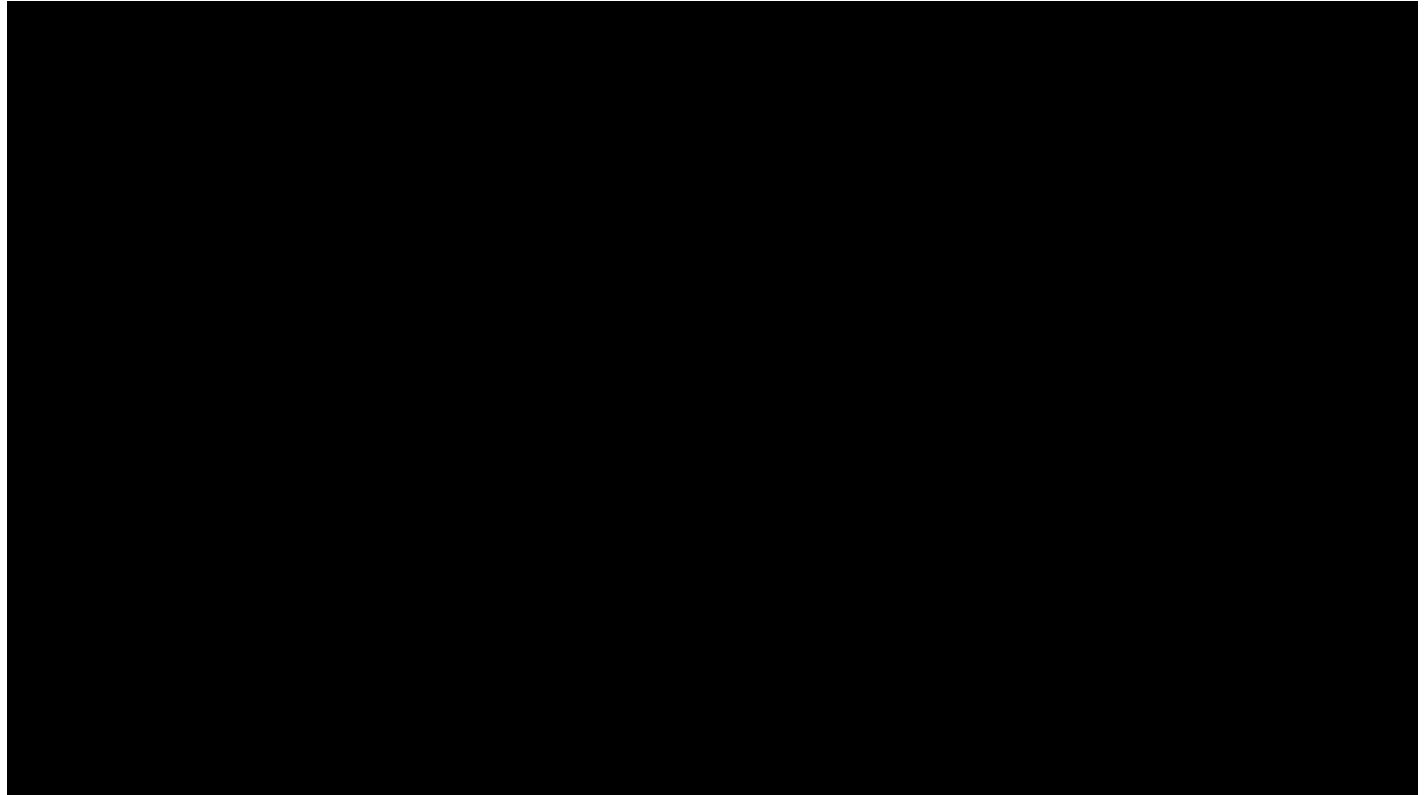


Markets

It's Time to Consider Crypto, Says Pension and Endowment Adviser

By [Alastair Marsh](#)

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Bitcoin Is Going to Be Digital Gold, Says Galaxy's Novogratz

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Institutional investors should consider dipping their toes into cryptocurrencies, according to [Cambridge Associates](#), a consultant for pensions and endowments.

“Despite the challenges, we believe that it is worthwhile for investors to begin exploring this area today with an eye toward the long term,” said analysts at Boston-based Cambridge in a research note published Monday. “Though these investments entail a high degree of risk, some may very well upend the digital world.”

Most large institutions have steered clear of the 10-year-old, \$120 billion industry because it's largely unregulated and cryptocurrencies have been used to finance illicit trade. The collapse in crypto prices hasn't helped either: Bitcoin, the largest digital currency, lost about 75 percent of its value in 2018.

For those prepared to take the plunge, Cambridge recommends "a considerable amount of time learning about the space," including surveying the different ways of investing, from illiquid venture capital funds to buying tokens on an exchange. The firm advises institutions that manage more than \$300 billion.

Institutional investments, though rare, bring cheer to crypto enthusiasts who say a wave of institutional investment could bring greater credibility to the market.

Two pension plans in Fairfax County, Virginia, this month invested in a venture-capital fund for the blockchain and digital assets industry. Last year Yale University invested in a fund focused on early-stage projects focused on cryptocurrencies, new blockchains and exchanges.

"The dramatic declines that swept across the crypto space raised questions about the future of these assets and the blockchain technology that underpins them," the analysts said. "Yet, in looking across the investment landscape, we see an industry that is developing, not faltering."

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