

10 May 2007

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Dear Sirs

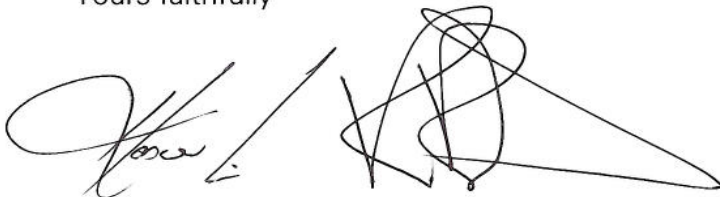
**Nexus4 Topaz Notes – Portfolio substitution and composition report as at 29 December 2006**

Attached is the Portfolio substitution and composition report from Deutsche Bank setting out information in respect of the Portfolio as at 29 December 2006.

The report has been prepared solely on the basis of information provided to Deutsche Bank by the Portfolio Manager, Société Générale Asset Management Alternative Investments S.A., and neither Deutsche Bank nor Nexus is liable for any error or omission in the information contained in the report.

Please note this report is in relation to Nexus4 Topaz Notes only and does not relate to Nexus1 Notes (ASX code NXBHA), Nexus2 Notes (NXBHB) nor Nexus3 Notes (NXBHC).

Yours faithfully



Deutsche Bank AG, Sydney Branch  
(as Operating Agent for Nexus Bonds Limited)



# **Nexus 4**

Topaz Notes

Quarterly report

*Fourth Quarter*

**Alternative Investments**



**SOCIETE GENERALE**  
Asset Management

# NEXUS4 Topaz Note

Fourth Quarter

## SUBSTITUTIONS DURING THE PERIOD & RESULTS

Add	Remove
Lanxess	Ambac
Marsh & Mc Lennan Cies Inc	Essent
Thomson	Degussa
Gmac LLC	Clear Channel

Class	Rate	Participation	Maturity	Previous Income	New Income factor	Change in Income
Nexus4	BBWS 6m	4	10Y	77.0435%	76.9926%	-0.05095%

