



02 July 2008

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Dear Sirs

**Nexus4 Topaz Notes (ASX code NXBHD)
Portfolio Commentary and Composition Report from Portfolio Manager**


Attached is a Portfolio Commentary and Composition Report for the quarter ended 31 March 2008 prepared by the Portfolio Manager, Société Générale Asset Management Alternative Investments SA (**SGAM AI**).

Neither Deutsche Bank nor Nexus is liable for any error or omission in the information contained in the report.

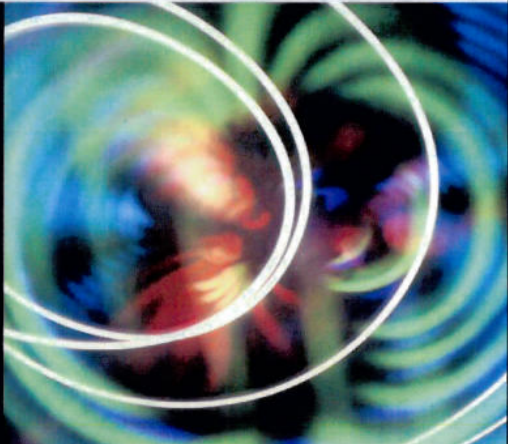
Please note this report is in relation to Nexus4 Topaz Notes only and does not relate to Nexus2 Notes (NXBHB) nor Nexus3 Notes (NXBHC).

Yours faithfully

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



Nexus 4
Topaz Notes
Quarterly report



First Quarter 2008

Alternative Investments



SOCIETE GENERALE
Asset Management

NEXUS4 Topaz Note

First Quarter 2008

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NEXUS4 Topaz Note

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TRANSACTION SUMMARY

Issuer	Nexus Bonds Limited
Manager	SGAM Alternative Investments
Arranger	Deutsche Bank
Ticker Bloomberg	NXBHD Corp <Go>
5yr Initial Average Spread	67.47 bp
Initial Average Rating	BBB
Next Reset Date	May 2008
5 th Coupon Reset Spread	110.72 bp (November, 2007)
4 th Coupon Reset Spread	48.08 bp (May, 2007)
3 rd Coupon Reset Spread	48.68 bp (November, 2006)
2 nd Coupon Reset Spread	53.78 bp (May, 2006)
1 st Coupon Reset Spread	72.06 bp (November, 2005)

LIABILITIES CHARACTERISTICS

Class	Rate	Participation	Maturity	Previous Income Factor	New Income factor	Change in Income Factor
Nexus4	BBSW 6m	4	10Y	76.4400%	76.4400%	0.00%

MANAGEMENT PHILOSOPHY

- © NEXUS4 are Capital Guaranteed Notes with coupon linked to the performance of CDO equity tranche.
- © High quality reference portfolio: 120 Companies with an average rating of BBB, diversified through 32 sectors
- © Floating Credit Spread: The coupons are fixed every six-month period to reflect the average 5 year credit margin of the portfolio

NEXUS4 Topaz Note

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MARKET OVERVIEW

The March economic news flow confirmed the slowing momentum of the world economy, while inflation figures still remained on elevated levels across the regions.

The US economy still played as a drag on the world economy, as the weakness of US activity and the tightening of the financial conditions reverberated more fully through the global industrial sector. The US consumer has faced severe headwinds, first with its purchasing power deterioration due to rising energy prices combined with employment outlook downgrade, and second through financial wealth erosion caused by slumping housing prices and falling equity markets.

US monetary authorities once more lowered their official rates from 3 % to 2,25 % in order to restore confidence. Meanwhile, US Central Bank also brought unprecedented measures to improve financing conditions for financial establishments facing problems of cash.

Elsewhere, global activity has also sharply slowed in recent months. However, while the "decoupling" story seems to have lost momentum, signs of resilience still remained present with March key leading indicators slight rebounds.

However, inflation figures remain high, pushing European official monetary authorities to maintain their key official rates unchanged at 4 %.

The Japanese economy continue to post sluggish demand figures, except on export related figures thanks to the Asian area dynamism.

Emerging economies have also been hurt by the slowing world activity, but domestic demand remained vigorous. Meanwhile, inflation figures climbed, sustained by soaring food and energy prices.

In that context, equity and credit markets continue to under-perform in March, while bonds and commodity markets posted mixed performances. During March first two weeks, risk aversion soared, on the back of rising US recession fears and worsening financial conditions: in particular, Bear Stearns, the second biggest underwriter of US mortgage bonds, required a bailout from the Fed and JP Morgan to avoid collapse due to a cash crisis.

During this period, investors massively sold "financial" and "consumer" oriented stocks across the regions, to seek refuge on "safe" government bonds, while EM equity markets seemed more resilient thanks to soaring commodity prices.

Again, in a very tough market, synthetic structures have allowed some management flexibility, allowing a tactical reallocation of the asset pool. Therefore the management has taken the opportunity to:

- invest selectively on top tier financial institutions in order to take advantage of the sharp spread widening,
- while reducing exposure on low investment grade names which have outperformed the market, or issuers which have been directly impacted by the subprime crisis in the US.

