

ANNUAL REPORT

# FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST

December 31, 2022



FRANKLIN  
TEMPLETON



# Franklin Templeton Variable Insurance Products Trust Annual Report

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\*Not part of the annual report. Retain for your records.

<b>Not FDIC Insured</b>	<b>May Lose Value</b>	<b>No Bank Guarantee</b>
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## Important Notes to Performance Information

Performance data is historical and cannot predict or guarantee future results. Principal value and investment return will fluctuate with market conditions, and you may have a gain or loss when you withdraw your money. Inception dates of the funds may have preceded the effective dates of the subaccounts, contracts or their availability in all states.

When reviewing the index comparisons, please keep in mind that indexes have a number of inherent performance differentials over the funds. First, unlike the funds, which must hold a minimum amount of cash to maintain liquidity, indexes do not have a cash component. Second, the funds are actively managed and, thus, are subject to management fees to cover salaries of securities analysts or portfolio managers in addition to other expenses. Indexes are unmanaged and do not include any commissions or other expenses typically associated with investing in securities. Third, indexes often contain a different mix of securities than the fund to which they are compared. Additionally, please remember that indexes are simply a measure of performance and cannot be invested in directly.

# Franklin Allocation VIP Fund

This annual report for Franklin Allocation VIP Fund covers the fiscal year ended December 31, 2022.

## Class 2 Performance Summary as of December 31, 2022

Average annual total return of Class 2 shares\* represents the average annual change in value, assuming reinvestment of dividends and capital gains. Average returns smooth out variations in returns, which can be significant; they are not the same as year-by-year results.

Share Class	Average Annual Total Return
<b>2</b>	
1-Year	-16.00%
5-Year	+2.57%
10-Year	+5.56%

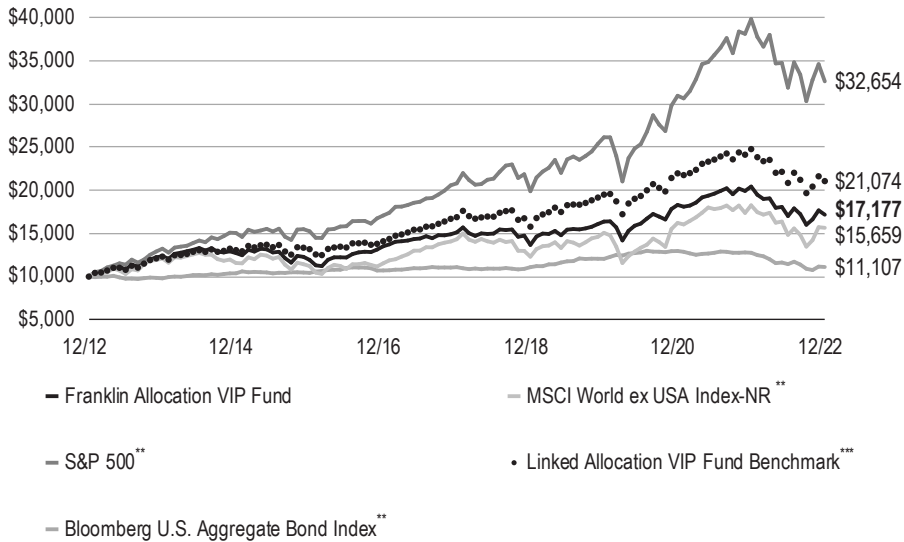
\*On May 1, 2019, the Fund's investment strategies changed. Performance prior to May 1, 2019, is attributable to the Fund's performance before the strategy change. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to 4/30/23 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice.

*Performance reflects the Fund's Class 2 operating expenses, but does **not** include any contract fees, expenses or sales charges. If they had been included, performance would be lower. These charges and deductions, particularly for variable life policies, can have a significant effect on contract values and insurance benefits. See the contract prospectus for a complete description of these expenses, including sales charges.*

*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown.*

**Total Return Index Comparison for a Hypothetical \$10,000 Investment (12/31/12–12/31/22)**

The graph below shows the change in value of a hypothetical \$10,000 investment in the Fund over the indicated period and includes reinvestment of any income or distributions. The Fund's performance\* is compared to the performance of the Standard & Poor's® 500 Index (S&P 500®), the Bloomberg U.S. Aggregate Bond Index, the MSCI World ex USA Index-NR and the Linked Allocation VIP Fund Benchmark. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio. **Please see Important Notes to Performance Information preceding the Fund Summaries.**



\*\*Source: FactSet. Please see Index Descriptions following the Fund Summaries.

\*\*\*Source: FactSet. The Linked Allocation VIP Fund benchmark was calculated internally and was composed of 40% S&P 500, 40% Bloomberg U.S. Aggregate Bond Index and 20% MSCI World ex USA Index-NR. Please see Index Descriptions following the Fund Summaries.

# Franklin Allocation VIP Fund

## Fund Goal and Main Investments

The Fund seeks capital appreciation, with income as a secondary goal. Under normal market conditions, the Fund allocates approximately 60% of its assets to the equity asset class and 40% of its assets to the fixed income asset class by allocating the Fund's assets among various investment strategies or sleeves.

## Fund Risks

All investments involve risks, including possible loss of principal. Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance. The market values of securities or other investments owned by the Fund will go up or down, sometimes rapidly or unpredictably. The market value of a security or other investment may be reduced by market activity or other results of supply and demand unrelated to the issuer. Stock prices tend to go up and down more dramatically than those of debt securities. Growth stock prices reflect projections of future earnings or revenues, and can, therefore, fall dramatically if the company fails to meet those projections. Investing in foreign securities typically involves more risks than investing in U.S. securities due to political and economic developments, trading practices, availability of information, and other factors. Currency management strategies may substantially change the Fund's exposure to currency exchange rates and could result in losses to the Fund if currencies do not perform as the investment manager expects. Securities issued by smaller and midsize companies may be more volatile in price than those of larger companies, involve substantial risks and should be considered speculative. The manager's portfolio selection strategy is not solely based on ESG considerations, and therefore the issuers in which the Fund invests may not be considered ESG-focused companies. Integrating ESG considerations into the investment process is not a guarantee that better performance will be achieved. The Fund is actively managed but there is no guarantee that the manager's investment decisions will produce the desired results. The Fund's prospectus also includes a description of the main investment risks.

Russia's military invasion of Ukraine in February 2022, the resulting responses by the United States and other countries, and the potential for wider conflict could increase volatility and uncertainty in the financial markets and adversely affect regional and global economies. The

1. Source: Morningstar.

2. Source: FactSet. The Linked Allocation VIP Fund benchmark was calculated internally and was composed of 40% S&P 500, 40% Bloomberg U.S. Aggregate Bond Index and 20% MSCI World ex USA Index-NR.

One cannot invest directly in an index, and an index is not representative of the Fund's portfolio. Please see Index Descriptions following the Fund Summaries.

**The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI).**

United States and other countries have imposed broad-ranging economic sanctions on Russia and certain Russian individuals, banking entities and corporations as a response to its invasion of Ukraine. The United States and other countries have also imposed economic sanctions on Belarus and may impose sanctions on other countries that support Russia's military invasion. These sanctions, as well as any other economic consequences related to the invasion, such as additional sanctions, boycotts or changes in consumer or purchaser preferences or cyberattacks on governments, companies or individuals, may further decrease the value and liquidity of certain Russian securities and securities of issuers in other countries that are subject to economic sanctions related to the invasion.

## Portfolio Composition

12/31/22

	<b>% of Total Net Assets</b>
Common Stocks	57.1%
U.S. Government and Agency Securities	18.2%
Corporate Bonds	10.5%
Mortgage-Backed Securities	4.6%
Management Investment Companies	2.1%
Foreign Government and Agency Securities	1.7%
Other	2.0%
Short-Term Investments & Other Net Assets	3.8%

## Performance Overview

You can find the Fund's one-year total return in the Performance Summary. In comparison, the Fund's benchmark, the Standard & Poor's 500® Index (S&P 500®), posted a -18.11% total return.<sup>1</sup> The Fund's other benchmarks performed as follows: the Bloomberg U.S. Aggregate Bond Index posted a -13.01% total return, the MSCI World ex USA Index-NR posted a -14.29% total return, and the Linked Allocation VIP Fund Benchmark posted a 15.01% total return.<sup>1,2</sup>

## Economic and Market Overview

Global developed and emerging market equities, as measured by the MSCI All Country World Index-NR, posted a -18.36% total return for the 12 months ended December 31, 2022.<sup>1</sup> The combination of resilient consumer demand and persistent supply-chain disruptions contributed to higher inflation in many countries. This inflationary pressure

led many of the world's central banks to adopt less accommodative monetary policy in 2022, which hindered stocks and the outlook for economic growth. Russia's invasion of Ukraine and the subsequent escalation of the war also increased investor uncertainty, as international sanctions on Russia disrupted global trade and commodity markets. Meanwhile, shifting public health policy in China added volatility to the global economy, as lockdowns early in the period to quell the spread of the Omicron variant of COVID-19 slowed economic activity, while widespread protests late in the period led the government to relax its strict "zero-COVID" policy.

