Layer Zero. × Centrifuge



Unlocking Tokenized Fund Composability

The next generation of capital markets

Jun 2026

Foreword

Some years ago, the question of “why tokenize” was commonplace. This is no longer the case. Financial institutions have moved past proof of concept and into the harder problem – making tokenized assets genuinely useful across the full surface area of onchain capital markets: trading, clearing, settlement, risk, and the compliance boundaries that define how regulated funds actually work. Intrinsic to this work is a different question, not of the value of tokenization, but of how far tokenization actually can go.

This report is our attempt to answer that question with a clear-eyed account of the use cases for tokenized funds: where the infrastructure is today, what it can already do, and a shared vision for building together.

The thesis is straightforward: the first chapter, issuance, is largely done. The second chapter, composability, is in progress. What comes next is whether financial instruments represented as tokenized assets can securely move between blockchains, serve as collateral, settle intraday, and power stablecoin yield strategies, all while maintaining the legal and operational structures that they come with. This report addresses the key questions related to managing and ensuring composability for tokenized RWAs.

This is the purpose behind the combined solution that Centrifuge and LayerZero have built together: a hub-and-spoke architecture that allows compliance to travel with tokenized funds directly; a scalable way to realize distribution even with the known hurdles.

The next chapter of onchain capital markets will be written by those who leverage novel solutions like the one outlined in this report to expand the imagination of what tokenization can do.



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Background

01

In March 2026, LayerZero and Centrifuge announced a partnership that brings Centrifuge's tokenization and onchain asset infrastructure into the LayerZero ecosystem, creating a stronger foundation for institutional financial products with multichain reach from day one.

LayerZero is where finance and the internet converge through its generalizable cross-chain messaging protocol that makes any token compatible with every type of blockchain. Protocols and institutions use the LayerZero protocol to build, issue, and scale digital assets. It connects 165+ blockchains, processes millions of messages a year, and powers billions in value transfer. Trusted by Ondo Finance, Paxos, PayPal, Ethena, the State of Wyoming, BitGo, and more, LayerZero has become the standard for building cross-chain.

Centrifuge is one of the first and largest tokenization platforms, bridging traditional and onchain capital markets by tokenizing high-quality institutional assets and integrating them across DeFi. The platform powers onchain strategies for Apollo, Janus Henderson, and S&P Dow Jones Indices, serves as Coinbase's strategic tokenization partner, and has tokens live across Sky, Ethena, Aave, and Morpho. Beyond infrastructure, Centrifuge advances the broader ecosystem through the Real-World Asset Summit, the Tokenized Vault Foundation, and the Tokenized Asset Coalition.

A New Era for Capital Markets

02

Financial markets are re-platforming to programmable blockchains, and tokenized funds are the next major catalyst. With RWA assets surpassing $30 billion in 2026, US Treasuries alone at roughly $15B, private credit near $6B, and financial services leaders already investing in blockchain infrastructure, the conditions for the next phase of onchain adoption is firmly in place. [rwa.xyz]

The industry has proven that capital formation and fund distribution can operate onchain. What comes next is utility and composability: assets that move between chains, serve as collateral in lending protocols, settle in intraday repo transactions, and power stablecoin yield strategies, all while preserving compliance and operational integrity at every layer.

Achieving this requires infrastructure built for how regulated funds actually operate, meaning explicit infrastructure support for NAV-based fund shares that rely on periodic pricing, epoch-based settlement, and yield accrual. LayerZero's omnichain messaging and Centrifuge's hub-and-spoke architecture are purpose-built to deliver cross-chain fund issuance with consistent compliance enforcement, unified NAV accounting, and async settlement across blockchains.

The results are already live: Janus Henderson's tokenized US Treasury fund (JTRSY), which has surpassed $1B in TVL, powers institutional yield strategies including the Sky Savings Rate backing USDS. deRWA tokens bring exposure to tokenized funds into DeFi through vault wrappers, while liquidity facilities are turning tokenized treasuries into near-cash instruments capable of serving as repo collateral. Beyond settlement efficiency, the business case is clear: grow AUM, expand distribution, and secure first-mover advantage. For issuers, the infrastructure to do all three at scale and across every chain is ready now.



Asset Class: Tokenized Funds

03

Four categories of tokenized funds are driving adoption today, each with a distinct yield and risk profile that are uncorrelated to crypto-asset markets.

FUND TYPE	RISK LEVEL	LIQUIDITY	YIELD SOURCE	SUPPORTED EXAMPLE
Treasury Funds	Lowest	Highest	US Government debt	JTRSY (Janus Henderson/ Centrifuge)
Institutional Credit	Low	High	AAA CLOs	JAAA (Janus Henderson/ Centrifuge)
Private Credit	Medium-High	Lower	Private debt markets	ACRDX (Apollo/Centrifuge)
Equity Index	Market risk	High (T+1)	Public equity markets	SPXA (Janus Henderson/ Centrifuge)

ASSET CLASS: TOKENIZED FUNDS

Treasury Funds provide the safest onchain yield through tokenized US government debt, offering a strong alternative to non interest bearing stablecoins. Examples like JTRSY allow for instant redemption and institutional grade exposure.

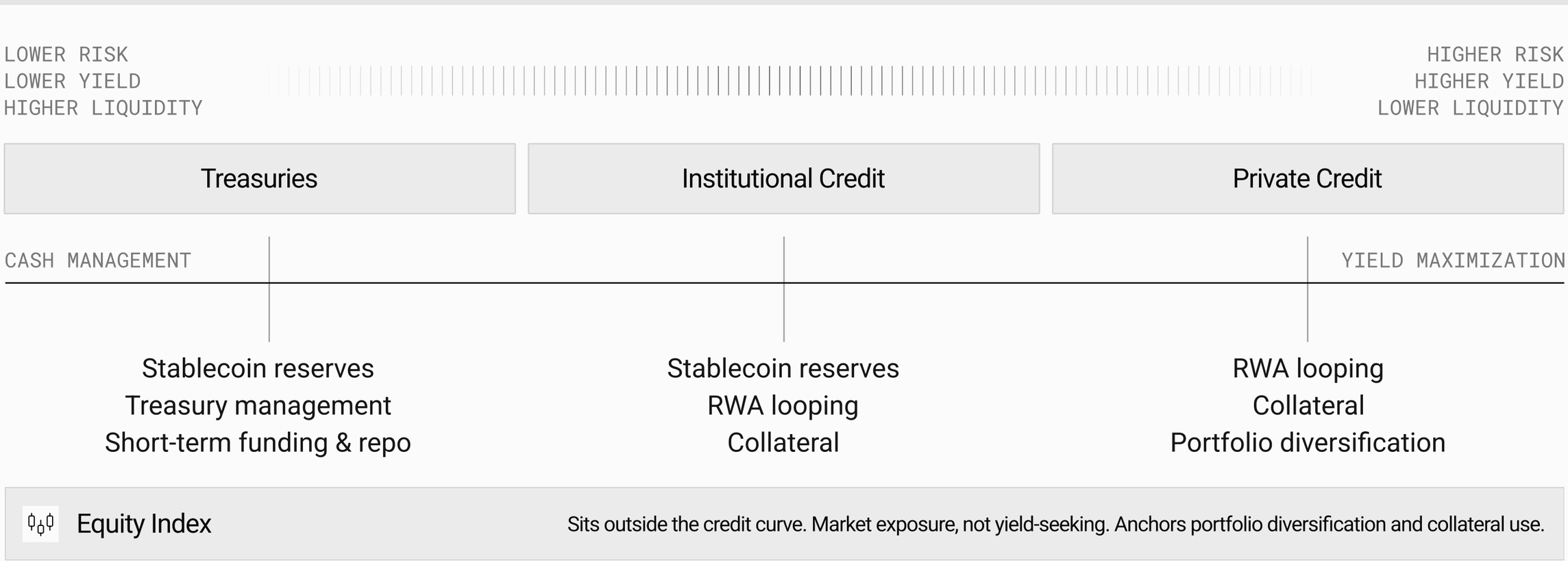
Institutional Credit Funds offer liquid exposure to credit strategies with stronger income potential than government debt while maintaining a resilient liquidity profile. This category includes assets like AAA-rated collateralized loan obligation tranches.

