



January 21, 2021

John Meyer
Director of Contributions and Plan Management
820 Silver Lake Boulevard, Suite 100
Dover, DE 19904

Re: Confidential Business Information
Contract #TRE-CPM-20102

Dear Mr. Meyer:

Ascensus College Savings Recordkeeping Services, LLC, and its affiliates, (referred to individually or collectively as “Ascensus”) is submitting this letter as part of its response, dated January 21, 2021 (the “Proposal”), to the Request for Proposal seeking Program Manager and Administration Services (Contract #TRE-CPM-20102), issued December 7, 2020 (“RFP”), for the Delaware College Investment Plan issued by the Office of the State Treasurer (“OST”), on behalf of itself and the Plans Management Board (the “Board”).

Ascensus believes that certain sections within the Proposal contain trade secrets and commercial or financial information (“Confidential Business Information”) that is confidential, privileged or otherwise protected within the meaning of the *State of Delaware Freedom of Information Act, 29 Del. C. § 10002(l)*. The Confidential Business Information is customarily regarded as confidential in the financial services industry and Ascensus and its subcontractors actively take measures to protect it from public disclosure. Accordingly, Ascensus respectfully submits that the Confidential Business Information identified in the Proposal be treated as such in accordance with state law. Attached is a version of the Proposal with the portions redacted that we represent in good faith to be Confidential Business Information.

The Confidential Business Information contained within the Proposal includes: (i) sensitive business models and financial information with respect to Ascensus, its affiliates and subcontractors (such as business strategies, business relationships, subcontractor network information, the nature, quality and methodology of services and cost sharing arrangements) that directly and materially affect the cost structure, and the nature and quality of the services that Ascensus, its affiliates and subcontractors provide, and propose to provide, and (ii) business models and arrangements that provide Ascensus, its affiliates and subcontractors with a real and material competitive advantage over their competitors who do not have access to the Proposal. The aforementioned Confidential Business Information includes, but is not limited to, intellectual property, technical or nontechnical data, formulas, financial information, plans, patterns, compilations, programs, devices, methods, techniques, or processes: (a) from which Ascensus, its affiliates and subcontractors derive independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use, and (b) that is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

Disclosure of the Confidential Business Information within the Proposal would: (a) result in material adverse economic harm and substantial competitive injury to Ascensus, its affiliates and subcontractors because: (i) their competitors would be in a position to know how Ascensus structures and accomplishes its proprietary business model and arrives at its cost sharing structure, and (ii) their

competitors could subsequently adjust or modify their own business models or cost sharing structures in order to replicate those implemented by Ascensus and thus diminish or eliminate Ascensus' competitive advantage over its competitors when bidding to provide management services to qualified tuition programs; and (b) be unfair to Ascensus, its affiliates and subcontractors because their competitors would have free and unrestricted access to specific and detailed information relating to Ascensus' proprietary business model and cost structure without doing the work or taking the business and financial risks and expenses associated with independently developing a successful business model and cost structure.

Ascensus respectfully requests that in the event the Board, OST, or other governmental employee of Delaware, is asked to provide access to the Proposal, or any information provided by Ascensus with respect to the Proposal, that Ascensus be notified so that we can assist in the response to any such request.

If you have any questions concerning this request, please do not hesitate to contact me at anna.agranov@ascensus.com or (617) 454-6304.

Sincerely,

A handwritten signature in dark ink, appearing to be 'AA' or 'A.A.', written in a cursive, stylized manner.

Anna Agranov
Senior Associate General Counsel
Ascensus College Savings Recordkeeping Services, LLC

Transmittal Letter

January 20, 2021

John Meyer
Director of Contributions and Plan Management
820 Silver Lake Boulevard, Suite 100
Dover, DE 19904

Mr. Meyer:

We are very pleased to respond to your Request for Proposal for Delaware College Investment Plan Program Manager and Administration Services issued by the Office of the State Treasurer.

Ascensus has developed a proposal that demonstrates that we are the most qualified respondent to provide the requisite program services for the following reasons:

- Ranked #1 529 program manager nationally by Strategic Insight, as measured by the number of plans under administration and assets under administration
- Only provider with a dedicated platform to support 529 plans
- Open architecture, non-proprietary investment solution
- Extensive marketing expertise

The highlights of our proposal include the following elements:

[REDACTED]

- Customizable, low-cost 100% open architecture investment program
- READYSAVE™ 529 Delaware branded mobile application
- Delaware College Investment Plan branded public and secure access website

[REDACTED]

Thank you for your consideration.

Sincerely,

Margaret Creonte, President
Ascensus Government Savings

Attachment 1: Vendor Questionnaire

Relevant Experience

1. Provide a history of your organization as it pertains to defined benefit, defined contribution, and college investment plans. Provide a matrix showing revenues, assets under management, and participant count for each line of business.

Ascensus is the largest independent recordkeeper and service provider in both the state-sponsored savings plan and retirement markets. The Ascensus Government Savings division, which is the organization within Ascensus focused on the 529 market, was founded as Upromise Investments, and began providing 529 college savings program services in 2002.

Upromise Investments was acquired by Ascensus in 2013. In 2015, Ascensus was acquired by a joint venture of the private equity firms, Genstar Capital and Aquiline Capital. In 2019, our owners announced a new addition to the investor group, led by Atlas Merchant Capital, LLC.

Through these years, we have continuously and steadily grown to become the nation's largest administrator of 529 programs, offering our clients a value proposition that includes:

Trusted and experienced program management

We closely partner with industry institutions to help innovate and shape best practices for 529 programs. We will bring this focused experience and passion to provide the Delaware College Investment Plan and your participants with the highest level of care and oversight.

Open architecture investment suite

The investment structure Ascensus proposes will require a program manager with a commitment to open architecture and a flexible custody and trading infrastructure. Ascensus offers no proprietary products, and as such can be agnostic regarding underlying investments. The investments we select are chosen purely for cost, quality, and long-term performance.

Best-in-class customer service for participants

Our service approach is based on a simple philosophy: when we answer a phone call from a Delaware 529 plan participant, or handle a piece of participant correspondence, we are representing the State of Delaware. Our deep understanding and experience servicing 529 plans has created a servicing organization that consistently provides our participants, partners and state clients with the highest level of quality.

Marketing to drive growth

Ascensus will partner with OST to drive growth in your program that meets or exceeds industry averages. Our experienced 529 marketing team will partner with the State to plan and execute a strategic marketing approach that leverages best practices and is focused on Delaware investors.

Value and quality

Ascensus will staff your program with experienced high quality personnel across all functions, with a value proposition that offers extremely competitive pricing. Our proposal offers significant upgrades at a price point that will return [REDACTED] in just the first year to your investors as compared with current pricing – money that will go back into their education savings by way of reduced fees.

The following matrix displays account and asset data as of 9/30/2020 for each Ascensus line of business.

| | College Savings | ABLE | State Facilitated Retirement Plans | 401k Retirement | Health & Welfare |
|----------|-----------------|------------|------------------------------------|-----------------|------------------|
| Accounts | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| Assets | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |

*Includes HSA, FSA & COBRA covered employees

2. For non-incumbents, describe your transition experience, provide a sample transition plan, and identify your transition team members for this engagement. Specifically identify every defined benefit, defined contribution and college investment plans transitioned in the last five years.

Ascensus has established a rigorous implementation planning process that has proven to be highly effective. Our time tested process takes the burden off of the State. We handle the entire conversion process from beginning to end while keeping you fully updated with our executive dashboard status reporting. You can have comfort knowing we have never missed a communicated live date and no participant has ever been out of market.

Ascensus leads the 529 industry in conversion experience. Since launching our Unite platform in 2002, the majority of the forty-three 529 plans which we currently administer were transitioned onto our system via a conversion. We utilize detailed project plans and conversion schedules that incorporate over 18 years of best practices in procedures and controls for ensuring success in converting 529 plans from other platforms.

A highly-experienced conversion team, led by a project manager, develops a detailed project plan that integrates all milestones across functional work streams - technology, data conversion, custody, communication, legal, client service, reporting, training, and any other area pertinent to a particular conversion. The team will execute to that plan, keeping all partners and stakeholders highly involved in status and relevant issue resolution. The schedule will include details around each milestone, multiple mock (practice) conversions, and ultimately a conversion weekend schedule with activities that are planned down to the hour.

Process

Ascensus will execute an iterative conversion process, executing and refining conversion steps throughout the months prior to the final conversion. Approximately one month prior to the scheduled final conversion, a dress rehearsal will be executed, requiring all personnel to conduct all conversion steps in precise order and with the same timing as if it were the final conversion. The expectation is that this conversion will be flawless, giving all parties full confidence that the final conversion will execute on schedule.

The project manager will establish proper program governance and communication channels for project coordination. Plans will include the verification of test results and operational capabilities, in terms of people, process and technology, that will support the conversion in the future. The project manager will then tie these individual plans together into a single coordinated plan of action.

Personnel

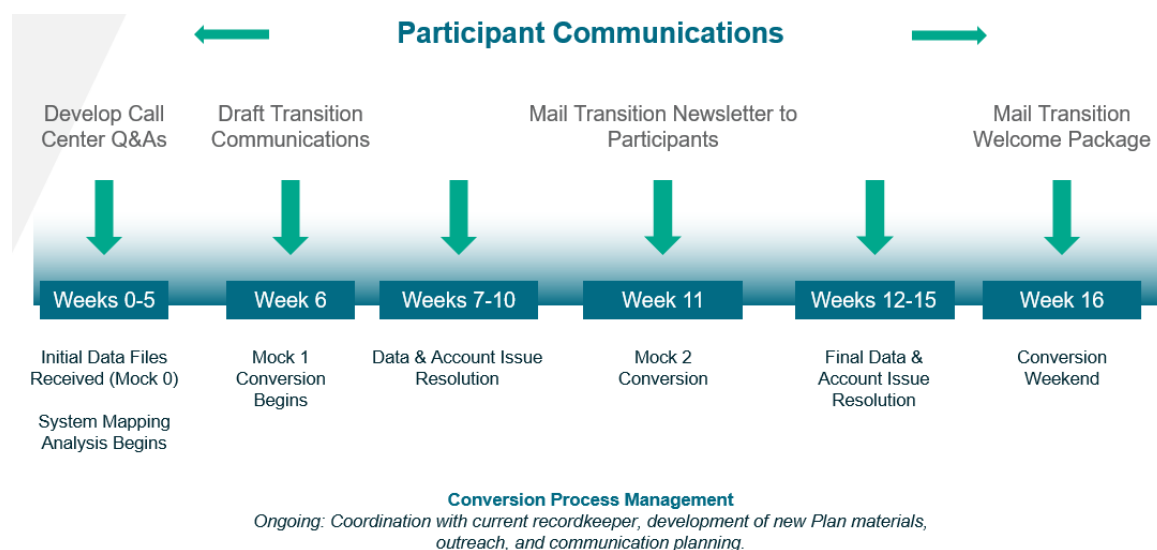
The key personnel identified in our response to question 4 also have overall responsibility for managing the conversion process. The project manager will report status directly to the executive team for the duration of the conversion. Dedicated personnel from Ascensus will be required in the areas of relationship management, project management, and business systems analysis to ensure that the transition of the Delaware College Investment Plan is delivered successfully and on time.

In addition to the dedicated conversion team, Ascensus will utilize teams with significant conversion expertise in the areas of development, quality assurance and acceptance testing. For training of client service representatives, an experienced team will create a plan-specific training curriculum and set of operating procedures to serve as the basis for instructor-led service training classes prior to the go-live date.

Conversion Timeline

A conversion effort of this size and scope typically follows a four-month schedule. While a detailed project schedule will be put into place as part of the implementation planning referenced above, a high-level timeline for conversion would typically follow the schedule outlined below. Depending upon several factors, conversions can be completed more quickly.