Volatility remains extremely high, and we do not expect a strong and quick recovery. However the prompt support from the FED has triggered a strong short squeeze on indices, and investors are seeking short dated structured credit investment to take advantage of the asset depreciation.

It is certainly still too early to expect a strong recovery but may be enough to restore steadily confidence and allow the market to stabilize.

CONSTRAINTS

Criteria	Target	Current	Validation
Maximum exposure to Portfolio Companies rated BB+/Ba1 or below	10%	10.10%	Non comply*
Maximum Average 7 years Portfolio Credit Spread	3%	2.40%	Comply
Maximum Exposure to a single industry	15%	12.61%	Comply
Maximum exposure to Portfolio Companies with no public rating	5%	5.04%	Non comply**
Maximum exposure to country rated below A-/A3	5%	3.35%	Comply

* Non compliance due to deterioration of credit quality.

** Non compliance due to withdrawal of public credit rating of certain portfolio reference entities.

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First Quarter 2008

PORTFOLIO 31/03/2008

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	US00440EAC12	Insurance	Insurance	65	A3	A-	Senior	BERMUDA
AIR FRANCE	FR0010185975	Personal Transportation	Air transport	315	NR	NR	Senior	FRANCE
ALTRIA GROUP Inc	US02209SAA15	Beverage, Food & Tobacco	Beverage & Tobacco	77	Baa1	BBB+	Senior	USA
AMCOR Ltd	XS0188426372	Containers, Packaging & Glass	Containers & glass products	125	Baa2	BBB	Senior	AUSTRALIA
AOL TIME WARNER	US00184AAG04	Broadcasting & Entertainment	Leisure goods/activities/movies	197	Baa2	BBB+	Senior	USA
ARCELOR MITTAL FIN	XS0176671732	Mining, Steel, Iron & Non Precious Metals	Steel	225	Baa2	BBB+	Senior	LUXEMBOURG
ARROW ELECTRONICS Inc	US042735AL41	Electronics	Electronics/electrical	103	Baa3	BBB-	Senior	USA
AUTOTON Inc	US053332AC51	Retail Stores	Retailers (except food & drug)	115	Baa2	BBB+	Senior	USA
BANCA POPOLARE DI LODI SCRL	XS0211167936	Banking	Financial intermediaries	276	A2	A	Sub	ITALY
BOMBARDIER CAP	XS0147549389	Aerospace & Defense	Aerospace & Defense	297	Ba2	BB	Senior	CANADA
BRITISH AMERICAN TOBACCO Plc	XS0189727869	Beverage, Food & Tobacco	Beverage & Tobacco	109	Baa1	BBB+	Senior	UNITED KINGDOM
BRITISH SKY BROADCASTING Plc	US111013AC22	Broadcasting & Entertainment	Cable & satellite television	93	Baa2	BBB	Senior	UNITED KINGDOM
CALTEX AUSTRALIA Ltd	null	Oil & Gas	Oil & gas	127	NR	BBB+	Senior	AUSTRALIA
CAPITAL ONE FINANCIAL Corp	US14040HAJ41	Banking	Financial intermediaries	337	A3	BBB+	Senior	USA
CARNIVAL Corp	US143658AH53	Leisure, Amusement, Entertainment	Food/drug retailers	133	A3	A-	Senior	USA
CARREFOUR Sa	FR0000480691	Retail Stores	Food/drug retailers	64	A2	A	Senior	FRANCE
CENTEX Corp	US152312AQ77	Buildings & Real Estate	Building & Development	475	Ba1	BB+	Senior	USA
CENTURY TEL Inc	US156700AG13	Telecommunications	Telecommunications	157	Baa2	BBB	Senior	USA
CIBA SPECIALTY CHEMICALS Inc	XS0085895935	Chemicals, Plastics & Rubber	Chemicals & plastics	242	Baa2	BBB	Senior	SWITZERLAND
CIT GROUP Inc	US125581AB41	Banking	Financial intermediaries	834	A3	A-	Senior	USA
COMCAST CORP-CL A	US20029PAN96	Broadcasting & Entertainment	Cable & satellite television	150	Baa2	BBB+	Senior	USA
COMPASS	XS0148362501	Personal, Food & Miscellaneous	Food service	83	Baa2	BBB+	Senior	UNITED KINGDOM
CONTINENTAL AG	XS0139722069	Automobile	Automotive	204	Baa2	BBB	Senior	GERMANY
COUNTRYWIDE HOME LOAN Inc	US22237LPA43	Finance	Financial intermediaries	295	Baa3	BBB+	Senior	USA
COX COMMUNICATIONS INC-CL A	US224044AN72	Telecommunications	Telecommunications	140	Baa3	BBB-	Senior	USA
DAILY MAIL & GENERAL TRUST	XS0109428705	Broadcasting & Entertainment	Leisure goods/activities/movies	105	NR	BBB	Senior	UNITED KINGDOM
DAIMLER AG	US233835AW75	Automobile	Automotive	101	A3	BBB+	Senior	GERMANY
DEUTSCHE LUFTHANSA-REG	XS0140276618	Personal Transportation	Air transport	138	Baa3	BBB	Senior	GERMANY
DEUTSCHE TELEKOM AG-REG	XS0148956559	Telecommunications	Telecommunications	131	A3	A-	Senior	GERMANY
DIXONS GROUP Plc	XS0157632562	Retail Stores	Retailers (except food & drug)	372	Baa3	NR	Senior	UNITED KINGDOM
DOMINION RESOURCES INCVA	US25746UAJ88	Utilities	Utilities	63	Baa2	A-	Senior	USA
EASTMAN CHEMICAL COMPANY	US277432AD23	Chemicals, Plastics & Rubber	Chemicals & plastics	92	Baa2	BBB	Senior	USA
ELECTROLUX AB-SER B	XS0126231199	Home & Office Furnishings, Housewares, & Durable Consumer Products	Home furnishings	113	NR	BBB+	Senior	SWEDEN
ELECTRONIC DATA SYSTEMS Corp	US285661AD69	Electronics	Business equipment & services	141	Baa3	BBB-	Senior	USA
ELISA COMMUNICATIONS OYJ	XS0201780516	Telecommunications	Telecommunications	94	Baa2	BBB	Senior	FINLAND
EMBARQ Corp	US29078EAB11	Telecommunications	Telecommunications	311	Baa3	BBB-	Senior	USA
EXPEDIA Inc	US30212PAA30	Leisure, Amusement, Entertainment	Leisure goods/activities/movies	247	Ba2	BB	Senior	USA
EXPORT IMPORT BANK OF KOREA	US30215EAA55	Banking	Financial intermediaries	122	Aa3	A	Senior	SOUTH KOREA
FKI Plc	XS0107657222	Diversified/Conglomerate Manufacturing	Conglomerates	429	Ba3	BB	Senior	UNITED KINGDOM
FLEXTRONICS ONTL Ltd	US33938EAJ64	Electronics	Electronics/electrical	325	Ba1	BB+	Senior	USA
FOSTERS GROUP Ltd	USU34574AA89	Beverage, Food & Tobacco	Beverage & Tobacco	122	Baa2	BBB	Senior	AUSTRALIA
FRESINIUS	XS0167416634	Chemicals, Plastics & Rubber	Chemicals & plastics	176	Ba1	BB	Senior	GERMANY
GAP Inc	US364760AG36	Retail Stores	Retailers (except food & drug)	101	Ba1	BB+	Senior	USA
GECCINA SA	FR0000472441	Buildings & Real Estate	Building & Development	362	NR	BB+	Senior	FRANCE
GKN Plc	XS0147740335	Automobile	Automotive	205	Baa3	BBB	Senior	UNITED KINGDOM
GMAC LLC	US370425SE16	Banking	Financial intermediaries	1347	B1	B+	Senior	USA
GUS Plc (EXPERIAN Fin Plc)	XS0162820228	Retail Stores	Retailers (except food & drug)	106	Baa1	BBB+	Senior	UNITED KINGDOM
HALLIBURTON CO	US406216AR24	Oil & Gas	Oil & gas	58	A2	A	Senior	USA
HAMMERSON Plc	US0130216947	Buildings & Real Estate	Building & Development	255	Baa2	NR	Senior	UNITED KINGDOM
HANNOVER RUECKVERSICHERU-REG	XS0126063386	Insurance	Insurance	151	NR	AA-	Sub	GERMANY
HAVAS Sa	FR0000188476	Broadcasting & Entertainment	Radio & Television	352	NR	NR	Senior	FRANCE
HELLENIC TELECOMMUN ORGANIZA	XS0173549659	Telecommunications	Telecommunications	120	Baa1	BBB+	Senior	GREECE

