

Activist Investors Were Taken For A Roller Coaster Ride In Shares Of Aareal Bank AG. Now You Can Take Advantage of Their Misfortune

Oct 6, 2020 | By Alex Gavrish, Etalon Capital Ltd; author of "Story Investing"

Isaac Bashevis Singer, Nobel Prize laureate in literature said: "A story to me means a plot where there is some surprise. Because that is how life is - full of surprises".

The same holds true in investing, because companies, markets, and economy by their very nature are social processes. And when there are humans involved, there will always be surprises.

Over the past nine months, activist hedge fund that invested in shares of Aareal Bank AG was taken for a roller coaster ride.

Shares of Aareal Bank AG fell 39% during 2020.

But something in this picture was missing.

David Bohm, an American scientist who has been described as one of the most significant theoretical physicists of the 20th century, once explained this:

"A good picture is not only an integral whole, but even more, it achieves this wholeness by expressing something having universal significance. In other words, while it is something specific, particular, limited in its existence, etc., its relationships to its parts are rich enough and of the right character to suggest the universe and its relationships to its parts. Thus, it is "universal" in the sense that

somehow its structure reflects that of the universe. In other words, it makes a kind of “world in itself”.

I believe that the picture with Aareal Bank AG became more integral and whole in August.

On August 14th, 2020, company [announced](#) that private equity firm Advent International acquired a 30% stake in bank’s IT subsidiary Aareon for EUR 260 mil at a EUR 960 mil enterprise value for the whole company. This valuation represents 87% of Aareal Bank AG current market capitalization.

You do not need to have alternative data sources which are popular nowadays or be a quantitative analyst with a PhD in Math. What you need is the ability to see the [story](#) and see the big picture.