

Ray Dalio Says ‘Cash Is Trash’ and Makes the Case for Crypto

- Bridgewater’s Pure Alpha II Fund has gained 1.4% this year
- Dalio says Cathie Wood wrong about 10-fold increase in Bitcoin



Ray Dalio Photographer: Patrick T. Fallon/Bloomberg

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Ray Dalio warned that investors shouldn’t become too reliant on cash and that while he owns some Bitcoin there’s a danger that governments could destroy the crypto market.

“First, know cash is trash, so don’t keep it in cash,” Dalio, the founder of \$150 billion Bridgewater Associates, told CNBC Wednesday.

Dalio, 72, who has a \$15.6 billion fortune, according to the Bloomberg Billionaires Index, said he has some money invested in Bitcoin, but it’s a small percentage of his investment in gold, which in turn is a small percentage of his other assets.

The hedge fund billionaire said that governments don’t want cryptocurrency to succeed, but that doesn’t mean investors shouldn’t diversify.

Bitcoin, the largest digital currency, has jumped more than 60% this year, but has come under increased scrutiny from regulators concerned about how retail investors are engaged with cryptocurrencies.

“At the end of the day if it’s really successful, they’ll kill it,” Dalio said. “But that doesn’t mean it doesn’t have a place.”

Later in the day at the SALT conference in New York, Dalio cast doubt on the prediction earlier this week by Ark Investment Management’s Cathie Wood that Bitcoin will increase 10-fold in five years, saying that “doesn’t make sense to me.”

Bridgewater’s Pure Alpha II hedge fund has gained 1.4% this year through August. The firm manages \$105 billion in hedge fund assets.