

# The Essential 40 Stock ETF

## Ticker: ESN



### Why Invest

- The Essential 40 ETF is a large cap core strategy for investors taking a long-term view.
- Forty stocks that we believe are deemed essential to the U.S. economy and the American way of life.
- Equal weighted basket seeking to mitigate risk built upon the foundation of "buy what you need".

### Performance - USD (%)

#### Calendar Year Returns through 12/31/2025

Returns	4Q25	YTD	1Yr	2Yr	3Yr	5Yr	*10Yr	*Since Inception (6/11/14)
Essential 40 Stock ETF - NAV	1.44%	16.31%	16.31%	14.41%	17.49%	12.36%	9.62%	7.89%
Essential 40 Stock ETF - Market Price	1.50%	16.52%	16.52%	n/a	n/a	n/a	n/a	n/a
S&P 500 Equal Weight Index	1.39%	11.43%	11.43%	12.21%	12.76%	10.48%	11.71%	10.49%
S&P 500 Total Return Index	2.66%	17.88%	17.88%	21.40%	23.01%	14.42%	14.82%	13.51%

\* From fund inception 6/11/2014 until 12/04/2017, Morningstar classified the fund as a Hedged Equity strategy. This fund experienced a significant change in its investment strategy as of 12/04/2017 and recategorized this fund as a Large Blend strategy.

NAV: Net Asset Value represents the closing price of underlying securities. Market Price: Market Price calculated using the price which investors buy and sell ETF shares in the market. The market returns in the table are based upon the midpoint of the bid/ask spread at 4:00pm EST, and do not represent the returns that you would have received if you traded shares at other times.

The performance data quoted represents past performance. Current performance may be lower or higher than the performance data quoted above. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that investor's shares, when redeemed, may be worth more or less than their original cost. For the most recent month-end performance call 1-800-451-5493 or visit [essential40etf.com](http://essential40etf.com).

### Fund Details

Objective	Long-term growth of capital
Inception Date	6/11/14
Total Net Assets	\$193mm
Morningstar Category	US Large Cap Value
Distribution Frequency	Annual

### Trading Information

Ticker	ESN
CUSIP Number	664925708
Exchange	Nasdaq

### Key Facts

As of 12/31/2025

Net Expense Ratio	0.70%
Gross Expense ratio	0.95%
Launch Date	6/11/2014
Dividend Frequency	Quarterly
# of Holdings	40
Average Market Cap	\$217.52B
AUM	\$193,300,000

The Adviser contractually agreed to waive management fees and make payments to limit fund expenses, until at least September 30, 2026

### Portfolio management

Jeff Kilburg	Manager Since 2014
Daniel Deming	Manager Since 2017



\* "buy what you need," means investors should invest in companies they understand and whose products or services they use in their daily lives. This allows them to make more informed investment decisions based on their own knowledge and experience.

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## Top 10 Holdings

As of 12/31/2025

Symbol	Name	% Weight
INTC	INTEL CORP	4.28%
GOOGL	ALPHABET INC-A	3.60%
CVS	CVS HEALTH CORP	3.29%
JNJ	JOHNSON&JOHNSON	3.06%
F	FORD MOTOR CO	2.95%
IBM	IBM	2.94%
JPM	JPMORGAN CHASE	2.91%
LLY	ELI LILLY & CO	2.88%
BA	BOEING CO/THE	2.82%
ORCL	ORACLE CORP	2.79%

Holdings are subject to change and do not constitute a recommendation or solicitation to buy or sell a particular security. Current and future portfolio holdings are subject to risk.

## Stock Sector Exposure

As of 12/31/2025

	Essential 40 ETF	S&P 500 Total Return	S&P 500 Equal Weight
<b>Cyclical</b>	25.80%	27.74%	35.34%
Basic Materials	5.40%	1.70%	4.20%
Consumer Cyclical	7.38%	10.60%	10.72%
Financial Services	13.00%	13.30%	14.25%
Real Estate	0.00%	1.08%	6.20%
<b>Sensitive</b>	52.90%	56.10%	39.40%
Comm. Services	9.91%	10.71%	4.10%
Energy	7.02%	2.82%	4.22%
Industrials	16.80%	7.71%	14.81%
Technology	19.22%	34.80%	16.32%
<b>Defensive</b>	21.30%	16.50%	25.30%
Consumer Defensive	4.23%	4.60%	6.90%
Healthcare	12.41%	9.70%	12.33%
Utilities	4.74%	2.22%	6.21%

## Stock Style Exposure

As of 12/31/2025

Lg Cap Value	35.93%	Mid Cap Value	13.83%	Sm Cap Value	0.00%
Lg Cap Blend	34.69%	Mid Cap Blend	4.74%	Sm Cap Blend	0.00%
Lg Cap Growth	8.15%	Mid Cap Growth	2.66%	Sm Cap Growth	0.00%

FOR MORE INFORMATION PLEASE VISIT  
[www.essential40etf.com](http://www.essential40etf.com)

Investors should carefully consider the investment objectives, risks, charges and expenses of the Fund. This and other important information about the Fund is contained in the prospectus, which can be obtained by calling 1-800-451-5493. The prospectus should be read carefully before investing. The Essential 40 Stock Fund is distributed by Northern Lights Distributors, LLC, Member FINRA/SIPC. KKM Financial is not affiliated with Northern Lights Distributors, LLC. Member FINRA/SIPC.

