

DCIP Business Results – Q1 2020

June 2, 2020



Scorecard – Q1 2020

Mission Statement:

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

Scorecard	Q1 2020 Actual	Q1 2020 Goal	Variance from Goal	2020 YTD Actual	2020 YTD Goal
Participation Rate (New Accounts)	504	-	-	504	-
Participant Readiness (2K Rule of Thumb)	16%	-	-	16%	-

FINALIZED GOALS TO BE APPROVED BY PLANS BOARD

529 Industry Update

Direct Sold Program	Program Manager	Assets (\$M)	% Growth (Q4 2019 to Q1 2020)	Market Share
1. New York	Ascensus	\$25,417	-11.0%	14.2%
2. Nevada	Ascensus	\$19,769	-10.8%	11.0%
3. Utah	State of UT	\$13,424	-12.1%	7.5%
4. New Hampshire	Fidelity	\$13,113	-8.5%	7.3%
5. California	TIAA-CREF	\$8,868	-10.3%	4.9%
6. Ohio	Ohio Tuition Trust Authority	\$6,340	-10.9%	3.5%
7. Illinois	Union Bank & Trust	\$6,235	-11.2%	3.5%
8. Massachusetts	Fidelity	\$6,210	-7.9%	3.5%
9. Maryland	T Rowe Price	\$5,852	-13.4%	3.3%
10. Michigan	TIAA-CREF	\$5,505	-10.4%	3.1%
38. Delaware	Fidelity	\$623	-9.0%	0.3%
529 Industry		\$179,567	-10.8%	N/A

- The 529 Industry Direct Sold plan assets were down 10.8% from Q4 '19 to Q1 '20
- U.S. Equities decreased by 21.0% for the quarter and 9.3% year-over-year.*
- Non-US Developed Equities decreased by 23.2% for the quarter and 14.7% year-over-year.*
- Investment Grade Debt increased by 3.1% for the quarter and 8.9% year-over-year.*
- Assets in the Delaware plan decreased 9% from Q4 '19 to Q1 '20 and decreased by 6% year-over-year ending March '20

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

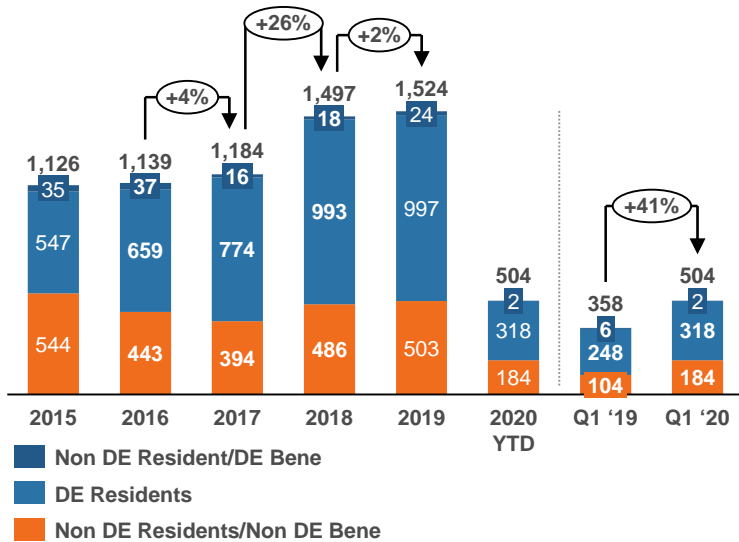
U.S. Equities - DJ U.S. Total Stock Market Index

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

Non US Developed - MSCI world xUS Index

Participation Rate

TOTAL NEW ACCOUNTS



COMMENTARY

- In Q1 '20, there was a 41% increase in new accounts over Q1 '19 while the industry was up 25%
- 72% of new accounts were opened by an existing Fidelity customer, up from 65% in Q4'19
- 44% of new accounts opened in Q1 '20 were for children under age 5, down slightly from 47% in Q4 '19