In the U.S., gross domestic product (GDP) expanded in the second half of the calendar year, recovering from a slight contraction in the first half of the year when high inflation, supply constraints and record trade deficits weighed on economic output. Rising prices precipitated a notable decline in consumer confidence despite high spending levels, robust job growth and low unemployment. In an effort to control inflation, the U.S. Federal Reserve (Fed) raised the federal funds target rate in March 2022 for the first time since 2018. The Fed raised the federal funds rate again at its subsequent six meetings to end the period at a range of 4.25%–4.50%. Furthermore, the Fed said it would continue to reduce its bond holdings and anticipated additional interest-rate increases at future meetings to curtail inflation.

## Geographic Composition

12/31/22

	<b>% of Total Net Assets</b>
North America	74.0%
Europe	13.9%
Asia	5.4%
Latin America & Caribbean	1.3%
Australia & New Zealand	1.0%
Other	0.6%
Short-Term Investments & Other Net Assets	3.8%

Economic growth in the eurozone decelerated to a slightly positive growth rate during the year. The lifting of COVID-related restrictions in some European countries and the summer tourism season strengthened economies. However, the war in Ukraine disrupted supply chains, weakened the economic outlook and contributed to record high inflation across the eurozone, as energy prices soared. Electricity prices hit record highs in Germany and France as coal futures and natural gas prices climbed. Consequently, the European Central Bank raised interest rates in July 2022 for the first time in 11 years to curtail growing inflation and raised rates in three subsequent meetings. In this environment,

European developed market equities, as measured by the MSCI Europe Index-NR, posted a -15.06% total return for the 12 months under review.<sup>1</sup>

Asian developed and emerging market equities, as measured by the MSCI All Country Asia Index-NR, posted a -18.61% total return for the 12-month period.<sup>1</sup> Growth in Japan remained slow, alternating between positive quarterly GDP growth and contraction. China's economy contracted sharply in 2022 as COVID-related restrictions in many major cities, including Shanghai, weakened consumer demand. Investor concerns about the solvency of several large property developers in China further pressured stocks in that country.

Global emerging market stocks, as measured by the MSCI Emerging Markets Index-NR, posted a -20.09% total return for the 12 months under review.<sup>1</sup> Central bank tightening, the threat of recession, and weakening demand for semiconductors in technology-heavy countries contributed to the downturn. Following Russia's invasion of Ukraine, climbing food and energy prices kindled inflationary pressures and raised concerns over the possibility of government debt defaults in some countries. However, some emerging economies, particularly in Latin America, as well as South Africa and Saudi Arabia, benefited from rising commodity prices.

## Investment Strategy

The Fund seeks to achieve its investment goals by allocating its assets among the broad asset classes of equity and fixed income investments through a variety of investment strategies or sleeves managed by the investment manager or its affiliates, which include ClearBridge Large Cap Growth Strategy, ClearBridge Large Cap Value Strategy, Franklin Emerging Markets Core Equity Strategy, Franklin International Core Equity Strategy, Franklin International Growth Strategy, Franklin U.S. Core Equity Strategy, Franklin U.S. Smart Beta Equity Strategy, Templeton Foreign Strategy, Brandywine Global Opportunities Bond Strategy, Franklin Investment Grade Corporate Strategy, Franklin U.S. Core Bond Strategy, Franklin U.S. Treasury Securities Strategy and Western Asset Core Bond Strategy. The Fund is structured as a multi-manager fund (meaning the Fund's assets are managed by multiple subadvisors), with the investment manager having overall responsibility for the Fund's investments. The investment manager allocates assets among various asset classes and strategy sleeves to seek to diversify the Fund's portfolio, to add incremental return and to reduce the Fund's risk of being significantly impacted by changes in a specific asset class or by changing market conditions. The investment manager may, at times,



implement a risk overlay strategy, which seeks to neutralize certain market risks that may exist in the Fund, primarily through the use of equity and interest rate/bond futures. Allocations to the individually managed sleeves typically will not exceed 20%, but will vary with market conditions; however, under normal market conditions, no sleeve constitutes a majority of the Fund's assets.

## Manager's Discussion

The Fund's performance can be attributed largely to its allocation among the underlying sleeves and their investments in domestic and foreign equity securities, fixed income securities, equity index and U.S. Treasury futures, and short-term investments and other net assets.

### Top 10 Holdings

12/31/22

Company Industry, Country	% of Total Net Assets
U.S. Treasury Notes <i>Diversified Financial Services, United States</i>	13.3%
U.S. Treasury Bonds <i>Diversified Financial Services, United States</i>	4.9%
Schwab U.S. TIPS ETF <i>Capital Markets, United States</i>	2.1%
FNMA, 30 Year <i>Thriffs &amp; Mortgage Finance, United States</i>	1.7%
Microsoft Corp. <i>Software, United States</i>	1.7%
Apple, Inc. <i>Technology Hardware, Storage &amp; Peripherals, United States</i>	1.4%
FHLMC Pool, 30 Year <i>Diversified Financial Services, United States</i>	1.2%
Alphabet, Inc. <i>Interactive Media &amp; Services, United States</i>	1.0%
Bank of America Corp. <i>Banks, United States</i>	0.9%
Amazon.com, Inc. <i>Internet &amp; Direct Marketing Retail, United States</i>	0.9%

During the 12 months under review, on the equity side, the Franklin International Growth Strategy and the Franklin International Core Equity Strategy underperformed the Fund's foreign equity benchmark, the MSCI World ex USA Index-NR, while the Templeton Foreign Strategy performed better than the index. The Franklin Growth Strategy underperformed the Fund's domestic equity benchmark, the S&P 500, while the Franklin U.S. Core Equity Strategy performed better than the index. During the period, the Fund's management team exited the Franklin Rising Dividends and Franklin U.S. Smart Beta strategies, and initiated positions in the ClearBridge Large Cap Growth and ClearBridge Large Cap Value strategies. All four strategies performed better than the domestic equity benchmark.

On the fixed income side, the Franklin Investment Grade Corporate Strategy and the Franklin U.S. Core Bond Strategy underperformed the Fund's fixed income benchmark, the Bloomberg U.S. Aggregate Bond Index. The Western Asset Core Bond Strategy and the Brandywine Global Opportunity Bond Strategy, both new positions during the period, also underperformed the fixed income benchmark during their time in the Fund. The Templeton Global Bond VIP Fund – Class 1, which the Fund's management team exited during the period, and the Franklin U.S. Treasury Securities Strategy performed better than the index. The Fund's risk overlay strategy, which utilized U.S. Treasury and equity index futures to seek to neutralize certain market risks that we believed existed in the Fund during the period, performed better than both the Fund's fixed income benchmark and the Fund's equity benchmarks.

Thank you for your participation in Franklin Allocation VIP Fund. We look forward to serving your future investment needs.

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*The foregoing information reflects our analysis, opinions and portfolio holdings as of December 31, 2022, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.*

## Class 2 Fund Expenses

As an investor in a variable insurance contract (Contract) that indirectly provides for investment in an underlying mutual fund, you can incur transaction and/or ongoing expenses at both the Fund level and the Contract Level: (1) transaction expenses can include sales charges (loads) on purchases, surrender fees, transfer fees and premium taxes; and (2) ongoing expenses can include management fees, distribution and service (12b-1) fees, contract fees, annual maintenance fees, mortality and expense risk fees and other fees and expenses. All mutual funds and Contracts have some types of ongoing expenses. The table below shows Fund-level ongoing expenses and can help you understand these costs and compare them with those of other mutual funds offered through the Contract. The table assumes a \$1,000 investment held for the six months indicated. Please refer to the Fund prospectus for additional information on operating expenses.

### Actual Fund Expenses

The table below provides information about the actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of ongoing Fund expenses but does not include the effect of ongoing Contract expenses, is used to calculate the "Ending Account Value." You can estimate the Fund-level expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then  $\$8,600 \div \$1,000 = 8.6$* ). Then multiply the result by the number under the headings "Actual" and "Fund-Level Expenses Paid During Period" (*if Fund-Level Expenses Paid During Period were \$7.50, then  $8.6 \times \$7.50 = \$64.50$* ). In this illustration, the estimated expenses paid this period at the Fund level are \$64.50.

### Hypothetical Example for Comparison with Other Mutual Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other mutual funds offered through the Contract. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds offered through the Contract.

