

DCIP Business Results – Q1 2018

June 12, 2018



Scorecard – Q1 2018

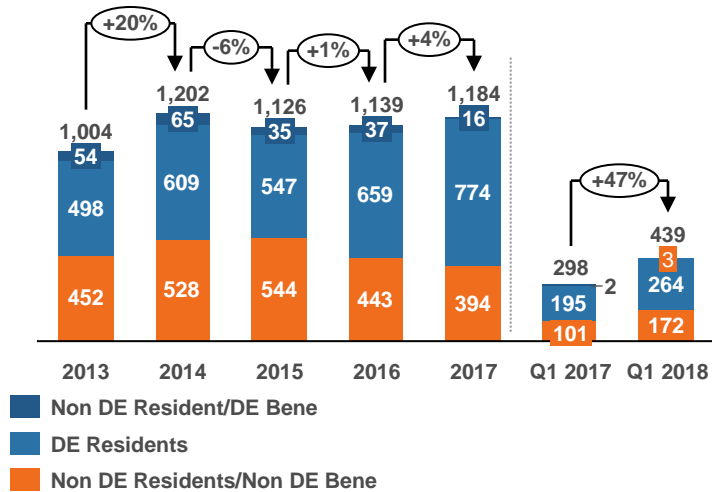
Scorecard		Q1 2018 Actual	Q1 2018 Goal	Variance from Goal	2018 YTD Actual	2018 YTD Goal
Participation Rate (New Accounts)	●	439	-	-	439	-
Participant Readiness (2K Rule of Thumb)		19%	-	-	19%	-

FINALIZED GOALS TO BE APPROVED BY PLANS BOARD

Mission Statement: TO BE PROVIDED BY PLANS BOARD

Participation Rate

NEW ACCOUNTS



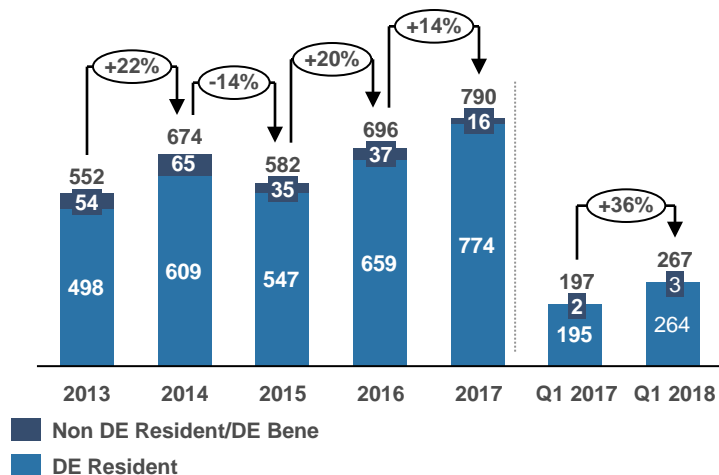
COMMENTARY

- For Q1 2018, there was a 47% New Account increase over Q1 2017
- Across the industry, new accounts were up 16% year-over-year for Q1
- 59% of new DCIP accounts are opened by an existing Fidelity Personal Investments customer
 - 31% are opened by a brand new customer
 - 10% are opened by a customer with an existing Fidelity Workplace relationship

STRATEGIC LEVERS

- ✓ Execute and optimize digital marketing plan
- ✓ Hone marketing to target to new/expecting parents
- ✓ Extend target marketing to grandparents in Q2
- ✓ Drive engagement through Social Media in Q2
- Drive awareness in Greenville DE Investor Center
- Launch next phase of Workplace Financial Wellness

NEW ACCOUNTS - DELAWARE



COMMENTARY

- For Q1 2018, there was a 36% increase over Q1 2017 for accounts with a participant or beneficiary in Delaware
- 56% of new DCIP accounts opened by Delaware residents are opened by an existing Fidelity Personal Investments customer
 - 32% are opened by a brand new customer
 - 11% are opened by a customer with an existing Fidelity Workplace relationship

STRATEGIC LEVERS

- ✓ Optimize digital marketing plan with geo-targeting for Delaware residents
- ✓ Hone marketing to target to new/expecting parents with Newborn Channel in Delaware hospitals
- ✓ Kick off local development plan, engage Investor Center associates to staff events
- ✓ Collaborate on regional marketing events