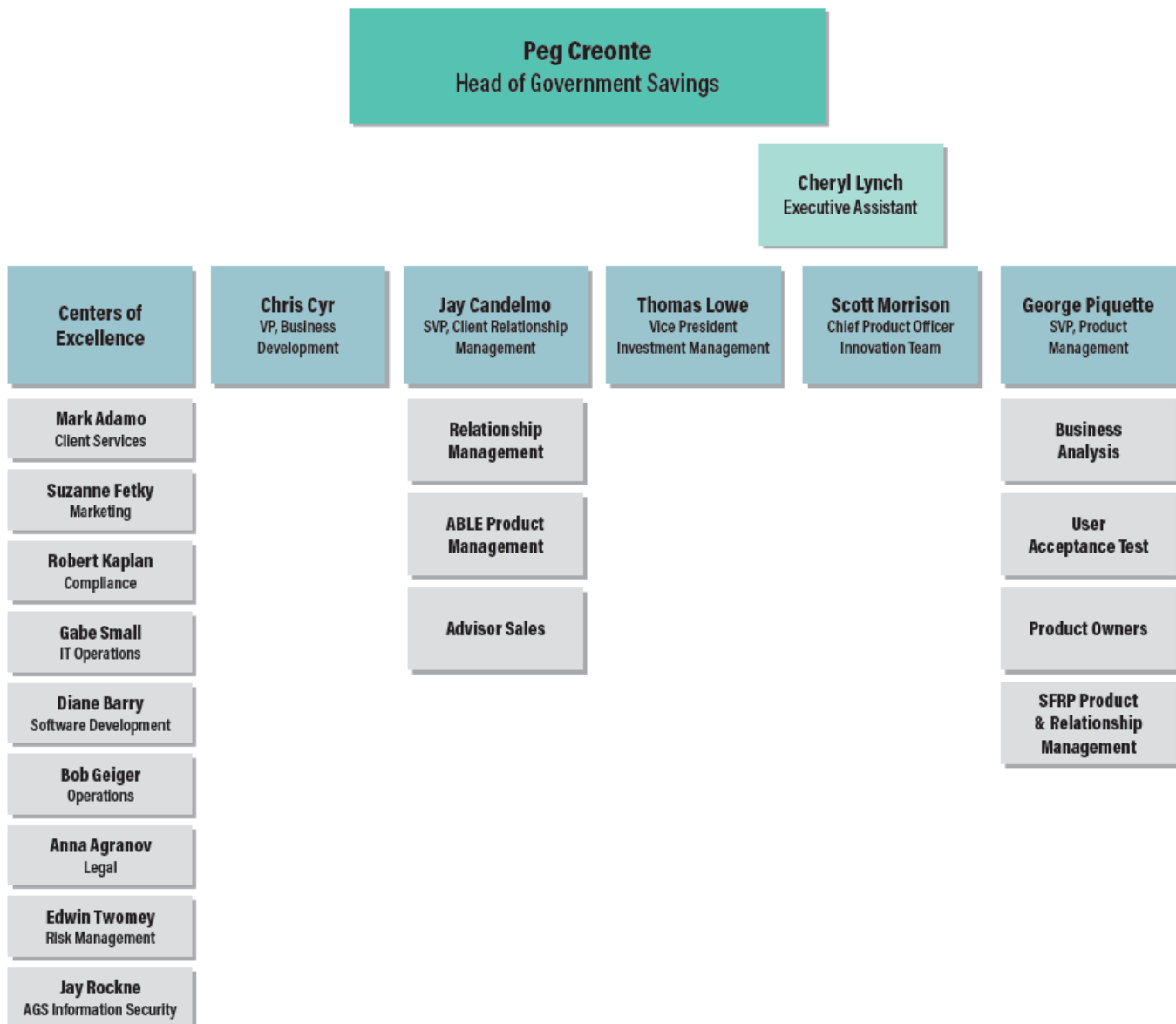
Sample Transition Plan



The following 529 plans have been converted onto the Unite recordkeeping platform in the past 5 years:

| Plan Name | Accounts | Assets | Type | Date |
|-----------------------|----------|----------|------------------|------|
| RI CollegeBound 529 | 263k | \$6.47B | Advisor | 2016 |
| RI CollegeBound Saver | 12k | \$202M | Direct | 2016 |
| DC | 23k | \$507M | Advisor + Direct | 2017 |
| TN 529 | 15k | \$126M | Direct | 2018 |
| State Farm | 60k | \$529M | Advisor | 2018 |
| KY Saves | 15k | \$208M | Direct | 2019 |
| CO Scholars Choice | 146k | \$4.32B | Advisor | 2019 |
| MN Saves | 94k | \$1.51B | Direct | 2019 |
| NM Scholar's Edge | 115k | \$1.88B | Advisor | 2019 |
| NM Education Plan | 26k | \$583M | Direct | 2019 |
| CA ScholarShare | 386k | \$10.01B | Direct | 2020 |
| WI Edvest | 217k | \$3.56B | Direct | 2020 |
| GA Path2College | 210k | \$3.27B | Direct | 2020 |
| OK College Savings | 69k | \$940M | Direct | 2020 |
| MI 529 | 50k | \$753M | Advisor | 2020 |
| MI Education Savings | 304k | \$6.11B | Direct | 2020 |
| Totals | 2M+ | \$40B+ | | |

3. Provide an organizational chart showing all key personnel who will be responsible for all aspects of the Program.



4. Name the key individuals who would be responsible for providing services for the Program. Provide a brief resume including background and experience information on each individual, emphasizing specific experience with college savings programs. In the event of a departure of a key individual from your Company that would be directly associated with the Program, address back-up procedures and steps to ensure continuity of servicing the Program

Below please find the individuals in charge of service delivery for Delaware College Investment Plan that have full accountability to Office of the State Treasurer and the Plans Management Board. With over 40% market share in the 529 plan industry, we have a deep bench of professionals across all functions with expertise in 529 administration. We have an outstanding track record of tenure and 529 plan industry experience from the executive team and across our entire base of associates.

In addition to the individuals noted below, Ascensus will assign a relationship manager for the Delaware College Investment plan. The relationship manager will be the primary point of contact for the Board to Ascensus for all plan and contract related matters.

Peg Creonte

President - Government Savings

Peg Creonte is president of Government Savings at Ascensus. Peg is responsible for setting the vision and strategy for the firm's Government Savings line of business and charting its course for future growth. She joined Ascensus in 2004 and has served in leadership roles across business development, platform development, and system implementation. Peg has also led and managed several large 529 and ABLE program client conversions.

Prior to Ascensus, she held leadership and consulting roles in software and semiconductor firms. Peg holds a B.S. in Electrical Engineering from Tufts University and an M.B.A. from Cornell University.

Christopher Cyr

Vice President - Business Development

Chris is responsible for all aspects of 529 plan business development from proposal generation through new client onboarding. Before his current role Chris managed the client relationships for a number of 529 programs and oversaw complex plan conversions. Chris also managed a team of seventeen field representatives responsible for community outreach and plan growth. Chris has 25 years of financial services experience. Chris joined Ascensus in 2016.

Chris holds a B.S. in Business from the University of Maine and is Series 7 & 63 licensed.

Jay Candelfmo

Senior Vice President – Relationship Management

Jay leads the Relationship Management function for Ascensus Government Savings. In this role, he is responsible for 529 and ABLE client management, advisor sales and ABLE product management. Prior to assuming his current role, he held executive roles in business development and operations at Ascensus.

Jay has over 15 years of experience in the financial services industry, having served in client-facing executive roles at Lincoln Financial Group and MassMutual before joining Ascensus in 2017. Earlier in his career, Jay worked at IBM and Massachusetts Port Authority. Jay holds an A.B. from Brown University, an M.B.A. from MIT Sloan School of Management and FINRA Series 7 and 26 registrations.

Thomas Lowe

Vice President – Investment Management

Tom joined Ascensus in August, 2018. Tom's team develops investment product solutions where Ascensus has direct Investment Management Responsibilities and leads the oversight of investment management partners. Tom has over twenty years of experience with Fidelity Investments, with a focus on asset allocation. Within the asset management organization, Tom was focused on the creation, assessment and monitoring of asset allocation products. Tom's responsibilities at Fidelity included educating clients on asset allocation concepts and his approach to portfolio construction. Prior to joining Ascensus Tom spend 20 years with Fidelity.

Tom holds a BS from Syracuse University and a Master's degree in Finance from Bentley University. He is a CFA charter holder.

Scott Morrison

Chief Product Officer – Innovation

Scott has overall responsibility for product direction associated with Ascensus' Astro SSRP platform, the Unite 529 platform, and related product efforts. Since joining Ascensus in 2002, Scott has played a key role in guiding many key platform initiatives. Scott owns more than 25 years of diverse experience in financial systems analysis and product development.

Scott holds a B.S.E.E. from Lehigh University, an M.B.A. from Golden Gate University, and formerly served as an officer in the United States Air Force.

George Piquette

Senior Vice President – Product Management

George joined the Ascensus team in 2015 and is responsible for the direction of the overall capabilities of the Unite 529 platform as well as the development and implementation of product enhancements for both direct-sold and advisor-sold 529 college savings plans. George plays a pivotal role in delivering innovative functionality for our industry-leading Unite 529 platform. George has over 20 years of experience in the financial services industry. Prior to joining Ascensus, George spent 18 years at Fidelity Investments where he was responsible for oversight of the retirement and 529 platforms.

George holds a B.A. in Mathematics from Rhode Island College and earned his MBA in Computer Information Systems from Bryant University. George holds FINRA Series 99, 7 and 63 licenses.

Mark Adamo*Vice President – Client Services*

Mark leads and oversees all client service functions and teams for Ascensus' 529 savings, ABLE savings, and state facilitated retirement savings products in our Newton, MA, Kansas City, MO, Warwick, RI, and Tucson, AZ offices. Client Service teams under Mark's supervision include: Processing Services, Call Center Operations, and Resolution Services. Mark joined Ascensus in 2004 starting in the mailroom as a temporary 529 representative. In his 17 years with the organization he has worked his way up through various client service and product leadership roles. Mark is a 2002 graduate of the College of the Holy Cross.

Suzanne Fetky*Vice President – Marketing*

Suzanne is responsible for marketing Ascensus' college savings, ABLE savings, and state sponsored retirement savings products. In this role, she leads the development of timely and unique marketing solutions designed to meet plan objectives that resonate with target audiences. Suzanne and her team's responsibilities span the range of marketing services, including strategic planning, designing and executing campaigns, analytics, and research.

Suzanne, who joined Ascensus in 2007, has helped lead marketing initiatives for all of the full-service plans and played a consultative role to many others. Previously, she was a marketer of healthcare services at both the Massachusetts Eye and Ear Infirmary and the Boston Children's Hospital. A graduate of Stonehill College, Suzanne received a B.S. in Business Administration, with a concentration in Marketing, and an M.B.A. from the University of Rhode Island.

Diane Barry*Senior Vice President – IT Development*

Diane oversees all software development for the division. She ensures stability and data privacy of the existing platforms while delivering new software and features for clients, account owners and advisors. She is also responsible for building and executing on the technology roadmap. Diane joined Ascensus in 2019, bringing a deep industry background in financial services, healthcare, and insurance, and a track record of driving enterprise-wide transformational business processes, systems, and cultural change across diverse groups and corporate entities.

Prior to joining Ascensus, Diane spent over 25 years at Fidelity Investments where she was responsible for development of the retirement and managed accounts platforms. She also served over six years as CIO at a medical malpractice insurance company.

Diane holds a B.S.A. in Finance from Georgetown University.

Bob Geiger
Vice President – Investment Operations

Bob oversees all activities within the Accounting and Reconciliation, Dealer Services, Mail Operations, Media Output and Operational Excellence departments. Bob's responsibilities include establishing and managing team deliverables, identifying global issues and opportunities for improvement, and defining and documenting customer needs related to operations. Bob is also responsible for management of the day-to-day relationship with Ascensus' banking and custody partners. Bob joined Ascensus in 2016, bringing over 25 years of operations and relationship management experience to the company.

Bob is a graduate of Bentley College and holds a B.S. in Economics & Finance.

Anna Agranov
Senior Associate General Counsel

Anna is responsible for the delivery of legal services to the Government Savings division of Ascensus, which serves as recordkeeper and program administrator to 529 plans, ABLE plans and state-facilitated retirement plans. This includes management of the division's legal department, which provides support for all legal matters related to plan launches, conversions and day-to-day operations. Anna also oversees technology and privacy legal matters for all of Ascensus.

