



22 December 2010

The Directors
Nexus Bonds Limited
Level 16, Deutsche Bank Place
Cnr Hunter & Phillip Streets
Sydney NSW 2000

Deutsche Bank AG
ABN 13 064 165 162
Deutsche Bank Place
Level 16, corner of Hunter & Phillip Streets
Sydney NSW 2000 Australia
GPO Box 7033 Sydney NSW 2001

Tel: 61 2 8258 1234
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Dear Sirs

Nexus3 Notes final report from Ernst & Young LLP for period ending 14 December 2010

In our capacity as Operating Agent for Nexus Bonds Limited, in relation to Nexus3 Notes (ASX code NXBHC), we attach the final portfolio report from Ernst & Young LLP for period ending 14 December, 2010.

Please note this report is in relation to Nexus3 Notes only and does not relate to Nexus4 Topaz Notes (NXBHD).

Yours faithfully

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



DEUTSCHE BANK AG, LONDON BRANCH

Report To:
Deutsche Bank AG, London Branch
Nexus Bonds Limited
and
Deutsche Bank AG, Sydney Branch

14 December 2010



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REPORT OF INDEPENDENT ACCOUNTANTS

Deutsche Bank AG, London Branch
Loan Exposure Management Group
Winchester House
1, Great Winchester Street
London EC2N 2DB

14 December 2010

Deutsche Bank AG, Sydney Branch
Deutsche Bank Place
Level 16
Corner Hunter and Phillip Streets
Sydney NSW 2000
Australia

Nexus Bonds Limited
Deutsche Bank Place
Level 16
Corner Hunter and Phillip Streets
Sydney NSW 2000
Australia

Ladies and Gentlemen:

We have examined Deutsche Bank AG's management assertions referred to on Exhibit A ("Report of Manager on Compliance") for the final period ended 14 December 2010 relating to the requirements of the portfolio agreement dated 3 November 2004 between Deutsche Bank AG, Sydney Branch and Nexus Bonds Limited (the "Portfolio Agreement"). Management of Deutsche Bank AG is responsible for Deutsche Bank AG's compliance with those requirements. Our responsibility is to express an opinion on management's assertions about Deutsche Bank AG's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Deutsche Bank AG's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. Our procedures were not designed to determine whether errors may have occurred either prior to or subsequent to our tests that may have effected the balances or amounts calculated or reported by Deutsche Bank AG during the period covered by this report for this transaction. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Deutsche Bank AG's compliance with its obligations under the Portfolio Agreement, nor does it indicate that we performed any procedures related to Deutsche Bank AG's internal control environment, Deutsche Bank AG's loan booking and credit administration systems, Deutsche Bank AG's determination of Replenishments, Defaulted Reference Obligations or Liquidated Reference Obligations, or Deutsche Bank AG's Final Price Estimates or Recovery Values.



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14 December 2010

Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Portfolio Agreement.

In our opinion, the assertions made by Deutsche Bank AG listed on Exhibit 1 of the attached Report of Manager on Compliance with respect to the final period ended 14 December 2010 are fairly stated, in all material respects.

Very Truly Yours,

Ernst & Young LLP

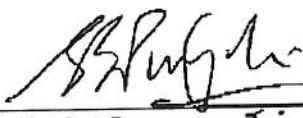
Exhibit A

Report of Manager on Compliance

We, as members of management of Deutsche Bank AG, (the "Company") are responsible for complying with the requirements of the portfolio agreement between Deutsche Bank AG, Sydney Branch and Nexus Bonds Limited (the "Portfolio Agreement"). We also are responsible for establishing and maintaining effective internal control over compliance with the Company's obligations under the Portfolio Agreement in relation to the composition and replenishment of the Portfolio. We have performed an evaluation of the Company's compliance with those requirements described on the attached Exhibit 1, as of December 14, 2010 and for the final period then ended. Based on this evaluation, we assert that for the final period ended December 14, 2010, the Company complied with the assertions made on Exhibit 1 attached hereto.