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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
HJ HEINZ CO	US423074AG80	Beverage, Food & Tobacco	Food products	70	Baa2	BBB	Senior	USA
HUTCHISON WHAMPOA INTL Ltd	XS0223429084	Diversified/Conglomerate Service	Conglomerates	193	A3	A-	Senior	HONG KONG
IMPERIAL TOBACCO GROUP Plc	XS0180407602	Beverage, Food & Tobacco	Beverage & Tobacco	173	Baa3	BBB	Senior	UNITED KINGDOM
INTERNATIONAL PAPER CO	US460146BM46	Printing & Publishing	Publishing	284	Baa3	BBB	Senior	USA
KAUPTHING BANK	XS0206352824	Banking	Financial intermediaries	1008	A1	NR	Senior	ICELAND
KINGFISHER Plc	XS0178322474	Retail Stores	Retailers (except food & drug)	420	Baa3	BBB-	Senior	UNITED KINGDOM
KROGER CO	US501044CE98	Grocery	Food/drug retailers	67	Baa2	BBB-	Senior	USA
LAFARGE Sa	FR0010032730	Buildings & Real Estate	Building & Development	219	Baa2	BBB	Senior	FRANCE
LANXESS AG	XS022550680	Chemicals, Plastics & Rubber	Chemicals & plastics	203	Baa2	BBB	Senior	GERMANY
LEGRAND	US524671AA21	Electronics	Electronics/electrical	301	Baa3	BBB	Senior	FRANCE
LEHMAN BROTHERS HOLDINGS Inc	US52517PSC67	Finance	Brokers, Dealers & Investment houses	296	A1	A+	Senior	USA
LENNAR CORPORATION	US526057AG99	Diversified/Conglomerate Manufacturing	Conglomerates	665	Ba1	BB+	Senior	USA
LTD BRANDS Inc	US532716AH08	Retail Stores	Retailers (except food & drug)	375	Baa3	BBB-	Senior	USA
MARATHON OIL Corp	US565849AA47	Oil & Gas	Oil & gas	93	Baa1	BBB+	Senior	USA
MARSH & MCLENNAN COS Inc	US571748AM43	Finance	Financial intermediaries	88	Baa2	BBB-	Senior	USA
METRO AG	DE0002017217	Retail Stores	Retailers (except food & drug)	114	Baa2	BBB	Senior	GERMANY
METSO CORPORATION	XS0205081911	Machinery (Non-Agriculture, Non-Construction, Non-Electronic)	Industrial equipment	170	Baa2	BBB	Senior	FINLAND
MICHELIN (CIE GENERALE DES ETABLISSEMENTS)	FR0010034298	Automobile	Automotive	150	Baa2	BBB	Senior	FRANCE
MUENCHENER RUECKVER AG-REG	DE0002452547	Insurance	Insurance	139	Aa3	AA-	Sub	GERMANY
NEWELL RUBBERMAID Inc	US651229AB28	Home & Office Furnishings, Housewares, & Durable Consumer Products	Home furnishings	84	Baa2	BBB+	Senior	USA
PCCW-HKT TELEPHONE	US69319CAA27	Telecommunications	Telecommunications	235	Baa2	BBB	Senior	HONG KONG
PEARSON Plc	XS0106750655	Printing & Publishing	Publishing	93	Baa1	BBB+	Senior	UNITED KINGDOM
PETROLEOS MEXICANOS	US71654QAM42	Oil & Gas	Oil & gas	148	Baa1	BBB+	Senior	MEXICO
PILKINGTON Plc	XS0136984654	Containers, Packaging & Glass	Containers & glass products	56	NR	NR	Senior	UNITED KINGDOM
PINAULT-PRINTEMPS-REDOUTE	FR0010068486	Retail Stores	Retailers (except food & drug)	207	NR	BBB-	Senior	FRANCE
PROLOGIS TRUST	US743410AE29	Buildings & Real Estate	Industrial equipment	360	Baa1	BBB+	Senior	USA
PROSIEBEN SAT 1 MEDIA AG	XS0192644911	Broadcasting & Entertainment	Radio & Television	548	NR	NR	Senior	GERMANY
PUBLICIS GROUPE	FR0010157354	Broadcasting & Entertainment	Publishing	151	Baa2	BBB+	Senior	FRANCE
QANTAS AIRWAYS Ltd	USQ77974AW52	Personal Transportation	Air transport	173	Baa1	BBB+	Senior	AUSTRALIA
RADIAN GROUP Inc	US750236AB78	Insurance	Insurance	1095	A2	A-	Senior	USA
RALLYE	FR0010117325	Retail Stores	Food/drug retailers	667	NR	NR	Senior	FRANCE