Anna joined Ascensus in 2014; she has been working in the technology and software industry for the past 10 years. Anna received her JD from Suffolk University Law School and received her undergraduate degree in Psychology from Clark University in Worcester, Massachusetts. Anna is a Certified Information Privacy Professional in both US and European data protection laws. Anna also holds the GIAC Law of Data Security & Investigations (GLEG) certification which focuses on electronically stored and transmitted records, privacy policies, contracts, liability and IT security.

5. Please indicate the year your Company began providing services to state college savings programs, and complete the following table, as applicable, as of June 30, 2020 for each state college savings program for which your Company has served as Program Manager or service provider.

Ascensus has been servicing 529 plans since our inception in 2002. We provide a variety of services for the 43 plans on our platform from back office recordkeeping to full service program management duties including marketing, investment management, and call center servicing. The following table represents the plans serviced as of June 30, 2020 and their accounts and assets as of December 30, 2020.

| State | 529 Plan | Service(s) Provided* | Service Date | Accounts | AUM |
|-------|---------------------------------------|----------------------|--------------|----------|------------------|
| NV | SSGA Upromise 529 | PM,RK,M | 2002 | 119,108 | \$1,565,736,995 |
| NV | The Vanguard 529 College Savings Plan | PM, RK | 2002 | 483,236 | \$26,625,768,722 |
| NY | New York's 529 Direct Plan | PM, RK | 2003 | 952,927 | \$33,346,393,283 |
| IA | College Savings Iowa | RK | 2004 | 257,409 | \$5,914,493,199 |
| NV | USAA College Savings Plan | PM, RK | 2004 | 303,342 | \$4,781,938,143 |

| | | | | | |
|-----------|--|---------------|------|-----------|------------------|
| CO | CollegeInvest Direct | PM, RK | 2004 | 172,925 | \$5,231,224,310 |
| AR | GIFT Arkansas 529 Plan | PM, RK, M | 2005 | 31,298 | \$530,875,887 |
| MO | Missouri Saving for Tuition | PM, RK, M | 2006 | 178,446 | \$3,791,701,065 |
| PA | Pennsylvania Guaranteed Savings Plan | RK | 2006 | 105,711 | \$2,262,528,791 |
| ND | North Dakota: College SAVE | PM, RK, M | 2006 | 45,388 | \$598,729,564 |
| PA | Pennsylvania Direct 529 | PM, RK | 2006 | 140,772 | \$3,942,411,734 |
| ID | IDeal Idaho College Savings Program | PM, RK, M | 2007 | 41,491 | \$652,251,560 |
| HI | HI529 - Hawaii's College Savings Program | PM, RK, M | 2007 | 4,863 | \$98,726,865 |
| AR | iShares 529 Plan | PM, RK | 2007 | 14,566 | \$589,759,635 |
| IN | CollegeChoice 529 Direct Savings Plan | PM, RK, M, IM | 2008 | 218,721 | \$3,325,591,840 |
| IN | CollegeChoice Advisor 529 Savings Plan | PM, RK, M, IM | 2008 | 178,082 | \$2,669,538,411 |
| WV | SMART529 WV Direct | RK | 2010 | 20,281 | \$381,945,695 |
| WV | The Hartford SMART529 | RK | 2010 | 82,833 | \$1,932,274,290 |
| WV | SMART529 Select | RK | 2010 | 13,141 | \$649,345,820 |
| CT | CHET Advisor | RK | 2010 | 30,156 | \$799,253,633 |
| KS | Learning Quest Education Savings | RK | 2010 | 72,202 | \$1,590,603,083 |
| KS | Learning Quest Advisor | RK | 2010 | 15,558 | \$306,160,097 |
| KS | Schwab 529 College Savings Plan | RK | 2010 | 172,496 | \$6,206,447,832 |
| KS | Schwab Learning Quest 529 Plan | RK | 2010 | 8,583 | \$507,870,621 |
| MT | Achieve Montana | PM, RK, IM, M | 2010 | 10,574 | \$177,813,531 |
| NY | New York's 529 Advisor Plan | PM, RK | 2012 | 221,801 | \$7,226,020,328 |
| OH | CollegeAdvantage Direct 529 Savings Plan | RK | 2014 | 347,646 | \$8,385,194,056 |
| NV | Wealthfront's College Savings Program | PM, RK | 2015 | 17,924 | \$369,602,027 |
| RI | CollegeBound Saver | PM, RK | 2016 | 18,195 | \$333,616,624 |
| RI | CollegeBound 529 | PM, RK, M | 2016 | 175,936 | \$4,931,846,036 |
| DC | DC College Savings Plan | PM, RK, M, IM | 2017 | 32,844 | \$904,313,138 |
| TN | TNStars College Savings 529 Program | RK | 2018 | 20,178 | \$230,849,052 |
| KY | KY Saves 529 | PM, RK, IM, M | 2019 | 15,519 | \$238,859,475 |
| CO | Scholars Choice® College Savings | RK | 2019 | 113,255 | \$5,044,013,891 |
| NM | Scholar's Edge | PM, RK | 2019 | 91,546 | \$1,943,159,912 |
| NM | The Education Plan | PM, RK, IM | 2019 | 24,882 | \$636,533,473 |
| MN | Minnesota College Savings Plan | RK | 2019 | 85,938 | \$1,712,791,963 |
| CA | ScholarShare 529 | RK | 2020 | 352,182 | \$11,332,195,551 |
| WI | Edvest College Savings Plan | RK | 2020 | 197,716 | \$4,213,949,099 |
| GA | Path2College 529 Plan | RK | 2020 | 192,652 | \$3,954,096,710 |
| OK | Oklahoma College Savings Plan | RK | 2020 | 59,799 | \$1,111,404,798 |
| MI | Michigan Education Savings Program | RK | 2020 | 307,421 | \$6,857,023,661 |
| MI | Michigan 529 Advisor Plan | RK | 2020 | 50,489 | \$881,636,266 |
| 27 | 43 Plans | | | 6M | \$168B |

*PM = Program Management, RK = Recordkeeping, M = Marketing, IM = Investment Management

6. Please describe your organization’s diversity and inclusion program, including goals, priorities, and metrics established for the current and forthcoming calendar year (if applicable) in the table on the following page:

At Ascensus, we recognize that Diversity and Inclusion (D&I) are multifaceted elements of our work environment that need to be embraced holistically to better engage and support all underrepresented groups internally and externally.

Our long-term D&I plans are designed to foster deeper conversations and actions within the workplace, and foster collaboration with our associates, clients, and customers. That includes considering the concerns and needs of our diverse associates and doing more to support equity for all, including Blacks, Latinos, Asians, Native Americans, LGBTQ+, disabled individuals, veterans, and women.

Ascensus is committed to creating meaningful benefits for society as it manages and grows its business.

Our Diversity and Inclusion Council was founded to promote respect through inclusion, diversity, and equality. The council consists of Board, Executive, and senior members from within the Ascensus organization, and the below are some items of focus.

- Monthly newsletters or digests which speak to the latest news, upcoming events and education opportunities, and celebrate major holidays/observations
- Annual calendar
- Learning courses to help associates become aware of key D&I concepts; as well as, build a deeper understanding of behaviors and mindsets for inclusion
- Shift to virtual work for nearly all during this past year and given our current environment

Employee Resource Groups (ERGs) are also a key part of inclusion, diversity and equality efforts and are led by an executive sponsor. Each group has their own purpose and lead their own efforts throughout the year.

7. If the Program Manager manages a state college savings program for another state, how will you differentiate the Program for prospective customers from the other(s) that you manage? Identify any restrictions on your ability to market the Program, locally and nationally. What steps will you take to prevent conflicts with other college investment programs managed by your Company?

The Delaware College Investment Plan will be the only program actively promoted to prospective savers residing in Delaware. Ascensus differentiates the programs it manages through custom branding and messaging distinct to the program, and looks forward to embracing the Delaware branding fully. Ongoing collaboration between Ascensus and the Delaware team will be key to the Plan’s ongoing growth. While Ascensus brings a team of expert 529 marketers, the Board and Delaware staff are experts in the culture, geography, and people that make the state unique. Learning from the team will help us understand what channels and messaging will resonate best with Delaware’s prospective and existing savers.

Due to prior contractual commitments, Ascensus is not able to market Delaware’s program outside of the state.

8. Does the Program Manager have a retail presence in Delaware? If so, provide the specific locations, and indicate whether there are any plans to expand in Delaware. If not, describe how you currently market college investment programs or other consumer-facing products and services in Delaware

We do not have a retail presence in Delaware, nor elsewhere. Currently, Ascensus is not actively marketing any products in Delaware.

An absence of retail locations has not been a hinderance to Ascensus 529 program marketing efforts. Collectively, the direct sold programs that Ascensus markets to in-state residents across 11 states have enjoyed strong historical growth rates, including ■■■ account growth rate over the past 2 years. Our experience in driving growth for some of the largest 529 plans in the country informs our strategies, which focus on digital engagement, ease of enrollment, and targeted campaigns.

The staffing model for Delaware will include one dedicated field representative. This representative will reside in the State and will provide a “feet-on-the-street” presence to spread awareness of the Plan.

This skilled representative will be a 529 expert, available for any outreach efforts and assisting with making presentations to a variety of audiences including employers, employees, community groups, and state agencies. Ascensus has deep experience in working with states and state university systems to facilitate payroll processes for state employees to drive enrollment and payroll contributions.

Ascensus representatives in states such as Indiana, Missouri, New York, and Nevada have had great success in generating grassroots marketing efforts and spreading plan awareness, especially to employers. Their goal is simple; raise awareness and educate families on the importance of saving for college and the benefits of using a 529 plan.

9. Describe your willingness and ability to support, including monetarily, a national campaign to heighten awareness of college investment programs. Will you make Delaware’s Program a “national” plan? Will you incorporate Delaware’s new branding into your efforts?

Ascensus made a significant contribution to the CSPN national general awareness campaign. This investment was made as a general contribution to the effort, not on behalf of any specific Ascensus clients. Ascensus will absolutely consider any future national awareness efforts, and depending on the cost and viability of the approach, will determine an appropriate level of participation and investment.

Due to prior contractual commitments, Ascensus is not able to make Delaware’s program a national plan.

