



Leopold Aschenbrenner's Fund Seeks \$45bn in Asset Sale

Description

Two years ago, Leopold Aschenbrenner claimed he had a clear vision of the future of artificial intelligence (AI). His extensive 165-page essay, which gained notoriety in Silicon Valley, portrayed him as a visionary predicting the onset of artificial superintelligence. However, this week, the limitations of his foresight became evident as his AI-focused hedge fund, Situational Awareness, faced significant financial turmoil due to falling semiconductor stocks and Wall Street's margin calls.

At its highest valuation earlier this month, the fund managed \$45 billion in assets. By Thursday, however, after unloading all leveraged stock positions—including those in struggling companies like SK Hynix and CoreWeave—to Citadel at a reduced price, its assets diminished to approximately \$10 billion, according to informed sources.

Aschenbrenner's rapid ascent and subsequent decline have attracted attention from both Wall Street and the technology sector, marking him as the most notable victim of the current AI investment volatility. A polarising figure, he has drawn a substantial following online, with admirers viewing him as a potential genius while scrutinising his background. Prior to this month's downturn, Situational Awareness had recorded gains exceeding 1,000% since its inception.

Critics highlighted Aschenbrenner's lack of investment experience prior to launching the fund in July 2024, suggesting his success relied more on luck than skill. Reports indicated that Situational Awareness employed leverage as high as 400%, leading some in finance to predict the fund's collapse. One analyst remarked that many anticipated this failure as a matter of timing rather than possibility.

The near collapse of Situational Awareness coincided with Aschenbrenner's upcoming wedding, planned for this weekend. He is engaged to Avital Balwit, a senior executive at Anthropic, a prominent AI company.

Comprehension Questions

Multiple Choice

1. What was the highest valuation of Leopold Aschenbrenner's fund earlier this month?

- Option: \$10 billion
- Option: \$20 billion
- Option: \$30 billion
- Option: \$45 billion



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2. When did Leopold Aschenbrenner launch his hedge fund Situational Awareness?
- Option: January 2023
 - Option: July 2024
 - Option: March 2022
 - Option: August 2025
3. What percentage gain had Situational Awareness recorded prior to the recent downturn?
- Option: 500%
 - Option: 800%
 - Option: 1,000%
 - Option: 1,200%
4. Which companies' stocks did Situational Awareness unload at a reduced price?
- Option: NVIDIA and Intel
 - Option: SK Hynix and CoreWeave
 - Option: Microsoft and Google
 - Option: Apple and Amazon
5. Who is Leopold Aschenbrenner engaged to?
- Option: Marissa Meyer
 - Option: Avital Balwit
 - Option: Ada Lovelace
 - Option: Elon Musk
6. What was the leverage used by Situational Awareness at its peak?
- Option: 200%
 - Option: 300%
 - Option: 400%
 - Option: 500%

True-False

7. Leopold Aschenbrenner's hedge fund faced financial issues due to rising semiconductor stocks.
8. Aschenbrenner predicts the onset of artificial superintelligence.
9. Situational Awareness recorded losses exceeding 1,000% since its inception prior to the downturn.



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10. Aschenbrenner's upcoming wedding is planned for next weekend.
11. Critics claimed that Aschenbrenner's success was due to skill and strategy.
12. Avital Balwit is a senior executive at Anthropic.

Gap-Fill

13. Leopold Aschenbrenner claimed he had a clear vision of the future of artificial intelligence (AI) _____.
14. The fund managed as much as \$45 billion in assets earlier this _____.
15. Aschenbrenner's hedge fund faced financial turmoil due to falling semiconductor _____.
16. Situational Awareness had recorded gains exceeding _____ since its inception.
17. The near collapse of Situational Awareness coincided with Aschenbrenner's upcoming _____.
18. Critics suggested Aschenbrenner's success relied more on _____ than skill.

Answer

Multiple Choice: 1. \$45 billion 2. July 2024 3. 1,000% 4. SK Hynix and CoreWeave 5. Avital Balwit 6. 400%

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

Gap-Fill: 13. two years ago 14. month 15. stocks 16. 1,000% 17. wedding 18. luck

CATEGORY

1. Business - LEVEL6

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