Private Credit Funds offer higher lending returns than government or public debt instruments. Onchain integration allows these historically illiquid assets to sit alongside other liquid assets in one operational control plane.

Equity Index Funds bring broad public market exposure onchain. Tokenized index funds close the gap for crypto-native allocators who previously had to leave onchain infrastructure to hold conventional equities.

Tokenized Fund Use Case Patterns

04



THE RISK, YIELD, AND LIQUIDITY SPECTRUM OF TOKENIZED FUNDS

Yield strategies for stablecoin reserves

04.01

Stablecoin protocols are increasingly using tokenized funds as yield strategies for the collateral backing their issued tokens. For example, the Sky protocol deploys the collateral backing its stablecoin (USDS) into a set of yield strategies that includes allocations to JTRSY and JAAA, both funds managed by Janus Henderson and tokenized on Centrifuge. The yield those strategies generate powers the Sky Savings Rate paid to sUSDS holders. Ethena is moving into the same territory, diversifying its backing away from pure basis trading and into RWAs more broadly, with a recent allocation to JAAA.

Treasuries are the natural fit for this case as they carry the lowest credit risk available in capital markets, NAV is stable and predictable, and yield comes from US government debt rather than from any onchain counterparty. For a stablecoin issuer, that combination matches the risk profile of the liability being backed: the reserve has to be safe enough that holders trust the peg, while still generating enough yield to support a savings rate. AAA institutional credit products extend the same logic one step up the curve, offering higher yield for a marginal increase in risk that some protocols are willing to accept.

Any stablecoin that pays yield needs productive backing, and that backing has to be compatible with the protocol's onchain mechanics. Tokenized treasury and institutional credit funds are built for this combination. For issuers, this means tokenized assets that integrate directly into stablecoin protocol mechanics are already commanding institutional AUM at scale.

Collateral in onchain credit markets 04.02

The same productive-use logic extends from stablecoin reserves into onchain credit markets, where holders are pledging tokenized assets as collateral across a growing set of lending venues. The patterns range from straightforward borrowing to leveraged structured exposure.

The simple case is borrowing against tokenized assets. For example, AAVE Horizon, Morpho, Euler, Kamino, and other venues accept tokenized treasuries, institutional credit, and private credit as collateral, allowing institutions to borrow stablecoins against the position while continuing to earn yield on the underlying. The capital is productive on both sides of the transaction: the tokenized asset continues to earn yield while the borrowed stablecoin can be deployed elsewhere.

The more interesting case is RWA looping, which is the clearest demonstration that onchain composability unlocks new use cases for financial products that were not previously possible.

When the borrow rate on a stablecoin sits below the yield on a tokenized credit product, the spread can be harvested by borrowing against the tokenized asset, acquiring more of the same asset, and pledging again. The strategy concentrates exposure and amplifies yield, and it is most relevant for institutional and private credit, where the spread is wide enough to justify the risk of multiple loops.

For example, the 3F protocol has built a market on top of Morpho where investors wrap JAAA into wJAAA and access the loop in a single transaction. The same strategy in traditional markets requires additional complex steps: bilateral repo lines, custodial coordination, and multiple settlement windows.

For an issuer, this means that tokenized assets can anchor complex yield strategies that are not structurally viable in conventional markets.

Onchain treasury and reserve management 04.03

Not every holder of a tokenized fund is putting the asset to work into DeFi. A growing pool of onchain capital is held simply for yield, with protocols, DAOs, allocators, and other participants holding tokenized assets as part of their treasury operations, with the operational flexibility to be deployed when conditions change or financial needs evolve.

What sets tokenized treasuries apart is operational liquidity. With instant redemption facilities, a holder can redeem into stablecoins on demand instead of waiting through the redemption cycles that constrain conventional assets. The position earns yield while idle and converts to cash the moment it is needed. For a treasury manager, the historical tradeoff between yield and liquidity access disappears.

Short-term funding and repo

04.04

The same operational liquidity that anchors treasury management is what makes the fourth use case pattern possible. Onchain repo has not existed at scale because the collateral could not be liquidated fast enough to support the trade, even as tokenized treasuries brought the underlying asset onchain.

The preferred instruments for repurchase agreement and collateral markets are treasuries because they can be liquidated quickly if a counterparty fails, and onchain repo needs the same property.

Instant redemption infrastructure using tokenized treasuries gives collateral the responsiveness that repo markets require. A recent Citi report found that 40% of industry participants expect real-time atomic settlement within the next decade. Tokenized fixed income instruments are poised to be the collateral that can activate repo markets onchain by compressing settlement times.

Issuers that establish their tokenized assets as eligible repo collateral will be positioned to capture volume as onchain repo matures.