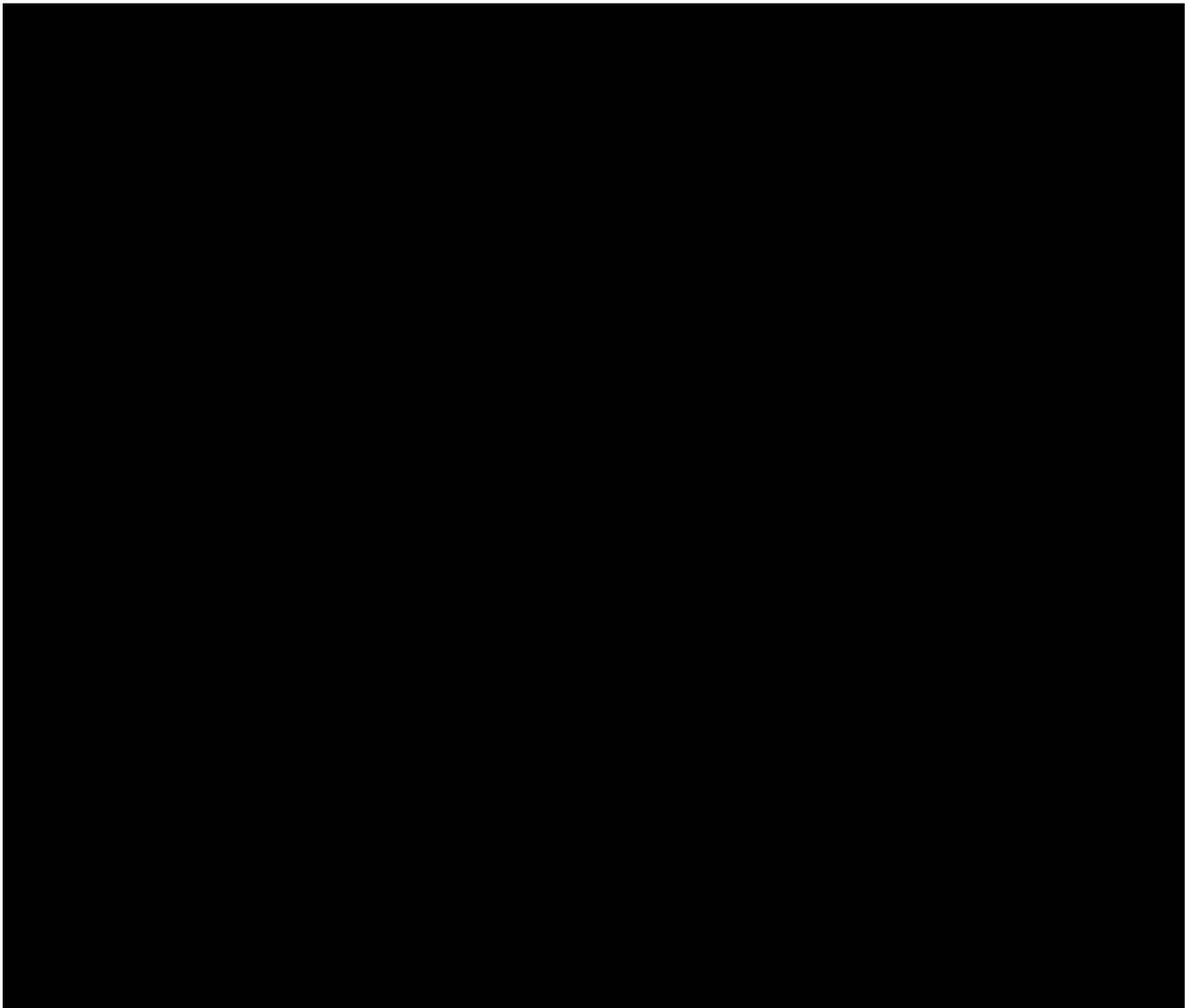
Ascensus will incorporate Delaware’s new branding into all Delaware marketing efforts. The Plan’s brand is more than just a logo — it uses look and feel to represent the essence of the State and the desire of families to save for higher education. Ascensus’s goal is to engage residents to clear the hurdles of saving for college. Unlike other program managers in the industry, Ascensus views each 529 plan as a distinct program with its own flavor, graphics, and point-of-view. Every 529 plan brand is unique, and the team addresses a state’s specific culture and the needs of its residents by customizing print materials, emails, and websites with different colors, treatments, graphics, and text.

Investment Management

| Overall Summary | | | | |
|-----------------|--------------|---------|---------|---------|
| Category | Sub-category | Value 1 | Value 2 | Value 3 |
| Section A | Item A1 | 10 | 20 | 30 |
| | Item A2 | 15 | 25 | 35 |
| | Item A3 | 20 | 30 | 40 |
| | Item A4 | 25 | 35 | 45 |
| Section B | Item B1 | 12 | 22 | 32 |
| | Item B2 | 18 | 28 | 38 |
| | Item B3 | 22 | 32 | 42 |
| | Item B4 | 28 | 38 | 48 |
| Section C | Item C1 | 14 | 24 | 34 |
| | Item C2 | 19 | 29 | 39 |
| | Item C3 | 24 | 34 | 44 |
| | Item C4 | 29 | 39 | 49 |
| Section D | Item D1 | 16 | 26 | 36 |
| | Item D2 | 21 | 31 | 41 |
| | Item D3 | 26 | 36 | 46 |
| | Item D4 | 31 | 41 | 51 |
| Section E | Item E1 | 17 | 27 | 37 |
| | Item E2 | 23 | 33 | 43 |
| | Item E3 | 27 | 37 | 47 |
| | Item E4 | 33 | 43 | 53 |
| Section F | Item F1 | 19 | 29 | 39 |
| | Item F2 | 25 | 35 | 45 |
| | Item F3 | 30 | 40 | 50 |
| | Item F4 | 35 | 45 | 55 |
| Section G | Item G1 | 21 | 31 | 41 |
| | Item G2 | 27 | 37 | 47 |
| | Item G3 | 32 | 42 | 52 |
| | Item G4 | 37 | 47 | 57 |
| Section H | Item H1 | 23 | 33 | 43 |
| | Item H2 | 29 | 39 | 49 |
| | Item H3 | 34 | 44 | 54 |
| | Item H4 | 39 | 49 | 59 |
| Section I | Item I1 | 25 | 35 | 45 |
| | Item I2 | 31 | 41 | 51 |
| | Item I3 | 36 | 46 | 56 |
| | Item I4 | 41 | 51 | 61 |
| Section J | Item J1 | 27 | 37 | 47 |
| | Item J2 | 33 | 43 | 53 |
| | Item J3 | 38 | 48 | 58 |
| | Item J4 | 43 | 53 | 63 |
| Section K | Item K1 | 29 | 39 | 49 |
| | Item K2 | 35 | 45 | 55 |
| | Item K3 | 40 | 50 | 60 |
| | Item K4 | 45 | 55 | 65 |
| Section L | Item L1 | 31 | 41 | 51 |
| | Item L2 | 37 | 47 | 57 |
| | Item L3 | 42 | 52 | 62 |
| | Item L4 | 47 | 57 | 67 |
| Section M | Item M1 | 33 | 43 | 53 |
| | Item M2 | 39 | 49 | 59 |
| | Item M3 | 44 | 54 | 64 |
| | Item M4 | 49 | 59 | 69 |
| Section N | Item N1 | 35 | 45 | 55 |
| | Item N2 | 41 | 51 | 61 |
| | Item N3 | 46 | 56 | 66 |
| | Item N4 | 51 | 61 | 71 |
| Section O | Item O1 | 37 | 47 | 57 |
| | Item O2 | 43 | 53 | 63 |
| | Item O3 | 48 | 58 | 68 |
| | Item O4 | 53 | 63 | 73 |
| Section P | Item P1 | 39 | 49 | 59 |
| | Item P2 | 45 | 55 | 65 |
| | Item P3 | 50 | 60 | 70 |
| | Item P4 | 55 | 65 | 75 |
| Section Q | Item Q1 | 41 | 51 | 61 |
| | Item Q2 | 47 | 57 | 67 |
| | Item Q3 | 52 | 62 | 72 |
| | Item Q4 | 57 | 67 | 77 |
| Section R | Item R1 | 43 | 53 | 63 |
| | Item R2 | 49 | 59 | 69 |
| | Item R3 | 54 | 64 | 74 |
| | Item R4 | 59 | 69 | 79 |
| Section S | Item S1 | 45 | 55 | 65 |
| | Item S2 | 51 | 61 | 71 |
| | Item S3 | 56 | 66 | 76 |
| | Item S4 | 61 | 71 | 81 |
| Section T | Item T1 | 47 | 57 | 67 |
| | Item T2 | 53 | 63 | 73 |
| | Item T3 | 58 | 68 | 78 |
| | Item T4 | 63 | 73 | 83 |
| Section U | Item U1 | 49 | 59 | 69 |
| | Item U2 | 55 | 65 | 75 |
| | Item U3 | 60 | 70 | 80 |
| | Item U4 | 65 | 75 | 85 |
| Section V | Item V1 | 51 | 61 | 71 |
| | Item V2 | 57 | 67 | 77 |
| | Item V3 | 62 | 72 | 82 |
| | Item V4 | 67 | 77 | 87 |
| Section W | Item W1 | 53 | 63 | 73 |
| | Item W2 | 59 | 69 | 79 |
| | Item W3 | 64 | 74 | 84 |
| | Item W4 | 69 | 79 | 89 |
| Section X | Item X1 | 55 | 65 | 75 |
| | Item X2 | 61 | 71 | 81 |
| | Item X3 | 66 | 76 | 86 |
| | Item X4 | 71 | 81 | 91 |

The underlying funds and allocations to each of these portfolios is listed below and are included in **Attachment A: Investments**. The Year of Enrollment Portfolios will de-risk semi-annually as they move closer to enrollment date for the beneficiary. The Active and Passive Asset Allocation Portfolios will have allocations that remain static.

Individual Portfolios



11. Describe your manager/fund selection process for the underlying funds of the age-based and risk-based portfolios. Do you have a separate team dedicated to manager research? If not, who is responsible for investment manager/fund selection? Please also describe your flexibility around replacing underlying investments when there is an interest from the Board to remove a fund, particularly if it is a proprietary fund.

Ascensus, through its registered investment advisor, Ascensus Investment Advisors, LLC (AIA), will provide investment management services for the Delaware College Investment Plan

AIA believes in providing low cost, well diversified, portfolios which effectively balance return at each level of risk. We utilize an open architecture platform where we have relationships with more than 35 Investment Management companies and we strive to construct investment lineups which are designed to perform in a variety of market environments.

The investment management process is a full cycle process that begins with goal setting and includes portfolio development, manager search and selection, portfolio construction and ongoing monitoring. As part of ongoing monitoring, the team provides performance attribution analysis, reporting and board quality presentation material and capabilities. During each part of the process, AIA proactively examines investments, people, ideas, and issues.

For the Delaware College Investment Plan, [REDACTED]

[REDACTED] An additional advantage of this open architecture construct is the ability to swap products at any time without the potential conflict inherent in using proprietary products. This gives us the flexibility to replace any fund when there is interest by the board and/or the investment consultant.

The goal of the YOE portfolios is to maximize risk-return while exceeding college tuition inflation over the full investment cycle. The portfolios begin with an equity component of 90% and gradually roll down over 20 years to a final equity landing point of 10%. The 20-year roll down timeframe allows flexibility for investors delaying their college experience and provides a consistent investment experience for all investors. We formally roll down the portfolios on a biannual basis. However, our custodian, BNY utilizes an automated allocation algorithm which promotes a smooth transition throughout each stage of the rolldown by using daily flows to rebalance back as close as possible to the strategic allocation.

The YOE and target risk portfolios are constructed using in-depth quantitative asset allocation analysis based on reducing total risk via diversification of non-correlated assets classes. This is done using statistical analysis of asset class returns using mean-variance optimization. These allocations are developed using historical and forecasted asset class relationships. We do not incorporate short-term forecasted capital markets views (i.e. short-term interest rate views) into the portfolios.

The passive and active target risk portfolios are designed to maximize risk-return for investors with a growth (90% equity), moderate (60% equity) or conservative (30% equity) risk profile. These target risk portfolios are designed using the same mean-variance optimization process used for the YOE portfolios.

The passive individual portfolios allow investors with the desire to construct their own portfolios low-cost options in all major asset classes. These include U.S. equity, non – U.S. equity, U.S. fixed income, inflation-protected fixed income and stable value. An ESG option could be made available if the board is interested in providing this exposure.

Thomas Lowe, CFA and Paul Souppa, ChFC comprise the investment management team. AIA provides investment management services to nine plans, totaling AUM of \$8.2B as well as investment oversight of another \$162.4B in plans where Ascensus is the program manager and/or record keeper.

12. Describe your risk management oversight and the integration of risk management across your organization. Detail the reporting chain for the risk team when issues are identified. Describe the role of senior management in risk management and the establishment of formal risk limits for the portfolios being offered.

Risk Management

Ascensus maintains a framework to ensure that we have mechanisms in place to effectively communicate issues to leadership and provide forums to assemble the proper resources to quickly and effectively address issues. Among the resources in place are:

- **Ascensus Security Council** – Cross functional meeting led by our internal Information Security team with representation from Risk Management, Information Technology, and Corporate Compliance to review significant Infosec initiatives and ensure that stakeholders have a forum to discuss goals and understand results
- **Ascensus Risk Committee** – Subcommittee of our Corporate operating committee that focuses on key risks to our business and mitigation efforts. Executive approval for significant actions is authorized at these meetings as well as the determination of items that require escalation to the full Operating Committee
- **Risk Management Group** – Integrates with business teams to ensure that the organization effectively addresses key day-to-day concerns around key topics such as data privacy, business continuity, vendor management, risk assessments, and audit control adherence
- **Corporate Compliance Group** – Focuses on ensuring that the organization remains in compliance with the legal and regulatory standards that govern each of our business lines.