Readiness

2K RULE

Age Bands	<1x	1-1.5x	1.5-2x	>2x
< 5	70%	9%	5%	16%
5 -9	73%	9%	5%	13%
10 -13	64%	11%	6%	19%
14 -17	60%	12%	7%	21%
Total	65%	11%	6%	19%

COMMENTARY

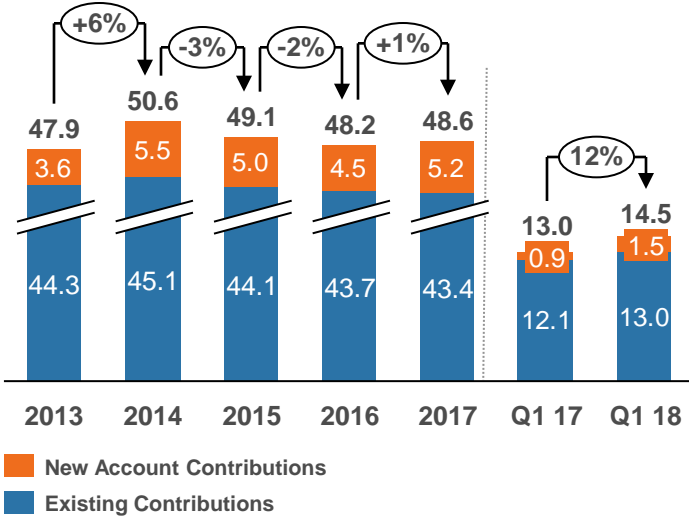
- The 2K Rule of Thumb defines readiness as having \$2,000 x beneficiary age saved
- As of Q1 2018, 19% of DCIP accounts are meeting the 2K rule of thumb
 - 21% of beneficiaries aged 14-17 meet the 2K benchmark
 - The biggest opportunity in this area is with beneficiaries under age 10
- Participant readiness in the DCIP is in line with rest of Fidelity's plans

STRATEGIC LEVERS

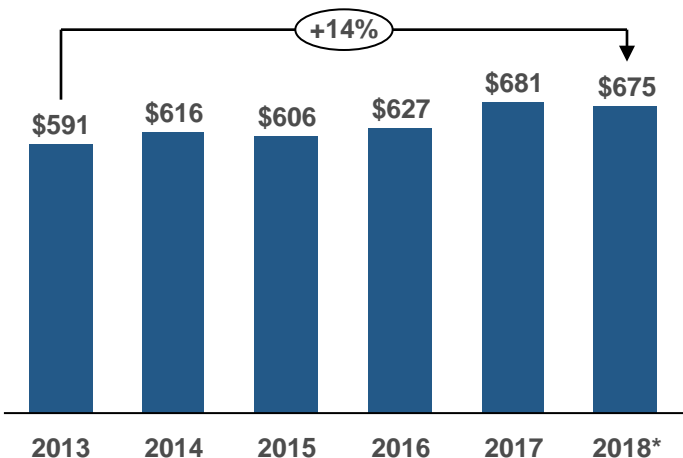
- ✓ Launch new home page banner re-introducing the Fidelity Rewards card and the associated savings benefits (June)
- ✓ Deliver electronic marketing campaign on the Fidelity Rewards card and the associated savings benefits (Q3 '18)
- ✓ Use digital advertising to target existing DCIP customers and encourage them to contribute more
- ❑ Improve social gifting experience
- ❑ Explore ways to promote automated contributions

Readiness - Contributions

CONTRIBUTIONS (\$M)



ASSETS UNDER MANAGEMENT (\$M)



COMMENTARY

- For Q1 2018, Total Contributions were up 12% over Q1 2017
- Across the industry, Total Contributions were up 36% for Q1 2018 vs. Q1 2017
- Over that same time, new account contributions are up 68% in Q1 2018 vs. Q1 2017
- In Q1 2018, the average new account contributions sits at \$3,416 (slightly below the industry average of \$4,072), up 14.5% from Q1 2017 (outpacing the national growth of 4.6%)
- Overall, Assets Under Management sits at \$675M

STRATEGIC LEVERS

- ✓ Launch new home page banner re-introducing the Fidelity Rewards card and the associated savings benefits (June)
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- Improve social gifting experience
- Explore ways to promote automated contributions

DCIP Marketing Update

Q1 Results

Digital Advertising

DCIP account starts and completes are up YOY (61% and 73%) with new tax reform helping to drive interest.

