



Investing for children and grandchildren

ARGO

Parents and grandparents often ask us how they can invest in Argo Investments and Argo Infrastructure on behalf of their children or grandchildren. Owning shares can help children develop an understanding and interest in investing and its long-term benefits.

How do I invest on behalf of my children or grandchildren?

There are several different options for buying shares for a child. Each option has different tax and administrative implications.

Registering the shares in the name of the parent or grandparent

For many parents and grandparents, the easiest option is to buy the shares in their name on behalf of the child. To do this, the shares are registered in the adult's name, although the child is designated as the beneficial owner.

Example

Jill Smith wishes to buy shares on behalf of her son Archie Smith. She buys the shares and registers them in her name with a designation recognising her son as the beneficial owner of the shares as follows: 'JILL SMITH <ARCHIE SMITH A/C>.

How do I buy shares?

Shares in Argo Investments and Argo Infrastructure are bought and sold on the Australian Securities Exchange (ASX) just like those of other listed companies, such as Woolworths and BHP. They are bought and sold through a share broker, financial adviser or investment platform.

Using an online broker is usually the most cost-efficient way to buy shares. Most online brokers require a minimum investment of only \$500.

Apart from brokerage fees, there are no other fees for buying, holding or selling shares.

Reinvesting dividends on the child's behalf

You can elect to participate in the Dividend Reinvestment Plan (DRP) or Dividend Substitution Share Plan (DSSP) to acquire additional shares. The DRP and DSSP allow the child to increase their shareholding over time. Before deciding to participate in the DRP or DSSP it is important to understand the tax implications of each plan and seek personal tax advice.

Transferring the shares to the child when they become an adult

The shares can be transferred to the child when they are 18 years old by completing an off-market share transfer form and lodging it with the share registry provider, together with a transfer fee.

We encourage you to consult a financial adviser and/or accountant for advice. We are not licensed to provide personal investment or taxation advice. Please refer to our Financial Services Guide.