

Angel Oak Dynamic Financial Strategies Income Term Trust Declares First Quarter 2021 Distributions

ATLANTA (January 4, 2021) — Angel Oak Dynamic Financial Strategies Income Term Trust (the “Fund”), a closed-end fund traded on the New York Stock Exchange under the symbol DYFN, today declared a distribution of \$0.1228 per share for the months of January, February and March 2021. The record date for the January distribution is January 15, 2021, and the payable date is January 29, 2021. The Fund will trade ex-distribution on January 14, 2021. The Fund's monthly distributions for the first quarter of 2021 of \$0.1228 per share represents an 8.6% increase from the monthly distribution of \$0.1131 at the end of the third quarter of 2020.

Fundamentally the banking sector is well positioned for 2021 as the capital, liquidity, and funding profiles of banks have improved vastly in the past decade. The bank debt sector was not immune to spread widening at the onset of the COVID-19 pandemic and has been slower to recover given, in Angel Oak's view, (1) the U.S. Federal Reserve Bank specifically excluded the banking sector from its corporate debt buying programs and (2) record subordinated debt issuance from an average of approximately \$4 billion over the last 5 years to approximately \$10 billion in 2020. However, Angel Oak believes the sector will benefit from spread tightening as issuance levels normalize. Additionally, the firm anticipates a re-acceleration in merger and acquisition activity following the pandemic-driven slowdown in 2020, during which volumes were down approximately 60% from 2019. “We continue to see favorable conditions in community bank debt and continued improvement in NAV for DYFN,” said portfolio manager Johannes Palsson. “As a result, we decided to increase the distribution for the Fund beginning in December 2020 to better align the Fund's distribution rates with its current and projected income,” added Palsson. The net asset value (“NAV”) per common share of DYFN increased from \$20.00 at inception of June 26, 2020 to \$20.45 as of December 31, 2020.

The Fund intends to make regular monthly cash distributions of all or a portion of its investment company taxable income (which includes ordinary income and short-term capital gains) to Shareholders. The Fund also intends to make annual distributions of its realized “net capital gains” (which is the excess of net long-term capital gains over net short-term capital losses). A portion of each distribution may be paid from sources other than net investment income, including but not limited to short-term capital gain, long-term capital gain, or return of capital if the Board determines that such distributions are in the best interests of Shareholders. A return of capital is not a distribution of income or capital gains from the Fund, does not necessarily reflect the Fund's investment performance, and should not be considered “yield” or “income.” As required by Section 19(a) of the Investment Company Act of 1940, a notice will be distributed to Shareholders in the event that a portion of a monthly distribution is derived from sources other than undistributed net investment income. The final determination of the source and tax characteristics of these distributions will depend upon the Fund's investment experience during its fiscal year and will be made after the Fund's year end. The Fund will send to investors a Form 1099-DIV for the calendar year that will define how to report these distributions for federal income tax purposes.

ABOUT DYFN

Led by Angel Oak's experienced financial services team, DYFN invests predominantly in U.S. financial sector debt as well as selective opportunities across financial sector preferred and common equity. Under normal circumstances, at least 80% of DYFN's portfolio will be publicly rated investment grade or, if unrated, judged to be of investment grade quality by Angel Oak.

ABOUT ANGEL OAK CAPITAL ADVISORS, LLC

Angel Oak Capital Advisors is an investment management firm focused on providing compelling fixed-income investment solutions to its clients. Backed by a value-driven approach, Angel Oak Capital Advisors seeks to deliver attractive, risk-adjusted returns through a combination of stable current income and price appreciation. Its experienced investment team seeks the best opportunities in fixed income, with a specialization in mortgage-backed securities and other areas of structured credit.

Information regarding the Fund and Angel Oak Capital Advisors can be found at www.angeloakcapital.com.

Spread: The difference in yield between LIBOR and a debt security with the same maturity but of lesser quality.

Past performance is neither indicative nor a guarantee of future results. Investors should consider the investment objective and policies, risk considerations, charges and ongoing expenses of an investment carefully before investing. For more information please contact your investment representative or Destra Capital Advisors LLC at 877.855.3434.

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