However, we're spending more to drive higher volume and with increased competition, our buy is less efficient (cost per new account complete is increased 81% YOY).

Will provide an optimization recommendation in early June.

Local Sponsorships

Launched sponsorship with Museum of Natural History on January 27th.

New & In Progress

Grandparents-targeted advertising

Launched on Amazon.com and Google DBM member sites in mid-April (see appendix).

Fidelity.com onsite advertising

Launched Fidelity.com homepage, logout and Portfolio Summary page ad banners in May (see appendix).

Local Sponsorships

Delaware Children's Theatre Disney's Aladdin Jr. (April – May) includes ad promotion, social media, email blast and ticket giveaway to Boys & Girls Club.

Preview

529 Rewards Credit Card Promotion

Money.com named Fidelity 529 Rewards credit card as best card for college savers. New homepage ad banner to launch in June; electronic message campaign planned for the fall.

Fidelity Viewpoints article

Article providing guidance on whether or not to consider using 529 savings for K-12 education to launch in June.

New Castle Ice Cream Festival at Rockwood (June)

Onsite presence and sponsor advertising with WJBR 99.5FM.

DCIP Marketing: Areas of Focus

Theme	Actions
K-12	<ul style="list-style-type: none"> ✓ Updated Fidelity.com ✓ Created Fidelity Viewpoint article on broad tax law changes published (Jan '18) ✓ Targeted customer service communications ❑ Create Fidelity Viewpoint article on 529 K-12 impact (June '18)
Age-Wave Replenishment	<ul style="list-style-type: none"> ✓ Honed advertising on new/expecting parents includes Babycenter.com; Newborn Channel ✓ Created relevant content targeting millennial investors ❑ Pursuing additional PR opportunities with influencers
Legacy Planning & Gifting	<ul style="list-style-type: none"> ✓ Targeted marketing to Grandparents for college savings and gifting (Apr '18) ❑ Researching customer sentiment and competitive landscape ❑ Raising gifting limit to \$15k per single transaction
College Savings Indicator Research (CSI)	<ul style="list-style-type: none"> ❑ Began survey development, including questions on K-12 intent
529 Day (5/29/18)	<ul style="list-style-type: none"> ✓ @Fidelity hosting Twitter chat
Morningstar	<ul style="list-style-type: none"> ❑ Preparation for Morningstar meeting

