

DEDICATED FT DEPLOYMENTS

Deploy your own FT instance

A configurable lending, leverage, liquidation, derivatives and settlement stack - governed under your own risk policy and delivered through your own user experience.

ONE STACK

6 modules

Cross collateral
RFQ execution
TRS + settlement

ONE COLLATERAL BASE

PARTNER CONTROL

MODULAR LAUNCH

NATIVE SETTLEMENT

01 WHY AN INSTANCE

The common build pattern is fragmented. Partners often combine an Aave-style core pool, an isolated-pair fork, a flash-loan looping router, a separate derivatives venue and a bespoke redemption bridge. That duplicates liquidity, fragments collateral and expands the integration and audit surface.

An FT instance treats isolation as policy, not a second protocol. Approved assets can be cross-collateralized while novel assets remain in isolated markets or subaccounts. Leverage, unwind, liquidation, total-return swaps and carry settlement can all route through one account and risk layer.

PARTNER UI / API / GOVERNANCE SOLVERS / CURATORS / ISSUERS / RAILS

ACCOUNT + RISK ENGINE

Cross-collateral core / isolated subaccounts / portfolio health / limits

LEND + LIQUIDITY

Borrow, supply, caps, rates

RFQ EXECUTION

Target leverage, unwind, liquidation

TRS / FUTURES

Synthetic exposure and P&L; settlement

CURATION + POLICY

Assets, roles, fees, solver allowlists

CARRY SETTLEMENT

T+0 advance -> issuer / custodian T+x redemption -> debt repaid and position closed

02 WHAT BECOMES NATIVE

01

CROSS COLLATERAL

Reuse approved collateral across loans, limit orders and derivatives while the deposit remains productive.

02

ISOLATED RISK

Contain novel or partner-specific assets by market or subaccount without deploying a separate fork.

03

BUILT-IN LEVERAGE

Borrow and add exposure inside the same account instead of bolting on a second looping system.

04

ONE-CLICK RFQ

A firm solver quote fronts inventory; full collateral, debt draw and solver repayment settle atomically.

05

LIQUIDATION RFQ

Seek executable bids or transfer a position before falling back to open-market or time-sliced liquidation.

06

TRS + SETTLEMENT

Share collateral across synthetic exposure and bridge immediate liquidity to delayed issuer redemption.

POSITIONING AND CONTROL

A broader operating system than a lending vault

Morpho remains a strong choice for isolated lending markets and curated yield. A partner-deployed FT instance is intended for products that must extend into reusable collateral, execution, derivatives and settlement.

DECISION RULE

Scope first

Lending only: Morpho
Multi-product: FT
Stage and cap rollout

01 WHAT THE PARTNER CONTROLS

■ ASSET POLICY

Eligible collateral and debt assets; cross-collateral, isolated-only and concentration limits.

■ EXECUTION POLICY

RFQ solvers, quote validity, route permissions, slippage and execution fees.

■ LOSS POLICY

Liquidation waterfall, reserves, backstops, emergency transfer and pause controls.

■ ACCESS + ECONOMICS

Governance roles, permissions, branding, product fees and settlement assets.

02 FT INSTANCE VS MORPHO

DIMENSION	MORPHO BLUE + VAULT V2	PARTNER-DEPLOYED FT INSTANCE
Primary unit	Immutable isolated market: one collateral asset and one loan asset. Vault V2 allocates lender assets across approved adapters.	Account and subaccount risk domain spanning lending, execution, derivatives and settlement modules.
Collateral reuse	Borrower collateral remains market-specific. Vaults and the Public Allocator can reallocate lender liquidity between markets.	Approved collateral supports multiple loans and products; novel assets can remain isolated by account, market or cap.
Leverage UX	Atomic supply + borrow is supported. Looping or target leverage is generally composed by the application or bundler.	Optional target-position RFQ opens a leveraged position atomically without a separate flash-loan looping protocol.
Liquidation	Direct protocol liquidation: the first liquidator repays debt and seizes collateral after the LLTV threshold is breached.	Configurable RFQ, negotiated transfer, auction or depth-aware Spot slicing, with explicit fallback and backstop.
Derivatives	Not a core primitive of the lending and vault architecture.	Optional total-return swaps and futures can share the same collateral, health and settlement account.
Settlement-lagged assets	Requires a custom adapter or external issuer / redemption workflow.	Carry module registers redemption, advances T+0 liquidity and repays at issuer T+x settlement.
Curation + roles	Mature curator, allocator, sentinel, adapter and cap framework for managed yield.	Partner governs assets, cross-collateral rules, limits, solvers, access, fees, settlement and loss waterfall.
Best fit	Focused lend / borrow and managed yield with strong market isolation.	Partner-branded credit, prime-broker-style trading and settlement workflows.