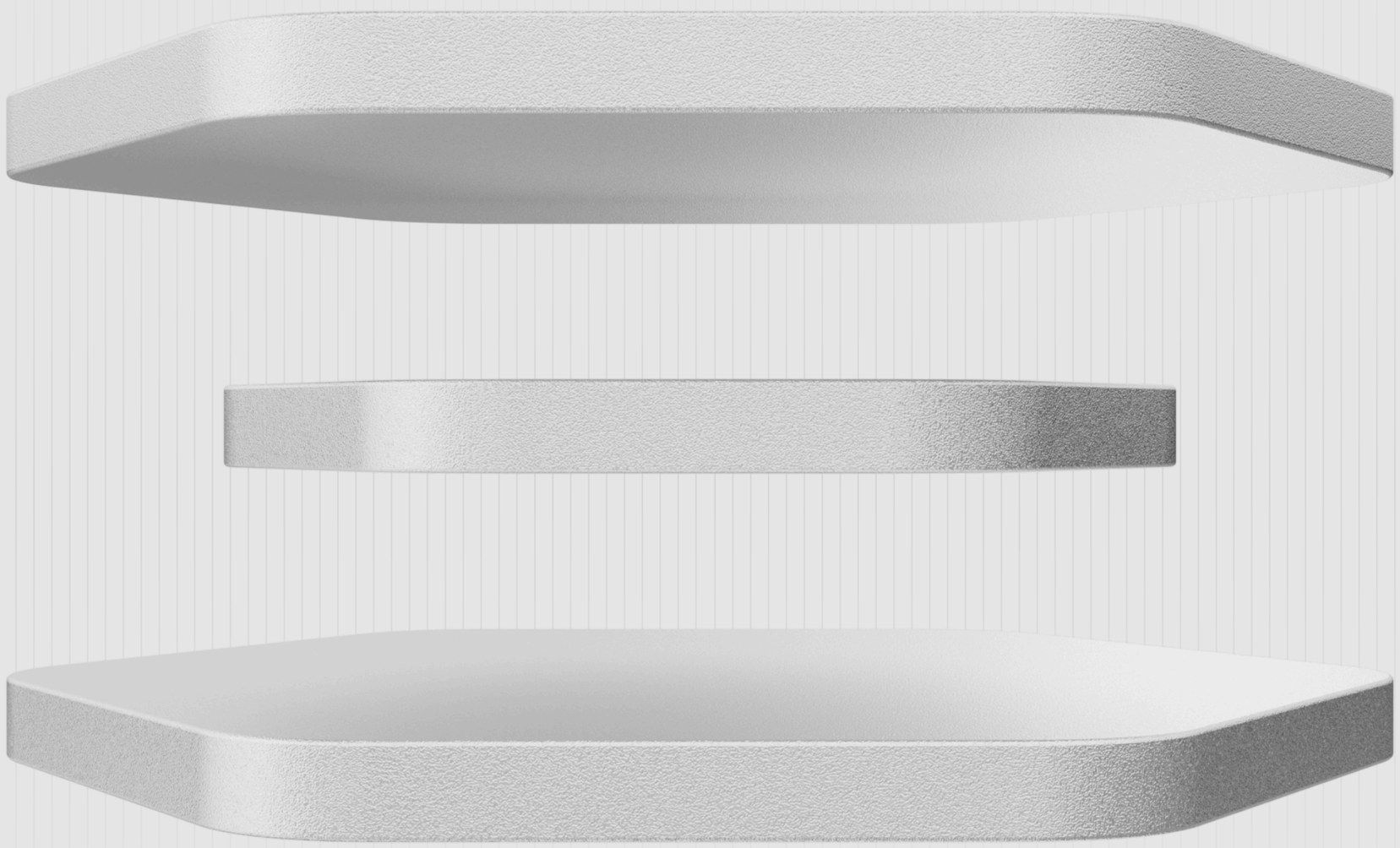
What Composability Requires

05

Limitless composability is both the most powerful and the most complex feature of onchain capital markets. This report contents that composability is the main draw toward tokenization as it enables the construction of complex, atomic financial transactions across asset classes, trading scenarios, and venues. Innovations like wrapped tokens, liquid staking, and liquidity pools all owe their success to permissionless and limitless composability.

The next competitive frontier for tokenized funds has shifted to achieving composability, or the ability for tokenized assets to move between chains, serve as collateral in a lending protocol, power yield strategies, or settle in an intraday repo transaction without breaking compliance or fragmenting liquidity.

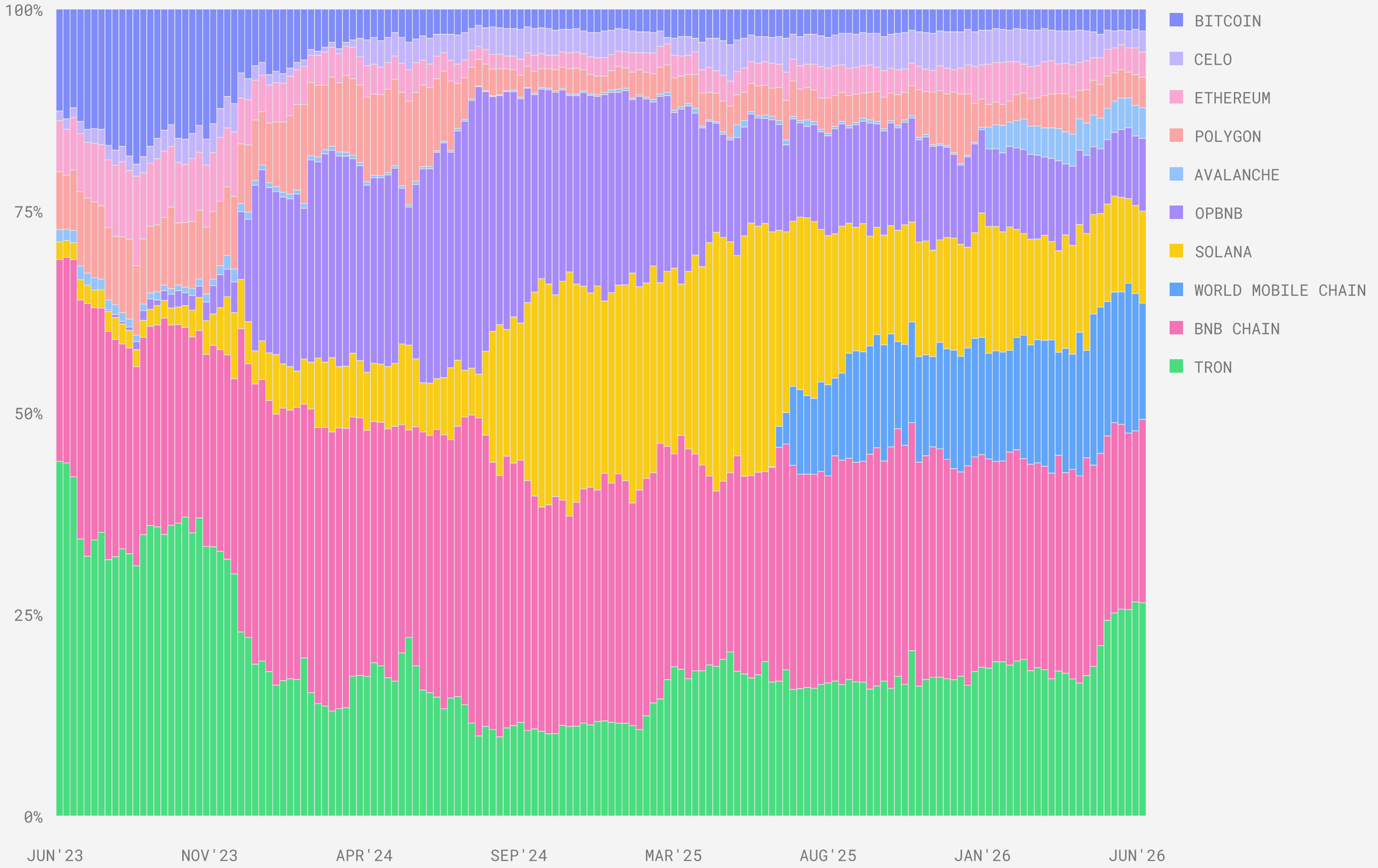
For issuers, these challenges translate directly into AUM ceiling, distribution constraints, and operational risk. LayerZero and Centrifuge address them as complementary layers.