## TOPAZ PORTFOLIO

Reference Entity	Reference Obligation	Industry classification group Moody's	Industry classification group S&P	5 yr Spreads	LT Debt Rating Moody's	LT Debt Rating S&P	Category	Region of incorporation
ACE LTD	ACE 6 04/01/07	Insurance	Insurance	18	A3	A-	Senior	North America
AIR FRANCE		Personal Transportation	Air transport	54	NR	NR	Senior	Europe
ALTRIA GROUP INC	MO 7 11/04/13	Beverage, Food & Tobacco	Beverage & Tobacco	25	Baa1	BBB	Senior	North America
AMCOR LTD	AMCOR 4 1/4 03/11	Containers, Packaging & Glass	Containers & glass products	48	Baa1	BBB	Senior	AustralAsia
AOL TIME WARNER	TWX 6 7/8 05/01/12	Broadcasting & Entertainment	Leisure goods/activities/movies	33	Baa2	BBB+	Senior	North America
ARCELOR FINANCE SCA	LORFP 3 06/27/17	Mining, Steel, Iron & Non Precious Metals	Steel	39	Baa3	BBB	Senior	Europe
ARROW ELECTRONICS INC	ARW 6.875% OF 06/18	Electronics	Electronics/electrical	43	Baa3	BBB-	Senior	North America
AUTOZONE INC	AZO 5 7/8 10/15/12	Retail Stores	Retailers (except food & drug)	39	Baa2	BBB+	Senior	North America
BAE SYSTEMS PLC	BAPLC 10 3/4 11/14	Aerospace & Defense	Aerospace & Defence	21	Baa2	BBB	Senior	Europe
BANCA POPOLARE DI LODI SCRL	BPIIMFloat 11/07	Banking	Financial intermediaries	23	Baa2	BBB	Subordinated	Europe
BOMBARDIER INC-A		Aerospace & Defense	Aerospace & Defence	216	Ba2	BB	Senior	North America
BOOTS GROUP PLC	BOOTS 1/2 05/26/09	Retail Stores	Food/drug retailers	29	Baa2	BBB	Senior	Europe
BRITISH AIRWAYS PLC	BAB7 1/4 08/23/16	Personal Transportation	Air transport	88	Ba2	BB-	Senior	Europe
BRITISH AMERICAN TOBACCO PLC	BATSLN 4 7/8 02/09	Beverage, Food & Tobacco	Beverage & Tobacco	27	Baa1	BBB+	Senior	Europe
BRITISH SKY BROADCASTING PLC	BSY 8.2 07/15/09	Broadcasting & Entertainment	Cable & satellite television	37	Baa2	BBB	Senior	Europe
CALTEX AUSTRALIA LIMITED		Oil & Gas	Oil & gas	31	NR	BBB+	Senior	Australasia
CAPITAL ONE FINANCIAL CORP	COF 7 1/8 08/01/08	Banking	Financial intermediaries	23	A3	BBB+	Senior	North America
CARNIVAL CORP	CCL 6.65 01/15/28	Leisure, Amusement, Entertainment	Food/drug retailers	18	A3	A-	Senior	North America
CENTURY TEL INC	CTL 7.875% OF 08/12 [L]	Telecommunications	Telecommunications	67	Baa2	BBB	Senior	North America
CIT GROUP INC	CIT 7 3/4 04/02/12	Banking	Financial intermediaries	28	A2	A	Senior	North America
CNOOC LTD	CNOOC 6 3/8 03/12	Oil & Gas	Oil & gas	13	A2	A-	Senior	AustralAsia
COMCAST CORP-CL A	CMCSA 5 1/2 03/11	Broadcasting & Entertainment	Cable & satellite television	23	Baa2	BBB+	Senior	North America
COMPASS	CPGLN 6 05/29/09	Personal, Food & Miscellaneous	Food service	31	Baa2	BBB+	Senior	Europe
CONTINENTAL AG	CONTI 6 7/8 12/08	Automobile	Automotive	60	Baa1	BBB+	Senior	Europe