*Please note that expenses shown in the table are meant to highlight ongoing costs at the Fund level only and do not reflect any ongoing expenses at the Contract level, or transaction expenses at either the Fund or Contract levels. In addition, while the Fund does not have transaction expenses, if the transaction and ongoing expenses at the Contract level were included, the expenses shown below would be higher. You should consult your Contract prospectus or disclosure document for more information.*

Share Class	Beginning Account Value 7/1/22	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 12/31/22	Fund-Level Expenses Paid During Period 7/1/22–12/31/22 <sup>1,2</sup>	Ending Account Value 12/31/22	Fund-Level Expenses Paid During Period 7/1/22–12/31/22 <sup>1,2</sup>	
2	\$1,000	\$1,009.20	\$4.16	\$1,021.07	\$4.18	0.82%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 184/365 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements. Does not include acquired fund fees and expenses

**SUPPLEMENT DATED DECEMBER 23, 2022  
TO THE CURRENTLY EFFECTIVE PROSPECTUSES  
OF EACH FUND LISTED BELOW**

**FRANKLIN ALLOCATION VIP FUND  
FRANKLIN DYNATECH VIP FUND  
FRANKLIN GLOBAL REAL ESTATE VIP FUND  
FRANKLIN GROWTH AND INCOME VIP FUND  
FRANKLIN INCOME VIP FUND  
FRANKLIN LARGE CAP GROWTH VIP FUND  
FRANKLIN RISING DIVIDENDS VIP FUND  
FRANKLIN SMALL-MID CAP GROWTH VIP FUND  
FRANKLIN STRATEGIC INCOME VIP FUND  
FRANKLIN U.S. GOVERNMENT SECURITIES VIP FUND  
FRANKLIN VOLSMART ALLOCATION VIP FUND  
TEMPLETON DEVELOPING MARKETS VIP FUND  
TEMPLETON FOREIGN VIP FUND  
TEMPLETON GLOBAL BOND VIP FUND  
TEMPLETON GROWTH VIP FUND**

(a series of Franklin Templeton Variable Insurance Products Trust)

I. For Franklin Allocation VIP Fund, Franklin Global Real Estate VIP Fund, Franklin Income VIP Fund, Franklin Strategic Income VIP Fund and Franklin VolSmart Allocation VIP Fund, the “ESG Considerations” risk in the “Fund Details – Principal Risks” section of the prospectus is replaced with the following:

**ESG Considerations**

ESG considerations are one of a number of factors that the investment manager examines when considering investments for the Fund’s portfolio. In light of this, the issuers in which the Fund invests may not be considered ESG-focused issuers and may have lower or adverse ESG assessments. Consideration of ESG factors may affect the Fund’s exposure to certain issuers or industries and may not work as intended. In addition, ESG considerations assessed as part of the Fund’s investment process may vary across types of eligible investments and issuers. The investment manager does not assess every investment for ESG factors and, when it does, not every ESG factor may be identified or evaluated. The investment manager’s assessment of an issuer’s ESG factors is subjective and will likely differ from that of investors, third party service providers (e.g., ratings providers) and other funds. As a result, securities selected by the investment manager may not reflect the beliefs and values of any particular investor. The investment manager also may be dependent on the availability of timely, complete and accurate ESG data reported by issuers and/or third-party research providers, the timeliness, completeness and accuracy of which is out of the investment manager’s control. ESG factors are often not uniformly measured or defined, which could impact the investment manager’s ability to assess an issuer. While the investment manager views ESG considerations as having the potential to contribute to the Fund’s long-term performance, there is no guarantee that such results will be achieved.

II. For Franklin Dynatech VIP Fund, Franklin Growth and Income VIP Fund, Franklin Large Cap Growth VIP Fund, Franklin Rising Dividends VIP Fund, Franklin Small-Mid Cap Growth VIP Fund, Templeton Developing Markets VIP Fund, Templeton Global Bond VIP Fund, Templeton Foreign VIP Fund and Templeton Growth VIP Fund, the “ESG Considerations” risk in the “Fund Details – Principal Risks” section of the prospectus is replaced with the following:

**ESG Considerations**

ESG considerations are one of a number of factors that the investment manager examines when considering

*Please keep this supplement with your prospectus for future reference.*

investments for the Fund's portfolio. In light of this, the issuers in which the Fund invests may not be considered ESG-focused issuers and may have lower or adverse ESG assessments. Consideration of ESG factors may affect the Fund's exposure to certain issuers or industries and may not work as intended. In addition, ESG considerations assessed as part of the Fund's investment process may vary across types of eligible investments and issuers. In certain circumstances, there may be times when not every investment is assessed for ESG factors and, when they are, not every ESG factor may be identified or evaluated. The investment manager's assessment of an issuer's ESG factors is subjective and will likely differ from that of investors, third party service providers (e.g., ratings providers) and other funds. As a result, securities selected by the investment manager may not reflect the beliefs and values of any particular investor. The investment manager also may be dependent on the availability of timely, complete and accurate ESG data reported by issuers and/or third-party research providers, the timeliness, completeness and accuracy of which is out of the investment manager's control. ESG factors are often not uniformly measured or defined, which could impact the investment manager's ability to assess an issuer. While the investment manager views ESG considerations as having the potential to contribute to the Fund's long-term performance, there is no guarantee that such results will be achieved.

III. For Franklin U.S. Government Securities VIP Fund, the "ESG Considerations" risk in the "Fund Details – Principal Risks" section of the prospectus is replaced with the following:

### **Social and Governance Considerations**

Social and/or governance considerations are not the only factors considered by the investment manager and may not be a determinative factor in the investment manager's selection of securities for the Fund. In addition, the investment manager may not be able to give such considerations meaningful weight if the availability of appropriate securities for the Fund's portfolio is limited. The investment manager does not assess every investment for ESG factors and, when it does, not every ESG factor may be identified or evaluated. The investment manager's assessment of certain investments may differ from that of investors, third party service providers, such as ratings providers, or other funds. While the investment manager views social and governance considerations as having the potential to contribute to the Fund's performance, there is no guarantee that such results will be achieved.

*Please keep this supplement with your prospectus for future reference.*

**SUPPLEMENT DATED SEPTEMBER 30, 2022**  
**TO THE PROSPECTUSES**  
**DATED MAY 1, 2022**  
**FRANKLIN ALLOCATION VIP FUND**  
(a series of Franklin Templeton Variable Insurance Products Trust)

Effective October 1, 2022, the prospectus is amended as follows:

I. The portfolio management team under the “Fund Summaries – Franklin Allocation VIP Fund” section on page FFA-S7 of the prospectus is replaced with the following:

**Thomas A. Nelson, CFA**

Portfolio Manager of Advisers and portfolio manager of the Fund since 2019.

**Wylie Tollette, CFA**

Executive Vice President of Advisers and portfolio manager of the Fund since 2019.

**Jaqueline Kenney, CFA**

Portfolio Manager of Advisers and portfolio manager of the Fund since October 2022.

II. The portfolio management section under the “Fund Details – Franklin Allocation VIP Fund – Management” section on page FFA-D12 of the prospectus is replaced with the following:

**Thomas A. Nelson, CFA Portfolio Manager of Advisers**

Mr. Nelson has been a co-lead portfolio manager of the Fund since 2019. He joined Franklin Templeton in 2007.

**Wylie Tollette, CFA Executive Vice President of Advisers**

Mr. Tollette has been a co-lead portfolio manager of the Fund since 2019. He first joined Franklin Templeton in 1994, left the company in 2014 and rejoined in 2018.

**Jaqueline Kenney, CFA Portfolio Manager of Advisers**

Ms. Kenney has been a portfolio manager of the Fund since October 2022, providing support to the lead portfolio managers as needed. She joined Franklin Templeton in 2010.

As co-lead portfolio managers of the Fund, Messrs. Nelson and Tollette are jointly and primarily responsible for the day-to-day management of the Fund's portfolio. They have equal authority over all aspects of the Fund's investment portfolio, including, but not limited to, the implementation of the Fund's asset allocation strategy, purchases and sales of individual securities, portfolio risk assessment, and the management of daily cash balances in accordance with anticipated investment management requirements. The degree to which each portfolio manager may perform these functions, and the nature of these functions, may change from time to time. Ms. Kenney provides the Fund with research and advice on the purchases and sales of individual securities, and portfolio risk assessment.