STRATEGIC LEVERS

Ongoing Marketing

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

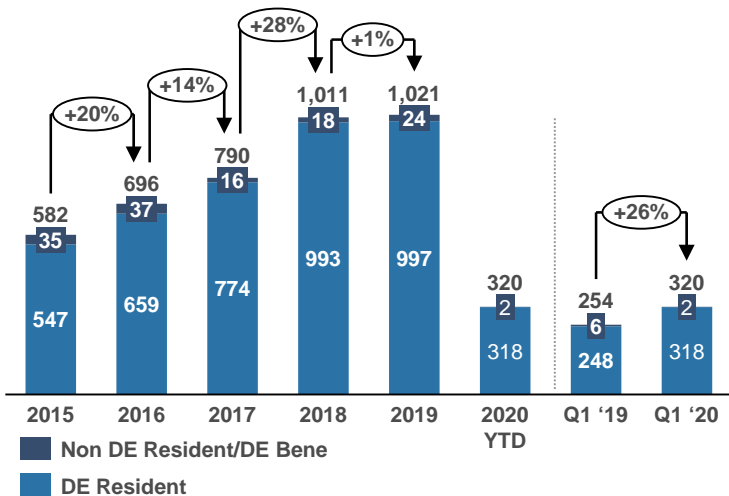
Completed Activities

- Linked to updated "Saving for College" life events content on 529 product pages

What's Next?

- ❑ Test launching on the 529 Overview page on Fidelity.com to present the appropriate 529 plan based on customer's state of residence

DELAWARE NEW ACCOUNTS



COMMENTARY

- In Q1 '20, there was a 26% increase in new accounts for Delaware residents versus Q1 '19 while the industry was up 25%
- Non-branded keywords drove 86% of paid search new account completes which may indicate volume driven by DE local marketing efforts.

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?

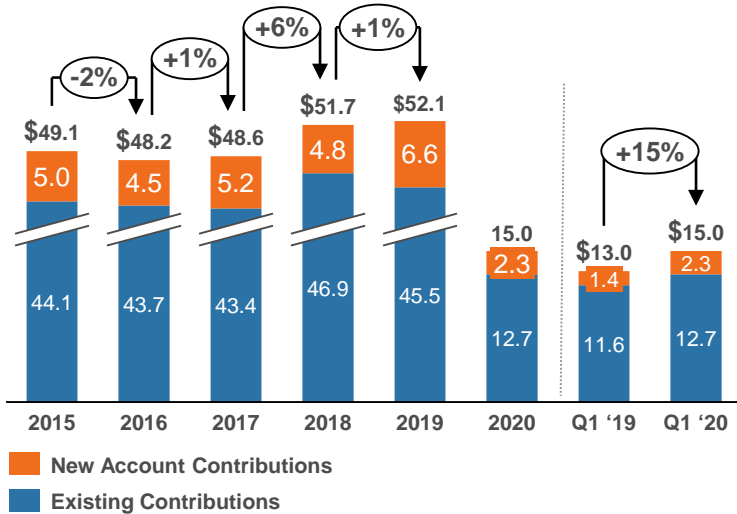
- ❑ Updated structure for certain local events due to Covid-19

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 Q1 '20, 16% of accounts were meeting the 2K Rule of Thumb, down from 18% in Q4 '19 16% beneficiaries under 5 years old were meeting the rule for Q1 '20, down from 30% in Q4 '19. This represented the first decline in this age group over the last four quarters. 	<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"> • Lowered the minimum amount for a gift to only \$5 based on customer feedback • Relunched 529 gifting ad bricklets on Fidelity.com <p>What's Next?</p> <ul style="list-style-type: none"> <input type="checkbox"/> Improvement to the overall 529 digital experience on Fidelity.com <input type="checkbox"/> Continued improvement of social gifting experience
< 5	71%	8%	4%	16%		
5 -9	75%	8%	4%	12%		
10 -13	71%	10%	6%	14%		
14 -17	62%	11%	7%	21%		
18-22	69%	10%	6%	15%		
Total	69%	10%	6%	16%		

