

- Enter the applicable taxation year in the box above.
- Complete this schedule if the trust is a personal trust which has qualified farm property or qualified small business shares, is reporting any investment income or claiming any investment expenses, and is:
  - designating taxable capital gains from qualified farm property, qualified small business corporation shares, or reserves on these properties to an individual beneficiary; or
  - a spousal trust claiming a capital gains deduction on Schedule 5, *Beneficiary Spouse Information and Calculation of Spousal Trust's Capital Gains Deduction*, in the year the beneficiary spouse dies.
- 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 refer to income and expenses related to property including dividends, interest, rental income, and royalties.
- Trusts with qualified farm 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 following years to calculate eligible taxable capital gains on Schedule 3, *Calculation of a Trust's Eligible Taxable Capital Gains*.
- The CNIL calculated on line 433 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

Carrying charges and interest expenses (from line 21 on 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 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 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 •

**Cumulative investment expenses** (add lines 412 and 413) =  ▶   414

**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;
  - expenses to buy or sell units, interests, or shares, or to borrow money;
  - repayments of inducements;
  - repayments of refund interest;
  - the uncollectible portion of proceeds from dispositions of depreciable property (except passenger vehicles that cost more than \$26,000);
  - sale of 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.

## Investment income

Enter your **cumulative investment expenses** from line 414

▶   414

Investment income reported in the year

Taxable dividend income (from line 03 on the T3 return	<input type="text"/>	X 1.25)	=	<input type="text"/>	<input type="text"/>	421
Foreign investment income (from line 04 on the T3 return)			+	<input type="text"/>	<input type="text"/>	422
Other investment income (from line 05 on the T3 return)			+	<input type="text"/>	<input type="text"/>	423
Net rental income (from line 09 on the T3 return)			+	<input type="text"/>	<input type="text"/>	424
Specified member's share of partnership net income other than taxable capital gains (Note 1)			+	<input type="text"/>	<input type="text"/>	425 •
Other property income (Note 3)			+	<input type="text"/>	<input type="text"/>	426 •
Taxable capital gains (losses) for the year (total of amounts from line 122 of Schedule 1, line 25 of Form T1055, and line 308 of Schedule 3, if applicable)	<input type="text"/>					427
Amount from line 311 of Schedule 3, if applicable	-					428
Subtotal (line 427 minus line 428; if negative, enter "0")	=		▶ +	<input type="text"/>	<input type="text"/>	429
Total investment income reported in the year (add lines 421 to 426 and 429)			=	<input type="text"/>	<input type="text"/>	430

Total investment income reported in previous years

(from line 432 of previous year's Schedule 4)   431 •

**Cumulative investment income** (add lines 430 and 431)

=   ▶   432

**Cumulative net investment loss** (line 414 minus line 432; if negative, enter "0")

Transfer this amount to line 326, Part 2 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 3

- Other property income can include:
  - recaptured capital cost allowance related to property income, including insurance proceeds (other than amounts included on line 424);
  - amounts paid out of Net Income Stabilization Account (NISA) Fund No. 2, reported on line 10 on 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.