Comparison: States with Direct Sold Plans

State	2017 Accounts	2017 Assets (\$B)	2017 Average Account Size	Population	Population Under 18	State	2017 Accounts	2017 Assets (\$B)	2017 Average Account Size	Population	Population Under 18
NY*	801,780	\$23	\$28,934	19,745,289	4,180,559	MN	66,447	\$1.4	\$21,044	5,519,952	1,288,333
NV	367,777	\$17	\$46,266	2,940,058	677,427	SC*	52,077	\$1.2	\$22,111	4,961,119	1,097,621
NH	474,825	\$12.4	\$26,060	1,334,795	260,588	OK*	50,444	\$0.85	\$16,866	3,923,561	961,628
UT*	345,871	\$12	\$34,701	3,051,217	921,773	LA*	59,774	\$0.84	\$14,076	4,681,666	1,113,949
CA	299,900	\$8.3	\$27,625	39,250,017	9,092,863	WV*	29,200	\$0.83	\$61,163	1,831,102	375,068
OH*	291,620	\$5.8	\$19,735	11,614,373	2,612,172	ME^	101,880	\$0.78	\$7,846	1,331,479	254,714
MA*	176,548	\$5.6	\$33,396	6,811,779	1,378,102	DE	21,901**	\$0.67	\$31,077	952,065	204,274
MD*	231,011	\$5.6	\$24,093	6,016,447	1,348,728	MT^	9,736	\$0.65	\$14,488	1,042,520	227,611
IL*	215,067	\$5.4	\$24,885	12,801,539	2,926,109	AZ^	36,348	\$0.59	\$16,142	6,931,071	1,631,492
MI*	247,367	\$5.3	\$21,302	9,928,300	2,191,057	DC*	24,350	\$0.57	\$23,376	681,170	120,893
IA*	234,178	\$4.9	\$20,826	3,134,693	730,731	NM*	22,016	\$0.56	\$25,263	2,081,015	490,663
VA*	275,911	\$4.4	\$15,779	8,411,808	1,870,123	FL	66,203	\$0.56	\$8,721	20,612,439	4,146,712
KS^	128,268	\$4	\$30,979	2,907,289	714,951	TX	30,656	\$0.48	\$15,771	27,862,596	7,294,587
CO*	140,822	\$3.5	\$24,617	5,540,545	1,261,372	ND*	33,181	\$0.47	\$14,143	757,952	176,311
CT*	118,979	\$3	\$25,217	3,576,452	753,294	ID*	32,243	\$0.45	\$13,812	1,683,140	437,173
MO^	157,634	\$3	\$19,070	6,093,000	1,386,863	AL*	26,162	\$0.44	\$16,761	4,863,300	1,096,823
WI*	165,955	\$3	\$18,125	5,778,708	1,287,693	AR*	26,230	\$0.4	\$15,093	2,988,248	705,053
AK	93,275	\$2.7	\$28,735	741,894	187,327	VT*	19,952	\$0.36	\$18,081	624,594	118,528
PA^	111,553	\$2.6	\$23,402	12,784,227	2,674,805	RI*	13,783	\$0.24	\$17,373	1,056,426	208,381
GA*	154,929	\$2.6	\$16,643	10,310,371	2,511,544	MS*	12,802	\$0.22	\$17,379	2,988,726	721,288
NC	138,392	\$2.2	\$16,022	10,146,788	2,298,720	KY	13,911	\$0.21	\$15,066	4,436,974	1,010,629
NE*	75,123	\$2.1	\$27,362	1,907,116	473,325	TN	14,068	\$0.12	\$8,426	6,651,194	1,501,795
IN*	1,680,752	\$2.1	\$12,535	6,633,053	1,575,452	HI	4,508	\$0	\$17,848	1,428,557	308,016
OR*	100,871	\$1.7	\$17,183	4,093,465	868,727	SD	1,565	\$0.03	\$19,387	865,454	213,287
NJ	55,437	\$1.6	\$28,150	8,944,469	1,984,752						

* State Tax Benefit – In State Plans

^ State Tax Benefit – Parity

** Total Accounts w/ Balances



Appendix

DCIP Business Results YTD and Historical

 Delaware college investment plan	Q1 2014	Q1 2015	Q1 2016	Q1 2017	Q1 2018	% Change (2018 vs. 2017)
Total Accounts (since inception)	29,943	31,167	32,322	33,431	34,758	+4%
Total Accounts with Balances	22,314	22,203	22,122	22,000	21,947	-
New Accounts	308	302	331	297	439	+47%
New Account Contributions	\$1.2M	\$.99M	\$.75M	\$.89M	\$1.5M	+68%
Existing Account Contributions	\$13.1M	\$12.6M	\$11.4M	\$12.2M	\$13M	+7%
Total Contributions	\$14.3M	\$13.6M	\$12.1M	\$13M	\$14.5M	+12%
Distributions*	\$10.1M	\$10.9M	\$10M	\$13M	\$13.6M	+5%
Net Sales	\$4.2M	\$2.7M	\$2.2M	\$.06M	\$.89M	+1,470%
Assets	\$604M	\$631M	\$614M	\$644M	\$675M	+5%