RANK GROUP Plc	US753035AB00	Hotels, Motels, Inns & Gaming	Lodging & casinos	607	B1	B+	Senior	UNITED KINGDOM
RENAULT Sa	FR0000474843	Automobile	Automotive	146	Baa1	BBB+	Senior	FRANCE
REPSOL YPF Sa	XS0110487062	Oil & Gas	Oil & gas	116	Baa1	BBB	Senior	SPAIN
RHEINMETALL	DE0006776826	Automobile	Automotive	177	Baa2	BBB	Senior	GERMANY
ROYAL & SUN ALLIANCE INSURANCE Plc	XS0102738035	Insurance	Insurance	146	Baa2	A	Sub	UNITED KINGDOM
SAFEWAY Inc	US786514BF54	Grocery	Food/drug retailers	65	Baa2	BBB-	Senior	USA
SARA LEE Corp	US803111AM56	Beverage, Food & Tobacco	Food products	81	Baa1	BBB+	Senior	USA
SBC COMMUNICATIONS Inc	US78387GAK94	Telecommunications	Telecommunications	113	A2	A	Senior	USA
SCOR Sa	FR0000489619	Insurance	Insurance	174	A3	A-	Sub	FRANCE
SCOTTISH & NEWCASTLE Plc	XS0139288863	Beverage, Food & Tobacco	Beverage & Tobacco	59	NR	BBB-	Senior	UNITED KINGDOM
SES GLOBAL Sa	XS0180191164	Broadcasting & Entertainment	Cable & satellite television	144	Baa2	BBB	Senior	LUXEMBOURG
SODEXO	FR0000488603	Personal, Food & Miscellaneous	Food service	81	NR	BBB+	Senior	FRANCE
SPRINT CORP-FON GROUP	US852060AD48	Telecommunications	Telecommunications	595	Baa3	BBB-	Senior	USA
STARWOOD HOTEL & RESORTS WORLDWIDE Inc	US85590AAD63	Hotels, Motels, Inns & Gaming	Lodging & casinos	239	Baa3	BBB-	Senior	USA
TAKEFUJI CORPORATION	USJ81335AH45	Finance	Financial intermediaries	315	Baa1	BBB-	Senior	JAPAN
TATE & LYLE Plc	XS0150130879	Beverage, Food & Tobacco	Food products	142	Baa2	BBB	Senior	UNITED KINGDOM
TDC A/S	XS0146556385	Telecommunications	Telecommunications	244	B1	BB-	Senior	DENMARK
TECHNIP Sa	FR0010085795	Oil & Gas	Oil & gas	105	NR	BBB	Senior	FRANCE
TELECOM ITALIA SPA	XS0142631903	Telecommunications	Telecommunications	233	Baa2	BBB	Senior	ITALY
TELEFONICA Sa	ES0278430931	Telecommunications	Telecommunications	160	Baa1	BBB+	Senior	SPAIN
TELEFONOS DE MEXICO SA DE CV	USP9048DDD86	Telecommunications	Telecommunications	176	A3	BBB+	Senior	MEXICO
TELEKOM AUSTRIA AG	XS0172844283	Telecommunications	Telecommunications	116	A3	BBB+	Senior	AUSTRIA
TELEKOMUNIKACJA POLSKA S.A.	USN31209AA26	Telecommunications	Telecommunications	105	A3	BBB+	Senior	POLAND
THE PMI GROUP Inc	US69344MAE12	Insurance	Insurance	665	A1	A	Senior	USA
THOMSON (EX-TMM)	FR0000188369	Electronics	Electronics/electrical	698	Ba1	BB	Senior	FRANCE
THYSSENKRUPP AG	XS0214238239	Mining, Steel, Iron & Non Precious Metals	Steel	141	Baa2	BBB	Senior	GERMANY
VALEO	FR0010007468	Automobile	Automotive	234	Baa2	NR	Senior	FRANCE
VINCI Sa	XS0151548616	Buildings & Real Estate	Building & Development	134	Baa1	BBB+	Senior	FRANCE
VNU N.V. (Nielsen Co)	XS0137852793	Printing & Publishing	Publishing	690	Caa1	B	Senior	NETHERLANDS
VOLKSWAGEN AG	XS0140535229	Automobile	Automotive	149	A3	A-	Senior	GERMANY
WASHINGTON MUTUAL Inc	US939322AV52	Finance	Financial intermediaries	491	Baa3	BBB	Senior	USA
WENDEL	XS0185010401	Utilities	Utilities	447	NR	BBB-	Senior	FRANCE
WOLTERS KLUWER-CVA	XS0181273342	Printing & Publishing	Publishing	96	Baa1	BBB+	Senior	NETHERLANDS
WPP GROUP Plc	XS0131030032	Broadcasting & Entertainment	Business equipment & services	154	Baa2	BBB+	Senior	UNITED KINGDOM
XL CAPITAL LTD -CLASS A	US98372PAF53	Insurance	Insurance	347	Baa1	A-	Senior	USA
ZURICH INSURANCE COMPANY	XS0177601811	Insurance	Insurance	164	A3	A	Sub	SWITZERLAND

