- Include a completed copy of this schedule with the trust's return.
- Enter the applicable tax year in the box above.
- The cumulative net investment loss (CNIL) is the trust's total investment expenses for years ending after 1987, minus the trust's total investment income for years ending after 1987. For purposes of the CNIL, investment income and expenses generally mean income and expenses for property including dividends, interest, rental income, and royalties.
- Complete this schedule if the trust is a personal trust that has qualified farm or fishing property or qualified small business corporation shares, is reporting any investment income, or claiming any investment expenses, and is:
  - designating taxable capital gains from qualified farm or fishing property, qualified small business corporation shares, or reserves on these properties to an individual beneficiary; or
  - a spousal or common-law partner trust claiming a capital gains deduction on Schedule 5, Spousal or Common-Law Partner Trust's Capital Gains Deduction in Year of Beneficiary's Death, in the year the beneficiary spouse or common-law partner dies.
- Trusts with qualified farm or fishing property or qualified small business corporation shares should complete this schedule each year and keep it with the trust's records. Do this even for years when the trust is not reporting capital gains or losses, and is not designating eligible taxable capital gains to its beneficiaries. The balance in the trust's CNIL account is a cumulative total. You need the total of the trust's investment income and expenses for 1988 and later years to calculate eligible taxable capital gains on Schedule 3, Eligible Taxable Capital Gains.
- The CNIL calculated on line 28 of this schedule will reduce the trust's cumulative gains limit calculated on Schedule 3. This may reduce the trust's eligible taxable capital gains that qualify for the capital gains deduction.

## Investment expenses

Investment expenses claimed in the year

)			1	
arrying charge)	4020 •	+	2	<u>)</u>
	4030 •	+	3	3
20(12))	4040 •	+	4	ļ
	4050 •	+	5	
eturn)		+	6	3
es (see Note 1), plus	4070 •	+	7	•
	4080 •	+	8	3
	9			
_	10			
=	<b>-</b> ▶	+	1	1
and line 11)		=	1	2
vious year's Schedule 4	4130 •	+	1	3
		=		
	eturn) es (see Note 1), plus	4020 • 4030 • 4030 • 4040 • 4050 • eturn) es (see Note 1), plus  4070 • 4080 •	Arrying charge)  4020 • +  4030 • +  20(12))  4040 • +  4050 • +  eturn)  4070 • +  4080 • +   9  10  -  and line 11)	4020 • + 22 4030 • + 33 20(12)) 4040 • + 4 4050 • + 5 eturn)  **s (see Note 1), plus  4070 • + 7 4080 • + 8

### Note 1

Only a specified member should report a share of a partnership's net loss excluding allowable capital losses. A specified member is generally a limited partner or a partner who is not actively engaged in a partnership business (other than financing that business), or in a similar business outside of the partnership.

## Note 2

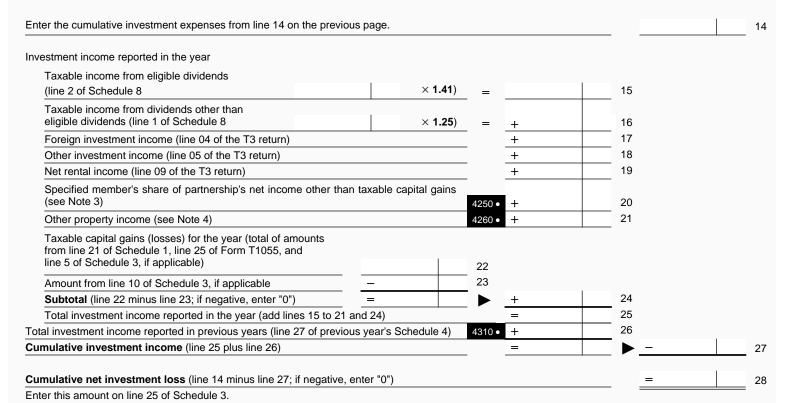
Other property expenses can include:

- 50% of resource and exploration expenses renounced by a corporation, or incurred by a partnership, while the trust was a specified member;
- expenses to buy or sell units, interests, or shares, or to borrow money;
- repayments of inducements;
- repayments of refund interest;
- the uncollectible part of proceeds from dispositions of depreciable property (except passenger vehicles that cost more than \$30,000);
- sale or agreement for sale or mortgage included in proceeds of disposition in a previous year under subsection 20(5);
- life insurance premiums deducted from property income; and
- capital cost allowance claimed on certified films and videotapes.



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#### Investment income



# Note 3

A specified member is generally a limited partner, or is a partner who is not actively engaged in a partnership business (other than financing that business), or in a similar business outside of the partnership.

# Note 4

Other property income can include:

- capital gains from ineligible property (line 9 of Schedule 3 minus line 6 of Schedule 3);
- recaptured capital cost allowance related to property income, including insurance proceeds (other than amounts included on line 19);
- amounts paid out of Net Income Stabilization Account (NISA) Fund 2, reported on line 10 of the T3 return;
- home insulation or energy conversion grants under paragraph 12(1)(u);
- payments received as an inducement or reimbursement; and
- income from the appropriation of property to a shareholder.