2018 Q1 Assets and Flows

Assets by Portfolio

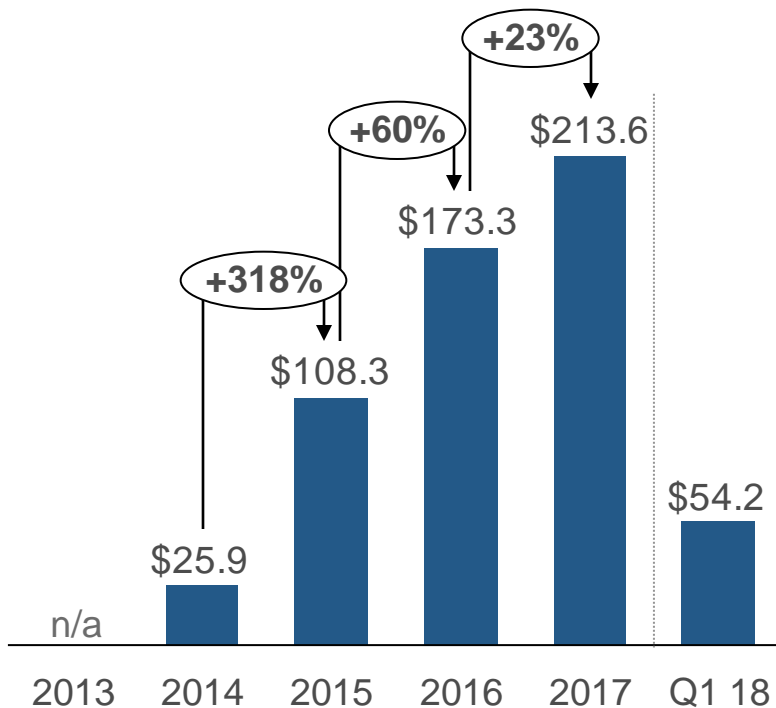
Fund Name	Total Assets (\$M)	Percentage Assets
DE Portfolio 2036 (Fidelity Funds)	\$.46	0.07%
DE Portfolio 2033 (Fidelity Funds)	\$ 2.8	0.42%
DE Portfolio 2030 (Fidelity Funds)	\$ 8.6	1.27%
DE Portfolio 2027 (Fidelity Funds)	\$ 21.7	3.22%
DE Portfolio 2024 (Fidelity Funds)	\$ 53.3	7.90%
DE Portfolio 2021 (Fidelity Funds)	\$ 113.6	16.84%
DE Portfolio 2018 (Fidelity Funds)	\$ 148.6	22.02%
DE College Port. (Fidelity Funds)	\$ 78.7	11.67%
DE Aggressive Growth (Fid. Funds)	\$ 44.7	6.63%
DE Moderate Growth (Fid. Funds)	\$ 18.7	2.76%
DE Conservative (Fid. Funds)	\$ 6.9	1.02%
DE Money Market	\$ 10.2	0.54%
DE Portfolio 2036 (Fidelity Index)	\$.48	1.51%
DE Portfolio 2033 (Fidelity Index)	\$ 3.4	0.07%
DE Portfolio 2030 (Fidelity Index)	\$ 5.4	0.50%
DE Portfolio 2027 (Fidelity Index)	\$ 12.6	0.80%
DE Portfolio 2024 (Fidelity Index)	\$ 17.5	1.86%
DE Portfolio 2021 (Fidelity Index)	\$ 16	2.60%
DE Portfolio 2018 (Fidelity Index)	\$ 14.2	2.37%
DE College Port. (Fidelity Index)	\$ 7	2.11%
DE Aggressive Growth (Fid. Index)	\$ 14.4	1.04%
DE Moderate Growth (Fid. Index)	\$ 9.3	2.13%
DE Conservative (Fid. Index)	\$ 3.7	1.37%
DE International Index	\$ 6.9	1.02%
DE Fidelity 500 Index	\$ 19.6	2.91%
DE Total Market Index	\$ 12	1.78%
DE Intermediate Treasury Index	\$ 3.6	0.53%
DE Portfolio 2036 (Multi-Firm)	\$.11	0.02%
DE Portfolio 2033 (Multi-Firm)	\$ 1.6	0.23%
DE Portfolio 2030 (Multi-Firm)	\$ 3.1	0.46%
DE Portfolio 2027 (Multi-Firm)	\$ 2.2	0.32%
DE Portfolio 2024 (Multi-Firm)	\$ 1.7	0.26%
DE Portfolio 2021 (Multi-Firm)	\$ 1.9	0.28%
DE Portfolio 2018 (Multi-Firm)	\$ 1.4	0.20%
DE College Portfolio (Multi-Firm)	\$ 1.2	0.18%
DE Bank Deposit Portfolio	\$ 7.2	1.07%
Plan Total	\$674.8	100.00%