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5 YEAR MARKET SPREADS

		Current spread 31/03/2008	Spread as of 31/12/2007	Variation
5 Tightest Market Spreads* (5 years CDS)	PILKINGTON Plc	56	35	21
	HALLIBURTON CO	58	32	26
	SCOTTISH & NEWCASTLE Plc	59	57	2
	DOMINION RESOURCES INC/VA	63	43	20
	CARREFOUR Sa	64	35	29
5 Widest Market Spreads* (5 years CDS)	GMAC LLC	1347	860	487
	RADIAN GROUP Inc	1095	672	423
	KAUPTHING BANK	1008	297	711
	CIT GROUP Inc	834	412	422
	THOMSON (EX-TMM)	698	152	546

*Source: Markit

PERFORMING NAMES

		Current spread 31/03/2008	Spread as of 31/12/2007	Variation
5 Best performing names* (5 years CDS)	COUNTRYWIDE HOME LOAN Inc	295	1142	-847
	MARSH & MCLENNAN COS Inc	88	97	-9
	LENNAR CORPORATION	665	673	-8
	GAP Inc	101	105	-4
	SCOTTISH & NEWCASTLE Plc	59	57	2
5 Worst performing names* (5 years CDS)	KAUPTHING BANK	1008	297	711
	THOMSON (EX-TMM)	698	152	546
	GMAC LLC	1347	860	487
	SPRINT CORP-FON GROUP	595	132	463
	RADIAN GROUP Inc	1095	672	423

