifting (Sep)
- Launched new placement with Pandora (Sep)

### What's Next?

- Improvement to the overall 529 digital experience on Fidelity.com
- Continued improvement of social gifting experience

## ASSETS UNDER MANAGEMENT (\$M)



## COMMENTARY

- In Q3 '19, overall assets under management were \$667M, down 3% for the quarter while the overall industry was flat over the same time period
- Distributions in the plan were up 12% in Q3 '19 vs. Q3 '18 resulting in net sales of -\$24.8M

# Delaware College Plan Marketing Update

## Q3 Results

### Digital Advertising

Year-over year, our ad buy efficiency has improved 6% due to an increase in new accounts driven by paid search (+11%) and a decrease in the display budget (-23%).

Our paid search spend increased +137% to maintain a strong position as new competitors entered the space. New competitors including PNC.com and Chase.com have driven up overall Cost Per Click (CPCs).

Our test on Pinterest showed strong click thru rates, right in line with the industry benchmark.

## Q3 Activities

### Digital Advertising

Launched new placement with Pandora Streaming Radio (Sept 10). To date, ad banner performance is aligned with the benchmark.



### PR/Social Media

Released results of the College Savings Lessons Learned survey. Hosted a satellite media tour on 9/13 on the importance of college savings.



## Q4 Preview

### PR/Social Media

Fielding gifting related study to use for media and social outreach around holiday season (Nov/Dec)

Launched new blended portfolios investment option on 10/8, which received positive media coverage and kudos for lower fees.

### Fidelity.com Updates

Fidelity launched advertising to help promote expanded College Planning life event content on Fidelity.com. Content provides links to 529 pages and will likely drive awareness and consideration.

Ad bricklets will launch on Fid.com pages to encourage families to learn more about 529 gifting.