Multi-chain distribution

05.01

Hundreds of blockchains exist today, each drawing users through different combinations of technology, performance, and regional adoption. Demand is chain-agnostic and so asset issuers must also be chain-agnostic.



TOP 10 CHAINS BY DAILY ACTIVE USERS SOURCE: TOKEN TERMINAL

Operational complexities of multi-chain deployments

Deploying on multiple chains has typically meant bespoke infrastructure per chain and virtual machine (VM), fragmented liquidity, costly talent acquisition for niche smart contract programming languages and skills, and operational overhead that does not scale. Many financial institutions still operate centralized, off-chain bridging, which results in a central point of failure.

Tokens and messages are not interoperable between chains by default, but orchestrated through operationally-intensive processes such as centralized off-chain bridging. Each chain then remains a walled garden and recreates the frictions of current financial markets that this industry is seeking to solve.

Multi-chain compliance management

Three dimensions drive operational complexity of multi-chain deployments, increasing roughly as N squared:

- **Number of Blockchains**
  The number of blockchains you choose to issue your asset on because of the need to maintain synchronous deployment and enforcement across each VM.

- **Number of Assets**
  The number of assets or products you seek to distribute because of the various operational and compliance procedures required.

- **Number of Non-EVMs**
  The number of non-EVM blockchains included in the distribution of assets because of the nuances and customization required for each integration.

BLOCKCHAIN	TOKEN STANDARD	VIRTUAL MACHINE	PRIMARY LANGUAGE(S)
Ethereum EVM	ERC-20 ERC-721 ERC-1155	Ethereum VM	SOLIDITY
The Open Network TVM	JETTON (TEP-74) TEP-62 NFT	TON VM	FUNC TACT
Solana SVM	SPL TOKEN TOKEN-2022	Solana VM	RUST C/C++ Anchor framework
Aptos MOVEVM	APTOS FA STANDARD	Move VM	MOVE
Starknet CAIROVM	ERC-20 (CAIRO) SNIP-720	Cairo VM	CAIRO
Stellar SOROBAN	STELLAR ASSET SEP-0041	Soroban VM	RUST
Canton Network CANTON / DAML	DAML TEMPLATES CIP TOKEN STANDARDS	Daml Runtime	DAML

HETEROGENOUS BLOCKCHAIN LANDSCAPE

Multi-chain compliance management

An issuer onboarding a new investor today must update enforcement on every chain where their fund token exists separately, manually, and without guaranteed multi-chain synchronization. This process does not scale easily and creates operational overhead, particularly as tokenized funds require robust and responsive compliance management.

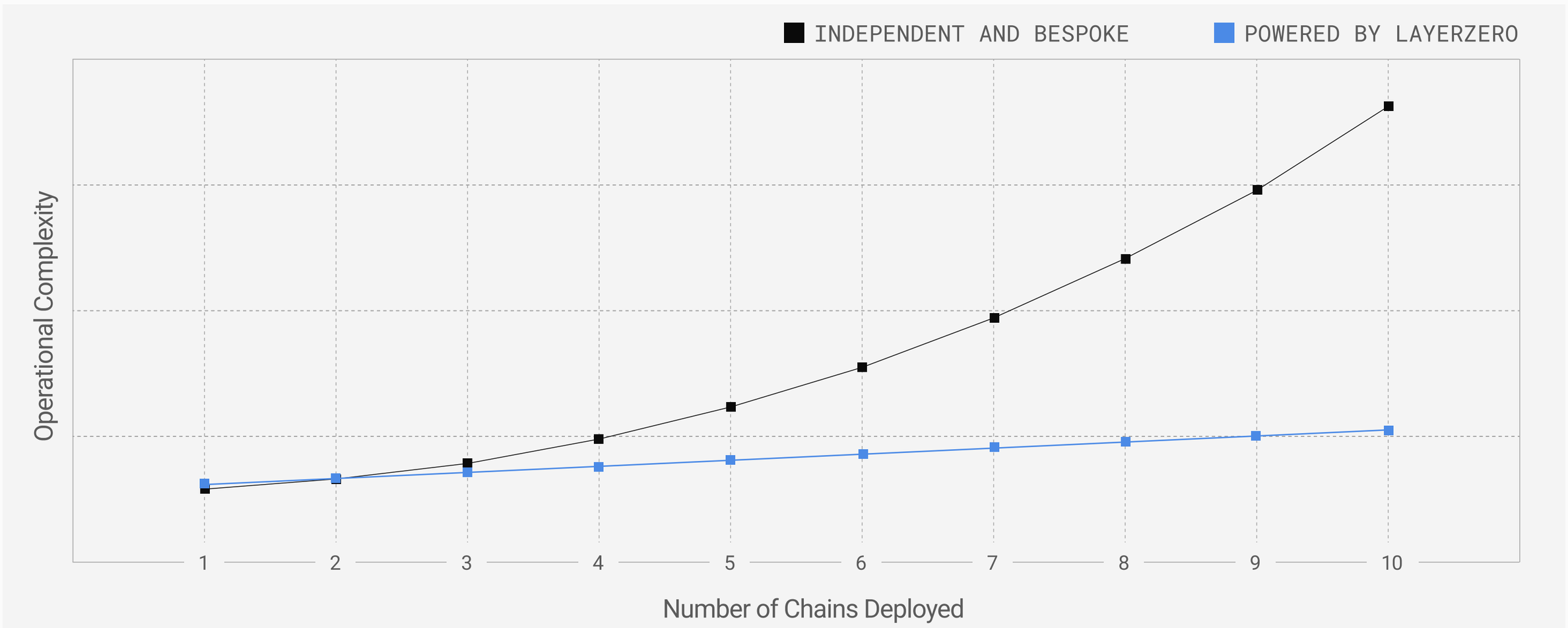
As customers are onboarded or compliance events occur, allowlists and denylists must be updated alongside relevant transfer restrictions, lockup parameters, and rate limits. In a single-chain deployment, the issuer manages a single state, while in a multi-chain deployment, the same state has to be replicated and kept consistent across every chain where the token exists.