Deutsche Bank AG
Name: **MARIO VERNA**
Title: **Managing Director**



Deutsche Bank AG
Name: **Sanjeev Punjabi**
Title: **Managing Director**

Exhibit 1**Deutsche Bank AG Management's Assertions**

1. The following information presented on the attached Exhibit 1E for Liquidated Reference Obligations from the Effective Date to the last day of the final period ended December 14, 2010 agrees to the information listed in the Reference Registries provided for Final Report purposes:
 - i. the identifier of the Reference Obligation,
 - ii. the identifier for the Reference Entity,
 - iii. the identifier for the relevant Reference Entity Group,
 - iv. the amount of the Reference Obligation (in the relevant Obligation Currency) used to determine its Reference Obligation Notional Amount,
 - v. the Reference Obligation Notional Amount in AUD,
 - vi. the currency of its denomination,
 - vii. the Relevant FX Rate (if applicable),
 - viii. the maturity date,
 - ix. the country of incorporation of the Reference Entity,
 - x. the date of the relevant Credit Event Notice,
 - xi. the type of Credit Event,
 - xii. the date that the Conditions to Loss Allocation were determined to be satisfied, and
 - xiii. the Recovery Value.

2. Using information in the Reference Registry, we presented with mathematical accuracy each Loss Determination Amount and, if applicable, any Cash Settlement Amount. The results are on the attached Exhibit 1F.

Deutsche Bank AG
 Loan Exposure Management Group
 Effective Date Portfolio as of CLO Maturity (14 Dec 2010)
 Stratification Report
 Strictly Private and Confidential
 EXHIBIT 1E (Liquidated Reference Obligations)

Total 60,936,447.00

Unique Identifier	Reference Obligation Identifier	Reference Entity Identifier	Reference Entity Identifier	Reference Entity Group	Reference Entity	Reference Entity Group	Type of Credit Event	Credit Event Notice Date	Notional Amount (AUD)	Currency	Relevant FX Rate	Local Currency Amount
01028160	DBNY 132082PJHF	5272763	5272763	CIT GROUP INC	CIT GROUP INC	CIT GROUP INC	Bankruptcy	3-Nov-09	9,000,000.00	USD	1.13302	7,943,400.00
00939250	DBNY 601258PJHF	1196931	1196931	DELPHI CORPORATION	DELPHI CORPORATION	DELPHI CORPORATION	Bankruptcy	10-Oct-05	20,000,000.00	USD	1.33120	15,024,000.00
00925120	DBNY 115946JFDBN	350471	350471	LEAR CORPORATION	LEAR CORPORATION	LEAR CORPORATION	Bankruptcy	6-Aug-09	25,500,000.00	USD	1.24922	20,412,750.05
00976680	DBNY 601258PJHF	6609615	6609615	FGIC CORPORATION	FGIC CORPORATION	FGIC CORPORATION	Failure to Pay	1-Mar-10	6,436,447.00	USD	1.11938	5,749,999.93

Maturity Date	Reference Entity DBAG Internal Rating	Reference Entity S&P Rating	Reference Entity S&P Equivalent Rating	Reference Entity DBAG Internal Rating	Reference Entity S&P Rating	Reference Entity S&P Equivalent Rating	Reference Entity DBAG Internal Rating	Reference Entity S&P Rating	Reference Entity S&P Equivalent Rating	S&P Recovery Rate	Recovery Value	Conditions to Loss Allocation Compliance Date	S&P Industry Group	Country	Final Price
6-Dec-11	ICC-	D	D	ICC-	D	D	ICC-	D	D	68.52%	6,166,800	21-Dec-09	20	United States Of America	68.52
18-Jun-09	ICCC+	B	CCC	ICCC+	B	CCC	ICCC+	B	CCC	100.00%	20,000,000	N/A	3	United States Of America	100
23-Mar-10	ICC+	B	B	ICC+	B	B	ICC+	B	B	100.00%	25,500,000	N/A	3	United States Of America	100
12-Dec-10	IC-	D	D	IC-	D	D	IC-	D	D	4.97%	319,891	13-Dec-10	29	United States Of America	4.97

Deutsche Bank AG
 Loan Exposure Management Group
 Effective Date Portfolio as of CLO Maturity (14 Dec 2010)
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 EXHIBIT 1F (Loss Determination Amount and Cash Settlement Amount)

Total 8,949,755.58

Unique Identifier	Reference Obligation Identifier	Reference Entity Identifier	Reference Entity Group Identifier	Reference Entity Group	Credit Event Notice Date	Notional Amount (AUD)	Loss Determination Amount	Cash Settlement Amount Date
01028160	DBNY 132082PJFHF	5272763	5272763	CIT GROUP INC	3-Nov-09	9,000,000.00	2,833,200.00	14-Dec-10
00976860	DBNY 601258PJFHF	6609615	6609615	FGIC CORPORATI	1-Mar-10	6,436,447.00	6,116,555.58	14-Dec-10