

(MoneyWatch) The New Year is a time to reflect on the changes we want or need to make. The following are recommendations for New Year's resolutions that will not only make you a better investor, but will also improve the quality of your life -- assuming you have the discipline to stick to them.

- 1.** I'll adhere to my investment plan. If I don't have one, I'll immediately develop one.
- 2.** I won't take more risk than I have the ability, willingness or need to take.
- 3.** I will avoid all complex investments and won't invest in something if I don't fully understand its risks.
- 4.** I'll ignore all market and economic forecasts, because they have no value.
- 5.** I'll remember that just because something seems obvious now, it doesn't mean it was obvious before it happened.
- 6.** I won't confuse strategy with outcome. If my plan doesn't return what I expected, that doesn't mean my strategy was wrong. Sometimes you win; sometimes you lose.
- 7.** I won't react to current market trends. Instead, I'll remember rule No. 1.
- 8.** I won't treat the unlikely as impossible, nor the likely as certain.
- 9.** I'll take my risk in the stock market and use bonds to dampen my overall risk, if necessary. My bonds will be of the highest quality.
- 10.** I won't confuse yield and return. If an investment has a high yield, there's a high degree of risk, even if I can't see it.

And here's a bonus resolution, which will not only help you, but probably provide some good laughs, too:

I will keep a diary of my market and economic forecasts and review them at the end of the year. That will help me avoid the mistake of being overconfident of my skills.