Flows by Portfolio

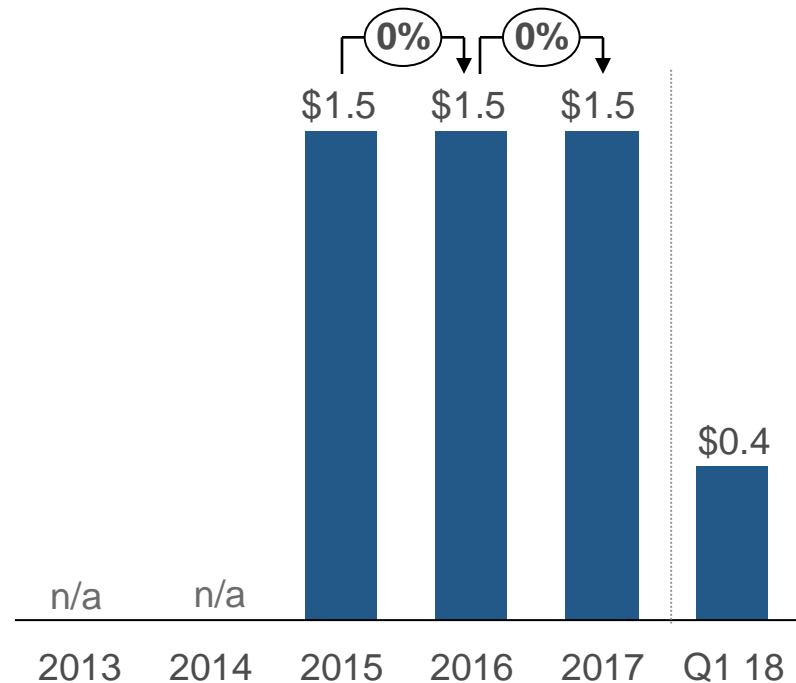
PORTFOLIO	FLOWS (\$K)
Actively Managed, Age Based	(\$1,812.1)
Actively Managed, Static	(\$2.5)
Actively Managed, Individual	(\$326.4)
Index, Age Based	\$1,474.6
Index, Static	\$254.3
Index, Individual	\$922.4
Non Fidelity, Age Based	\$530.9
Bank Deposit	(\$158.6)
Total	\$882.5

Readiness: Contributions from Gifting and Rewards Card

CONTRIBUTIONS – FROM GIFTING (\$K)

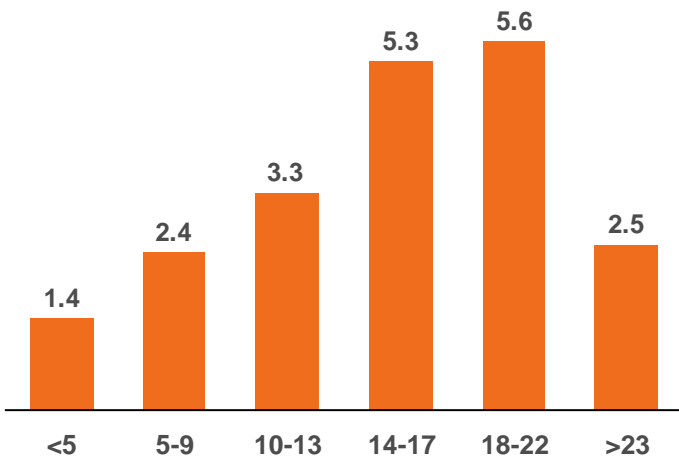


CONTRIBUTIONS – FROM REWARDS (\$M)



Readiness: The Age Wave

ACCOUNTS* (K)



*active accounts with balances

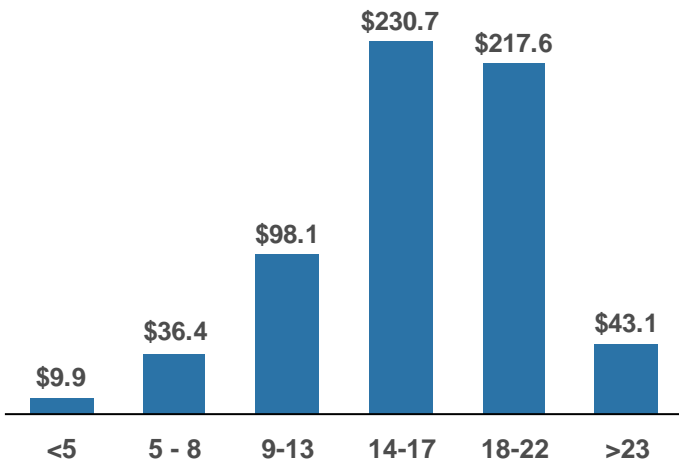
COMMENTARY

- By the end of Q1 2018, the average account size sits just below \$22K
- The accounts are more heavily concentrated toward the upper age bands near college age