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## Financial Highlights

### Franklin Allocation VIP Fund

	Year Ended December 31,				
	2022	2021	2020	2019	2018
<b>Class 1</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$6.02	\$5.49	\$6.86	\$6.37	\$7.44
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup> . . . . .	0.08	0.06	0.10	0.11 <sup>c</sup>	0.23 <sup>c</sup>
Net realized and unrealized gains (losses) . . . . .	(1.03)	0.58	0.45	1.11	(0.89)
Total from investment operations . . . . .	(0.95)	0.64	0.55	1.22	(0.66)
Less distributions from:					
Net investment income . . . . .	(0.10)	(0.11)	(0.12)	(0.27)	(0.24)
Net realized gains . . . . .	(0.51)	—	(1.80)	(0.46)	(0.17)
Total distributions . . . . .	(0.61)	(0.11)	(1.92)	(0.73)	(0.41)
Net asset value, end of year . . . . .	\$4.46	\$6.02	\$5.49	\$6.86	\$6.37
Total return <sup>d</sup> . . . . .	(15.68)%	11.81%	12.19%	20.04%	(9.34)%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	0.58%	0.60%	0.60%	0.44%	0.12%
Expenses net of waiver and payments by affiliates . . . . .	0.57% <sup>e</sup>	0.56% <sup>e</sup>	0.55% <sup>e</sup>	0.39%	0.10%
Net investment income . . . . .	1.55%	1.04%	1.79%	1.55%	3.13%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$648	\$841	\$811	\$842	\$984
Portfolio turnover rate . . . . .	107.31%	54.07%	99.02%	170.79%	2.23%
Portfolio turnover rate excluding mortgage dollar rolls . . . . .	107.31%	54.07%	91.62% <sup>f</sup>	158.11% <sup>f</sup>	2.23%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Fund is affected by the timing of declaration of dividends by the Underlying Funds and exchange traded funds in which the Fund invests.

<sup>d</sup>Total return does not include fees, charges or expenses imposed by the variable annuity and life insurance contracts for which Franklin Templeton Variable Insurance Products Trust serves as an underlying investment vehicle.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>f</sup>See Note 1(e) regarding mortgage dollar rolls.

Franklin Allocation VIP Fund (continued)

	Year Ended December 31,				
	2022	2021	2020	2019	2018
<b>Class 2</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$5.96	\$5.43	\$6.81	\$6.32	\$7.39
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup> . . . . .	0.06	0.05	0.09	0.09 <sup>c</sup>	0.21 <sup>c</sup>
Net realized and unrealized gains (losses) . . . . .	(1.02)	0.58	0.43	1.11	(0.89)
Total from investment operations . . . . .	(0.96)	0.63	0.52	1.20	(0.68)
Less distributions from:					
Net investment income . . . . .	(0.08)	(0.10)	(0.10)	(0.25)	(0.22)
Net realized gains . . . . .	(0.51)	—	(1.80)	(0.46)	(0.17)
Total distributions . . . . .	(0.59)	(0.10)	(1.90)	(0.71)	(0.39)
Net asset value, end of year . . . . .	\$4.41	\$5.96	\$5.43	\$6.81	\$6.32
Total return <sup>d</sup> . . . . .	(16.00)%	11.68%	11.74%	19.86%	(9.65)%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	0.83%	0.85%	0.85%	0.69%	0.37%
Expenses net of waiver and payments by affiliates . . . . .	0.82% <sup>e</sup>	0.81% <sup>e</sup>	0.80% <sup>e</sup>	0.64%	0.35%
Net investment income . . . . .	1.29%	0.80%	1.54%	1.30%	2.88%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$223,917	\$302,084	\$398,620	\$403,040	\$390,300
Portfolio turnover rate . . . . .	107.31%	54.07%	99.02%	170.79%	2.23%
Portfolio turnover rate excluding mortgage dollar rolls . . . . .	107.31%	54.07%	91.62% <sup>f</sup>	158.11% <sup>f</sup>	2.23%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Fund is affected by the timing of declaration of dividends by the Underlying Funds and exchange traded funds in which the Fund invests.

<sup>d</sup>Total return does not include fees, charges or expenses imposed by the variable annuity and life insurance contracts for which Franklin Templeton Variable Insurance Products Trust serves as an underlying investment vehicle.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>f</sup>See Note 1(e) regarding mortgage dollar rolls.

**Franklin Allocation VIP Fund** (continued)

	Year Ended December 31,				
	2022	2021	2020	2019	2018
<b>Class 4</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$6.17	\$5.62	\$6.97	\$6.46	\$7.53
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup> . . . . .	0.06	0.04	0.08	0.08 <sup>c</sup>	0.20 <sup>c</sup>
Net realized and unrealized gains (losses) . . . . .	(1.06)	0.60	0.46	1.13	(0.89)
Total from investment operations . . . . .	(1.00)	0.64	0.54	1.21	(0.69)
Less distributions from:					
Net investment income . . . . .	(0.08)	(0.09)	(0.09)	(0.24)	(0.21)
Net realized gains . . . . .	(0.51)	—	(1.80)	(0.46)	(0.17)
Total distributions . . . . .	(0.59)	(0.09)	(1.89)	(0.70)	(0.38)
Net asset value, end of year . . . . .	\$4.58	\$6.17	\$5.62	\$6.97	\$6.46
Total return <sup>d</sup> . . . . .	(16.19)%	11.54%	11.75%	19.56%	(9.58)%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	0.93%	0.95%	0.95%	0.79%	0.47%
Expenses net of waiver and payments by affiliates . . . . .	0.92% <sup>e</sup>	0.91% <sup>e</sup>	0.90% <sup>e</sup>	0.74%	0.45%
Net investment income . . . . .	1.20%	0.70%	1.44%	1.20%	2.78%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$328,741	\$418,751	\$409,388	\$406,693	\$393,385
Portfolio turnover rate . . . . .	107.31%	54.07%	99.02%	170.79%	2.23%
Portfolio turnover rate excluding mortgage dollar rolls . . . . .	107.31%	54.07%	91.62% <sup>f</sup>	158.11% <sup>f</sup>	2.23%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Fund is affected by the timing of declaration of dividends by the Underlying Funds and exchange traded funds in which the Fund invests.

<sup>d</sup>Total return does not include fees, charges or expenses imposed by the variable annuity and life insurance contracts for which Franklin Templeton Variable Insurance Products Trust serves as an underlying investment vehicle.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>f</sup>See Note 1(e) regarding mortgage dollar rolls.



## Schedule of Investments, December 31, 2022

## Franklin Allocation VIP Fund

	Country	Shares	Value
<b>Common Stocks 57.1%</b>			
<b>Aerospace &amp; Defense 2.2%</b>			
BAE Systems plc	United Kingdom	85,879	\$886,956
BWX Technologies, Inc.	United States	3,401	197,530
Dassault Aviation SA	France	4,122	699,030
General Dynamics Corp.	United States	1,307	324,280
Lockheed Martin Corp.	United States	3,678	1,789,310
MTU Aero Engines AG	Germany	6,000	1,290,752
Northrop Grumman Corp.	United States	4,821	2,630,386
Raytheon Technologies Corp.	United States	37,258	3,760,077
<sup>a</sup> Rolls-Royce Holdings plc	United Kingdom	458,759	512,401
			12,090,722
<b>Air Freight &amp; Logistics 0.7%</b>			
DSV A/S	Denmark	6,639	1,049,812
Expeditors International of Washington, Inc.	United States	2,764	287,235
Nippon Express Holdings, Inc.	Japan	2,300	131,307
United Parcel Service, Inc., B	United States	14,949	2,598,734
			4,067,088
<b>Airlines 0.0%<sup>†</sup></b>			
<sup>a</sup> Delta Air Lines, Inc.	United States	2,200	72,292
<b>Auto Components 0.5%</b>			
<sup>a</sup> Aptiv plc	United States	5,080	473,101
BorgWarner, Inc.	United States	5,096	205,114
Bridgestone Corp.	Japan	2,500	88,487
Continental AG	Germany	11,429	681,303
<sup>a</sup> Faurecia SE	France	42,052	636,443
Valeo	France	29,000	518,143
			2,602,591
<b>Automobiles 0.7%</b>			
Bayerische Motoren Werke AG	Germany	15,957	1,412,688
Honda Motor Co. Ltd.	Japan	26,100	595,111
<sup>a</sup> Rivian Automotive, Inc., A	United States	2,200	40,546
Stellantis NV	United States	63,088	896,461
<sup>a</sup> Tesla, Inc.	United States	7,924	976,078
Thor Industries, Inc.	United States	1,565	118,142
Toyota Motor Corp.	Japan	3,000	40,914
			4,079,940
<b>Banks 3.3%</b>			
Banco Bilbao Vizcaya Argentaria SA	Spain	13,312	80,178
Bank of America Corp.	United States	94,861	3,141,796
Bank OZK	United States	3,533	141,532
Citigroup, Inc.	United States	17,306	782,750
Comerica, Inc.	United States	1,354	90,515
Commonwealth Bank of Australia	Australia	3,194	221,822
DBS Group Holdings Ltd.	Singapore	29,900	756,817
FincoBank Banca Finco SpA	Italy	72,000	1,195,585
First Horizon Corp.	United States	16,236	397,782
FNB Corp.	United States	11,001	143,563
HSBC Holdings plc	United Kingdom	69,112	428,306
ING Groep NV	Netherlands	85,051	1,035,972
JPMorgan Chase & Co.	United States	18,967	2,543,475
Kasikornbank PCL	Thailand	120,192	511,040
KB Financial Group, Inc.	South Korea	19,208	739,004
Lloyds Banking Group plc	United Kingdom	1,319,313	719,937
Mitsubishi UFJ Financial Group, Inc.	Japan	16,400	110,062

