



FEE ONLY FINANCIAL AND INVESTMENT ADVISORS

Risk Tolerance vs. Risk Capacity

Recovery rates for sample portfolio losses

Loss	Total Return Required to Offset Loss	Estimated Recovery Period at a rate of 9.50%*
10%	11%	1.2 years
20%	25%	2.6 years
30%	43%	4.5 years
40%	67%	7.1 years
50%	100%	10.5 years
60%	150%	15.8 years

*based on average one year historical returns from 1959-2009 for a portfolio of 60% stocks/ 30% bonds/ 10% cash