



Angel Oak Financial Strategies Income Term Trust Declares August 2025 Distribution

ATLANTA (August 1, 2025) — Angel Oak Financial Strategies Income Term Trust (the “Fund”), a closed-end fund traded on the New York Stock Exchange under the symbol FINS, today declared a distribution of \$0.115 per share for the month of August 2025, equating to an approximate 10% distribution on NAV. FINS intends to maintain its level distribution policy at the new higher distribution rate. The record date for the distribution is August 15, 2025, and the payable date is August 29, 2025. The Fund will trade ex-distribution on August 15, 2025.

FINS increased the monthly distribution from \$0.109 to \$0.115 given the benefit to the Fund from higher coupon investments as Angel Oak Capital Advisors fully optimizes the portfolio into a robust primary issuance market following the recent Rights Offering. Angel Oak Capital Advisors’ investment team rapidly deployed proceeds from the Rights Offering into money center and regional bank debt to eliminate cash drag. With the acceleration in the community bank debt issuance calendar, the team has re-deployed approximately half of the proceeds into higher-coupon community bank bonds (average coupon 7.68%, range: 7.00%-9.00%). Coupons on the new bonds are over 100 basis points higher than the Fund’s average coupon of 6.51%, as of June 30, 2025. The near-term issuance pipeline remains robust.

In addition to the immediate benefit from accretively deploying the new capital, the team believes several factors offer additional upside to NAV in the current environment:

1. Positive tailwinds from strong banking sector fundamentals: Recent second quarter bank earnings highlighted strong credit, improving net interest margins and stronger loan growth.
2. Legacy portfolio benefits from approaching call dates: Over \$100 million of fixed rate bank debt in the portfolio will transition from fixed to floating rate over the next 24 months as the bonds enter their call period, resulting in higher coupons (based on current SOFR) and/or the bonds getting called and refinanced by the issuer.
3. Increased M&A activity: Traditionally an alpha generator to the strategy, M&A activity has been accelerating in 2025 under a more favorable regulatory environment.

Although the Fund seeks to pay a distribution at a rate that is representative of net investment income actually earned, a portion of each distribution may be treated as paid from sources other than net investment income, including, to the extent permitted by law, short-term capital gain, long-term capital gain, or return of capital. 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 FINS

Led by Angel Oak’s experienced financial services team, FINS 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 50% of FINS’ portfolio is publicly rated investment grade or, if unrated, judged to be of investment grade quality by Angel Oak Capital Advisors.

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.

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.