**Franklin Allocation VIP Fund** (continued)

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Banks</b> (continued)			
NatWest Group plc	United Kingdom	160,206	\$510,913
Prosperity Bancshares, Inc.	United States	1,089	79,149
Shinhan Financial Group Co. Ltd.	South Korea	23,451	655,609
Standard Chartered plc	United Kingdom	197,773	1,475,033
Sumitomo Mitsui Financial Group, Inc.	Japan	20,700	832,526
Sumitomo Mitsui Financial Group, Inc., ADR	Japan	99,600	798,792
US Bancorp	United States	13,848	603,911
			17,996,069
<b>Beverages 1.0%</b>			
Brown-Forman Corp., B	United States	4,091	268,697
<sup>b</sup> Budweiser Brewing Co. APAC Ltd., 144A, Reg S	China	40,500	126,604
Constellation Brands, Inc., A	United States	1,404	325,377
Kirin Holdings Co. Ltd.	Japan	5,300	80,752
<sup>a</sup> Monster Beverage Corp.	United States	16,317	1,656,665
PepsiCo, Inc.	United States	14,583	2,634,565
Pernod Ricard SA	France	2,128	418,606
Suntory Beverage & Food Ltd.	Japan	2,100	71,485
			5,582,751
<b>Biotechnology 1.3%</b>			
AbbVie, Inc.	United States	6,032	974,831
Amgen, Inc.	United States	5,019	1,318,190
CSL Ltd.	United States	7,035	1,371,683
<sup>a</sup> Genmab A/S	Denmark	2,700	1,141,480
Gilead Sciences, Inc.	United States	10,863	932,589
<sup>a</sup> Moderna, Inc.	United States	431	77,416
<sup>a</sup> Regeneron Pharmaceuticals, Inc.	United States	1,412	1,018,744
<sup>a</sup> Swedish Orphan Biovitrum AB	Sweden	4,982	103,106
<sup>a</sup> Vertex Pharmaceuticals, Inc.	United States	1,547	446,743
			7,384,782
<b>Building Products 0.3%</b>			
Allegion plc	United States	1,357	142,838
<sup>a</sup> Builders FirstSource, Inc.	United States	4,852	314,798
Cie de Saint-Gobain	France	11,110	543,485
Owens Corning	United States	2,914	248,564
Trane Technologies plc	United States	2,656	446,447
			1,696,132
<b>Capital Markets 2.1%</b>			
3i Group plc	United Kingdom	25,066	404,231
Affiliated Managers Group, Inc.	United States	1,042	165,084
Bank of New York Mellon Corp. (The)	United States	17,280	786,586
BlackRock, Inc.	United States	365	258,650
Blackstone, Inc.	United States	1,000	74,190
Carlyle Group, Inc. (The)	United States	4,302	128,372
Choe Global Markets, Inc.	United States	3,187	399,873
Charles Schwab Corp. (The)	United States	23,909	1,990,663
Deutsche Bank AG	Germany	22,816	256,476
Deutsche Boerse AG	Germany	8,496	1,462,859
Evercore, Inc., A	United States	1,015	110,716
FactSet Research Systems, Inc.	United States	1,150	461,392
Intercontinental Exchange, Inc.	United States	3,555	364,707
Intermediate Capital Group plc	United Kingdom	60,000	828,397
Jefferies Financial Group, Inc.	United States	6,359	217,987
Julius Baer Group Ltd.	Switzerland	737	42,892
Lazard Ltd., A	United States	2,765	95,863

Franklin Allocation VIP Fund (continued)

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Capital Markets</b> (continued)			
LPL Financial Holdings, Inc. ....	United States	2,362	\$510,594
Macquarie Group Ltd. ....	Australia	7,600	857,889
MarketAxess Holdings, Inc. ....	United States	300	83,667
MSCI, Inc. ....	United States	243	113,036
S&P Global, Inc. ....	United States	3,833	1,283,825
SEI Investments Co. ....	United States	3,061	178,456
State Street Corp. ....	United States	1,011	78,423
Tradeweb Markets, Inc., A. ....	United States	3,100	201,283
UBS Group AG. ....	Switzerland	20,769	385,996
			11,742,107
<b>Chemicals 1.8%</b>			
Air Products and Chemicals, Inc. ....	United States	6,504	2,004,923
BASF SE ....	Germany	1,829	90,053
CF Industries Holdings, Inc. ....	United States	6,401	545,365
<sup>b</sup> Covestro AG, 144A, Reg S. ....	Germany	11,636	453,272
Ecolab, Inc. ....	United States	1,621	235,953
ICL Group Ltd. ....	Israel	18,746	135,064
Koninklijke DSM NV ....	Netherlands	6,900	847,243
Linde plc. ....	United Kingdom	1,885	614,849
LyondellBasell Industries NV, A. ....	United States	3,768	312,857
Mosaic Co. (The) ....	United States	3,848	168,812
Nissan Chemical Corp. ....	Japan	3,100	135,136
Nitto Denko Corp. ....	Japan	4,200	241,815
OCI NV. ....	Netherlands	3,256	116,405
PPG Industries, Inc. ....	United States	7,783	978,634
Sherwin-Williams Co. (The) ....	United States	2,430	576,712
Shin-Etsu Chemical Co. Ltd. ....	Japan	1,400	170,899
Sika AG ....	Switzerland	3,400	817,327
Solvay SA. ....	Belgium	2,162	218,581
Symrise AG ....	Germany	9,586	1,041,039
			9,704,939
<b>Commercial Services &amp; Supplies 0.1%</b>			
Brambles Ltd. ....	Australia	5,385	44,157
Cintas Corp. ....	United States	268	121,034
<sup>a</sup> Clean Harbors, Inc. ....	United States	633	72,238
Republic Services, Inc. ....	United States	1,600	206,384
Rollins, Inc. ....	United States	2,635	96,283
			540,096
<b>Communications Equipment 0.7%</b>			
<sup>a</sup> Arista Networks, Inc. ....	United States	965	117,103
Cisco Systems, Inc. ....	United States	38,289	1,824,088
<sup>a</sup> F5, Inc. ....	United States	553	79,361
Motorola Solutions, Inc. ....	United States	6,664	1,717,379
			3,737,931
<b>Construction Materials 0.3%</b>			
CRH plc. ....	Ireland	16,891	671,727
Martin Marietta Materials, Inc. ....	United States	3,168	1,070,689
			1,742,416
<b>Consumer Finance 0.4%</b>			
American Express Co. ....	United States	12,490	1,845,397
Synchrony Financial ....	United States	14,164	465,429
			2,310,826