COUNTRYWIDE FINANCIAL CORP	CFC 5 5/8 07/15/09	Finance	Financial intermediaries	31	A3	A	Senior	North America
COX COMMUNICATIONS INC-CL A	COX 5.45% OF 12/14 [144A]	Telecommunications	Telecommunications	57	Baa3	BBB-	Senior	North America
DAILY MAIL & GENERAL TRUST		Broadcasting & Entertainment	Leisure goods/activities/movies	41	Baa2	BBB	Senior	Europe
DAIMLERCHRYSLER AG-REG	DCX 7.2 09/01/09	Automobile	Automotive	53	Baa1	BBB	Senior	Europe
DEUTSCHE LUFTHANSA-REG	LUFTHA 1 1/4 01/12	Personal Transportation	Air transport	41	Baa3	BBB	Senior	Europe
DIXONS GROUP PLC	DIX 6 1/8 11/15/12	Retail Stores	Food/drug retailers	39	Baa2	A+	Senior	Europe
DOMINION RESOURCES INCAVA	D 6.25% OF 06/12 [B]	Utilities	Utilities	22	Baa2	BBB	Senior	North America
EASTMAN CHEMICAL COMPANY	EMN 7 04/15/12	Chemicals, Plastics & Rubber	Chemicals & plastics	42	Baa2	BBB	Senior	North America
ELECTROLUX AB-SER B	ELTLX 6 03/20/08	Home & Office Furnishings, Housewares, & Durable Consumer Products	Home furnishings	34	Baa1	BBB+	Senior	Europe
ELISA COMMUNICATIONS OYJ	ELIAY 6 3/8 01/06	Telecommunications	Telecommunications	59	Baa2	BBB	Senior	Europe
EMI GROUP PLC	EM18 3/8 08/15/09	Leisure, Amusement, Entertainment	Leisure goods/activities/movies	157	Ba2	BB	Senior	Europe
ENECO HOLDING NV	ENECO 4 1/8 06/10	Utilities	Utilities	9	A2	A	Senior	Europe
EXPORT IMPORT BANK OF KOREA	EIBKOR 4 1/4 11/07	Banking	Financial intermediaries	15	Aa3	A	Senior	AustralAsia
FLEXTRONICS ONTL LTD	FLEX6 1/2 05/15/13	Electronics	Electronics/electrical	144	Ba2	BB-	Senior	North America
FRESENIUS	FME 7 3/4 04/30/09	Chemicals, Plastics & Rubber	Chemicals & plastics	93	Ba2	BB	Senior	Europe
GALLAHER GROUP PLC	GLHLN 5 7/8 08/08	Beverage, Food & Tobacco	Beverage & Tobacco	16	Baa3	BBB	Senior	Europe
GAP INC		Retail Stores	Retailers (except food & drug)	123	Baa3	BB+	Senior	North America
GEICHA SA	GFCFP 4 7/8 02/10	Buildings & Real Estate	Building & Development	123	Baa3	BBB-	Senior	Europe
GENERAL ELECTRIC CAPITAL CORP	GE 6 06/15/12	Banking	Conglomerates	12	Aaa	AAA	Senior	North America
GMAC LLC		Banking	Financial intermediaries	101	Ba1	BB+	Senior	North America
GKN PLC	GKNLN 7 05/14/12	Automobile	Automotive	56	Baa3	BBB	Senior	Europe
GUS PLC	GUSLN 6 3/8 07/09	Retail Stores	Retailers (except food & drug)	42	Baa1	BBB+	Senior	Europe
HALLIBURTON CO	HAL 5 1/2 10/15/10	Oil & Gas	Oil & gas	24	Baa1	BBB+	Senior	North America
HAMMERSON PLC	HMSOLN 6 1/4 06/08	Buildings & Real Estate	Building & Development	36	Baa2	AA-	Senior	Europe
HANNOVER RUECKVERSICHERU-REG	HANRUE 6 1/4 03/31	Insurance	Insurance	20	Aa3	A	Subordinated	Europe
HAVAS SA	HAVAS 4 01/01/09	Broadcasting & Entertainment	Radio & Television	237	Ba2	BB+	Senior	Europe
HEIDELBERGCEMENT AG	HEI 4 3/4 04/09/09	Buildings & Real Estate	Building & Development	41	Ba1	BBB-	Senior	Europe