Readiness – Contributions

CONTRIBUTIONS(\$M)



COMMENTARY

- In Q1 '20, total contributions were up 15% vs. Q1 '19, while the overall industry increased by 25%
- In Q1 '20, new account contributions were up 65% vs. Q1 '19 and existing account contributions were up 9% vs Q1 '19
- 70% of accounts for beneficiaries under 5 years old made contributions in Q1 '20, up from 68% in Q1 '19

STRATEGIC LEVERS

Ongoing Marketing

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

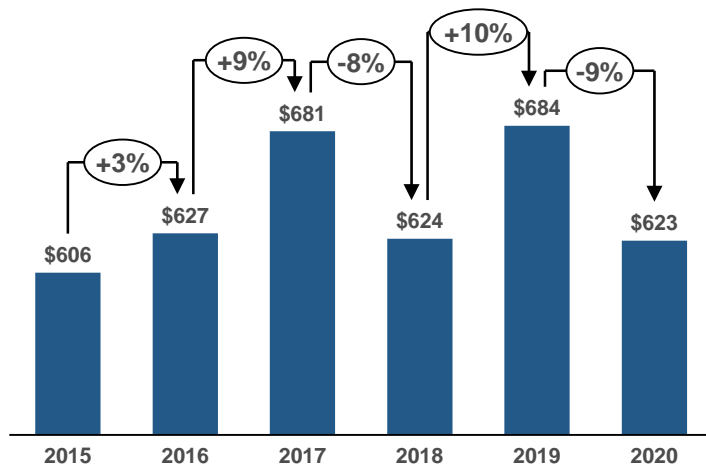
Completed Activities

- Lowered the minimum amount for a gift to only \$5 based on customer feedback
- Relunched 529 gifting ad bricklets on Fidelity.com

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 Q1 '20, overall assets under management were down 9% from Q4'19 at \$623M, outpacing the industry which was down 10.8%
- Distributions in the plan were up 21% in Q1 '20 vs. Q1 '19 resulting in net sales of -\$3.6M
- Assets in the plan continue to be concentrated in beneficiaries older than 14 years

DCIP Marketing Update

Q1 Results

Digital Advertising

To date, our DCIP account completes increased 50% YOY*, with a 2% decline in the average cost per new account complete (CPAC) at \$812.

Savingforcollege.com continues to be the primary driver of new display account opens. Paid search account completes are up 33% YOY overall, at an average cost per account complete of \$249 (up from \$214 in 2019). Of note, non-branded keywords drove 86% of new accounts which may indicate volume driven by DE local efforts.

Q1 Activities

PR

Team developed and finalized the College Savings Indicator Survey. Research was put on hold given pandemic and market volatility concerns.

Fidelity.com Advertising

Relaunched 529 new account driver ad bricklets on Fidelity.com in January. However, Fid.com advertising was put on hold in mid-March to focus messaging on customer concerns around market volatility.

Q2 Preview

Marketing Updates

While some marketing was paused in March, Fidelity is beginning to normalize efforts. Elements like onsite advertising and email communications will reactivate in early May. Local event programs are being adjusted and re-evaluated as needed.

New video advertising for Facebook and Instagram, while initially paused, is in development and will be launched later in Q2.