THE PRACTICAL CHOICE

Choose Morpho when lending or curated yield is the whole product. Choose an FT instance when lending is one component of a broader customer account. FT's wider scope increases implementation, audit and operating requirements - deployments should therefore be staged, capped and monitored.

SETTLEMENT EXTENSION

Native carry settlement for delayed-redemption assets

For redeemable staked assets and tokenized RWAs, the most reliable executable value may be the issuer's own T+1/T+2 redemption rail rather than a thin secondary market.

SETTLEMENT FORMULA

T+0 -> T+x

Immediate advance

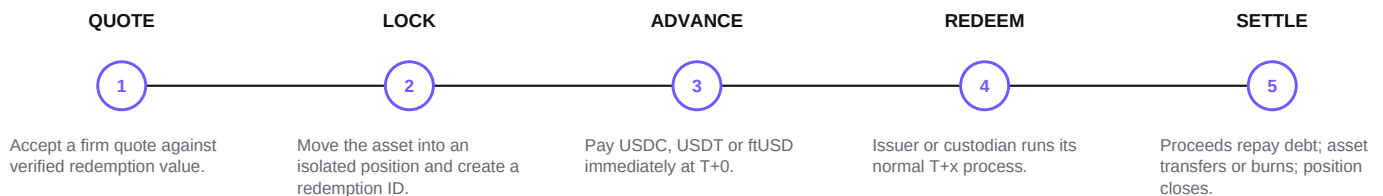
Normal redemption

Automatic close

01 CARRY SETTLEMENT FLOW

QUOTE CONSTRUCTION

ADVANCE = REDEMPTION VALUE - FINANCING CARRY - RISK RESERVE - FEES



02 WHY IT MATTERS

■ NO MARKET-MAKING BOOK

Immediate liquidity does not require the partner or issuer to maintain continuous secondary-market inventory.

■ PRESERVE RESTRICTIONS

Transfer controls, eligibility, KYC and the issuer's normal redemption process can remain intact.

■ EXPLICIT RISK UNIT

Caps can be isolated by issuer, chain, debt asset, redemption window and reserve coverage.

■ DEFINED FAILURE PATH

Delay or shortfall can escalate to reserves, RFQ / auction, position transfer and a governed backstop.

DEPLOYMENT SCOPE

1 CORE CREDIT

Cross-collateral plus isolated markets, with partner asset policy and roles.

2 PRIME EXECUTION

Core plus RFQ leverage / liquidation and optional TRS / futures.

3 SETTLEMENT EXTENSION

Issuer adapter, redemption registry, position lock and T+0 / T+x close.

RECOMMENDED FIRST RELEASE

One settlement asset, a small approved collateral set, limited RFQ solvers, hard exposure caps, monitoring and tested incident runbooks.

03 LAUNCH SEQUENCE AND SOURCE BASIS

1 SCOPE

Assets, permissions, legal perimeter and commercial model.

2 CONFIGURE

Risk, solvers, adapters, UI / API and monitoring.

3 AUDIT + PILOT

Independent review, low caps and operating runbooks.

4 SCALE

Add products, assets, liquidity and additional curators.

Source basis: Flying Tulip official Overview, Lend, Futures and Roadmap documentation (updated 15 Jul 2026); Morpho official Variable Rate Market, Vault V2, Public Allocator and Liquidation documentation (accessed 20 Aug 2026); and internal FT curation, own-instance and carry-settlement architecture discussions from Jul-Aug 2026. This brief describes configurable architecture and intended deployment patterns, not a representation that every module is live on every chain or approved for every counterparty.