Managing KYC wallet addresses across VMs tied to a single customer record becomes burdensome to enforce synchronously. This compounds when granular configurations are necessary; for example: lockups enforced per investor or transfer restrictions that depend on jurisdiction or holding period.

Integrated, multi-chain fund operations

LayerZero provides the cross-chain messaging layer that makes integrated multi-chain operations possible. A fund's assets can exist across 165+ blockchains while liquidity stays unified and compliance and feature parity hold consistent across every chain. Unlike traditional bridging or wrapping, LayerZero’s generalized messaging infrastructure carries arbitrary data, including NAV updates and transfer hook responses, between chains. Centrifuge uses this same messaging to run fund issuance, management, and policy enforcement across chains from a single hub.

Building a liquidity mesh for a tokenized fund using LayerZero lets the issuers distribute to multiple chains without adding operational complexity that independent and bespoke integrations otherwise result in.



ILLUSTRATIVE — INTEGRATED MULTI-CHAIN FUND OPERATIONS — POWERED BY LAYERZERO

With LayerZero integrated into Centrifuge, fund issuers can govern cross-chain operations through smart contracts, not centralized, off-chain processes. An integrated multi-chain setup means that fund issuers can govern cross-chain operations programmatically via the smart contracts that are deployed to manage and enforce rules.

The model is simple: fund issuers deploy once and distribute everywhere your customers are.

Allow and deny lists, transfer restrictions, and holding period enforcement propagate across every chain from a single source of truth. When a fund’s TA updates the registrar on the hub chain, that is broadcast to the asset on all spoke chains via LayerZero, eliminating the need for per-chain compliance infrastructure.

NAV and pricing across chains

05.02

Without proper controls and tooling, a tokenized fund can move across chains yet still be mispriced and break the accounting a regulated fund depends on. The infrastructure needed to safely move tokenized fund shares between chains is fundamentally different to how stablecoins or crypto-assets operate.

Pricing consistency of tokenized funds

Stablecoins and native tokens have continuous, market-driven pricing: their price is observable at any moment. A bridge can lock USDC on Chain A, mint USDC on Chain B, and the operation is economically neutral because the asset's value is the same at all times (i.e., 1 US Dollar).

Tokenized fund shares do not follow the same pricing model as stablecoins, however. A tokenized treasury fund, private credit vehicle, or any other fund prices on a periodic cycle that can vary significantly. The NAV is calculated at pre-defined intervals (daily, weekly, monthly) based on the individual underlying portfolio's valuation.

Epoch-based settlement avoids 'stale price arbitrage' most notoriously observed during the 2003 Mutual Fund Scandal, where predatory traders exploited time lags in NAV updates to siphon value from long-term holders. Redemptions processed instantly and the fastest redeemers got the best price while the remaining holders absorbed the losses. Queued, batch-processed orders give every investor in the same epoch the same price and the same pro-rata allocation, promoting fairness.

When a fund's NAV updates, that price must propagate to every chain where the share token exists. Until it does, vaults on different chains are quoting different prices. An investor depositing on a chain with a stale price gets a different deal than one depositing on a chain that already received the update. The window between NAV calculation and full propagation is a consistency gap that grows with each chain added.

Subscription and redemption queues must be chain-local but enforced globally. Investors submit deposit and redemption requests on whichever chain they use. Those requests must flow to a single point where they are batched, priced, and fulfilled against the fund's actual NAV. If each chain runs its own queue independently, the fund has multiple conflicting views of its liabilities.

When capital moves between chains, the assets are in transit and they effectively disappear from NAV. They have left the source chain's balance sheet but not yet arrived at the destination chain. Without accounting for these in-flight positions, the fund's NAV drops temporarily by the amount in transit, then jumps when the assets arrive. This is critical for a tokenized fund where NAV accuracy drives reporting and compliance.

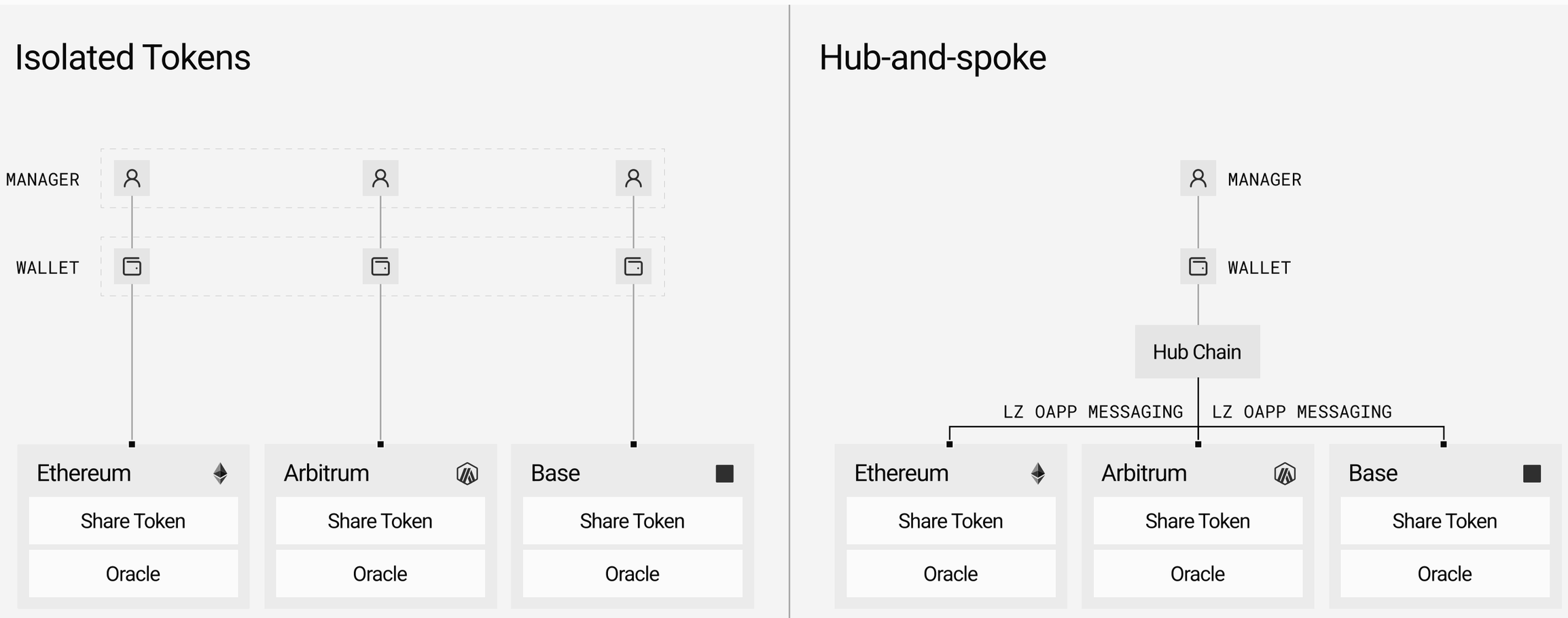
The Combined Centrifuge and LayerZero Solution

06

The Centrifuge and LayerZero solution is purpose-built to address the challenges explored in this report: NAV cycles, async settlement, fund accounting, compliance enforcement all require infrastructure designed for the instrument being tokenized.

