

- Use this schedule if the trust is designating eligible taxable capital gains to a beneficiary, or if the trust is a spousal trust claiming a capital gains deduction.
- The trust has a cumulative net investment loss if it has expenses from property that are more than its property income for all years after 1987. Property income includes income from dividends, interest, rent, and royalties.

**Investment expenses**

Investment expenses claimed in the year

Interest expenses and other carrying charges (from line 21 on page 2 of the T3 return)				401
Accounting fees (do not include amounts included above as a carrying charge)	+			402 •
Trustee fees against any property income	+			403 •
Foreign taxes relating to property (deducted under subsection 20(11) or 20(12))	+			404 •
Debt obligations under subsection 20(21)	+			405 •
Net rental losses (from line 09 on page 2 of the T3 return)	+			406
Specified member's share of partnership net loss other than allowable capital losses (Note 1)	+			407 •
Other property expenses not included above (Note 2)	+			408 •
Net capital losses of other years deducted in the year (from line 52 on page 4 of the T3 return)			409	
Amount from line 314 of Schedule 3	-			410
Subtotal (line 409 minus line 410; if negative, enter "0")	=			▶ 411
Total investment expenses claimed in the year (add lines 401 to 408 and 411)	=			412
Total investment expenses claimed in previous years (from line 414 of previous year's Schedule 4)	+			413 •
<b>Cumulative investment expenses</b> (add lines 412 and 413)	=			▶ 414

**Investment income**

Investment income reported in the year

Taxable dividend income (from line 03, page 2 of the T3 return)		X 125%	-		421
Foreign investment income (from line 04, page 2 of the T3 return)	+				422
Other investment income (from line 05, page 2 of the T3 return)	+				423
Net rental income (from line 09, page 2 of the T3 return)	+				424
Specified member's share of partnership net income other than taxable capital gains (Note 1)	+				425 •
Other property income (Note 2)	+				426 •
Taxable capital gains (losses) for the year (from line 122 of Schedule 1 and line 25 of Form T1055)				427	
Amount from line 311 of Schedule 3	-				428
Subtotal (line 427 minus line 428; if negative, enter "0")	=				▶ 429
Total investment income reported in the year (add lines 421 to 426 and 429)	=				430
Total investment income reported in previous years (from line 432 of previous year's Schedule 4)	+				431 •
<b>Cumulative Investment Income</b> (add lines 430 and 431)	=				▶ - 432
<b>Cumulative net investment loss</b> (line 414 minus line 432; if negative, enter "0")					
Transfer this amount to line 326, Part II of Schedule 3.					= 433

**Note 1**

- A specified member is a limited partner or a partner who is not actively engaged in a partnership business or in a similar business outside of the partnership.
- A limited partnership loss can include a loss carryover from an earlier year.

**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; and
  - expenses to buy or sell units, interests, or shares, or to borrow money.
- Other property income can include:
  - recovery of expenses described above; and
  - recaptured capital cost allowance related to property income, including insurance proceeds (unless included elsewhere on this form), and NISA Fund No.2 income reported on line 10 of the T3 return.