MD Platinum™ pools (Global Private Credit, Global Private Equity, Global Real Estate): About your T5013 slip

What is a T5013 slip?
The T5013 Statement of Partnership Income tax slip reports income from units held in a limited partnership, such as any of the MD Platinum™ pools (Global Private Credit, Global Private Equity, or Global Real Estate). If you hold units in any of the MD Platinum pools, your T5013 tax slip will report your share of the pool’s income for the year. If you are a resident of Quebec, you will also receive a Relevé 15 slip.

When will I receive the T5013 slip?
Your T5013 slip and Relevé 15 slip (if you are a resident of Quebec), will be mailed to you on or before March 31. If you own units in more than one limited partnership, we strongly suggest that you wait until you have received all your T5013 (and Relevé 15, if applicable) slips before filing your tax return.

How are limited partnerships taxed?
MD Platinum products are structured as a limited partnership, which means that each investor (or unitholder) of the pool is considered a limited partner. The partnership itself is not taxed; instead, its taxable income is allocated to the limited partners and divided among them. Each limited partner pays tax personally on his/her share. A limited partnership may also allocate capital and non-capital losses to its limited partners.

How is the adjusted cost base of my limited partnership units calculated?
Generally, the adjusted cost base of units in a limited partnership includes:

- the cost of the investment in the limited partnership;
- plus/minus adjustments for income/losses allocated by the limited partnership;
- minus any cash distributions received by the limited partners.

This calculation can be complex and the timing of any adjustments must be carefully considered. For more information and to discuss your specific situation, please contact your tax advisor.

What are the tax implications of receiving cash distributions from an MD Platinum product?
From time to time, you may receive cash distributions from MD Platinum pools. These cash distributions are not considered income, so they are not included in the amount on your T5013 slip. A cash distribution from MD Platinum products will reduce the adjusted cost base of your investment, which will increase a future capital gain (or decrease a future capital loss) when you redeem your units at the end of the investment period.

If cash distributions cause the adjusted cost base of your MD Platinum pool units to become negative during the year, the negative adjusted cost base amount will be subject to tax as a capital gain and your adjusted cost base will revert back to $0.

Do my MD Platinum investments need to be reported on a T1135 Foreign Income Verification Statement?
No. MD Platinum units are not considered specified foreign property, which means that you are not required to report them on a T1135 Foreign Income Verification Statement. The pool itself files any necessary T1135 statements.

How do I report T5013 income on my income tax return?
T5013 slips often contain a lot of very complex information. Because of this, we strongly encourage you to consult a tax advisor when reporting T5013 income on your income tax return. You can find more information on the Canada Revenue Agency website at canada.ca/en/services/taxes.

For more information about your MD Platinum pool, please contact your Portfolio Manager or call the MD Trade Centre at 1 800 267-2332.

MD Platinum™ is a trademark of The Bank of Nova Scotia, used under licence.

The information contained in this document is not intended to offer foreign or domestic taxation, legal, accounting or similar professional advice, nor is it intended to replace the advice of independent tax, accounting or legal professionals. Incorporation guidance is limited to asset allocation and integrating corporate entities into financial plans and wealth strategies. Any tax-related information is applicable to Canadian residents only and is in accordance with current Canadian tax law including judicial and administrative interpretation. The information and strategies presented here may not be suitable for U.S. persons (citizens, residents or green card holders) or non-residents of Canada, or for situations involving such individuals. Employees of the MD Group of Companies are not authorized to make any determination of a client’s U.S. status or tax filing obligations, whether foreign or domestic. The MD Exo® service provides financial products and guidance to clients, delivered through the MD Group of Companies (MD Financial Management Inc., MD Management Limited, MD Private Trust Company, MD Life Insurance Company and MD Insurance Agency Limited). For a detailed list of these companies, visit md.ca. MD Financial Management provides financial products and services, the MD Family of Funds and investment counselling services through the MD Group of Companies. MD Private Investment Counsel offers investment counselling services, delivered by MD Financial Management Inc.