Hub-and-spoke architecture unifies fund state 06.01

One hub chain holds the authoritative state of the fund. Spoke chains become distribution endpoints and the hub handles centralized functions: accounting, pricing, share class management, investment and redemption processing. The spokes handle what must be local: accepting deposits in native assets, minting and burning share tokens, interfacing with local DeFi protocols. A fund manager operates one pool. Investors on any supported chain interact with local vaults. The hub reconciles everything.

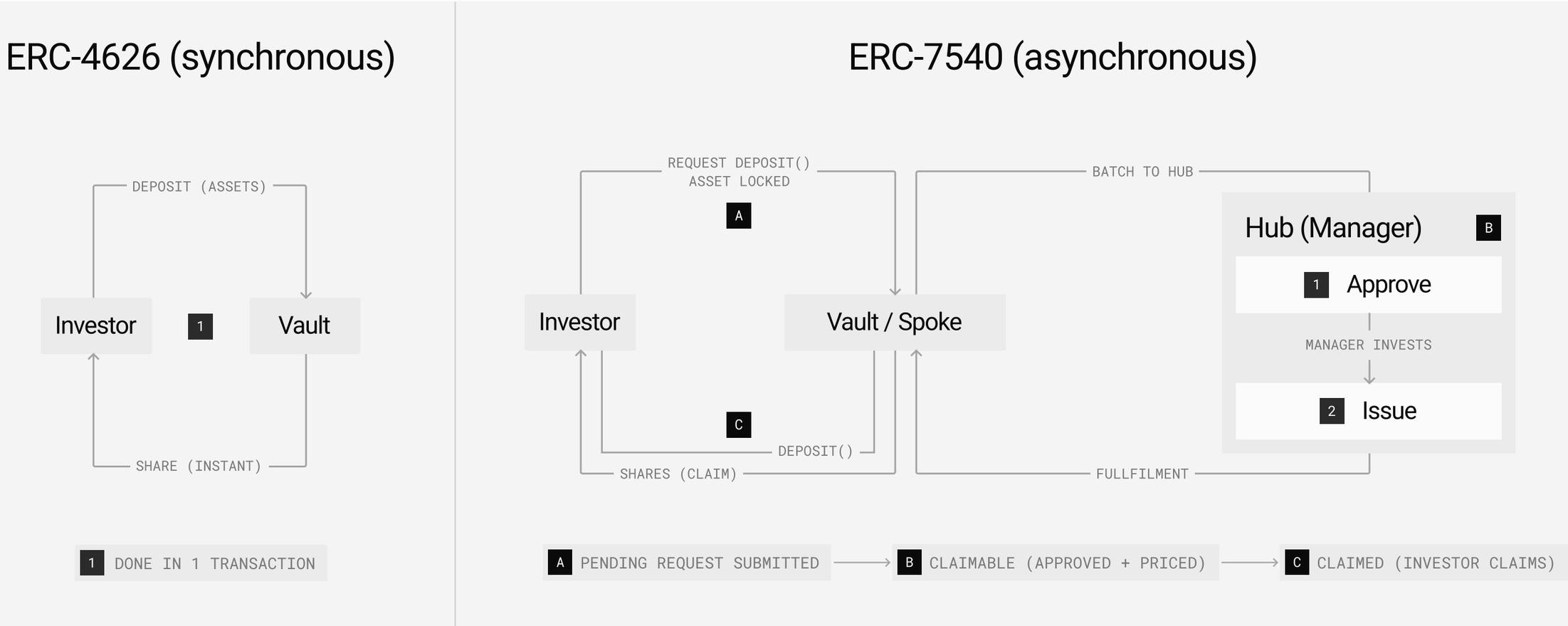


HOW THE HUB-AND-SPOKE ARCHITECTURE SIMPLIFIES FUND OPERATIONS

For fund managers, this approach resolves the bespoke per-chain operations previously mentioned. State can now stay consistent across chains because governance is executed from a central hub chain, not replicated and reconciled manually on each. Compliance updates, NAV, and accounting propagate from the hub rather than being maintained separately on every chain.

Async settlement is the standard 06.02

Under this model, subscriptions and redemptions flow through a two-step process implementing the ERC-7540 request/claim lifecycle. For example, an investor on Base submits a deposit request and that request travels cross-chain to the hub, where it enters the epoch queue globally. At epoch close, the manager approves the batch and issues the shares at the current NAV. The fulfillment message travels back to Base, where the investor redeems their shares.



HOW ERC-7540 EXTENDS ERC-4626 TO ENABLE ASYNCHRONOUS INVESTMENT AND REDEMPTION FLOWS

Atomic settlement assumes an asset whose value is fixed and observable at the moment of the transaction. This is true for stablecoins, yet, untrue for fund shares. A fund prices on a NAV cycle, and its underlying assets may take days to settle, and redemptions cannot always be met instantly.

Async settlement matches that reality: orders are collected, priced against the actual NAV, and fulfilled in batches, which is how regulated funds have always operated. For the asset manager, it means the onchain product behaves like the fund it represents rather than forcing the fund to behave like a stablecoin.

Double-entry bookkeeping enforces consistency

The hub runs a full double-entry accounting engine. Every movement of value—deposit, redemption, cross-chain transfer, yield accrual—is a journal entry with matching debits and credits. Spoke chains queue balance changes locally and flush them to the hub in batched cross-chain messages. A NAV recalculation only triggers when a spoke's full state has arrived, so incomplete data never affects pricing.

Accounting tokens solve the in-flight problem

When assets leave one chain for another, a receipt token is minted on the source chain balance sheet. When the assets arrive at the destination chain, a corresponding liability token is recorded. Both carry the same valuation as the underlying asset. NAV stays accurate throughout the transfer, with no temporary dip and no manual reconciliation under this model.