The fund experienced a significant change in its investment strategy as of 12/04/2017. Details regarding significant restructures can be obtained by emailing [info@kkmfinancial.com](mailto:info@kkmfinancial.com). © 2025 Morningstar, Inc. All Rights Reserved. A fee was paid for the use of this data. Returns include reinvestment of dividends and capital gains. This Fund has a performance-based management fee that may adjust up or down based on the Fund's performance. Performance for some periods may incorporate returns from older share classes, adjusted for fees and expenses. Email [info@kkmfinancial.com](mailto:info@kkmfinancial.com) for specific details. Holdings are subject to change without notice. Equity country, regional, sector and industry weights primarily based on MSCI and GICS classifications. There is no assurance the stated objective(s) will be met. Investing involves risk, including the possible loss of principal and fluctuation of value. Equity securities are subject to risks including market risk. Returns will fluctuate in response to issuer, political and economic developments.

Morningstar Portfolio Risk Score Methodology measures the overall risk of a managed investment's portfolio. MPRS uses Morningstar Risk Model's holdings-based analysis to derive a risk estimate and score, and Morningstar's multi-asset Target Allocation Indexes to define the risk ranges. Morningstar Risk is an assessment of the variations in an investment's monthly returns in comparison to similar investments. The greater the variation, the larger the risk score. Morningstar Return is an assessment of the investment's excess return over a risk-free rate (the return of the 90-day Treasury bill) in comparison to similar investments. Investments with less than three years of performance history are not rated. Ratings and/or rankings may be based, in part, on the performance of a predecessor fund or share class and are calculated by Morningstar using a methodology that differs from that used by KKM Financial. Methodology differences may have a material effect on the return and therefore the rating/ranking. © 2025 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

S&P 500® Index reflects U.S. large-cap equity performance and represents broad U.S. equity market performance. Index performance does not reflect the expenses of managing a portfolio as an index is unmanaged and not available for direct investment.

**Alpha** compares risk-adjusted performance relative to an index. Positive alpha means outperformance on a risk-adjusted basis.

**Turnover** is a measure of portfolio trading activity. Higher turnover may indicate higher transaction costs and vice versa.

**Beta** measures the volatility of a security or portfolio relative to an index. Less than one means lower volatility than the index; more than one means greater volatility.

**Sharpe Ratio** measures risk-adjusted performance using excess returns versus the "risk-free" rate and the volatility of those returns. A higher ratio means better return per unit of risk.

**Standard Deviation** measures historical volatility. Higher standard deviation implies greater volatility.

While the shares of ETFs are tradeable on secondary markets, they may not readily trade in all market conditions and may trade at significant discounts in periods of market stress. ETFs trade like stocks, are subject to investment risk, fluctuate in market value and may trade at prices above or below the ETF's net asset value.

Brokerage commissions and ETF expenses will reduce returns. There is no guarantee that the Fund will achieve its objective.

**Principal Risks:** Remember that in addition to possibly not achieving your investment goals, you could lose money by investing in the Fund. The principal risks of investing in the Fund are:

- **General Risk.** Domestic economic growth and market conditions, interest rate levels, and political events are among the factors affecting the securities markets in which the Fund invests.
- **Large-Capitalization Securities Risk.** Large-capitalization companies usually cannot respond as quickly as smaller companies to competitive challenges, and their growth rates tend to lag the growth rates of well-managed smaller companies during strong economic periods.
- **Equity Securities Risk.** The Fund invests in common stock, which subjects the Fund and its shareholders to the risks associated with common stock investing. Overall stock market risks may affect the value of the Fund. When the value of the Fund's investments goes down, your investment in the Fund decreases in value and you could lose money.
- **Futures Risk.** Investments in futures involve leverage, which means a small percentage of assets invested in futures can have a disproportionately large impact on the Fund.
- **Options Risk.** When the Fund purchases an option on a security or index it may lose the entire premium paid if the underlying security or index does not decrease in value.
- **Management Risk.** Management risk is the risk that the investment process used by the Fund's portfolio manager could fail to achieve the Fund's investment goal and cause an investment in the Fund to lose value. Given the Fund is going to attempt to track the Index, the Fund does not follow traditional methods of active investment management.