*Source: Markit

CREDIT MIGRATION DURING THE PERIOD

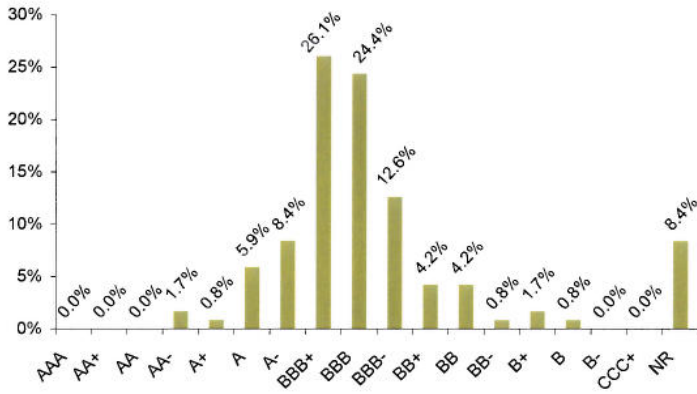
Date	Name	Agency	From	To	Action
04/01/2008	DIXONS GROUP Plc	Moody's	Baa2	Baa3	↘
18/01/2008	ARCELOR MITTAL FIN	Moody's	Baa3	Baa2	↗
21/01/2008	WASHINGTON MUTUAL Inc	S&P	A-	BBB+	↘
23/01/2008	SPRINT CORP-FON GROUP	S&P	BBB	BBB-	↘
28/01/2008	WENDEL	S&P	BBB	BBB-	↘
01/02/2008	TECHNIP Sa	S&P	BBB+	BBB	↘
04/02/2008	XL CAPITAL LTD -CLASS A	Moody's	A3	Baa1	↘
06/02/2008	GMAC LLC	Moody's	Ba3	B1	↘
14/02/2008	RADIAN GROUP Inc	S&P	A	A-	↘
18/02/2008	CENTEX Corp	S&P	BBB-	BB+	↘
22/02/2008	TELEKOMUNIKACJA POLSKA S.A.	Moody's	Baa1	A3	↗
25/02/2008	GMAC LLC	S&P	BB+	B+	↘
27/02/2008	CONTINENTAL AG	Moody's	Baa1	Baa2	↘
29/02/2008	KAUPTHING BANK	Moody's	Aa3	A1	↘
07/03/2008	WASHINGTON MUTUAL Inc	S&P	BBB+	BBB	↘
12/03/2008	THOMSON (EX-TMM)	S&P	BBB-	BB	↘
12/03/2008	THOMSON (EX-TMM)	Moody's	Baa3	Ba1	↘
18/03/2008	CIT GROUP Inc	S&P	A	A-	↘
18/03/2008	TELECOM ITALIA SPA	S&P	BBB+	BBB	↘
19/03/2008	CIT GROUP Inc	Moody's	A2	A3	↘
21/03/2008	GECINA SA	S&P	BBB-	BB+	↘
21/03/2008	ELECTRONIC DATA SYSTEMS Corp	Moody's	Ba1	Baa3	↗

