(December 2017 Department of the Treasury

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

OMB No. 1545-0123

Internal Revenue Service Reporting Issuer Part I 2 Issuer's employer identification number (EIN) 1 Issuer's name Angel Oak Dynamic Financial Strategies Income Term Trust 84-3728542 3 Name of contact for additional information 4 Telephone No. of contact 5 Email address of contact Dan Fazioli (404) 528-2681 Dan.Fazioli@angeloakcapital.com 6 Number and street (or P.O. box if mail is not delivered to street address) of contact 7 City, town, or post office, state, and ZIP code of contact 3344 Peachtree Rd. NE, Suite 1725 Atlanta, GA 30326 8 Date of action 9 Classification and description 1/31/2021 Non-taxable Return of Capital Distribution 10 CUSIP number 11 Serial number(s) 12 Ticker symbol 13 Account number(s) See Statement 1 See Statement 1 N/A Organizational Action Attach additional statements if needed. See back of form for additional guestions. Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► Angel Oak Dynamic Financial Strategies Income Term Trust paid a non-taxable return of capital distribution on the dates listed on Statement 1 to the shareholders of record on the dates listed on Statement 1. A portion of each distribution constitutes a non-taxable return of capital. Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis The portion of the distribution that constitutes a non-taxable return of capital will decrease a U.S. taxpayer's basis in the shares of the Issuer. See Statement 1 for per share of the non-taxable return of capital. Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► The basis of the shareholders of record for each dividend is lowered by the per share return of capital amount listed on Statement 1. The rate was determined in accordance to IRC §301 and §316.

Par	t II	Organizational Action	(continued)						
17	List th	ne applicable Internal Revenue	Code section(s) and subsection(s) u	pon which the tax treatment is based ▶	IRC §301 and §316				
			d? ► No loss can be recognized b	by the shareholders of record for the n	on-taxable return of capital				
distri	bution	received.							
		de any other information neces d on the shareholder's 1099-		uch as the reportable tax year ▶ The info	ormation provided above will				
<u>DO 10</u>	100100	d on the sharehelder 3 1077	Statement box c.						
	Un	der penalties of periury. Lideclare	that I have examined this return, including	a accompanying schedules and statements a	and to the best of my knowledge and				
	bel	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.							
Sign		A signed copy is maintained by the issuer							
Here	Sig	nature •							
	Pri	nt your name ►		Title ►					
Paid	ł	Print/Type preparer's name	Preparer's signature		Check if PTIN				
Pre		r			self-employed				
Use		y Firm's name ▶			Firm's EIN ▶				
		Firm's address ▶			Phone no.				
Send	rorm	osor (including accompanying	j statements) to: Department of the I	reasury, Internal Revenue Service, Ogde	en, UT 84201-0054				

Angel Oak Dynamic Financial Strategies income Term Trust 84-3728542 FYE 01/31/2021

DYFN

					Return of
Record Date	Ex Date	Payable Date	Total Dividend	Return of Capital	Capital %
8/17/2020	8/14/2020	8/28/2020	0.11310000	0.03636975	32.1572%
9/16/2020	9/15/2020	9/30/2020	0.11310000	0.03636975	32.1572%
10/16/2020	10/15/2020	10/30/2020	0.11310000	0.03636975	32.1572%
11/16/2020	11/13/2020	11/30/2020	0.11310000	0.03636975	32.1572%
12/16/2020	12/15/2020	12/31/2020	0.12280000	0.03948899	32.1572%
1/15/2021	1/14/2021	1/29/2021	0.12280000	0.03948899	32.1572%
			0.69800000	0.22445697	•