\*Data as of 9/29/19

For State Sponsor Use Only



# Appendix

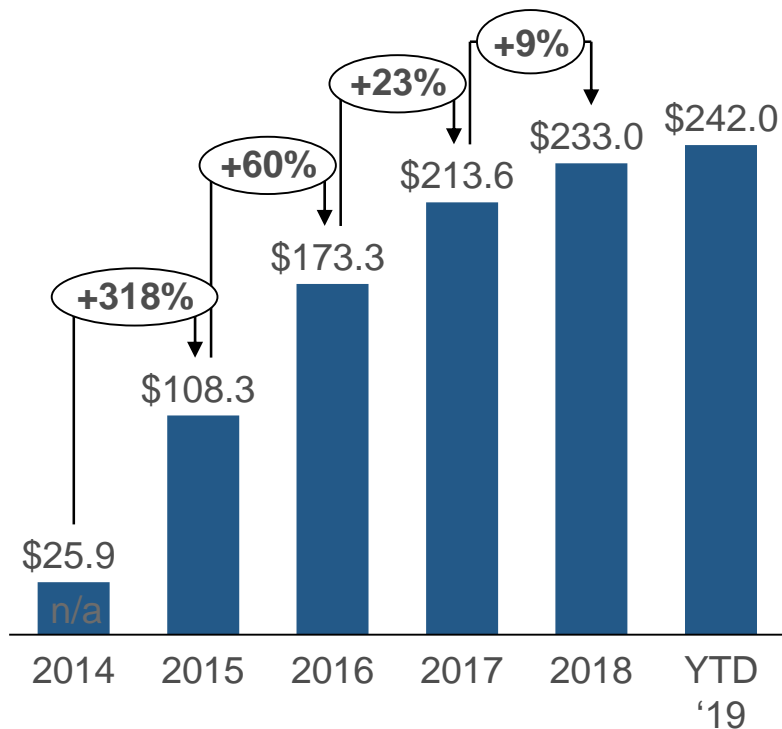


# DCIP Business Results YTD and Historical

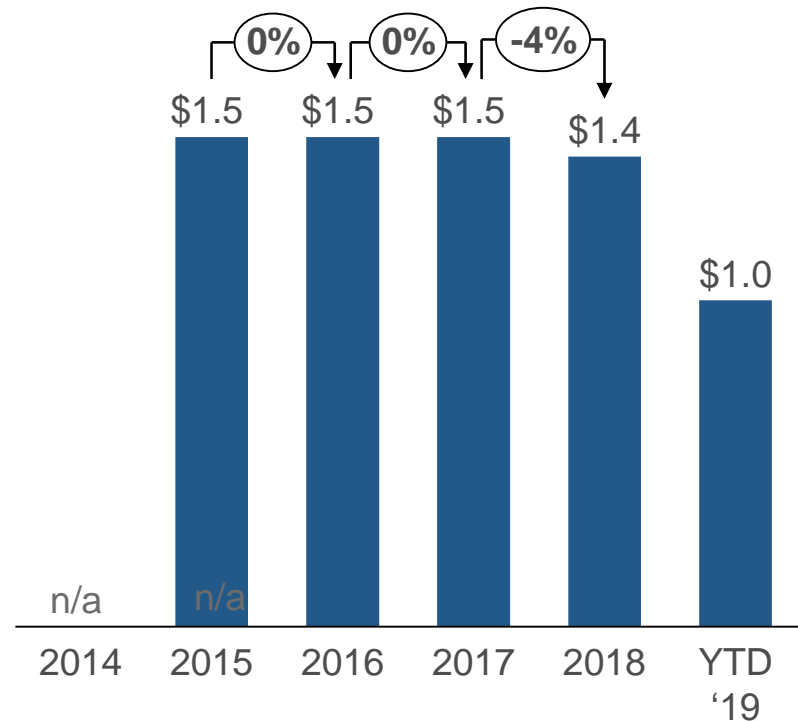
 Delaware college investment plan	Q3 2015	Q3 2016	Q3 2017	Q3 2018	Q3 2019	% Change (2019 vs. 2018)
<b>Total Accounts (since inception)</b>	31,671	32,828	33,978	35,420	36,860	+4%
<b>Total Accounts with Balances</b>	22,131	22,017	21,908	21,851	21,710	-5%
<b>New Accounts</b>	255	263	323	357	350	-2%
<b>New Account Contributions</b>	\$1.2M	\$1.2M	\$1.6M	\$1.0M	\$1.2M	+22%
<b>Existing Account Contributions</b>	\$9.6M	\$9.7M	\$9.7M	\$10.0M	\$9.9M	-2%
<b>Total Contributions</b>	\$10.8M	\$10.9M	\$11.3M	\$11.0M	\$11.1M	+1%
<b>Distributions</b>	\$22.3M	\$25.6M	\$29.0M	\$32.0M	\$35.9M	+12%
<b>Net Sales</b>	-\$11.5M	-\$14.8M	-\$17.8M	-\$21.0M	-\$24.8M	-18%
<b>Assets</b>	\$596M	\$635M	\$671M	\$670M	\$667M	-3%

# Readiness: Contributions from Gifting and Rewards Card

CONTRIBUTIONS – FROM GIFTING (\$K)

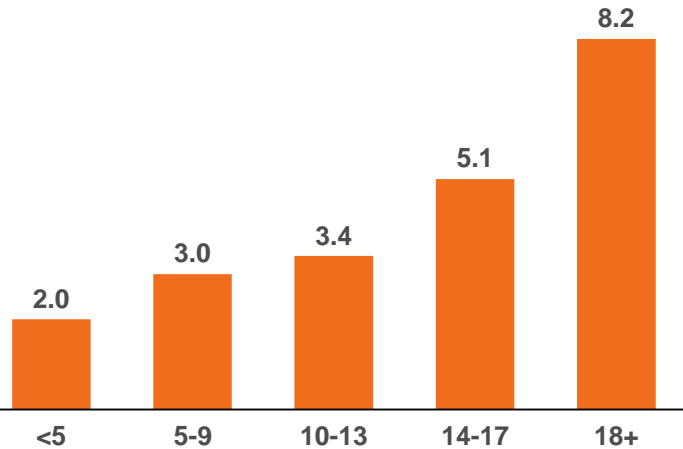


CONTRIBUTIONS – FROM REWARDS (\$M)