NEXUS4 Topaz Note

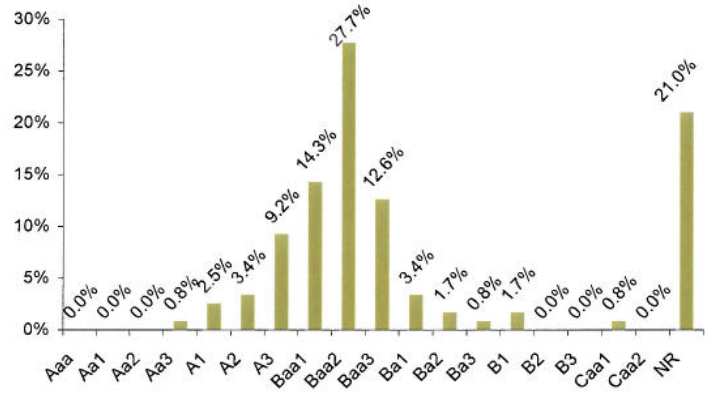
First Quarter 2008

RATING SPLIT

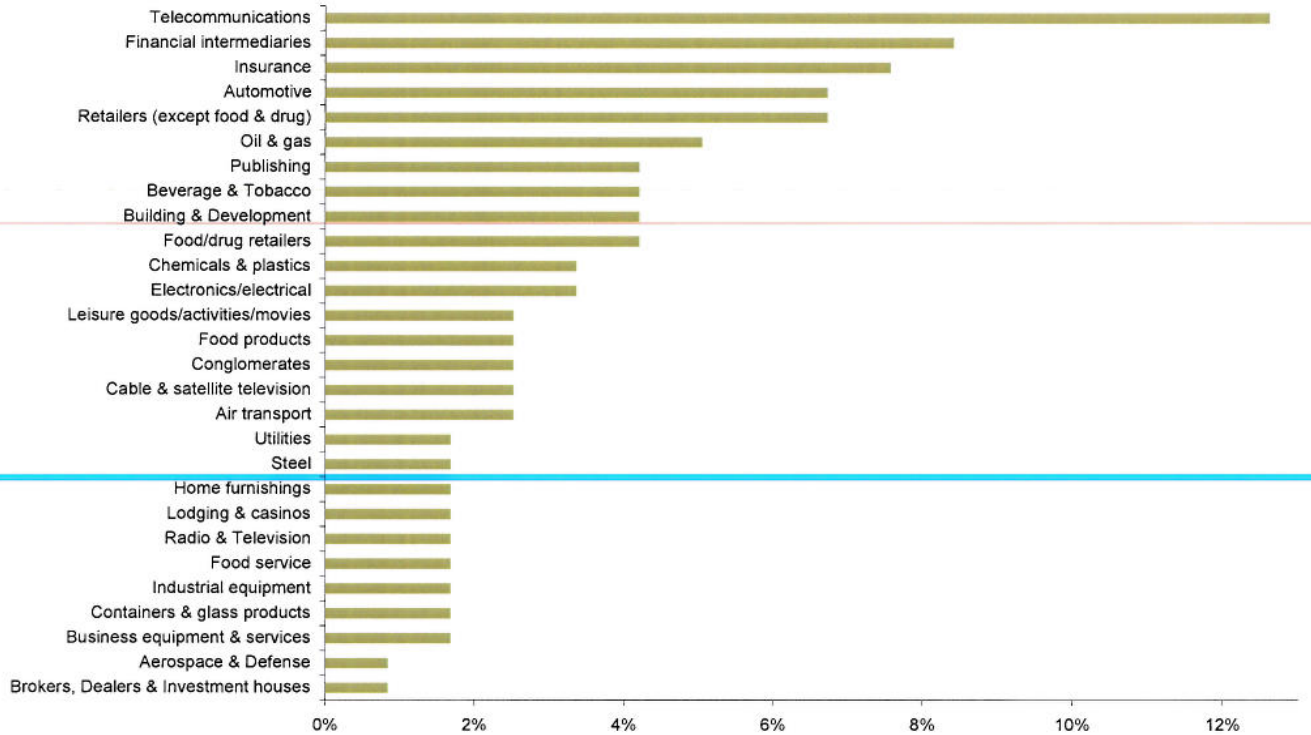
S&P



Moody's



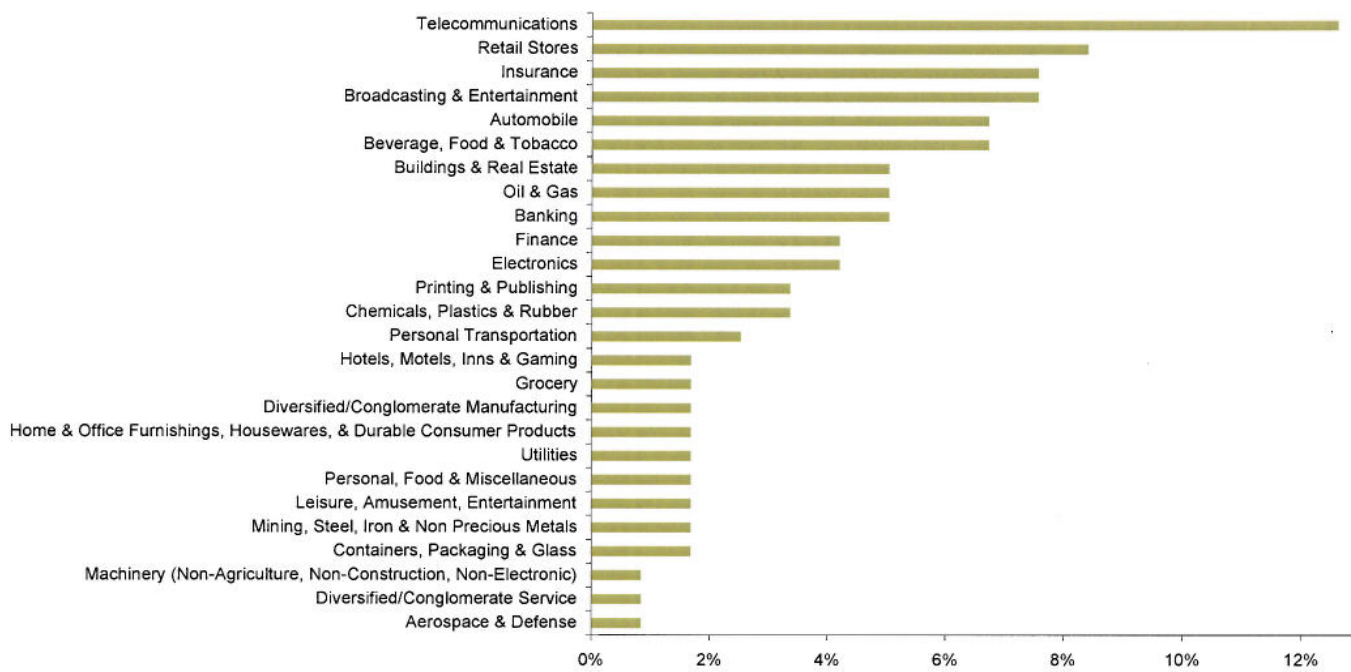
INDUSTRY BREAKDOWN S&P



NEXUS4 Topaz Note

First Quarter 2008

INDUSTRY BREAKDOWN Moody's



SUBSTITUTIONS DURING THE PERIOD

No substitutions during the period

NEXUS4 Topaz Note

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NAME FOCUS

Kaupthing

A WN / A1 stable_ CDS 5 Y Senior: around 900bp

Current concerns on the Icelandic economy (hard lending would adversely impact asset quality and performance of the 3 major banks, Kaupthing, Glitnir and Landsbanki) and fears of further write-downs on structured credit exposure (leveraged finance loans, ABS and CDO investments) have pushed Kaupthing's credit spreads to very wide levels since the beginning of 2008. At the end of February 2008, Moody's downgraded Kaupthing from Aa3 to A1 and Fitch put the bank's rating on watch negative. However, results for the 2007 fiscal year published in January remained solid with a net profit of equiv. EUR 814m (vs. EUR 986m in 2006). The bank was able to increase its deposit / loan ratio to 42% (vs. 30% at the end of 2006) and is targeting a 50% ratio for 2008 thanks to an aggressive campaign of on-line savings product in Scandinavia. Capitalisation ratios were still good with a T1 ratio of 9.6% and the bank reported to have secured 440 days worth of liquidity or EUR 13.4bn.

While these results and actions are clearly encouraging (and significantly reduce the risk of an imminent collapse), the bank's funding profile remain very fragile and uncertain beyond 2008 (no access to capital markets, absence of large retail network in Iceland) and would certainly largely rest on the ability of the Icelandic government to support the banking sector in case of real financial distress.

We may therefore reduce our exposure on Kaupthing especially if spreads are strongly coming back.

Volkswagen

A- / A3 _ Spread 5Y 185 bps

Volkswagen with € 105 billion of revenues and an operating profit of € 2 billion is the N°1 in Europe and N°5 in the world for the new passenger-car segment behind DaimlerChrysler, General Motors, Ford Motor, and Toyota. In 2008, the main event could be the takeover by Porsche, the largest shareholder with 31% of shares.

Profit rose 50 percent in 2007 after the company cut jobs in Germany and sold more Golf and Skoda Fabia cars. Volkswagen increasing operational track records, resulting from higher unit sales supported by the success of new models, the positive demand from emerging countries, the continuing trend towards higher value vehicles, and efficient restructuring plans, are reflected in its annual growth rate and its improving operating cash flow.