Token standards enable composability

Vaults implement ERC-7540 and ERC-4626 interfaces. Any protocol that integrates with these standards, such as lending, yield aggregation, or structured products, gets tokenized asset compatibility without custom development. The vault, therefore, acts as the compliance and settlement wrapper of the tokenized fund. The share token that emerges is a standard ERC-20 that is composable across DeFi protocols.

JTRSY: Powered by LayerZero and Centrifuge

JTRSY, a tokenized US Treasury fund managed by Janus Henderson that has surpassed $1B in TVL operates across multiple chains and drives institutional yield strategies, such as the Sky Savings Rate that backs USDS.

Centrifuge uses LayerZero's generalized Omnichain App (OApp) messaging standard to control JTRSY’s fund operations across chains from a single hub chain. The hub chain manages accounting, NAV, share class state, and policy. The spokes accept deposits, mint and burn share tokens, and interface with local DeFi protocols. LayerZero is the substrate that carries state between them. The result is a fund that behaves as one entity across every chain it deploys to, with feature parity preserved and operations centralized at the hub.

Most cross-chain tokens are simple bridged representations of an asset that lives elsewhere: lock on one chain, mint on another, with no underlying coordination. JTRSY operates differently: the LayerZero OApp messaging layer carries not just the token but also the fund's operational state, which is what lets a single hub govern NAV, compliance, and settlement across every chain the fund touches.

Composability Under Constraints 07

A regulated fund and a composable protocol run on different logic. One settles on administrative time behind a closed holder set; the other runs on instant finality and open access. The collision between them is real, and so are the market structures and token models that resolve it.

The challenge with RWA composability 07.01

The challenge with RWA composability is not moving assets across chains, rather, it is managing the regulatory wrapper. A fund share is a regulated security, and every meaningful state change needs a Transfer Agent-approved registrar update. A share that has to clear that step cannot keep pace with the continuous flows DeFi protocols are built around. There are three notable constraints in this regard.

Transferability is restricted

The share can only be held by approved parties, and every transfer routes through a registrar update the transfer agent has to approve. The holder set is closed and movement between holders is gated. A token that cannot move freely between wallets cannot circulate through the open protocols that make DeFi composable.

Flows settle asynchronously

Subscriptions and redemptions clear through the administrator on the fund's schedule. NAV is struck and compliance is checked on fixed cycles, not per block. The primary route in and out of the fund settles in days. This is the T+Admin effect: the fund runs on administrative time while the onchain environment around it runs on instant finality.

Liquidity is gated by the schedule

Because redemption clears on the administrator's cycle, the primary path to liquidity is as slow as settlement. A holder who wants to exit cannot do it at market speed through the fund itself. Onchain liquidity for the asset has to come from somewhere other than the primary subscribe-and-redeem flow.

Models for managing composability

07.02

Two prevailing models for managing composability without impacting the primary flow: building permissioned market structures and bridging to DeFi using deRWAs, a novel approach by Centrifuge.

Building permissioned market structures

The first approach keeps the token in its permissioned environment and builds market infrastructure around it that delivers composability for sophisticated participants. The fund share never leaves its compliance boundary; market actors and capital pools around it manage the operational complexity that DeFi cannot.

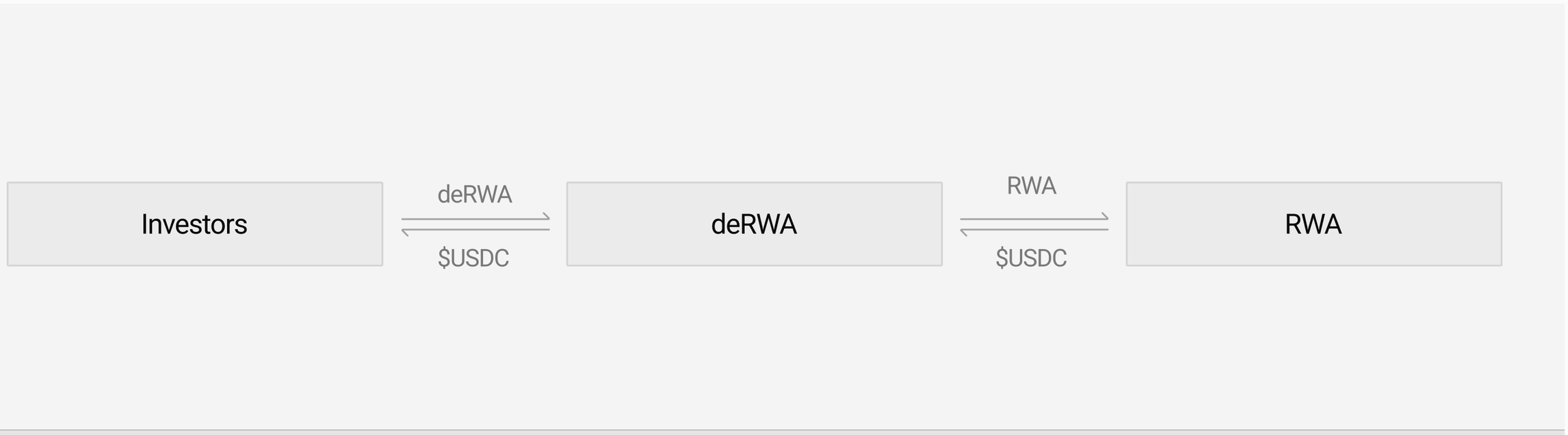
An example of this permissioned market structure model is 3F, which is a leveraged yield marketplace built on Morpho where investors access leveraged exposure to JAAA, Centrifuge's tokenized AAA CLO product, in a single transaction. Building that exposure manually means looping: borrowing against the fund share, buying more, and pledging again, with each loop waiting on the settlement cycle. 3F removes the lapse by introducing allowlisted counterparties that front the capital for the full position. What would normally take weeks of sequential loops now can assemble into a single onchain transaction. The fund share itself never leaves its compliant environment; the specialists around it carry the settlement-cycle risk and are paid for it.

Grove Basin facility takes a different but complementary liquidity approach to 3F's. JTRSY holders can redeem into USDC instantly through a committed liquidity facility, with the underlying fund redemption settling in parallel. The compliance workflow that would otherwise gate the redemption is still happening, but it no longer dictates the speed at which the holder can move between Treasury exposure and stablecoins. For collateral venues, the consequence is a tokenized Treasury that can be liquidated at market speed and behaves closer to cash than a conventional fund share.