Investment Management Risk:

Ascensus Investment Advisors is governed by our Investment Committee. Peg Creonte serves as Chairperson. In addition to the President, Committee voting members include, at a minimum, those individuals who serve in the following roles or their equivalent:

Head of Investment Management

Head of Investment Operations

Head of Risk Management

Chief Compliance Officer

Current members include: Peg Creonte (President, College Savings); Thomas Lowe (VP Investment Management); Bob Geiger (VP Investment Operations); Denise Gingolaski (Financial and Operations Principal); Robert Kaplan (Chief Compliance Officer); Paul Souppa (Senior Investment Analyst); Marc Parsons (Associate General Counsel); Jay Candelmo (VP Relationship Management); Allen DeVincent (Senior Compliance Analyst); Edwin Twomey (VP Risk Management).

The Committee is responsible for oversight of the Firm's investment management responsibilities. This includes oversight of investment performance, asset allocation, product selection, and Plan management.

Specific Committee responsibilities include:

- Oversee AIA investment management, due diligence, and evaluation processes for sub-advisers, investment managers, products, and lineups;
- Review Plan holdings, allocations, and investment performance;
- Review proposed changes to investment lineups, asset allocations or glide paths;
- Review topics of ad hoc analysis suggested by the Investment Management Department;
- Review recommendations of the Investment Management Department to monitor, retain or replace investment managers and portfolio's investment funds;
- Review recommendations of the Investment Management Department regarding the investment watch list and action list.

Investment Monitoring:

- **Plan Level Performance:** We monitor plan level performance on a monthly basis using Custom Benchmarks. We create custom benchmarks to monitor the portfolios by using the target allocations of the underlying fund benchmarks. We use these benchmarks to monitor the performance of the overall portfolio and to make sure the portfolios are operating efficiently. The benchmarks are created and maintained using analytical software from Morningstar.
- **Underlying Fund Monitoring:** Ascensus Investment Advisors monitors the performance and qualitative functions of each of the 200+ underlying funds used within the plans we manage. AIA monitors underlying performance on a monthly basis using its stoplight method performance grid. For our monthly performance grid each actively managed fund is measured against its benchmarks and given a dynamic tolerance range based on the asset class and the volatility of the asset class over a certain time period. Funds that underperform the tolerance are coded red and funds that outperform are coded green. Passively managed funds have a tolerance based on their expense ratio plus 0.15%.

Beyond the monthly performance grid, AIA creates a Watch List and Action List of funds that are underperforming their benchmarks over multiple time periods. These funds are discussed within our quarterly internal Investment Committee meetings at Ascensus.

Additional research is done for funds that land on our Watch and Action Lists including investment meetings with Fund Managers, attending investment conferences, obtaining attribution reports and commentaries.

Portfolio monitoring: PROVE

The primary component of our portfolio monitoring process is a proprietary grading system built on a 5 Parameter Evaluation Process called PROVE (Performance, Risk, Operations, Volatility, and Expense). This Process applies quantitative and qualitative metrics we look at when we measure a fund.

| Parameter | | Equity Funds | | Fixed Income Funds |
|-------------|--------------------|--------------|----------------------------|--------------------|
| Performance | | | | |
| | Annualized Returns | 10% | Annualized Returns | 10% |
| | Alpha | 10% | Alpha | 10% |
| Risk | | | | |
| | Sharpe Ratio | 10% | Sharpe Ratio | 10% |
| | Information Ratio | 10% | Information Ratio | 10% |
| Operations | | | | |
| | Turnover Ratio | 5% | Credit Quality | 10% |
| | Asset Allocation | 5% | Maturity Allocation | 5% |
| | Manager Tenure | 10% | Manager Tenure | 5% |
| Volatility | | | | |
| | Standard Deviation | 10% | Average Duration | 10% |
| | Upside Capture | 5% | Average Effective Maturity | 5% |
| | Downside Capture | 5% | YTM / Avg Coupon | 5% |
| Expense | | | | |
| | Expense Ratio | 20% | Expense Ratio | 20% |

Fund Alerts Alerts are set up through the Morningstar system to notify AIA whenever management changes, strategy changes, and expense changes, occur within the underlying funds. These are monitored on an ongoing basis.

Any issues that arise within our review of the portfolios that cannot be satisfactorily resolved is brought up to the State. Decisions are then made on whether the issues warrant a removal of the fund in question.

13. Would your proposed investment lineup include either a stepped or progressive glide path design? Outline the typical portfolio allocation process; how often are allocations revisited in the strategic glidepath? Would your proposed glidepath solution include tactical asset allocation?

AIA prefers the year of enrollment (progressive) structure due to the following advantages:

- The rebalancing process provides a smoother investment experience, with the portfolio rolling down automatically every six months and as needed between periods.
- The year of enrollment structure simplifies the portfolio selection process for investors saving for K – 12 and/or delaying the start of school beyond age 18. The stepped design assumes all students are starting college at age 18.

Ascensus investment operations proactively de-risks the Year of Enrollment portfolios on a six month schedule. For example, when the 2040-41 portfolio has rolled down four times (24 months), a new, 2042 – 43 portfolio would be created. Although the allocation shifts happen semi-annually, the plans we manage are consistently monitored for significant deviation from their target asset allocation asset mix. We define significant as a 3% deviation in any single underlying investment. If this deviation should occur an off cycle rebalance would be processed.

We use a BNY Mellon application called Smart Allocator to provide generic allocation and re-balancing of participant-directed portfolios. Smart Allocator automatically allocates and rebalances fund activity based on the previous day's cash flows, and using the valuation fluctuations and the funds target percentages.

We do not employ tactical asset allocation. Timing the market is difficult and risky. The recent, macro driven market is a good example of the difficulty of market timing. We employ a progressive roll down, meaning the portfolios roll down every six months, which over time is continually buying assets at lower price points at the time of rebalance. For a direct investor, appropriate, inexpensive well diversified market exposure is our goal over a long-term glide path.

We revisit our assumptions formally on an annual basis. The flexibility of our investment process and custodian allows us the ability to work with the Board and/or the investment consultant to make intra period changes.

14. Provide your current and longer-term view on the following three strategic decisions:

a. Use of active/passive management

AIA recommends using predominantly passive products within the YOE portfolios for several reasons:

Lower cost: Costs are a primary driver of a direct plan account owner's purchase decision and high-quality passive funds are available at very low cost in most asset classes.

Simplicity: For a direct plan account owner without the benefit of an advisor to help select, monitor and potentially swap investments frequently, passive mandates simplify the fund selection and oversight process and make the results easier to interpret.

Investment integrity: Passive funds provide maximum diversification, meaning the direct investor is provided with appropriate broad exposure to the entire investment universe without the risk of missing certain asset classes sub asset classes or even sectors in the portfolio.

Performance: Studies show that over long periods of time passive investing generally outperforms active investing in most asset classes. Analysis has shown that over a 15 year period for all major asset classes, well over 80% of active funds have trailed their style benchmarks. This includes both surviving funds and funds merged or liquidated during that period.

While we believe passive management is appropriate for the bulk of direct investors as noted, our research process enables us to identify high quality active management as well. The key is to isolate products that have shown the ability to consistently outperform. We look for high quality, low-cost active managers with a strong track record. With the asset class and sub asset class structure in place, we would be able to construct an active, or partially active set of YOE portfolios if that would meet the needs of the investors in the Delaware College Investment Plan.

b. U.S./non-U.S. equity split (as it relates to global market cap weightings)

Based on market capitalization, the global market weightings are roughly 55% US Equity /45% International Equity. AIA is proposing a 65%/35% allocation mix between US Equity and International Equity. Our modeling indicates that the 65%/35% mix provides superior risk/return characteristics.

The risk return benefits realized by the addition of international stocks is a result of the lower correlation between U.S., international developed and international emerging markets. Our mean-optimization models support our breakout. Additional factors in the slight overweight to the U.S include higher trading costs of non – U.S. markets and the fact that our investors are saving for tuition priced in U.S. dollars. Correlation table below:

| | U.S. Equity | International Equity – Dev. | International Equity – EM |
|-----------------------------|-------------|-----------------------------|---------------------------|
| U.S. Equity | 1.00 | 0.84 | 0.74 |
| International Equity – Dev. | 0.84 | 1.00 | 0.81 |
| International Equity – EM | 0.74 | 0.81 | 1.00 |

We also look at the allocation split between International Developed countries and Emerging Market Countries. The MSCI All Country World Index excluding the U.S. shows an allocation of over 75% to developed countries compared to just below 25% to emerging market countries. However, with Emerging Markets having a lower correlation to US Equities than developed markets, there are diversification benefits to increasing the emerging markets allocation. Additionally, while we don't make short-term forecasts, earnings growth is particularly rewarded during low interest rate environments such as we are likely to experience going forward. The most prominent earnings growth sector, technology is an area where the U.S. and certain emerging markets excel.

c. U.S./foreign bond split (as it relates to global market cap weightings)

We understand that there is a significant amount of bonds outside the U.S. where interest rates are negative, impacting our forecasted view of this asset class. Because of this phenomenon, we use this asset class primarily for its diversification benefits. The non– U.S. bond allocation within the proposed Delaware College Investment Plan YOY portfolios starts at 25% of the total fixed income (excluding cash) and ends the glide path at 15%. The average over the full glide path is 17%. These weightings are a significant underweight to the global bond market capitalization as shown below. Including emerging markets, the non – U.S. bond market weight is 60%, while excluding emerging markets, the non – U.S. portion is 52%. We consider an allocation away from neutral an active decision and this plan is significantly underweight non – U.S. bonds.

| Global Bond Market Value | | | | Delaware |
|--------------------------|----------|-------|----------------|----------|
| Region | \$'s (M) | % | % excluding EM | Avg. % |
| US | 41,301 | 40.2% | 47.8% | 83% |
| DM | 45,141 | 43.9% | 52.2% | 17% |
| EM | 16,348 | 15.9% | - | - |
| Total | 102,791 | 100% | 100% | 100% |

Our optimization work and our back-test work is based on index returns. Historically a 75%/25% blend results in just 2 bps less in return at lower volatility. Additionally, note that in the historical returns by decade (see data below) the U.S. was higher during 2000 – 2009 and the non – U.S. was higher during 2010 – 2019, highlighting the importance of diversification.

| Historical Returns by Decade | | |
|------------------------------|----------------|------------------|
| Return | U.S. Aggregate | Global Aggregate |
| 2000 – 2009 | 6.33 | 5.77 |
| 2010 - 2019 | 1.31 | 1.61 |

Administration

15. List the administrative reports that you propose to provide including the types of data and frequency necessary to keep the Board and staff apprised of the status of the Program. Samples of these reports should be included in your response.

Ascensus has built a data warehouse to enable ease of development and access for standard, custom, and ad-hoc reporting, removing any dependency on accessing the production transaction processing platform. A dedicated reporting group referred to as our Business Intelligence team will be tasked with responding to the Board’s data requests.

The data warehouse is refreshed nightly and is a reflection of Unite’s production environment for prior day close. The Business Intelligence team will continue to support both:

- **Custom reporting:** Ascensus works with clients to ensure that all data points are captured and stored in the data warehouse, and the report is run and delivered on the frequency requested by the client, typically monthly or quarterly.
- **Ad-hoc reporting:** Ascensus supports a ticketing system whereby ad-hoc reporting requests are submitted, analyzed, prioritized, and scheduled. Our data analytics team can fulfill priority requests within extremely short timeframes.

Ascensus will also report on online activity, including web metrics and account owner demographics.

Accuracy

Reports are developed using [REDACTED] with an [REDACTED] data source. The data warehouse processes in the overnight hours for the previous day’s activities. During this processing, a number of data integrity checks are in place to ensure high accuracy.

Comprehensiveness

The data within the enterprise data warehouse is captured in a consistent way that provides for comprehensive and timely reporting. Reporting can be done at any attribute collected at the account level. Transactions are stored at the specific day and account level. Assets are calculated within the data warehouse and are stored by day at three levels: Account/participant, fund level and Plan level.