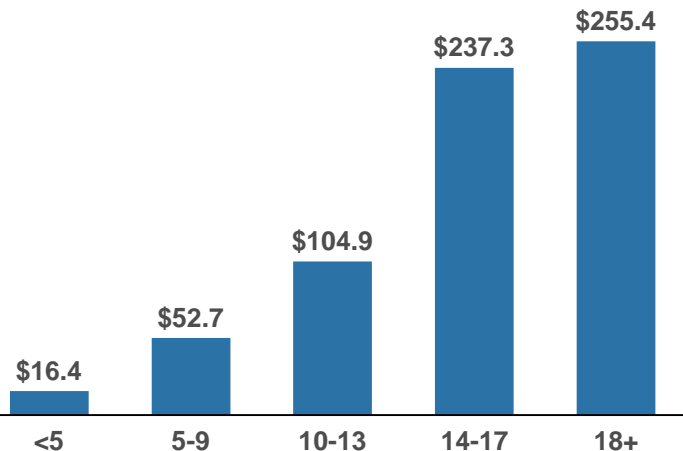
# Readiness: The Age Wave

## ACCOUNTS\*(K)



\*active accounts with balances

## Assets Under Management (\$M)



## COMMENTARY

- In Q3 '19, the average account size for accounts with balances was flat from Q2 '19 \$30,700
- 43% of new accounts opened in Q3 '19 were for children under age 5
- While overall Assets Under Management continued to be significantly concentrated toward the older age bands (>14 years old), there was a downtick in both accounts and assets for the 18+ age bracket

## STRATEGIC LEVERS

### Ongoing Marketing

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

### Completed Activities

- Hosted satellite media tour highlighting the importance of college gifting (Sep 13)
- Launched new placement with Pandora (Sep)

### What's Next?

- Improvement to the overall 529 digital experience on Fidelity.com
- Continued improvement of social gifting experience

# 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		
<b>PRINT</b>	\$0	\$2	\$0	\$2	\$0	\$2		\$2	\$3	\$2	\$0	\$10	180	\$22
<b>Magazine</b>													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	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	\$44
Google													(clicks)	\$24
Bing														\$12
Ad Marketplace														\$8
<b>SEARCH ADSERVING</b>														\$0
<b>OUTDOOR</b>	\$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
<b>Total</b>	<b>\$17</b>	<b>\$18</b>	<b>\$22</b>	<b>\$20</b>	<b>\$18</b>	<b>\$20</b>	<b>\$18</b>	<b>\$24</b>	<b>\$33</b>	<b>\$20</b>	<b>\$22</b>	<b>\$35</b>	<b>11,324</b>	<b>\$265</b>

\*Bought on CPC

# 2019 DCIP Local Market Development Plan

Activity	Expense	Details
<b>Delaware Children's Theatre, Frog and Toad Performance</b> <i>May 4-19, 2019</i>	\$5,000	<ul style="list-style-type: none"> <li>• approx. 2500-3000 patrons/show</li> <li>• DCIP logo included on all marketing materials, show program, lobby signage and website</li> <li>• Brochure placed in lobby during show duration for all show dates</li> <li>• Prominent mention in weekly eBlasts with special section detailing DCIP</li> <li>• Social Media: Facebook posts during exhibit</li> <li>• Ad in program book</li> <li>• One scholarship to summer workshop donated in DCIP's name</li> <li>• May 18 Fidelity branch staff onsite at DCIP table</li> </ul>
<b>Delaware Museum of Natural History</b> <i>June 22-September 2, 2019</i>	\$5,000	<ul style="list-style-type: none"> <li>• Onsite June 22 Family Fun Day to kick off exhibit opening (650 expected)</li> <li>• 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.)</li> <li>• Social Media to 14,000 followers on Facebook, Twitter, Instagram during exhibit</li> <li>• Mention/Article in eNewsletter sent to 5,000 subscribers, Discovery magazine mailed 3x per year to 2,000 Members</li> </ul>
<b>Truck &amp; Tractor Day at Winterthur</b> <i>October 5, 2019</i>	\$5,000	<ul style="list-style-type: none"> <li>• Supporting Sponsor of 7<sup>th</sup> annual Truck &amp; Tractor Day Event (3,000 expected)</li> <li>• DCIP logo/name on select advertisements, on-site signage, and invitations, including: digital signage, tent card, day sheet for event, and e-blasts</li> <li>• Onsite DCIP table to giveaway cinch bags, and brochures</li> <li>• The Delaware College Investment Plan will be listed in Winterthur Honor Roll of Donors and in the Annual Report</li> </ul>
<b>Brandywine Zoo</b> <i>October 18 – 20, 2019</i>	\$500	<ul style="list-style-type: none"> <li>• Onsite DCIP table to giveaway cinch bags, brochures and logo'd lollipops</li> <li>• DCIP Logo included on on-site signage – map, welcome sign, thank you to our sponsors</li> <li>• Logo on website – special boo event page</li> </ul>
<b>Activation Giveaway items</b>	\$1,500	<ul style="list-style-type: none"> <li>• cinch bags, logo'd lollipops,</li> </ul>
	<b>\$17,000</b>	

# 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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