# NEXUS4 Topaz Note

Fourth Quarter

Reference Entity	Reference Obligation	Industry classification group Moody's	Industry classification group S&P	5 yr Spreads	LT Debt Rating Moody's	LT Debt Rating S&P	Category	Region of incorporation
HELLENIC TELECOMMUN ORGANIZA	OTE 5 08/05/13	Telecommunications	Telecommunications	41	Baa1	BBB+	Senior	Europe
HJ HEINZ CO	HNZ 6 03/15/08	Beverage, Food & Tobacco	Food products	37	Baa2	BBB	Senior	Europe
HOLCIM LTD	HOLZSW 4 3/8 06/10	Buildings & Real Estate	Building & Development	23	NR	BBB+	Senior	Europe
HUTCHISON WHAMPOA INTL LTD	HUWHY 7 02/16/11	Diversified/Conglomerate Service	Conglomerates	25	A3	A-	Senior	AustralAsia
IMPERIAL TOBACCO GROUP PLC	IMPTOB 7 1/8 04/09	Beverage, Food & Tobacco	Beverage & Tobacco	37	Baa3	BBB	Senior	Europe
INTERNATIONAL PAPER CO	IP 6 3/4 09/01/11	Printing & Publishing	Publishing	37	Baa3	BBB	Senior	North America
INTL LEASE FINANCE CORP	AIG 6 3/8 03/15/09	Finance	Equipment leasing	15	A1	AA-	Senior	North America
KAUPTHING BANK		Banking	Financial intermediaries	49	A1	NR	Senior	Europe
KINGFISHER PLC		Retail Stores	Retailers (except food & drug)	50	Baa3	BBB	Senior	Europe
KONINKLIJKE AHOLD NV	AHOLD 5 7/6 03/14/12	Retail Stores	Food/drug retailers	78	Ba1	BB	Senior	Europe
KROGER CO	KR 5 1/2 02/01/13	Grocery	Food/drug retailers	35	Baa2	BBB-	Senior	North America
LAFARGE SA	LAFCP 5 7/8 11/08	Buildings & Real Estate	Building & Development	32	Baa2	BBB	Senior	Europe
LANXESS AG		Chemicals, Plastics & Rubber	Chemicals & plastics	64	Baa3	BBB-	Senior	Europe
LEHMAN BROTHERS HOLDINGS INC	LEH 6 5/8 01/18/12	Finance	Brokers, Dealers & Investment houses	21	A1	A+	Senior	North America
LTD BRANDS INC	LTD6 1/8 12/01/12	Retail Stores	Retailers (except food & drug)	47	Baa2	BBB	Senior	Europe
LVMH MOET HENNESSY LOUIS VUI	MOET6 1/8 06/25/08	Diversified/Conglomerate Manufacturing	Leisure goods/activities/movies	22	NR	BBB+	Senior	Europe
MARATHON OIL CORP	MRO 6 1/8 03/15/12	Oil & Gas	Oil & gas	24	Baa1	BBB+	Senior	North America
MARSH & MCLENNAN COS INC		Finance	Financial intermediaries	40	Baa2	BBB	Senior	North America
MBIA INC	MBI 6 5/8 10/01/28	Insurance	Insurance	24	Aa2	AA	Senior	North America
METRO AG	METFNL 5 1/8 02/08	Retail Stores	Retailers (except food & drug)	28	Baa2	BBB	Senior	Europe
METSO CORPORATION	METSO 5 1/8 11/11	Machinery (Non-Agriculture, Non-Construction, Non-Electronic)	Industrial equipment	35	Baa3	BBB-	Senior	Europe
MICHELIN (CGDE)-B	MICH6 1/8 04/16/09	Automobile	Automotive	29	Baa2	BBB	Senior	Europe
MUENCHENER RUECKVER AG-REG	MUNRE 6 3/4 06/23	Insurance	Insurance	15	A2	A	Subordinated	Europe
NEWELL RUBBERMAID INC	NWL 6 3/4 03/15/12	Home & Office Furnishings, Housewares, & Durable Consumer Products	Home furnishings	30	Baa2	BBB+	Senior	North America
PCCW-HKT TELEPHONE LTD	PCCW7 3/4 11/15/11	Telecommunications	Telecommunications	45	Baa2	BBB	Senior	AustralAsia
PETROLEOS MEXICANOS	PEMEX 9 1/2 09/27	Oil & Gas	Oil & gas	56	Baa1	BBB	Senior	North America
PILKINGTON PLC	PILKIN 6 1/2 10/08	Containers, Packaging & Glass	Containers & glass products	29	NR	BBB-	Senior	Europe
PINAULT-PRINTEMPS-REDOUTE	PRTP 5 01/23/09	Retail Stores	Retailers (except food & drug)	48	Baa3	BBB-	Senior	Europe
PROLOGIS TRUST	PLD 7.1 04/15/08	Buildings & Real Estate	Industrial equipment	26	Baa1	BBB+	Senior	North America
PUBLICIS GROUPE	PUBFP 1 01/18/18	Broadcasting & Entertainment	Publishing	39	Baa2	BBB+	Senior	Europe
QANTAS AIRWAYS LTD	QANTAS 7 3/4 06/09	Personal Transportation	Air transport	201	Baa1	BBB+	Senior	AustralAsia
RADIAN GROUP INC	RDN 7 3/4 06/01/11	Insurance	Insurance	37	A2	A	Senior	North America
