



Sponsor

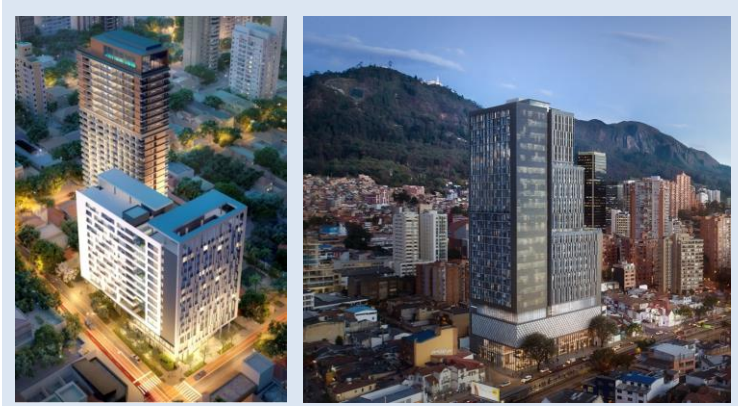
Founded in 1995, Paladin Realty Partners, LLC is a boutique private equity investor, developer-operator and fund manager focused on institutional-quality real estate investments in the U.S. and select markets in Latin America. The firm has over a 20-year track record executing the Fund’s strategy in Brazil, Mexico and the Andean region across more than \$4 billion of real estate (over 200 assets) comprising over 38,000 for-sale residential and commercial condominiums, income-producing commercial properties and land developments. Paladin Realty is a U.S. SEC-registered investment adviser headquartered in Los Angeles, California, with regional offices located in Brazil, Mexico, Peru and Colombia.

Paladin Impact

At Paladin Realty Partners, we believe that driving social and environmental impact can and must co-exist alongside opportunistic financial returns for our investors. In executing the firm’s Latin American housing strategy for more than twenty years, Paladin Realty has been a leading ESG investor, supported by our institutional investors, including internationally recognized organizations such as the Development Finance Corp. (DFC, formerly OPIC) and the International Finance Corp. (IFC). Paladin Realty has developed and implemented comprehensive policies for itself and its local operating partners with regard to environmental protection, life and fire safety, human resources, occupational health and safety, as well as policies to address potential community and employee grievances. Paladin Realty endeavors to operate its real estate investment management business in a manner that is aligned with the United Nations’ Sustainable Development Goals (UN-SDGs) and Principals for Responsible Investment (UN-PRI), driving meaningful social and environmental returns.

Paladin Realty’s Latin America investments are underwritten and managed to comply with rigorous environmental, social and governance (ESG) polices, including applicable codes of conduct and principles established by the PREA/NCREIF Real Estate Information Standards (REIS); the CFA Institute’s Global Investment Performance Standards (GIPS) and Asset Manager Code of Professional Conduct, INREV Guidelines; the United Nations’ Principles for Responsible Investing (UN PRI); the Institutional Limited Partners Association’s (ILPA) Private Equity Principles; California State Teachers Retirement System’s (CalSTRS) 21 Risk Factors; the Overseas Private Investment Corp. (OPIC); and the International Finance Corporation’s (IFC) Environmental, Health and Safety (EHS) Guidelines Section 3.3 regarding Life and Fire Safety.

The firm strives to be an industry leader in applying world-class ESG practices to the real estate investment and development business in emerging markets.



International Finance Corporation “EDGE” Certifications

In 2020 Paladin Realty Partners continued to prioritize achieving IFC’s Excellent in Design for Greater Efficiencies (“EDGE”) in all new projects, and existing projects where still possible. EDGE certification verifies that a project saves a least 20% on water, energy and embodied energy in materials.

- As of 4Q20, Paladin has certified 9 projects in Mexico, Brazil, Colombia and Peru. Together, these projects, totaling 3,846 units, expected to save almost 2,000 tons of CO₂ from entering the atmosphere each year. A summary of the savings can be found below:

Project	Units	Country	Energy Savings	Water Savings	Materials Savings	Annual CO2 Savings
Bosque da Serra	180	Brazil	24%	26%	71%	40
Art Home	378	Brazil	24%	26%	62%	51
Alves Guimaraes	162	Brazil	29%	31%	59%	45
Joao Moura	124	Brazil	27%	26%	62%	27
Onze22	110	Brazil	22%	24%	58%	15
Valenti	512	Colombia	22%	38%	49%	215
Palmanova	600	Colombia	31%	33%	59%	183
Villas del Fresno	1,639	Mexico	28%	24%	74%	1,305
Parque Alto	141	Peru	30%	48%	56%	72
Total	3,846		27%	30%	63%	1,953

- Paladin expects an additional five to seven projects to be certified in 2021, in all four countries of Brazil, Colombia, Mexico and Peru.
- Paladin is in the early stages of pursuing “EDGE Advanced” and “EDGE Zero Carbon” certification at its Villas del Fresno project in Mexico – this would be the first EDGE Zero Carbon residential project in the world

Employee Health, Safety & Satisfaction

Paladin continues its practice of conducting employee surveys regarding health & well-being, employee satisfaction and employee engagement as a means of measuring the internal successes and opportunities for improvement; Paladin is committed to serving all stakeholders in our projects including our own team members.

Incidents

As part of Paladin’s ESG Master Plan, construction-related incidents are tracked at all active construction sites:

- Of the measured 7,150 units under construction, there were just 13 construction-related “incidents” reported during calendar year 2020; and zero on site fatalities

Grievances

As part of Paladin’s ESG Master Plan, at every project site and local partner office, anonymous channels exist whereby communities and employees can voice grievances. Summary results:

- In 2020 there were zero community grievances submitted regarding Paladin’s projects; there were no unresolved grievances as of the end of the year
- There were zero grievances from employees working at the any of Paladin’s development or construction partners with; there were no unresolved grievances as of the end of the year



ESG Training

In 2020 Paladin conducted training with all of its team members to review the firm’s ESG policies and practices. The goal of the training was to remind Paladin employees who are not ESG Committee members of their duty to all stakeholders related to Paladin’s projects, and to ensure that new Paladin team members are familiar with Paladin’s ESG Master Plan.

GRESB Benchmarking

For the second consecutive year, Paladin submitted a GRESB (Global Real Estate Sustainability Benchmark) Developer assessment for its latest pan-regional Latin America Fund, V. Highlights as follows:

- The Fund scored a 62 and ranked 7th in its peer group
- The largest improvements will come as additional projects achieve sustainability ratings under the EDGE, or LEED programs
- GRESB assessments are available upon request



Paladin ESG Committee

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Aligned with UN’s Sustainable Development Goals

