



SUTHERLAND ASSET MANAGEMENT CORPORATION 2016 DIVIDEND TAX INFORMATION

The following table provides detailed information relating to the dividend distributions paid to Sutherland Asset Management Corporation (the "Company") common stockholders with respect to the 2016 tax year. This information is provided for informational purposes only and should not be construed as tax advice. It should only be used to clarify Federal Form 1099-DIV. Stockholders are encouraged to consult with their tax advisors regarding the specific tax treatment of the Company's distributions.

Sutherland Asset Management Corporation Common Stock:

Record Date	Payment Date	Distribution per Share	Ordinary Dividends	Qualified Dividends	Capital Gain Dividends	Return of Capital
12/31/2015	1/15/2016	\$0.40	\$0.00	\$0.00	\$0.40	\$0.00
3/31/2016	4/15/2016	\$0.40	\$0.00	\$0.00	\$0.40	\$0.00
6/30/2016	7/15/2016	\$0.40	\$0.00	\$0.00	\$0.40	\$0.00
9/30/2016	10/17/2016	\$0.40	\$0.00	\$0.00	\$0.40	\$0.00
12/30/2016	1/27/2017	\$0.35	\$0.00	\$0.00	\$0.35	\$0.00
Total		\$1.95	\$0.00	\$0.00	\$1.95	\$0.00

Pursuant to IRC Section 857(b)(9), cash distributions made on January 15, 2016 with a record date of December 31, 2015 are treated as received by shareholders on December 31, 2015 to the extent of 2015 earnings and profits. Similarly, cash distributions made on January 27, 2017 with a record date of December 30, 2016 are treated as received by shareholders on December 31, 2016 to the extent of 2016 earnings and profits.

As the Company’s aggregate 2015 cash distributions exceeded its 2015 earnings and profits, all of the January 2016 distribution declared in the fourth quarter of 2015 was not included on the 2015 Form 1099 and is included on the 2016 Form 1099. In addition, all of the January 2017 distribution declared in the fourth quarter of 2016 is included on the 2016 Form 1099.

The Company was party to a merger with ZAIS Financial Corporation (“ZAIS”) on October 31, 2016. For federal income tax purposes, ZAIS is treated as the surviving entity in the merger. As such, information reflected above reflects the activities of ZAIS for the period prior to the merger and the activities of the combined company following the merger. Shareholders who were invested in the Company prior to the merger, but never held shares of ZAIS, will receive two Form 1099s to capture their dividends from the different tax-reporting entities.