

Apple, Chipotle or Netflix?

Three of my favorite companies are Apple, Netflix and Chipotle. I watch a lot of Netflix. It has most of my favorite shows. I love Apple products. iPod, iPad, iPhone, laptops, Apple TV, what's not to love there. And of course I love burritos and my favorite place to get a burrito is Chipotle.

I recently learned that people have made a lot of money investing in the stocks of these companies. Apparently, you could have bought stock in any of these companies years ago and now you would have a fortune. Heck, I knew all of these companies would be successful years ago, all the way back in 2007. The charts below give the annual percent return for Netflix, Apple and Chipotle stocks. For example, if you had invested \$1000 in Netflix at the start of 2007, you would have made 2.94% on that investment that year. *How much would you have at the end of 2007?*

Netflix (stock ticker: NFLX)

Year	2007	2008	2009	2010	2011	2012	2013	2014
Percent Increase or Decrease	2.94	12.28	84.31	218.93	-60.56	33.63	297.63	-7.21

Apple (stock ticker: AAPL)

Year	2007	2008	2009	2010	2011	2012	2013	2014
Percent Increase or Decrease	133.47	-56.91	146.9	53.07	25.56	32.71	7.64	40.03

Chipotle (stock ticker: CMG)

Year	2007	2008	2009	2010	2011	2012	2013	2014
Percent Increase or Decrease	158.02	-57.86	42.24	141.22	58.82	-11.93	79.11	28.48

1. If you could go back to the beginning of 2007 and invest money in Apple, Chipotle or Netflix in order to make the most money, which stock would you choose? Explain your thinking.

2. On average about how much did each stock grow in value each year? Once you find the first stock's average growth rate check that it actually works. That is, take some amount, like \$100 or \$10,000 and let the stock grow at your average annual growth rate. Compare that to the actual growth rates of the stock and your answer to problem one. Did you get roughly the same growth?

3. Hey, it might not be too late to make some money on these stocks. If we invest \$1,000 (or start with different amount) today and assume the stocks grow at this same rate for another 20 or 30 years, how much will your stock be worth? Pick one stock and track its potential value 20 to 30 years from now ... *[When investing, most financial advisors recommend diversifying your portfolio with many different stocks. Past earnings do not guarantee future results. Most stocks do not grow in value like these three have.]*