The following chart outlines standard reporting capabilities.

| Reporting Type | Information Provided |
|---|---|
| Investment reporting | Ascensus will provide quarterly investment reports to the Board that include investment performance and monitoring, asset allocation analysis, and current market commentary. |
| Plan summary and client service reporting | Ascensus will provide key metrics, including account data, assets, cash flows, average account size, portfolio-level data, and other metrics, as requested. |
| Marketing analytics reporting | Ascensus will report on online activity, including web metrics and participant demographics, against agreed-upon benchmarks. |

Please see Attachment B for sample reports

16. For each type of plan that you administer, describe how contributions are processed, (i.e., through payroll deduction or clearinghouse transactions), and provide the number of programs using workplace enrollment, the total number of participants, the total number of accounts by process and the monthly average contribution. Please specify whether different minimum initial and subsequent contribution amounts apply to accounts with automatic contributions.

[REDACTED]

The employer channel is critical element to the success of any 529 program. Ascensus has significant experience in supporting 529 plan payroll direct-deposit. The vast majority of payroll contributions come in via ACH payroll direct-deposit.

Ascensus will work with OST to determine minimum contribution amounts; our system does not have any limitations around minimums for either initial or subsequent contributions.

17. Provide the following information with respect to data backup procedures:

a. Detailed description of your daily backup procedures

[REDACTED]

[REDACTED]

- b. Description of your business continuity, business recovery and disaster control plans including the location of any disaster recovery facilities

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

c. The testing schedule and the date you last performed a disaster recovery test

[REDACTED]

18. Has the Program Manager implemented a cyber security plan? If so, please provide a detailed description of the plan. Describe your security methods in use for protecting personal identifying data and account owner financial information, including protections for telephonic and online inquiries and transactions.

Ascensus utilizes a robust system of security controls to protect confidential data and prevent fraud. The security plan at ACS is risk-based and leverages the ISO 27000 (International Organization for Standardization) standards, FISMA (US Federal Information Security Management Act), and the FFIEC (Federal Financial Institutions Examination Council) Guidelines.

Ascensus is formally certified by the ISO27001 standard that affirms the depth and quality of our security posture.

Our cyber security plan covers:

[REDACTED]

[REDACTED]

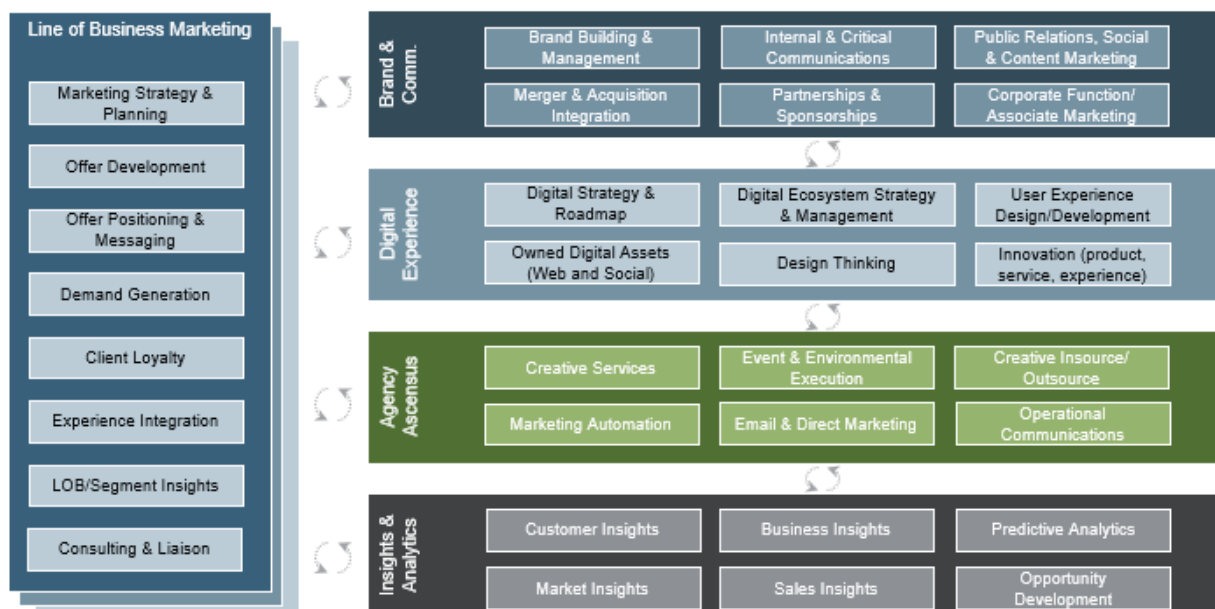
[illegible]

| Security Measure | Control Description |
|------------------|---------------------|
| [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] |

| Security Measure | Control Description |
|------------------|---------------------|
| [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] |

19. What ideas do you have to grow the Program? How will you help us retain and improve upon our current Morningstar rating?

To Ascensus, plan growth means attracting new savers, and helping current participants become even better savers. In support of this, Ascensus offers a robust marketing organization bringing a wealth of investment product marketing experience. Comprised of line of business specialists and centers of excellence, the marketing organization collaborates to advance the goals of Ascensus, its clients and partners, and most importantly, individual savers.



The Delaware College Investment Plan marketing efforts would be driven by the Government Savings marketing team, which is currently responsible for marketing 11 529 plans across the country. Internal product expertise is supplemented with agencies specializing in creative development, digital media, and email delivery. All are long standing partners in Ascensus' 529 plan promotion and are familiar with 529 product characteristics, target audiences, and sales seasonality.

Over the last 15 years the marketing team has tested and applied many forms of messaging across integrated channels and geographic locations. This experience has produced a nimble and effective approach to 529 plan marketing, made stronger through collaboration with the Delaware team – the experts in what will resonate best with Delaware residents.

Ascensus uses data as the primary driver of its marketing decisions and will supplement what we learn from the Delaware team with data pulled from the existing saver base and state demographics. This information will help us understand who has historically opened accounts as well as the population available to open new accounts. Understanding the demographics and the pockets of opportunity will help inform where and when we promote the Program, as well as how we position it.

A 529 plan is a serious commitment to the future that is made after careful study and consideration. Ascensus believes that the most effective marketing to prospects involves multiple touches and constant contact. The Program needs to build a relationship with its audience to keep them actively engaged in saving for higher education. Continuous communication ranges from providing practical information on benefits and how to enroll, to breaking down the myths of a 529 plan, to the less concrete understanding of saving now versus borrowing later. Ascensus brings these messages to market most heavily through targeted digital advertising, supplemented by more broad-based, awareness-generating media such as out-of-home. These efforts are strengthened with additional channels including email, direct mail, grassroots outreach, sponsorships, and more, each having a unique role in the marketing mix.

The proposed marketing budget affords Ascensus the opportunity to be active in marketing. Upon researching the Delaware market and competing benchmarks, Ascensus is excited about the frequency and number of impressions the Program will gain through substantial spends on pay-per-click search advertising, online display and retargeting ads, and awareness coverage. These broad awareness-driving spends will make the Program a greater household name, and in turn ensure that each impression gained via grassroots activities is more impactful.

The multi-touch approach also allows better quantification of marketing efforts over a longer period of time as the Plan builds trust and develops relationships with each prospective client.

Lead nurture

The Ascensus prospect email series is designed to capitalize on leads generated in the field and online. With each batch of new opt-in leads, Ascensus sends a series of emails designed to better familiarize each individual with the Program and its many benefits. Following up with potential prospects in real time ensures our messages are as relevant to them as possible. While the ultimate goal is enrollment, the marketing team continually learns from testing built into the series, which then allows it to refine the approach. Pictured below are the first email, landing page, and downloadable resource in the series.



Email



Landing Page

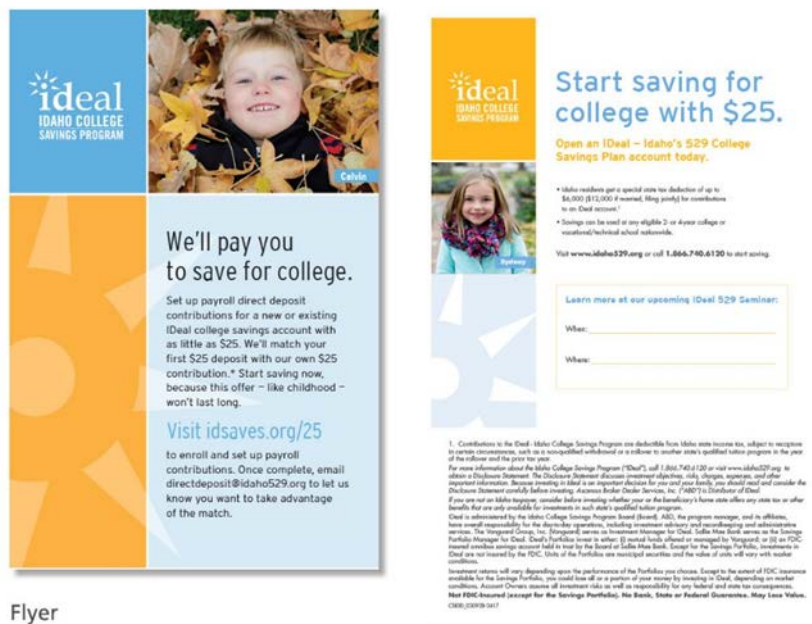


Downloadable

Employer outreach

To support this key channel, we propose funding [REDACTED] to develop and nurture partnerships with Delaware employers.

Ascensus has also developed technology specifically for employers. The Unite platform facilitates payroll direct-deposit programs for any employer and provides the flexibility for a wide range of companies to adopt and implement them. The Marketing team has developed kits and targeted mailings to speak directly to employers with information on the advantages of offering a 529 plan as a benefit, and simple-to-follow directions on implementing the Delaware College Investment Plan with minimal impact on a Human Resources department. Examples of the targeted materials produced for the employer channel are shown below.



Flyer

Poster



Tabletop Banners

The most powerful marketing comes from face-to-face contact and grassroots outreach within the community, where people feel most comfortable. Ascensus' experience is that grassroots outreach is more effective at increasing participation and assets than simply offering enrollment materials or one-time seminars in an investment center or other retail venue. This is especially true when trying to reach lower- and moderate-income families who are not as familiar or comfortable with financial products, and who typically require several touchpoints to become engaged in the process.

Ascensus is proud of the community partnerships built in the states it already services. The [REDACTED] will dedicate a portion of their time developing relationships with local organizations that serve residents. Educating community leaders opens doors to their constituents, which often results in event and workshop opportunities, and in the best cases, an external team of plan advocates.

Financial professionals are an important audience in this group. Financial planners, CPA's, and financial advisors often direct their clients to invest in a direct-sold plan. Ascensus can create materials specific to these groups to help them understand how the Program can benefit both their business and their clients. Saving for education is

not always top of mind for these audiences, so Ascensus identifies unique ways to grab their attention. In non-COVID years, busy CPA firms in Idaho enjoyed some break room treats courtesy of IDEal. When tax filing season wrapped up and the Plan was contacted by a number of firms expressing their thanks and interest in learning more about the Plan. In COVID conditions we had to adapt our strategy to find ways to target these audiences in a virtual way, resulting in more online webinars, charitable donations made on behalf of the financial professional, and more.



Participant engagement

Transition communications

A conversion provides an excellent opportunity to re-engage your participants and creates renewed excitement around the Program. Transition communications will highlight the new enhancements that the State has made on their behalf. These materials will be clear, reassuring, and informative.

The first marketing communication to account owners will be a detailed conversion newsletter explaining both the Delaware College Investment Plan enhancements and the conversion timeline.

Promoting the Plan benefits

Ascensus will work with you to build strong relationships with your participants. It is not enough for participants to have a Delaware College Investment Plan account. It is Ascensus's job to ensure that they are informed and taking

advantage of all the benefits available to them so they can be successful in saving for higher education. The team does this through a combination of targeted educational and promotional communications to provide account owners with regular, relevant communication – without overwhelming them.

Onboarding email messages

The best time to engage an account owner is when they open their account and their savings goal is top of mind. Ascensus's onboarding email series is built to educate participants automatically. Upon enrollment, participants may receive up to five Delaware College Investment Plan emails, spread out over their first few months of participation. The emails highlight ways to best use the Program, including setting up recurring contributions, Upromise, Ugift, and e-delivery. They are designed to send only the most relevant messages to each participant – for example, a customer only receives a reminder email to set up recurring contributions if they have not already signed up. See below for a few samples of onboarding emails.