**Franklin Allocation VIP Fund** (continued)

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Containers &amp; Packaging 0.0%†</b>			
Graphic Packaging Holding Co. . . . .	United States	6,210	\$138,172
<b>Distributors 0.0%†</b>			
Genuine Parts Co. . . . .	United States	823	142,799
<b>Diversified Consumer Services 0.0%†</b>			
H&R Block, Inc. . . . .	United States	5,107	186,457
<b>Diversified Financial Services 0.5%</b>			
<sup>a</sup> Berkshire Hathaway, Inc., B. . . . .	United States	5,062	1,563,652
<sup>a</sup> EXOR NV . . . . .	Netherlands	8,793	643,744
Housing Development Finance Corp. Ltd. . . . .	India	24,196	769,079
			2,976,475
<b>Diversified Telecommunication Services 0.4%</b>			
AT&T, Inc. . . . .	United States	31,580	581,388
Bezeq The Israeli Telecommunication Corp. Ltd. . . . .	Israel	23,583	40,342
<sup>b</sup> Cellnex Telecom SA, 144A, Reg S. . . . .	Spain	17,000	563,885
Deutsche Telekom AG. . . . .	Germany	8,078	160,717
Nippon Telegraph & Telephone Corp. . . . .	Japan	28,100	801,096
Spark New Zealand Ltd. . . . .	New Zealand	19,985	68,413
			2,215,841
<b>Electric Utilities 0.6%</b>			
Acciona SA. . . . .	Spain	755	138,937
American Electric Power Co., Inc. . . . .	United States	7,019	666,454
Edison International . . . . .	United States	17,738	1,128,492
Elia Group SA/NV . . . . .	Belgium	953	135,475
Endesa SA . . . . .	Spain	9,185	173,097
NextEra Energy, Inc. . . . .	United States	5,392	450,771
NRG Energy, Inc. . . . .	United States	7,485	238,173
OGE Energy Corp. . . . .	United States	6,330	250,352
Red Electrica Corp. SA . . . . .	Spain	11,769	204,632
			3,386,383
<b>Electrical Equipment 0.6%</b>			
Acuity Brands, Inc. . . . .	United States	999	165,444
AMETEK, Inc. . . . .	United States	1,618	226,067
Eaton Corp. plc. . . . .	United States	6,215	975,444
Fuji Electric Co. Ltd. . . . .	Japan	3,600	135,815
Hubbell, Inc. . . . .	United States	1,652	387,691
Mitsubishi Electric Corp. . . . .	Japan	12,600	124,810
Prysmian SpA. . . . .	Italy	5,539	205,795
Schneider Electric SE . . . . .	United States	2,279	320,036
Vertiv Holdings Co. . . . .	United States	64,922	886,835
			3,427,937
<b>Electronic Equipment, Instruments &amp; Components 0.8%</b>			
Amphenol Corp., A . . . . .	United States	7,466	568,461
Avnet, Inc. . . . .	United States	1,746	72,599
Hirose Electric Co. Ltd. . . . .	Japan	900	112,841
Ibiden Co. Ltd. . . . .	Japan	1,200	43,260
Jabil, Inc. . . . .	United States	4,195	286,099
Keyence Corp. . . . .	Japan	400	155,245
<sup>a</sup> Keysight Technologies, Inc. . . . .	United States	2,106	360,273
TDK Corp. . . . .	Japan	4,000	130,090
TE Connectivity Ltd. . . . .	Switzerland	20,118	2,309,546

Franklin Allocation VIP Fund (continued)

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Electronic Equipment, Instruments &amp; Components</b> (continued)			
Yokogawa Electric Corp. . . . .	Japan	7,000	\$111,059
			4,149,473
<b>Energy Equipment &amp; Services 0.2%</b>			
SBM Offshore NV . . . . .	Netherlands	47,343	744,805
Schlumberger Ltd. . . . .	United States	1,790	95,693
<sup>a</sup> Tecnicas Reunidas SA . . . . .	Spain	19,845	193,714
			1,034,212
<b>Entertainment 0.6%</b>			
<sup>a</sup> CTS Eventim AG & Co. KGaA . . . . .	Germany	18,000	1,142,568
Electronic Arts, Inc. . . . .	United States	2,325	284,068
<sup>a</sup> Netflix, Inc. . . . .	United States	3,452	1,017,926
Nintendo Co. Ltd. . . . .	Japan	6,800	285,819
<sup>a</sup> ROBLOX Corp., A. . . . .	United States	3,300	93,918
<sup>a</sup> Sea Ltd., ADR. . . . .	Singapore	4,192	218,110
Square Enix Holdings Co. Ltd. . . . .	Japan	2,600	120,665
<sup>a</sup> Walt Disney Co. (The) . . . . .	United States	1,702	147,870
World Wrestling Entertainment, Inc., A. . . . .	United States	1,326	90,857
			3,401,801
<b>Equity Real Estate Investment Trusts (REITs) 0.8%</b>			
American Tower Corp. . . . .	United States	5,016	1,062,690
Covivio . . . . .	France	1,041	61,789
Crown Castle, Inc. . . . .	United States	2,885	391,322
Equinix, Inc. . . . .	United States	932	610,488
Gaming and Leisure Properties, Inc. . . . .	United States	1,480	77,093
<sup>a</sup> Klepierre SA . . . . .	France	6,338	146,278
Omega Healthcare Investors, Inc. . . . .	United States	7,310	204,315
Prologis, Inc. . . . .	United States	398	44,867
Public Storage . . . . .	United States	4,096	1,147,658
Segro plc . . . . .	United Kingdom	20,914	192,657
Simon Property Group, Inc. . . . .	United States	2,547	299,222
Stockland . . . . .	Australia	16,777	41,316
STORE Capital Corp. . . . .	United States	7,905	253,434
			4,533,129
<b>Food &amp; Staples Retailing 0.4%</b>			
Albertsons Cos., Inc., A. . . . .	United States	5,219	108,242
Coles Group Ltd. . . . .	Australia	5,779	65,504
Costco Wholesale Corp. . . . .	United States	200	91,300
Jeronimo Martins SGPS SA . . . . .	Portugal	4,918	106,398
Koninklijke Ahold Delhaize NV . . . . .	Netherlands	16,702	480,182
Kroger Co. (The) . . . . .	United States	20,802	927,353
Sundrug Co. Ltd. . . . .	Japan	17,693	525,595
			2,304,574
<b>Food Products 0.5%</b>			
Ajinomoto Co., Inc. . . . .	Japan	13,000	397,187
Archer-Daniels-Midland Co. . . . .	United States	1,092	101,392
Danone SA . . . . .	France	1,333	70,253
General Mills, Inc. . . . .	United States	2,477	207,696
Hershey Co. (The) . . . . .	United States	1,821	421,689
Lamb Weston Holdings, Inc. . . . .	United States	1,232	110,092
Nestle SA . . . . .	United States	9,329	1,077,529
<sup>b</sup> WH Group Ltd., 144A, Reg S . . . . .	Hong Kong	241,500	140,854

**Franklin Allocation VIP Fund** (continued)

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Food Products</b> (continued)			
Yakult Honsha Co. Ltd. ....	Japan	3,900	\$253,794
			2,780,486
<b>Gas Utilities 0.1%</b>			
National Fuel Gas Co. ....	United States	2,744	173,695
Tokyo Gas Co. Ltd. ....	Japan	12,000	234,877
			408,572
<b>Health Care Equipment &amp; Supplies 1.9%</b>			
Abbott Laboratories. ....	United States	3,360	368,894
Alcon, Inc., (CHF Traded) .....	Switzerland	14,500	994,921
Alcon, Inc., (USD Traded) .....	Switzerland	11,142	763,784
Becton Dickinson and Co. ....	United States	4,785	1,216,825
BioMerieux .....	France	1,139	119,662
Cochlear Ltd. ....	Australia	6,400	883,823
<sup>a</sup> Dexcom, Inc. ....	United States	6,536	740,137
<sup>a</sup> Edwards Lifesciences Corp. ....	United States	4,786	357,083
<sup>a</sup> Haemonetics Corp. ....	United States	2,524	198,513
<sup>a</sup> Hologic, Inc. ....	United States	6,960	520,678
Hoya Corp. ....	Japan	800	76,597
<sup>a</sup> IDEXX Laboratories, Inc. ....	United States	1,323	539,731
<sup>a</sup> Intuitive Surgical, Inc. ....	United States	5,753	1,526,559
Olympus Corp. ....	Japan	29,600	521,894
<sup>a</sup> QuidelOrtho Corp. ....	United States	1,426	122,165
ResMed, Inc. ....	United States	343	71,389
Sonova Holding AG. ....	Switzerland	1,254	297,807
Stryker Corp. ....	United States	3,862	944,220
Teleflex, Inc. ....	United States	1,384	345,488
Zimmer Biomet Holdings, Inc. ....	United States	713	90,907
			10,701,077
<b>Health Care Providers &amp; Services 1.8%</b>			
<sup>a</sup> Centene Corp. ....	United States	1,414	115,962
Cigna Corp. ....	United States	326	108,017
CVS Health Corp. ....	United States	6,402	596,602
Elevance Health, Inc. ....	United States	5,043	2,586,908
Fresenius Medical Care AG & Co. KGaA. ....	Germany	11,786	384,943
Humana, Inc. ....	United States	144	73,755
Laboratory Corp. of America Holdings .....	United States	1,010	237,835
McKesson Corp. ....	United States	2,832	1,062,340
Sonic Healthcare Ltd. ....	Australia	7,286	148,267
UnitedHealth Group, Inc. ....	United States	8,341	4,422,231
			9,736,860
<b>Health Care Technology 0.0%<sup>†</sup></b>			
<sup>a</sup> Veeva Systems, Inc., A .....	United States	700	112,966
<b>Hotels, Restaurants &amp; Leisure 0.4%</b>			
<sup>a</sup> Airbnb, Inc., A. ....	United States	1,000	85,500
<sup>a</sup> Booking Holdings, Inc. ....	United States	129	259,971
Boyd Gaming Corp. ....	United States	1,439	78,469
Choice Hotels International, Inc. ....	United States	993	111,851
Compass Group plc .....	United Kingdom	11,407	263,400
Domino's Pizza, Inc. ....	United States	587	203,337
<sup>b</sup> La Francaise des Jeux SAEM, 144A, Reg S .....	France	1,749	70,374
<sup>a</sup> Las Vegas Sands Corp. ....	United States	6,338	304,667
<sup>a</sup> Lottery Corp. Ltd. (The) .....	Australia	66,024	201,232

