



For Immediate Release

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Paladin Realty Invests in Brazilian Low and Middle Income Housing Venture

Los Angeles, May 1, 2012 – Paladin Realty Partners, LLC, a leading real estate investment fund manager focused on Latin America, today announced affiliates of the firm have completed an investment in a new low- and middle-income housing platform called PYPS that intends to construct four projects in or near São Paulo, Brazil. Paladin committed approximately \$30 million to the Company. Paladin partnered with 15-year-old YPS, which focuses on developing low- and middle-income housing around São Paulo. Since 1999, Paladin Realty has been an active investor in over 50 low- and middle-income housing projects in Brazil totaling more than 11,000 units and \$1 billion of total capitalization.

PYPS is a joint venture with Brazilian homebuilder YPS, which has a long-standing relationship with Paladin. PYPS plans to develop four pre-specified, lower middle-income residential projects within the greater São Paulo metropolitan area. Those four projects are currently undergoing due diligence.

YPS, led by CEO José Alvaro Pedrosa, has completed the development of more than 9,000 units in its history, and is currently in the process of developing an additional 4,459 units in 10 different projects.

“We are pleased to make this investment in a new platform with YPS,” said Axel Chaves, Managing Director of Paladin Realty Partners and head of its São Paulo office. “My personal experiences with the company spans more than three decades and I have come to know them for their honesty and integrity. José Alvaro Pedrosa has vast experience in Brazilian real estate, especially with low-income housing, and his relationships with Caixa Econômica Federal (CEF) and local municipalities make him and his company an

excellent partner. With greater access to mortgage financing, home ownership is now within the reach of a far greater percentage of Brazil's burgeoning middle class and we believe this venture will provide great housing and offer an attractive return profile for our investors"

"This investment from Paladin Realty is a wonderful affirmation of our strategy and the potential for low- and middle-income housing development in São Paulo," said José Alvaro Pedrosa, CEO of YPS. "We look forward to working on these four projects with Paladin and appreciate their long history of investment in Brazil."

About Paladin Realty

Founded in 1995, Paladin Realty Partners, LLC is an institutional real estate fund manager focused on Latin America. The firm focuses on the development of for-sale housing as well as opportunistic commercial investments and select entity-level transactions and distress situations. The firm has acquired or developed over US\$7 billion of real estate across the United States, Brazil and other Latin America countries. Paladin Realty is headquartered in Los Angeles, CA, with offices in Morristown, NJ and São Paulo, Brazil.

For more information, please visit www.paladinrp.com.

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