STRATEGIC LEVERS

- ✓ Honed advertising on new / expecting parents includes Babycenter.com; Newborn Channel
- ✓ Created relevant content targeting millennial investors
- ☐ Pursuing additional PR opportunities with influencers

ASSETS UNDER MANAGEMENT (\$M)



13 For State Sponsor Use Only

2018 Marketing Details

		Q1	Q2	Q3	Q4	Broadcast GRPs / Print Insertions	Imps (000)	\$k
MEDIUM								
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>	

Examples: Fidelity.com College Planning Advertising

The screenshot shows the Fidelity.com homepage. At the top, there is a green navigation bar with the Fidelity logo and links for 'CUSTOMER SERVICE', 'OPEN AN ACCOUNT', 'REFER A FRIEND', and 'LOG IN'. Below this is a secondary navigation bar with categories like 'Accounts & Trade', 'Planning & Advice', 'News & Research', 'Investment Products', and 'Why Fidelity'. A search bar is located on the right. The main content area features a login form on the left with fields for 'Username' and 'Password', a 'Remember me' checkbox, and buttons for 'Log In' and 'Open an Account'. To the right of the login form is a large banner with a background image of a graduate. The banner text reads: 'Help save more with a 529 college savings plan', 'Create more opportunities for your child's education with a 529 account.', and 'Learn more'. Below the banner, the text 'Why invest with Fidelity' is visible.

Fidelity.com
Homepage ad banner

The screenshot shows the Fidelity.com log-out page. At the top, there is a green navigation bar with the Fidelity logo and links for 'Home' and 'Log In'. The main content area displays the message 'You are now logged out. Thank you for visiting'. Below this is a banner with a background image of a graduate. The banner text reads: 'Help save more for college with tax benefits' and 'Learn about 529 plans'. Below the banner, there is a section for 'For your security' with a warning about account information and a link to 'More steps to secure your online security info'.

Fidelity.com Log-out
page ad banner

The screenshot shows the Fidelity.com portfolio summary page. At the top, there is a green navigation bar with the Fidelity logo and links for 'Accounts & Trade', 'News & Research', 'Investment Products', and 'Why Fidelity'. Below this is a secondary navigation bar with categories like 'Accounts & Trade', 'News & Research', 'Investment Products', and 'Why Fidelity'. A search bar is located on the right. The main content area displays the user's portfolio summary, including a total balance of '\$180,250,773.89'. Below this is a banner with a background image of a graduate. The banner text reads: 'Help save for college with a 529 account', 'Taking advantage of tax benefits, and contributing regularly, could help you save more for your child's education.', and 'Open an account'. To the right of the banner is a graduation cap icon. Below the banner, there is a section for 'You may want to start taking attention' with a warning about account information and a link to 'More steps to secure your online security info'.

Fidelity.com Portfolio
Summary ad banner

Help save for college with a 529 account
Taking advantage of tax benefits, and contributing regularly, could help you save more for your child's education.

[Open an account](#)



Examples: Advertising to Grandparents

DELAWARE COLLEGE INVESTMENT PLAN



Cake time.
Present time.
College saving time.

Turn little moments into big opportunities with a Delaware College Investment Plan account.

- Gift and estate planning tax benefits
- Flexibility to change beneficiaries
- Control over investment decisions and distribution

Turn little moments into big opportunities with a Delaware College Investment Plan account.

OPEN AN ACCOUNT

Knowledge is power and, adding to it, the Delaware College Investment Plan account can help you secure a bright future for your grandchild. Contact us today to find out all the benefits.

DeLaWare COLLEGE INVESTMENT PLAN

Fidelity

Forbes.com



LIFESTYLE / STYLE & DESIGN

Abercrombie & Fitch Unwraps a Collection Inspired by John F. Kennedy

Turn little moments into big opportunities with a Delaware College Investment Plan account.

OPEN AN ACCOUNT

DeLaWare COLLEGE INVESTMENT PLAN

Fidelity

Weather.com



Turn little moments into big opportunities with a Delaware College Investment Plan account.

OPEN AN ACCOUNT

DeLaWare COLLEGE INVESTMENT PLAN

Fidelity

Running Forecast

7 DAY OUTLOOK

Amazon.com



Turn little moments into big opportunities with a Delaware College Investment Plan account.

OPEN AN ACCOUNT

DeLaWare COLLEGE INVESTMENT PLAN

Fidelity

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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