Franklin Allocation VIP Fund (continued)

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Hotels, Restaurants &amp; Leisure</b> (continued)			
McDonald's Corp. . . . .	United States	2,077	\$547,352
			2,126,153
<b>Household Durables 0.2%</b>			
Barratt Developments plc . . . . .	United Kingdom	34,165	163,175
Gree Electric Appliances, Inc. of Zhuhai, A. . . . .	China	47,400	221,347
Persimmon plc . . . . .	United Kingdom	10,870	159,376
Sekisui House Ltd. . . . .	Japan	18,900	334,965
Sony Group Corp. . . . .	Japan	4,248	323,679
Taylor Wimpey plc. . . . .	United Kingdom	45,137	55,277
			1,257,819
<b>Household Products 0.2%</b>			
Colgate-Palmolive Co. . . . .	United States	15,804	1,245,197
Kimberly-Clark Corp. . . . .	United States	606	82,265
			1,327,462
<b>Independent Power and Renewable Electricity Producers 0.0%<sup>†</sup></b>			
RWE AG. . . . .	Germany	3,208	141,812
Vistra Corp. . . . .	United States	3,275	75,980
			217,792
<b>Industrial Conglomerates 0.6%</b>			
3M Co. . . . .	United States	4,214	505,343
CK Hutchison Holdings Ltd. . . . .	United Kingdom	163,000	976,521
Hitachi Ltd. . . . .	Japan	16,706	840,296
Honeywell International, Inc. . . . .	United States	4,174	894,488
			3,216,648
<b>Insurance 1.6%</b>			
AIA Group Ltd. . . . .	Hong Kong	74,546	823,251
American Financial Group, Inc. . . . .	United States	1,710	234,749
<sup>a</sup> Arch Capital Group Ltd. . . . .	United States	1,506	94,547
Assured Guaranty Ltd. . . . .	United States	1,338	83,304
Chubb Ltd. . . . .	United States	931	205,379
Legal & General Group plc . . . . .	United Kingdom	166,915	500,413
Marsh & McLennan Cos., Inc. . . . .	United States	9,507	1,573,218
Medibank Pvt Ltd. . . . .	Australia	81,126	161,838
MetLife, Inc. . . . .	United States	3,109	224,998
Principal Financial Group, Inc. . . . .	United States	7,333	615,385
Progressive Corp. (The) . . . . .	United States	8,584	1,113,431
Prudential plc, (GBP Traded). . . . .	Hong Kong	33,657	458,904
Prudential plc, (HKD Traded). . . . .	Hong Kong	7,250	101,311
Sampo OYJ, A . . . . .	Finland	4,013	209,587
Tokio Marine Holdings, Inc. . . . .	Japan	19,000	405,746
Travelers Cos., Inc. (The) . . . . .	United States	5,502	1,031,570
Unum Group. . . . .	United States	6,120	251,104
W R Berkley Corp. . . . .	United States	3,250	235,852
Zurich Insurance Group AG. . . . .	Switzerland	1,451	693,653
			9,018,240
<b>Interactive Media &amp; Services 1.6%</b>			
<sup>a</sup> Alphabet, Inc., A . . . . .	United States	48,598	4,287,802
<sup>a</sup> Alphabet, Inc., C . . . . .	United States	12,328	1,093,863
<sup>b</sup> Auto Trader Group plc, 144A, Reg S . . . . .	United Kingdom	18,822	117,206
<sup>a</sup> Baidu, Inc., ADR . . . . .	China	1,870	213,890
<sup>a</sup> Match Group, Inc. . . . .	United States	683	28,338

**Franklin Allocation VIP Fund** (continued)

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Interactive Media &amp; Services</b> (continued)			
<sup>a</sup> Meta Platforms, Inc., A	United States	23,496	\$2,827,509
			8,568,608
<b>Internet &amp; Direct Marketing Retail 1.6%</b>			
<sup>a</sup> Alibaba Group Holding Ltd.	China	66,793	732,923
<sup>a</sup> Amazon.com, Inc.	United States	55,690	4,677,960
<sup>a,b</sup> Delivery Hero SE, 144A, Reg S	South Korea	1,869	89,689
eBay, Inc.	United States	8,063	334,373
<sup>a</sup> Etsy, Inc.	United States	780	93,429
<sup>a,b</sup> Just Eat Takeaway.com NV, 144A, Reg S	United Kingdom	13,797	293,649
<sup>a</sup> MercadoLibre, Inc.	Brazil	1,150	973,176
Prosus NV	China	11,845	817,781
<sup>a</sup> Vipshop Holdings Ltd., ADR	China	45,274	617,537
ZOZO, Inc.	Japan	3,700	91,343
			8,721,860
<b>IT Services 2.5%</b>			
<sup>a,b</sup> Adyen NV, 144A, Reg S	Netherlands	797	1,106,383
<sup>a</sup> Amadeus IT Group SA	Spain	19,700	1,021,944
Amdocs Ltd.	United States	3,697	336,057
Automatic Data Processing, Inc.	United States	568	135,673
Cognizant Technology Solutions Corp., A	United States	2,278	130,279
<sup>a</sup> DXC Technology Co.	United States	31,133	825,025
<sup>a</sup> Gartner, Inc.	United States	223	74,959
Genpact Ltd.	United States	5,626	260,596
Jack Henry & Associates, Inc.	United States	2,228	391,148
Keywords Studios plc	Ireland	38,000	1,246,972
Mastercard, Inc., A	United States	3,614	1,256,696
Otsuka Corp.	Japan	3,500	110,284
Paychex, Inc.	United States	6,293	727,219
<sup>a</sup> Paymentus Holdings, Inc., A	United States	2,600	20,826
<sup>a</sup> PayPal Holdings, Inc.	United States	9,115	649,170
<sup>a</sup> Shopify, Inc., A	Canada	19,200	666,432
<sup>a</sup> Snowflake, Inc., A	United States	1,500	215,310
TIS, Inc.	Japan	7,000	183,909
<sup>a</sup> VeriSign, Inc.	United States	566	116,279
Visa, Inc., A	United States	19,904	4,135,257
Western Union Co. (The)	United States	12,045	165,860
			13,776,278
<b>Leisure Products 0.0%<sup>†</sup></b>			
Bandai Namco Holdings, Inc.	Japan	1,600	100,253
<b>Life Sciences Tools &amp; Services 1.2%</b>			
Agilent Technologies, Inc.	United States	3,831	573,309
Danaher Corp.	United States	2,987	792,809
<sup>a</sup> Evotec SE	Germany	48,000	780,834
<sup>a</sup> Illumina, Inc.	United States	1,446	292,381
<sup>a</sup> Mettler-Toledo International, Inc.	United States	1,416	2,046,757
<sup>a</sup> QIAGEN NV	United States	882	44,337
Sartorius Stedim Biotech.	France	284	92,287
Thermo Fisher Scientific, Inc.	United States	2,883	1,587,639
<sup>a</sup> Waters Corp.	United States	1,229	421,031
			6,631,384
<b>Machinery 1.7%</b>			
AGCO Corp.	United States	894	123,989
Allison Transmission Holdings, Inc.	United States	3,001	124,842



Franklin Allocation VIP Fund (continued)

