The Investor's Risk Reduction Checklist

1. Get the power of compounding working for you now, and don't interrupt it. (434)
2. Do your own research before making any investment. Do not rely on others. (381, 438, 441)
3. Have a rigorous thought process when evaluating investments, and stick to that process. (352)
4. Expect long-term returns of about 8% and consider that investments above that could be "too good to be true." (284)
5. Build a network of experienced professionals who can give you input. (177)
6. Always spend time considering the risk before investing. (441)
7. Size your position according to your ability to handle a loss. If the risk is high, start small. (441, 403, 432)
8. Consider the "unknowns" with any investment idea. (159)
9. Invest in things that you can quickly exit. If you can't, demand a very high return and deploy a small amount of your money. (284)
10. Walk away from an investment as soon as you realize it's not going to work. (441, 352)
11. Remember that past success does not guarantee future success. (444)
12. When investing in a foreign country, consider the risks of both the asset and the currency. (324)
13. Focus on company performance, not only stock price. (432)
14. Invest in good quality companies rather than betting on poor companies turning around. (432)
15. Expect that some of your investment ideas will fail; not every stock you pick will be a winner. (403)