Bridging to DeFi using deRWA

The second approach to address the constraints of composability involves using deRWA tokens to create freely transferable wrappers that carry the underlying fund's economic value into DeFi. deRWA is a wrapping model developed by Centrifuge that allows permissioned funds to be represented with freely transferrable tokens that are usable in DeFi.

deRWAs use a vault model that holds tokenized fund shares (the asset being wrapped) and issues a freely transferable token in return. The inner vault handles compliance, subscriptions, and NAV pricing. The outer token is a standard ERC-20 that any DeFi protocol can accept. The compliance boundary sits at the vault interface, enforced programmatically, rather than at every transfer of the distribution token. The compliant fund share stays compliant and the deRWA token can reach DeFi seamlessly.



THE deRWA VAULT MODEL

Several deRWAs like deJTRSY, deJAAA, and deSPXA are already in production. deSPXA on Base carries S&P 500 exposure that trades on Uniswap and Aerodrome and serves as collateral on Morpho and Euler. LayerZero's OApp standard carries the cross-chain messaging at this layer, with deRWA tokens using the same messaging substrate as the unwrapped tokenized funds on Centrifuge.

The utilization of LayerZero’s network extends across the asset categories described earlier: a tokenized fund at origination and a freely transferable wrapper for distribution, both powered by the most widely adopted cross-chain messaging layer .

The Path Forward

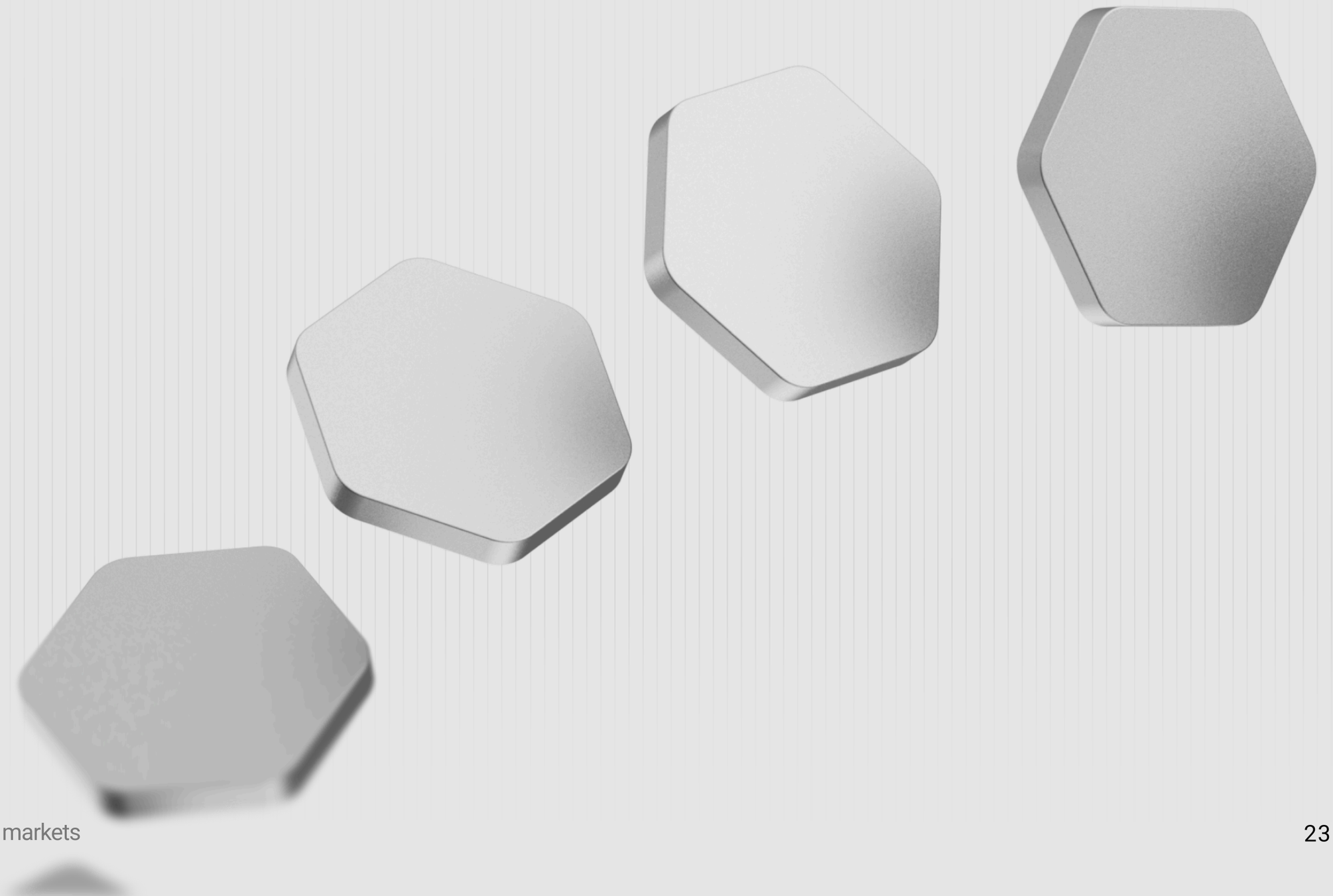
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The infrastructure is live and the composability is real. Tokenized funds are already moving between chains, powering stablecoin yield strategies, serving as collateral in onchain credit markets, and reaching DeFi through vault wrappers, all without dismantling the legal structures that make them securities.

Two complementary patterns have emerged to deliver this today. One keeps the regulated token within its compliance boundary and builds institutional market infrastructure around it through permissioned venues, liquidity facilities, and allowlisted counterparties that absorb settlement complexity so the fund share doesn't have to. The other separates origination from distribution at the vault layer, letting freely transferable wrappers carry economic exposure into DeFi. Together, they give issuers meaningful composability within the current regulatory framework, without waiting for legal infrastructure to catch up.

What comes next is the full model: federated compliance enforcement, hub-broadcast architectures, and cross-chain transfer hooks that make compliant cross-chain movement as seamless as any other token transfer. LayerZero and Centrifuge are building toward exactly that and the foundation is already in production with JTRSY, JAAA, ACRDX, SPXA, the deRWA tokens, and the protocols these assets are used in.

For asset managers and fund issuers, the strategic question is no longer whether funds are brought onchain, rather, it is whether the infrastructure chosen today can scale to every chain where demand exists, every protocol that wants exposure, and every compliance requirement of the fund without rebuilding from scratch at each step. The combination of LayerZero's omnichain messaging and Centrifuge's hub-and-spoke fund management solution is proving to address all three crucial needs to realize tokenized asset composability.



Contributors

This report is the result of collaboration across the business development, product, engineering, research, and editorial teams at both LayerZero and Centrifuge.

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Head of EMEA

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Bhaji Illuminati
Chief Executive Officer



Jeroen Offerijns
Chief Technology Officer



Tomas Castro
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Have further questions? Reach out.

This report is a starting point. If you are an asset manager, fund issuer, institutional allocator, regulator, or protocol team building in this space — we want to talk.

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