RADIOSHACK	RSH 7 3/8 05/15/11	Retail Stores	Retailers (except food & drug)	210	Baa3	BB	Senior	Europe
RALLYE	GENP 5 3/8 01/09	Retail Stores	Food/drug retailers	212	Ba3	BB-	Senior	Europe
RENAULT SA	RENAUL 4 5/8 05/10	Automobile	Automotive	32	Baa1	BBB+	Senior	Europe
REPSOL YPF SA		Oil & Gas	Oil & gas	23	Baa1	BBB	Senior	Europe
RHEINMETALL	RHEINM6 1/8 05/06	Automobile	Automotive	34	Baa2	BBB	Senior	Europe
ROYAL & SUN ALLIANCE INSURANCE PLC	RSA Var 10/19-09	Insurance	Insurance	17	Baa3	BBB	Subordinated	North America
SAFEWAY INC	SWY 5.8 08/15/12	Grocery	Food/drug retailers	37	Baa2	BBB-	Senior	North America
SARA LEE CORP	SLE 6.15 06/19/08	Beverage, Food & Tobacco	Food products	59	Baa1	BBB+	Senior	North America
SBC COMMUNICATIONS INC	SBC 5 7/8 08/15/12	Telecommunications	Telecommunications	39	A2	A	Senior	North America
SCOR SA	SCOR 0 07/06/20	Insurance	Insurance	20	A3	A-	Subordinated	Europe
SCOTTISH & NEWCASTLE PLC	SCOTNB 5 5/8 12/06	Beverage, Food & Tobacco	Beverage & Tobacco	37	Baa3	BBB-	Senior	Europe
SES GLOBAL SA	SEGLX 4 1/2 11/08	Broadcasting & Entertainment	Cable & satellite television	34	Baa2	BBB+	Senior	Europe
SODEXO ALLIANCE SA	EXHO5 7/8 03/25/09	Personal, Food & Miscellaneous	Food service	22	NR	BBB+	Senior	Europe
SPRINT CORP-FON GROUP	FON 8 3/8 03/15/12	Telecommunications	Telecommunications	50	Baa3	BBB+	Senior	North America
TAKEFUJI CORPORATION	TAKFUJ9.2 04/15/11	Finance	Financial intermediaries	64	Baa1	BBB	Senior	Japan
TATE & LYLE PLC	TATELY 6 1/2 06/12	Beverage, Food & Tobacco	Food products	20	Baa2	BBB	Senior	Europe
TDC A/S	TELDAN 6 1/2 04/19/2012	Telecommunications	Telecommunications	103	Ba3	B	Senior	Europe
TECHNIP S.A.	TECFP 1 01/01/07	Oil & Gas	Oil & gas	28	NR	BBB+	Senior	Europe
TELECOM ITALIA SPA/OLD	TITIM 6 1/4 02/12	Telecommunications	Telecommunications	61	Baa2	BBB+	Senior	Europe
TELEFONICA S.A.	TELEFO7 3/4 09/10	Telecommunications	Telecommunications	36	Baa1	BBB+	Senior	Europe
TELEFONOS DE MEXICO SA DE CV	TFONY 8 1/4 01/06	Telecommunications	Telecommunications	29	A3	BBB+	Senior	North America
TELEKOM AUSTRIA AG	TKA 5 07/22/13	Telecommunications	Telecommunications	33	A3	BBB+	Senior	Europe
TELEKOMUNIKACJA POLSKA S.A.	TPSA7 3/4 12/10/08	Telecommunications	Telecommunications	28	Baa1	BBB+	Senior	Europe
THE PMI GROUP INC	PMI 2 1/2 07/15/21	Insurance	Insurance	28	A1	A	Senior	North America
THOMSON (EX-TMM)		Electronics	Electronics/electrical	62	Baa2	BBB	Senior	Europe
THYSSENKRUPP AG	TKAGR 7 03/19/09	Mining, Steel, Iron & Non Precious Metals	Steel	45	Baa2	BBB-	Senior	Europe
TUI AG	TUIGR 6 5/8 05/11	Diversified/Conglomerate Service	Surface transport	240	Ba3	BB-	Senior	Europe
VALEO	VLOF5 5/8 07/13/06	Automobile	Automotive	69	Baa2	BBB+	Senior	Europe
VEOLIA ENVIRONNEMENT	VIIEP 5 7/8 02/12	Utilities	Utilities	28	A3	BBB	Senior	Europe
VNU N.V.	VNU 6 3/4 10/29/08	Printing & Publishing	Publishing	474	Caa1	B	Senior	Europe
VOLKSWAGEN AG	VW 4 7/8 05/22/13	Automobile	Automotive	27	A3	A-	Senior	Europe
WENDEL INVESTISSEMENT	MWDP 5 02/16/11	Utilities	Utilities	36	Baa1	BBB+	Senior	Europe
WOLTERS KLUWER-CVA	WOLKLU 5 1/8 01/14	Printing & Publishing	Publishing	39	Baa1	BBB+	Senior	Europe
WPP GROUP PLC	WPPLN 6 06/18/08	Broadcasting & Entertainment	Business equipment & services	32	Baa2	BBB+	Senior	Europe
XL CAPITAL LTD -CLASS A	XL 5.25% OF 09/14	Insurance	Insurance	22	A3	A-	Senior	North America
ZURICH INSURANCE COMPANY	ZURNVX Var 10/23	Insurance	Insurance	15	A3	A	Subordinated	Europe

# NEXUS4 Topaz Note

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