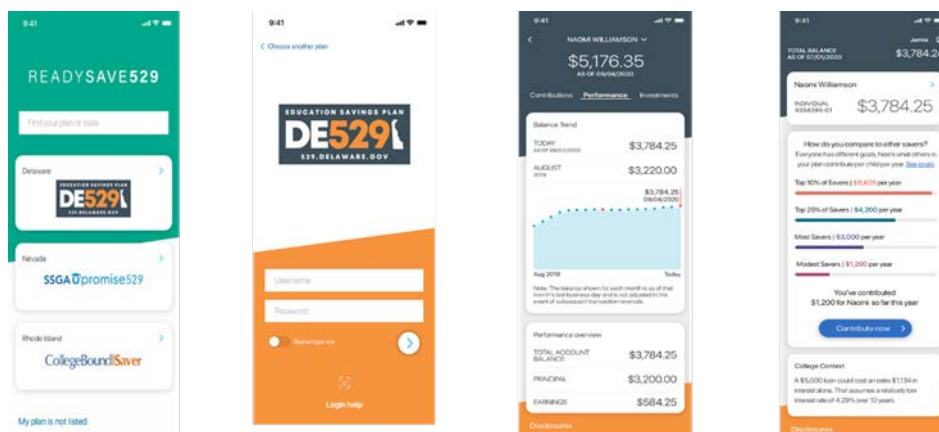


READYSAVE™ 529

To ensure that a participant has access to their 529 account as easily as they can access their banking information or other investment accounts, Ascensus offers READYSAVE™ 529, a mobile application dedicated to 529 investing. The goal of our mobile application is to:

- Simplify investing for education
- Meet savers where they are most comfortable transacting
- Encourage better savings outcomes
- Increase customer engagement

Developed from the ground floor up to take advantage of the unique characteristics of mobile devices, READYSAVE™ 529 offers features that are not found within a 529 website. Some of these features are shown below:



Morningstar

Morningstar places a significant emphasis on all-in pricing. [REDACTED]

[REDACTED] This significant reduction in fees will be an important consideration for Morningstar during their next evaluation period.

In 2020 for direct-sold plans where Ascensus is program manager we had 5 direct-sold plans upgraded with zero downgrades.

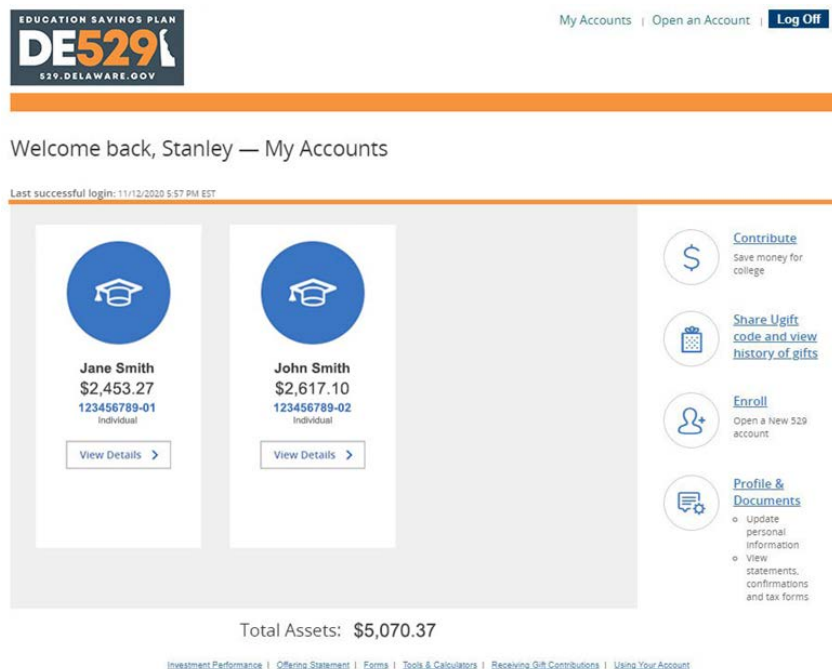
While Morningstar ratings are an import plan choice consideration at Ascensus our focus is on keeping participant fees as low as possible while offering best in class investments and plan features like Ugift to help participants reach their savings goals.

20. Will your website allow for the use of Delaware's Program branding?

Yes. Ascensus does not promote its own brand to prospective and current savers. Instead, it promotes only the unique plan brands, and the Delaware Program website will only feature Delaware's branding. Ascensus is typically only mentioned in the legal disclosure in the footer of the website. Further, Ascensus will work with you to determine the website design and content best suited for the Program. For reference, please review two sites that reflect branding that we developed to meet the needs of other state clients and their unique constituents:

www.kysaves.com
www.dccollegesavings.com

Below please find a sample screen from our post-login account experience reflecting the Delaware Program's brand.



Because our participant experience – accessed either via the web or a mobile device – is totally focused on the investor's 529 account, users are not diverted from their 529 to other products. Instead our site drives behaviors that are targeted at education savings. We are focused on delivering a clean, easily navigable experience for participants to encourage engagement, including contributions and 529 gifting.

21. Describe any previous relevant experience providing customer service for a state college savings program (or similar retail program) defined benefit, defined contribution, and college investment plans and indicate whether dedicated customer service staff will be assigned to the Program.

Ascensus provides call center services for thirty-six 529 and 529 ABE plans currently, including the Delaware **DEPENDABLE** program. The advantage we have over other providers is that our service representatives only take calls from 529 and 529A plan customers and we do not offer or sell any other products like mutual funds,

[REDACTED]

22. Describe the process used to handle incoming customer calls, specifying whether or not a live representative answers the call, and if not, how do you provide routing to speak to live representatives and the ability to leave messages for return calls?

Customers are always able to speak with live representatives during normal business hours. While we have the ability to receive voicemails after hours, our service model without the voicemail feature enabled has been efficient and effective for both the customer and the representative. With the voicemail feature enabled, we found that customers would reach a live representative before that customer's voicemail was retrieved and routed to a representative for outbound call or that a representative was not able to reach the customer during an outbound call. Given our strong service levels, we perceive this as causing a delay in customer/representative interaction.

Ascensus' VRU is primarily used to route calls to representatives with various skill sets. Our objective is to get the call to a live representative with the right skillset promptly. Typically, about half of our inbound calls are for distribution requests or web access (password/PIN resets), so we offer a VRU option (Option 1) to route to a group of representatives specifically trained in these requests. For all other call types, we offer another option (Option 2). If a caller does not select an option they are routed to an Option 2 representative.

Ascensus' Call Center is supported by multiple back office teams across several office locations. Mail Operations will intake, sort, and scan all incoming mail (including forms, checks, and any other written or faxed correspondence). Processing teams are responsible for timely handling of transaction and maintenance requests. Trade corrections, certain types of account maintenance, complex and/or expedited transactions may be sent to the Resolution Services group for processing.

Ascensus routes calls through its [REDACTED]. The inContact platform tracks incoming and outgoing calls both in real-time and for reporting purposes. All calls are recorded and each recording is exported to our Unite platform for storage and retrieval. In addition, customer service representatives have the ability to document calls in Unite so that appropriate follow-ups/next steps can occur

and so that if the customer calls again, the subsequent representative is aware of prior interactions. For routine requests, such as distributions, Unite also has the ability to auto-document the call.

23. Where are your United States-based customer service center located and how many customer service representatives work there? How do you handle peak volume periods? How many customer service representatives will be specifically dedicated to this Program?

Ascensus operates three call centers in Kansas City, MO, Warwick, RI, and Tucson, AZ. These sites have a combined full-time staff of approximately [REDACTED] individuals including management and call center representatives.

[REDACTED]

24. Provide the following for the past 12 months, if applicable:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

25. Do you provide participants with account projections at college age? Do you provide a college savings calculator? Do you provide information on distribution options and strategy?

Like all financial services firms we cannot provide actual account projections. We do however encourage our clients and partners to link their program's public websites to its college savings planner, available at <https://ascensus.wealthmsi.com/landing.php>. The planner allows users to develop their personalized college savings plan and estimate the benefits of saving now with a 529 plan. They can select the type of college they expect to save for, indicate an affordable monthly contribution, and dial in their percentage savings goal to see how their savings will add up. They can also see just how much they would have to pay if you borrowed that money instead.

Participants can easily make distributions via following the guided website process. While we are unable to advise on strategy, the site lays out the options available, and expert help specific to a participant's account is only a call into a client service representative away.

Business References

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Pricing Proposal

Please provide a proposed fee structure for the services described in Appendix B for the initial contract period and any extension periods for each of the components being submitted in the Vendors' proposal.

As the 529 leader we have built a program management platform that has significant scale and allows us to offer extremely competitive pricing.

[REDACTED]

[REDACTED]

