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## Dream Stocks for Growth Investors

<http://www.fool.com/investing/high-growth/2009/11/04/dream-stocks-for-growth-investors.aspx>

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Investors are always hunting for the next big stock -- the dream stock whose price increases several times over when the market finally discovers it. It's easy to look back and discover the [10 best stocks of the past decade](#). But I'm more interested in the tools that can help me evaluate tomorrow's greatest companies.

[Motley Fool CAPS](#) offers a variety of resources to aid Fools in finding tomorrow's leaders. Our 140,000-member community is full of investors helping each other beat the market.

We'll enlist CAPS to screen for growth companies, then get the story behind some of its more highly rated stocks. CAPS' nifty [screener](#) will help us find stocks with:

- A market cap of at least \$500 million.
- A trailing three-year earnings-per-share growth rate of at least 25%.
- A trailing three-year revenue growth rate of at least 25%.
- A price-to-earnings ratio of less than 25.

Then we'll tap the collective intelligence of our CAPS members to see whether these companies present real opportunities -- or whether the numbers fail to tell the true story.

### Opinions with the numbers

Below is a sample of stocks our screen returned. You can [run this screen yourself](#) -- remember, though, that your results may differ from ours as the market changes.

Company	EPS Growth Rate, Past 3 Years	Revenue Growth Rate, Past 3 Years	CAPS Rating (Out of 5)
<b>Diana Shipping</b> (NYSE: <a href="#">DSX</a> )	29.5%	50%	*****
<b>Shanda Interactive</b> (Nasdaq: <a href="#">SNDA</a> )	114.4%	31.6%	****
<b>Ebix</b> (Nasdaq: <a href="#">EBIX</a> )	63%	43.2%	****

Data and star rankings from CAPS as of Oct. 30.

### Diana Shipping

Unlike [riskier two-star dry bulk shippers](#) like **DryShips** (Nasdaq: [DRYS](#)), many CAPS members see Diana as a safer bet, with a greater potential to weather the bleak economy and prosper once things turn around. The company has a manageable amount of debt compared to its cash balance and has managed to maintain a [high fleet utilization rate](#) with the help of its long-term charters. When global economies recover, investors anticipate that Diana will benefit as 97% of the 2,290 CAPS members rating Diana Shipping expect it to outperform the market.

### Shanda Interactive

Shanda Interactive's revenue grew 48% in the second quarter, thanks to a [booming Chinese gaming sector](#). But the main driver of its revenue was recently spun off in into **Shanda Games** (Nasdaq: [GAME](#)) in a move similar to **Sohu.com's** spinoff of **Changyou.com**. After the IPO, Shanda Interactive is left with a lot more cash, but it still holds a sizeable 71% stake in the [stand-alone gaming company](#). Shanda Games expects big revenue growth over the next five years and looks to outpace the industry. A solid contingent of CAPS members still see upside potential for Shanda and

expect it to put its cash to good use as 96% of the 917 members rating Shanda Interactive remain bullish.

### **Ebix**

Even as a global economic storm has brutally punished insurance companies from **AIG** (NYSE: [AIG](#)) to **Allstate** (NYSE: [ALL](#)), Ebix [has been flourishing](#) as it continues to push its software into the hands of its insurance industry customers. It reported solid second-quarter numbers across the board and CAPS members like [its future potential](#) as it adds more capabilities for its customers. Ebix's software helps insurance companies and brokerages manage their businesses more efficiently and the firm holds a strong competitive position. It expects to add to its earnings with its recent acquisitions of E-Z Data -- a leader in the fast growing on-demand customer relationship management market -- and Peak Performance Solutions. The move to expand its offerings also gives Ebix an increased presence across the financial services industry and access to more international markets. Today, nearly 97% of the 582 CAPS members rating Ebix believe it will beat the broader market.

### **Let 140,000 members be the jury**

The collective wisdom of a huge pool of investors can help give context to a page of numbers from a stock screen. But individual investors are still the best judges of what to do with their own money. Fools should always perform their own [due diligence](#).

Happily, it's easy to chime in with your own opinion. If you agree that these companies present dream opportunities -- or see more of a nightmare instead -- simply scroll down and add your thoughts in the comments box.

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