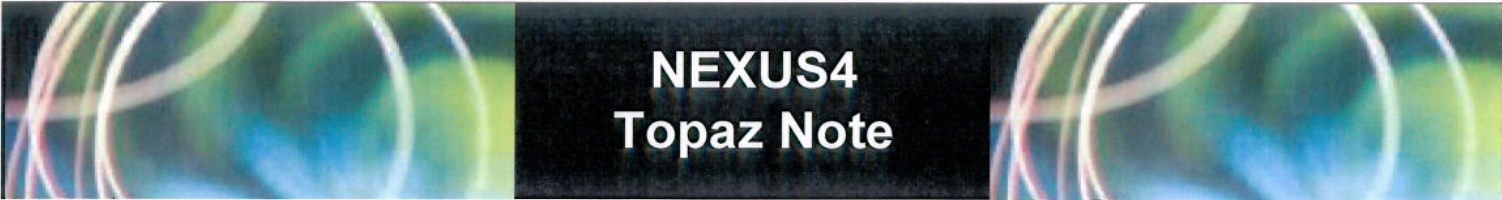
In 2008, the probable takeover by Porsche could be a good deal. Compared to VW, the new group should benefit from the Porsche's brand image, enlarge the customers segment, and improve profitability and debt coverage. The credit spread has widened quite sharply recently with we remain confident on the VW strategy even if automotive market could get tougher over 2009.

Lehman Brothers

A+ / A1_ Spread 5yr 260bps

With total assets of \$691bn and net revenues of \$19bn in 2007, Lehman is the fourth largest US securities firms. Lehman has had the reputation of a leader in fixed income sales and trading. Since 1998, Lehman has diversified its revenue base in equity related business, investment banking and asset management. The strengths of Lehman, compared to peers, are a good diversification of revenue sources, a strong risk management culture and a good liquidity and funding profile. Moreover Lehman raised \$3 bn of capital as of 30th march. It will make their balance sheet stronger in this environment.

Lehman has tried to limit proprietary trading risk and is rather oriented towards client-oriented transactions, especially in the US mortgage securitisation and leverage finance. We find that Lehman are well capitalised and have a good liquidity profile. At this level of spread, we still consider the risk reward attractive.



NEXUS4 Topaz Note

First Quarter 2008

CIT

A-(-) / A3 (NEG)_ Spread 5 YR 800bps

Historically, independent finance companies have come under funding pressure during periods of market volatility and CIT has often taken advantage of such periods to improve the terms and pricing of its commercial transactions. However CIT, which mainly relies on wholesale funding, is suffering from the current liquidity crisis. Despite the solid fundamentals of its business, CIT's financial situation is delicate. On March 20, CIT fully drew down on its \$7.3bn of unsecured bank lines to shore up its faltering liquidity. There are two ways out of the situation. First CIT could sell some of its non-core assets to fulfil its financing needs. Another possibility is to find a buyer. CIT has a relatively solid business franchise and it could really attract a buyer as General Electric for instance.

We will closely monitor these issues and would potentially reduce part of our exposure on this name in case of material deterioration in credit metrics over the next two quarters.

NEXUS4 Topaz Note

First Quarter 2008

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