*Data as of 3/15/20



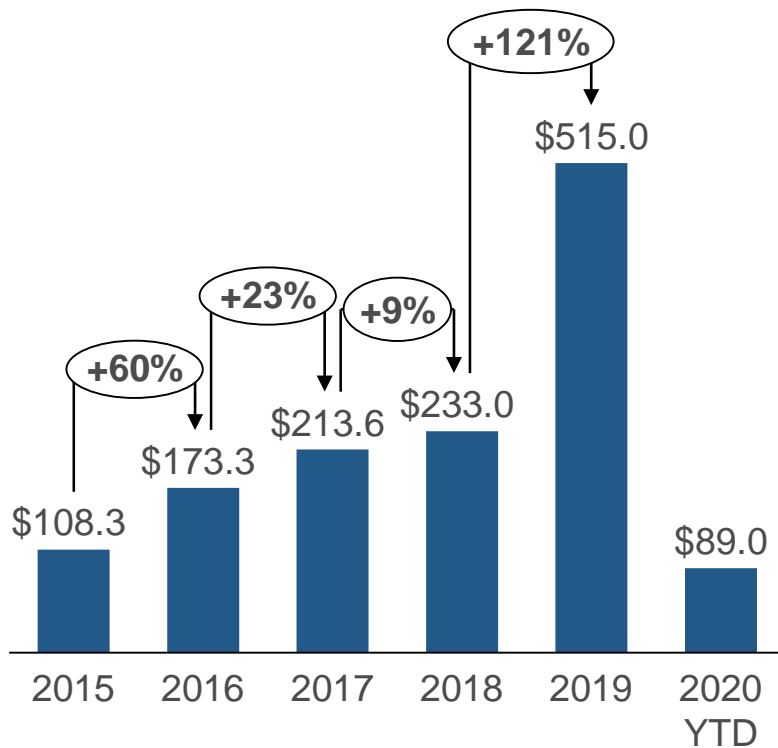
Appendix

DCIP Business Results YTD and Historical

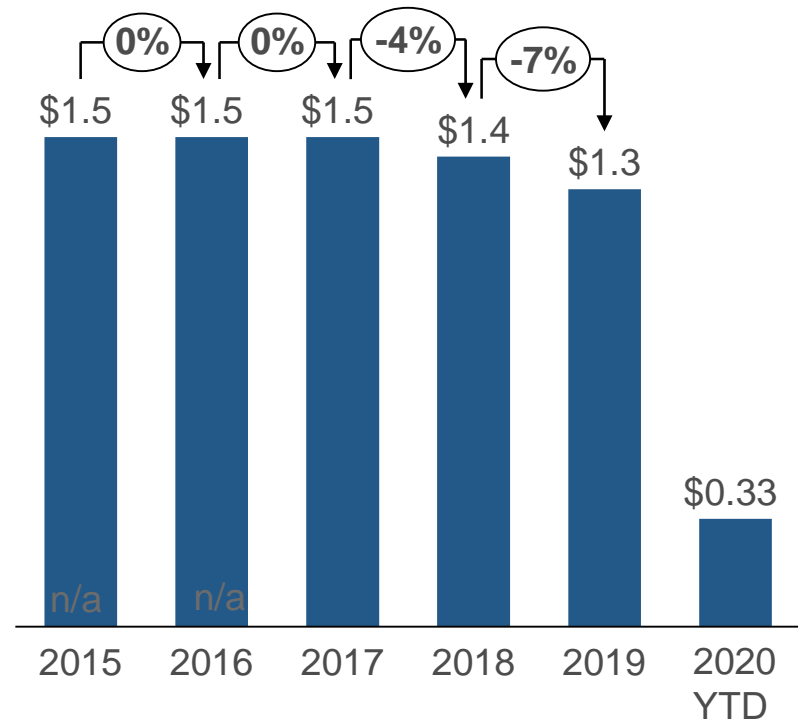
 Delaware college investment plan	Q1 2016	Q1 2017	Q1 2018	Q1 2019	Q1 2020	% Change (2020 vs. 2019)
Total Accounts (since inception)	32,322	33,431	34,758	36,200	37,875	+5%
Total Accounts with Balances	22,122	22,000	21,947	21,816	21,954	-
New Accounts	331	297	439	359	504	+40%
New Account Contributions	\$.75M	\$.89M	\$1.5M	\$1.4M	\$2.3M	+65%
Existing Account Contributions	\$11.4M	\$12.2M	\$13M	\$11.6M	\$12.7M	+9%
Total Contributions	\$12.1M	\$13M	\$14.5M	\$13M	\$15.0M	+15%
Distributions	\$10M	\$13M	\$13.6M	\$15.4M	\$18.6M	+21%
Net Sales	\$2.2M	\$.06M	\$.89M	-\$2.4M	-\$3.6M	-50%
Assets	\$614M	\$644M	\$675M	\$663M	\$623M	-6%

