



Leopold Aschenbrenner's \$45 Billion Fund Faces Liquidation

Description

Two years ago, Leopold Aschenbrenner claimed he had a clear vision of the future. His 165-page essay became popular in Silicon Valley, and he was seen as a prophet for the rise of artificial superintelligence. However, this week, his hedge fund, Situational Awareness, faced difficulties due to falling semiconductor stocks and financial pressures from Wall Street.

At its highest point earlier this month, the fund had assets worth \$45 billion. By Thursday, after selling off troubled investments like SK Hynix and CoreWeave to Citadel, the fund's value dropped to about \$10 billion. Aschenbrenner's rise and fall have attracted attention from both investors and technology circles, making him a prominent case of the instability in the AI market.

Critics say Aschenbrenner lacked experience before starting his fund in July 2024, suggesting that he was more lucky than skilled. Reports indicate that his fund used significant leverage, with some claiming up to 400%, which raised concerns about its stability.

Many supporters praised his insights into AI, but others pointed out risks in the approach taken by Situational Awareness. A significant investment in a private company, Anthropic, was also part of the fund's assets.

Interestingly, the drop in the fund's value coincided with Aschenbrenner's wedding, which is set for this weekend. He is engaged to Avital Balwit, chief of staff at Anthropic.

Vocabulary List:

1. **superintelligence** //su:pəɪn'telɪdʒəns// (noun): very powerful intelligence much better than humans
2. **semiconductor** //,semɪkən'dʌktə// (noun): a material used to make electronic parts
3. **leverage** //'levərɪdʒ// (noun): use of borrowed money to increase profit
4. **assets** //'æsets// (noun): things owned by a person or company
5. **instability** //,ɪnstə'bɪlɪti// (noun): a situation that is not steady or safe
6. **coincided** //,kəʊɪn'saɪdɪd// (verb): happened at the same time as something

Comprehension Questions



Multiple Choice

1. What was the initial value of Aschenbrenner's fund at its highest point?
 - Option: \$45 billion
 - Option: \$50 billion
 - Option: \$40 billion
 - Option: \$30 billion

2. In what month did Aschenbrenner start his hedge fund?
 - Option: January 2024
 - Option: July 2024
 - Option: March 2024
 - Option: December 2024

3. What was a significant investment made by Situational Awareness?
 - Option: CoreWeave
 - Option: Anthropic
 - Option: Citadel
 - Option: SK Hynix

4. Who is Leopold Aschenbrenner engaged to?
 - Option: Avital Balwit
 - Option: Karen Smith
 - Option: Jessica Lee
 - Option: Linda Johnson

5. What financial issue did Situational Awareness face recently?
 - Option: Rising stock prices
 - Option: Falling semiconductor stocks
 - Option: Increased investments
 - Option: Lower costs

6. How much leverage did some reports claim Aschenbrenner's fund used?
 - Option: 100%
 - Option: 200%
 - Option: 300%
 - Option: 400%



True-False

7. Leopold Aschenbrenner's fund is called Situational Awareness.
8. Aschenbrenner's fund was successful and continued to grow without any issues.
9. Critics believe Aschenbrenner had significant experience before starting his fund.
10. The value of the fund dropped to about \$10 billion after selling off troubled investments.
11. Aschenbrenner's wedding is set for next month.
12. Avital Balwit is the chief of staff at Anthropic.

Gap-Fill

13. Aschenbrenner's fund faced difficulties due to falling semiconductor stocks and financial pressures from _____.
14. The fund's value dropped to about \$ _____ billion after selling off troubled investments.
15. Aschenbrenner claimed to have a clear vision of the future two years _____.
16. Reports indicated that Aschenbrenner's fund used significant _____, raising concerns about its stability.
17. Many supporters praised Aschenbrenner's insights into _____.
18. The fund had assets worth _____ billion at its highest point earlier this month.

Answer

Multiple Choice: 1. \$45 billion 2. July 2024 3. Anthropic 4. Avital Balwit 5. Falling semiconductor stocks 6. 400%

True-False: 7. True 8. False 9. False 10. True 11. False 12. True

Gap-Fill: 13. Wall Street



14. 10 15. ago 16. leverage 17. AI 18. 45

CATEGORY

1. Business - LEVEL3

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6. fund
7. L3
8. Leopold Aschenbrenner
9. Level 3
10. reading level
11. Situational Awareness

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Date Created

2026/08/01

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