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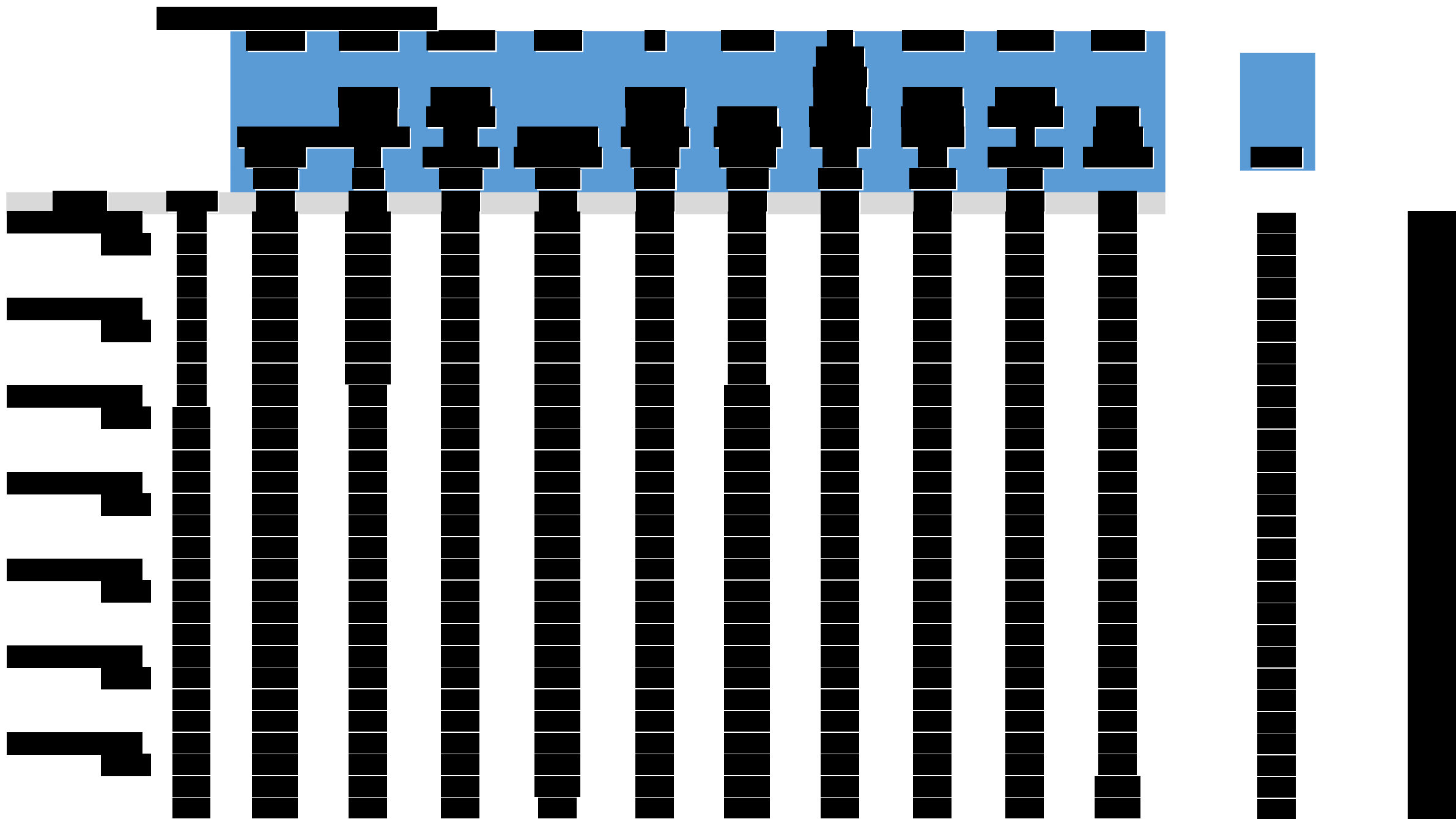
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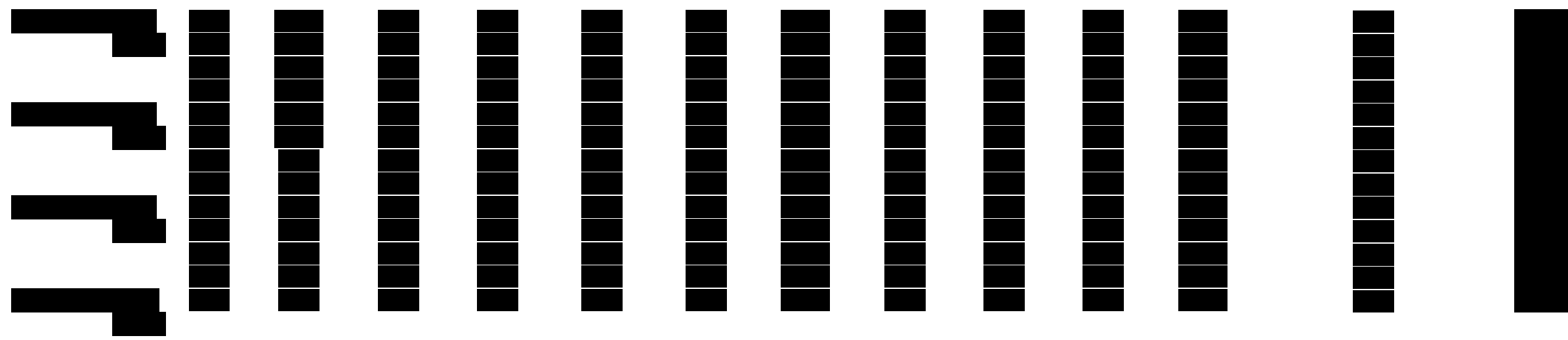
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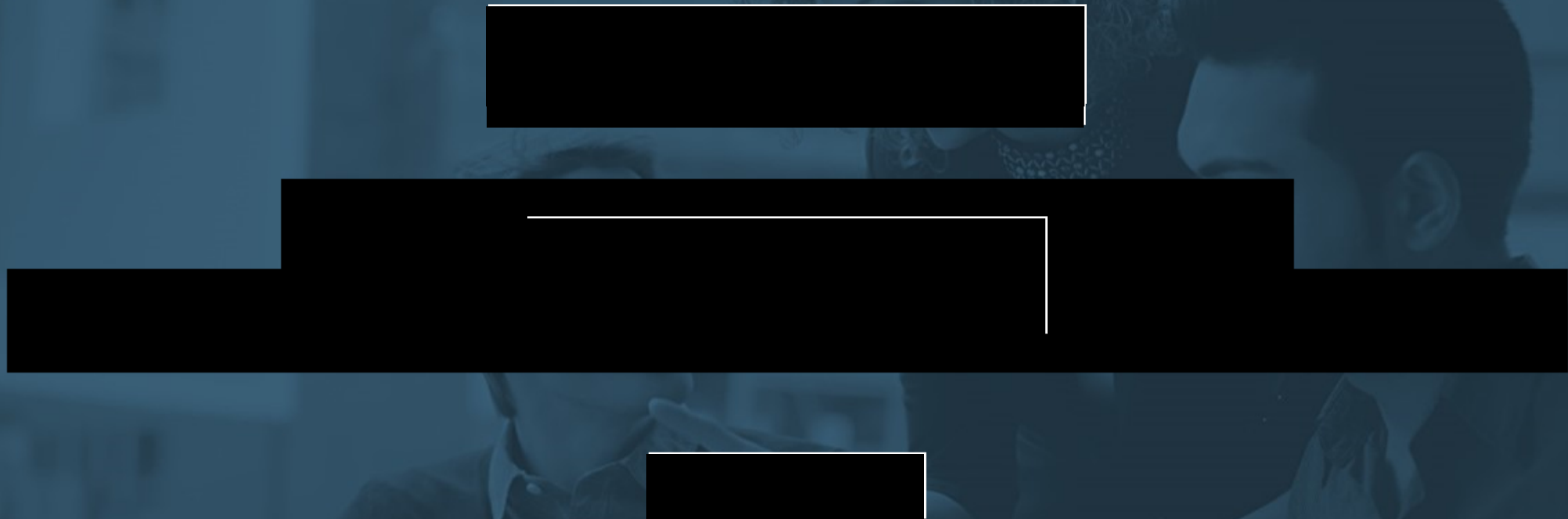
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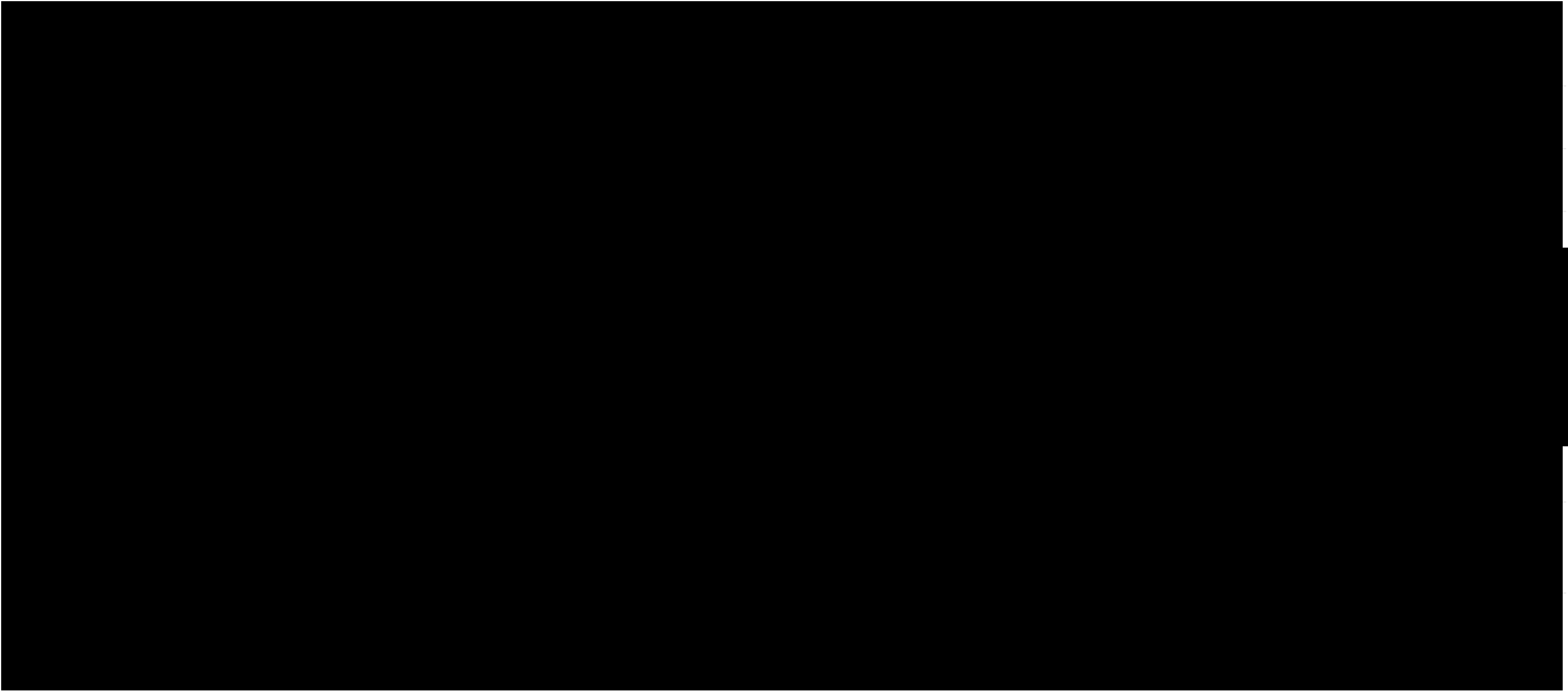
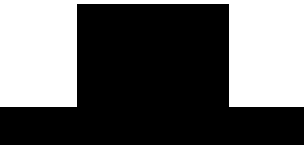
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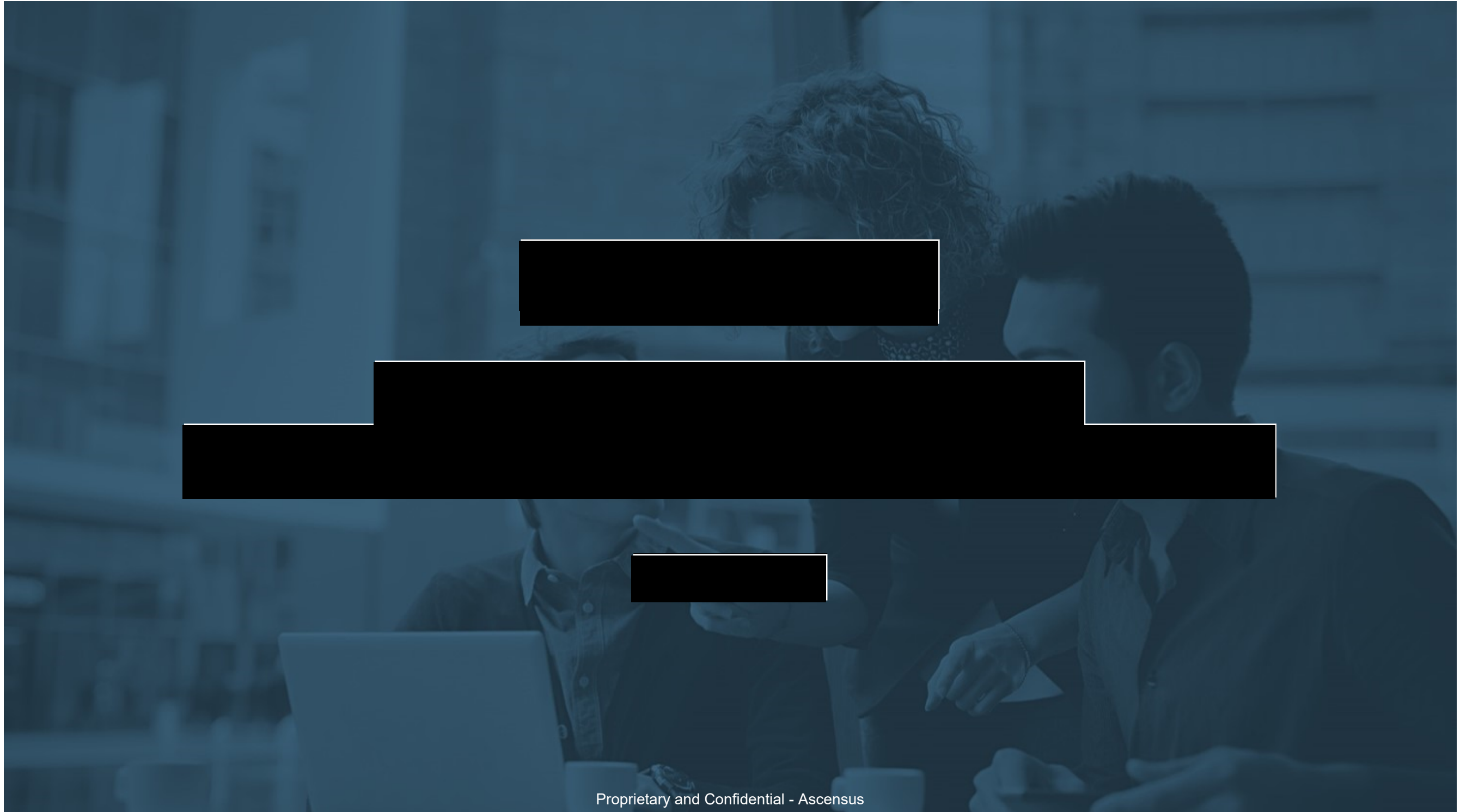
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