

BUSINESS

Betsy Cohen reckons AI could revolutionise the wealth sector. That's why she's backing a digital family office platform



By [James Williams](#) 15th May 2023

Might AI be about to infiltrate the family office world in a serious way? Prominent investors and technologists think so and are backing a new digital family office platform.

Well-known financier and SPAC investor Betsy Cohen and the former head of Google, Eric Schmidt, are backing Arta Finance. Of course, Schmidt knows a thing or two about Google and the founders of Californian-based Arta are all ex-Google managers, which probably helped persuade the multi-billionaire to invest.

Founded by Caesar Sengupta, Charles Dong, David Shapiro and Edward Chiang, their inspiration was born out of the fact that while very wealthy, they were not in a position in terms of assets to set up their own institutional-level family offices.

Asked what attracted her to invest in Arta Finance, Cohen told *Family Capital*: "I worked with the Arta team for many years while they were rolling out financial products at Google. The team is knowledgeable, thoughtful and experts on tech and execution.

She added: "The Arta platform allows family offices to focus on investment rather than the back room and to have easy access to a wide range of vehicles, which might not have been open to them otherwise."

At the heart of Arta Finance is something it calls the AI-managed portfolio or AMP. Drawing on the founders' tech expertise, Arta uses cutting-edge AI and machine learning techniques to deliver portfolio solutions that combine public and private market assets. And in so doing, give investors "the financial superpowers of the top 1%".

Currently only available to US accredited investors, every AMP uses machine learning to adapt to market conditions continually. Asset classes like private equity and venture capital are accessible, exposing investors to top decile managers with proven track records.

This is one example of where the power of AI can be harnessed for positive change, amid the current febrile atmosphere surrounding generative AI and large language models. Whilst at Google, Sengupta led the development of its operating system, ChromeOS. He then oversaw the Next Billion Users initiative to bring internet connectivity to developing markets, including the introduction of Google Payin India.

Given Cohen's background, becoming the first female bank CEO when she established Jefferson Bank in 1974, it is little surprise that the Arta Finance VC deal was seized upon.

After selling Jefferson Bank in 1999, Cohen used the proceeds to set The Bancorp, a bank and tech provider that launched in anticipation of the fintech boom that would inevitably follow. It was only when Cohen retired in 2014 that she realised sitting back and relaxing would never do.

In 2015, she and her son Daniel – who has been chairman of the board of directors of The Bancorp since 2000 – began providing transformative capital to late-stage fintech growth companies, launching their first \$100 million SPAC in February 2015.

This resulted in the reverse merger with CardConnect. Other SPACs were pursued by the mother and son combo, leading to the decision in 2019 to establish their own family office: FinTech Masala, which was recently rebranded to Cohen Circle.

Cohen Circle's most recent VC exit was in October 2022 when Arcus, a next-generation payments platform, was acquired by Mastercard. The Arta Finance investment was made that very same month.

Other bank-related investments include BillGo, Greenwood – whose mandate is to provide digital banking services to people of colour running businesses – and Maxwell, a digital mortgage platform. Now in her 80s, the Arta Finance deal shows that Betsy Cohen remains as active as ever. With advances in AI taking place at lightning speed, the pace of innovation is likely to remain pronounced. Reflecting on this, and what the future could hold for fintech investors.

"Financial technology is entering an iteration born of both experience in the field and consumer and SME adoption and competitive requirement," said Cohen.

"Not all innovations will succeed, but the market is huge, so value can be gained even if the product is not the only one solving a problem. AI is an enabling tool which sharpens and shortens the decision-making process."

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