

# **CNH CAPITAL CANADA WHOLESALE TRUST**

**Management's Discussion and Analysis  
September 30, 2006**

# CNH CAPITAL CANADA WHOLESALE TRUST

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2006 (In Canadian Dollars) (Unaudited)

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### *General*

Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited financial statements for the year ended December 31, 2005 and the period commencing on April 30, 2004 (the date of inception of the Trust) and ended December 31, 2004. Management is responsible for the reliability and timeliness of the information disclosed in the MD&A.

### *Business of the Trust*

CNH Capital Canada Wholesale Trust (the "Trust") was established by The Canada Trust Company as Issuer Trustee (the "Issuer Trustee"), under the laws of the Province of Ontario by Declaration of Trust dated April 30, 2004. BNY Trust Company of Canada is the indenture trustee for the Notes issued by the Trust.

The Trust is a special purpose trust whose business is specifically limited to (i) purchasing finance receivables and certain related rights and assets (collectively, the "Purchased Assets") from CNH Capital Canada Ltd. ("CNH Capital Canada"), which Purchased Assets were acquired with proceeds from asset-backed securities issued by the Trust and through residual indebtedness of the Trust to CNH Capital Canada, (ii) holding, managing and disposing of Purchased Assets, (iii) making payments on its securities, and (iv) engaging in incidental and ancillary activities. Collections on the Purchased Assets are used to pay the obligations of the Trust, including the payment of interest and principal owing on the securities issued by it.

Pursuant to the Administration Agreement between the Issuer Trustee and CNH Capital Canada, as administrative agent, and the Sale and Servicing Agreement between the Issuer Trustee and CNH Capital Canada, as Servicer, CNH Capital Canada carries out certain administrative and management activities for and on behalf of the Trust, including the administration, servicing, and collection of the Purchased Assets. The Trust pays a nominal fee to CNH Capital Canada for the performance of the activities and fulfillment of its responsibilities under the Administration Agreement. For the nine months ended September 30, 2006, the Trust paid CNH Capital Canada \$2,700 in administration fees. No fee is payable by the Trust to CNH Capital Canada for the servicing of the Purchased Assets pursuant to the Sale and Servicing Agreement since the Purchased Assets are sold to the Trust by CNH Capital Canada on a fully-serviced basis. The Trust has no employees.

The Trust believes that interim financial statements, together with management's discussion and analysis of the Trust's financial condition and results of operations, would not provide meaningful information to the holders of the Trust's Notes due to the structure of the Trust's securitization transaction and the nature of the rights of the holders of each Series of Notes. As a result, this Management Discussion and Analysis is limited to a discussion of the Notes issued by the Trust, the Purchased Assets, and the performance of the pool of Purchased Assets during the relevant period.

In July 2004, the Trust issued the following asset-backed securities (collectively, the "Notes"): (i) the CNH Capital Canada Wholesale Trust Floating Rate Wholesale Receivables Backed Notes, Series CW2004-1, Classes A and B, (ii) the CNH Capital Canada Wholesale Trust Floating Rate Class A Wholesale Receivables Backed Notes, Series CW2004-2, Classes A and B, and (iii) the CNH Capital Canada Wholesale Trust Variable Funding Wholesale Receivables-Backed Note, Series CW2004, which were privately placed with a qualified institutional buyer.

In July 2006, the Trust issued the CNH Capital Canada Wholesale Trust Floating Rate Wholesale Receivables Backed Notes, Series CW2006-1, Classes A and B. In August 2006, the Trust paid \$150,000,000 in principal to the

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holders of the Series 2004-1 Class A Notes and \$12,303,000 in principal to the holders of the Series 2004-1 Class B Notes.

### ***Pool Performance***

Information regarding the principal balances of the Notes and distributions of principal and interest thereon for the period ended September 30, 2006, is as set forth in the monthly servicer reports made available to the Noteholders.

For the period ended September 30, 2006, the pool balance of Purchased Assets was \$706,496,103 and the principal collections were \$951,611,124. There was \$1,829,659 of credit losses with respect to the Purchased Assets.

The Trust had no income other than scheduled interest income derived from the Purchased Assets and investment earnings from the restricted cash and cash equivalents. The Trust's expenses included interest expense incurred in connection with the Notes and Seller's interest as well as payment of the administrative and beneficiary fees.

### ***Net Loss Ratio and Delinquency Rate***

Activity during the period resulted in a negligible net loss ratio and a delinquency rate of 0.19%.

### ***Internal Controls***

The Trust has updated its internal controls by upgrading its accounting systems and procedures.