Readiness: Contributions from Gifting and Rewards Card

CONTRIBUTIONS – FROM GIFTING (\$K)

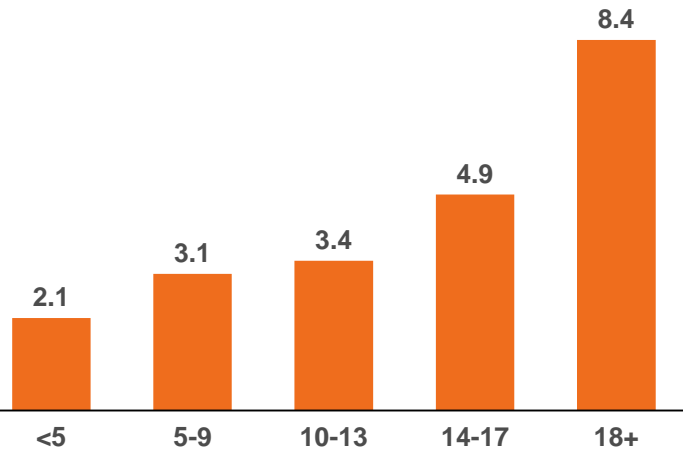


CONTRIBUTIONS – FROM REWARDS (\$M)



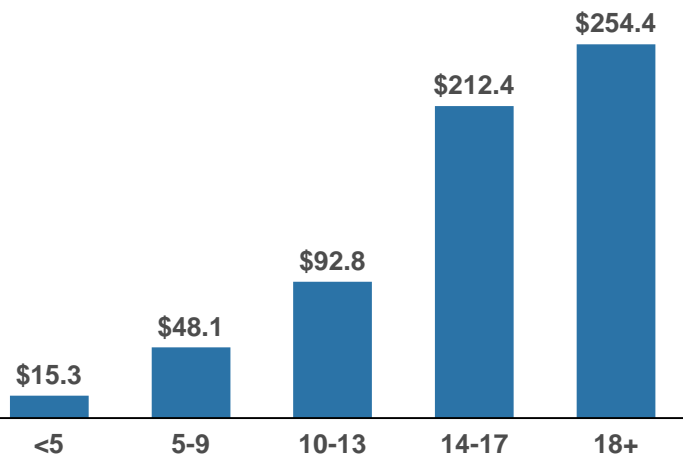
Readiness: The Age Wave

ACCOUNTS*(K)



*active accounts with balances

Assets Under Management (\$M)



COMMENTARY

- In Q1 '20, the average account size for accounts with balances was down 9% from Q4'19 at \$28,614
- 44% of new accounts opened in Q1 '20 were for children under age 5
- 75% of assets in the plan are for beneficiaries aged 14 and older resulting in steady increases in distributions

STRATEGIC LEVERS

Ongoing Marketing

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

Completed Activities

- Released holiday gifting survey snapshot and pitched gifting stories to national and local media
- Launched 529 gifting ad bricklets on Fidelity.com

What's Next?

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

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	\$13	\$13	\$18	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$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	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	4	\$44																					
																												(clicks)																			
Google																												\$24																			
Bing																												\$12																			
Ad Marketplace																												\$8																			
SEARCH AD SERVING																												\$0																			
OUTDOOR	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	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																																	

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

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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.

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