	Country	Shares	Value
<b>Common Stocks (continued)</b>			
<b>Machinery (continued)</b>			
Atlas Copco AB, A. . . . .	Sweden	17,370	\$205,794
Atlas Copco AB, B. . . . .	Sweden	45,291	483,209
Deere & Co. . . . .	United States	7,715	3,307,883
Dover Corp. . . . .	United States	1,100	148,951
Illinois Tool Works, Inc. . . . .	United States	7,041	1,551,132
Ingersoll Rand, Inc. . . . .	United States	4,826	252,159
Komatsu Ltd. . . . .	Japan	16,000	345,707
Lincoln Electric Holdings, Inc. . . . .	United States	1,658	239,564
Mitsubishi Heavy Industries Ltd. . . . .	Japan	9,500	375,279
NGK Insulators Ltd. . . . .	Japan	5,300	67,168
Otis Worldwide Corp. . . . .	United States	9,449	739,951
PACCAR, Inc. . . . .	United States	4,922	487,130
<sup>a</sup> Proterra, Inc. . . . .	United States	11,400	42,978
Rational AG . . . . .	Germany	69	40,972
Snap-on, Inc. . . . .	United States	1,567	358,044
Timken Co. (The) . . . . .	United States	1,992	140,775
Volvo AB, A. . . . .	Sweden	2,222	42,185
Xylem, Inc. . . . .	United States	2,400	265,368
			9,343,080
<b>Marine 0.1%</b>			
AP Moller - Maersk A/S, A. . . . .	Denmark	94	207,151
SITC International Holdings Co. Ltd. . . . .	China	38,000	84,226
			291,377
<b>Media 1.0%</b>			
<sup>a,b</sup> Ascential plc, Reg S . . . . .	United Kingdom	275,000	670,214
Cable One, Inc. . . . .	United States	261	185,795
<sup>a</sup> Charter Communications, Inc., A. . . . .	United States	3,507	1,189,224
Comcast Corp., A . . . . .	United States	40,337	1,410,585
CyberAgent, Inc. . . . .	Japan	62,000	551,783
<sup>a</sup> DISH Network Corp., A . . . . .	United States	45,605	640,294
Nexstar Media Group, Inc., A. . . . .	United States	752	131,623
<sup>a</sup> S4 Capital plc . . . . .	United Kingdom	118,420	270,756
<sup>a</sup> Viaplay Group AB, B . . . . .	Sweden	34,000	648,999
			5,699,273
<b>Metals &amp; Mining 0.7%</b>			
BHP Group Ltd. . . . .	Australia	29,207	904,677
Fortescue Metals Group Ltd. . . . .	Australia	24,096	336,769
Freeport-McMoRan, Inc. . . . .	United States	8,568	325,584
Glencore plc . . . . .	Australia	68,674	457,944
Nucor Corp. . . . .	United States	4,375	576,669
Rio Tinto Ltd. . . . .	Australia	4,822	380,551
Steel Dynamics, Inc. . . . .	United States	717	70,051
Sumitomo Metal Mining Co. Ltd. . . . .	Japan	16,265	571,337
			3,623,582
<b>Multiline Retail 0.1%</b>			
Macy's, Inc. . . . .	United States	8,383	173,109
Next plc . . . . .	United Kingdom	668	46,805
Seria Co. Ltd. . . . .	Japan	13,948	304,760
			524,674
<b>Multi-Utilities 0.8%</b>			
Consolidated Edison, Inc. . . . .	United States	6,182	589,207
E.ON SE. . . . .	Germany	71,713	712,938

**Franklin Allocation VIP Fund** (continued)

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Multi-Utilities</b> (continued)			
Engie SA .....	France	11,230	\$160,650
Sempra Energy .....	United States	19,197	2,966,704
			4,429,499
<b>Oil, Gas &amp; Consumable Fuels 2.6%</b>			
APA Corp. ....	United States	7,418	346,272
BP plc. ....	United Kingdom	390,799	2,254,794
Chesapeake Energy Corp. ....	United States	3,517	331,899
Chevron Corp. ....	United States	14,294	2,565,630
ConocoPhillips .....	United States	27,073	3,194,614
Devon Energy Corp. ....	United States	1,344	82,669
EQT Corp. ....	United States	1,968	66,577
Equinor ASA .....	Norway	20,971	753,527
Exxon Mobil Corp. ....	United States	7,724	851,957
Galp Energia SGPS SA, B .....	Portugal	37,727	508,938
OMV AG .....	Austria	1,794	92,281
Shell plc .....	Netherlands	64,661	1,822,771
TotalEnergies SE .....	France	9,787	614,333
Valero Energy Corp. ....	United States	8,771	1,112,689
			14,598,951
<b>Personal Products 0.5%</b>			
Beiersdorf AG .....	Germany	961	109,810
Estee Lauder Cos., Inc. (The), A .....	United States	3,410	846,055
<sup>a</sup> Haleon plc, ADR .....	United States	124,280	994,240
L'Oreal SA .....	France	2,442	874,434
			2,824,539
<b>Pharmaceuticals 2.7%</b>			
AstraZeneca plc .....	United Kingdom	5,317	719,464
AstraZeneca plc, ADR. ....	United Kingdom	5,614	380,629
Bayer AG .....	Germany	27,006	1,389,937
<sup>a</sup> Catalent, Inc. ....	United States	6,689	301,072
Eli Lilly & Co. ....	United States	3,062	1,120,202
GSK plc .....	United States	50,567	873,925
Hikma Pharmaceuticals plc. ....	Jordan	39,000	726,770
Ipsen SA .....	France	1,084	116,590
Johnson & Johnson .....	United States	10,437	1,843,696
Merck & Co., Inc. ....	United States	22,401	2,485,391
Novo Nordisk A/S, B .....	Denmark	7,451	1,011,903
Orion OYJ, B .....	Finland	2,994	164,133
Pfizer, Inc. ....	United States	24,551	1,257,993
Roche Holding AG .....	United States	3,026	950,831
Roche Holding AG, BR .....	United States	342	132,517
Sanofi SA .....	France	2,557	246,551
Zoetis, Inc. ....	United States	6,521	955,653
			14,677,257
<b>Professional Services 0.7%</b>			
Adecco Group AG .....	Switzerland	19,734	649,112
Booz Allen Hamilton Holding Corp. ....	United States	1,707	178,416
<sup>a</sup> Clarivate plc .....	United States	69,000	575,460
<sup>a</sup> CoStar Group, Inc. ....	United States	4,000	309,120
Equifax, Inc. ....	United States	1,090	211,852
Experian plc .....	United Kingdom	27,000	914,407
Persol Holdings Co. Ltd. ....	Japan	2,300	48,904
Randstad NV .....	Netherlands	3,239	197,901
RELX plc .....	United Kingdom	3,900	107,823

Franklin Allocation VIP Fund (continued)

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Professional Services</b> (continued)			
Robert Half International, Inc. ....	United States	1,589	\$117,316
Verisk Analytics, Inc. ....	United States	661	116,614
Wolters Kluwer NV ....	Netherlands	5,420	567,097
			3,994,022
<b>Real Estate Management &amp; Development 0.2%</b>			
<sup>a</sup> CBRE Group, Inc., A. ....	United States	2,661	204,790
CK Asset Holdings Ltd. ....	Hong Kong	12,000	73,599
Daito Trust Construction Co. Ltd. ....	Japan	500	51,174
<sup>a</sup> Fastighets AB Balder, B. ....	Sweden	16,655	77,729
Hulic Co. Ltd. ....	Japan	10,700	83,994
<sup>a</sup> Jones Lang LaSalle, Inc. ....	United States	1,495	238,258
Nomura Real Estate Holdings, Inc. ....	Japan	3,600	76,952
Swire Pacific Ltd., A. ....	Hong Kong	15,500	135,873
			942,369
<b>Road &amp; Rail 0.5%</b>			
<sup>a</sup> Avis Budget Group, Inc. ....	United States	950	155,733
Canadian Pacific Railway Ltd. ....	Canada	5,360	399,802
<sup>a</sup> Hertz Global Holdings, Inc. ....	United States	6,558	100,928
JB Hunt Transport Services, Inc. ....	United States	1,150	200,514
Kintetsu Group Holdings Co. Ltd. ....	Japan	5,500	181,527
Ryder System, Inc. ....	United States	1,589	132,793
<sup>a</sup> Uber Technologies, Inc. ....	United States	20,982	518,885
Union Pacific Corp. ....	United States	5,136	1,063,512
			2,753,694
<b>Semiconductors &amp; Semiconductor Equipment 2.5%</b>			
Advantest Corp. ....	Japan	4,700	300,925
ASML Holding NV. ....	Netherlands	2,161	1,178,234
ASML Holding NV, NYRS. ....	Netherlands	2,272	1,241,421
Broadcom, Inc. ....	United States	359	200,728
<sup>a</sup> Cirrus Logic, Inc. ....	United States	1,743	129,819
Disco Corp. ....	Japan	200	56,985
Infineon Technologies AG. ....	Germany	24,968	758,790
Intel Corp. ....	United States	33,042	873,300
KLA Corp. ....	United States	235	88,602
Microchip Technology, Inc. ....	United States	1,867	131,157
Monolithic Power Systems, Inc. ....	United States	1,200	424,332
NVIDIA Corp. ....	United States	13,400	1,958,276
NXP Semiconductors NV. ....	China	4,875	770,396
<sup>a</sup> ON Semiconductor Corp. ....	United States	8,862	552,723
QUALCOMM, Inc. ....	United States	11,083	1,218,465
STMicroelectronics NV. ....	Singapore	16,447	584,434
SUMCO Corp. ....	Japan	9,800	129,792
Taiwan Semiconductor Manufacturing Co. Ltd. ....	Taiwan	49,586	720,266
Texas Instruments, Inc. ....	United States	13,468	2,225,183
			13,543,828
<b>Software 4.6%</b>			
<sup>a</sup> Adobe, Inc. ....	United States	2,156	725,559
<sup>a</sup> Atlassian Corp., A. ....	United States	3,547	456,428
<sup>a</sup> Autodesk, Inc. ....	United States	1,942	362,902
AVEVA Group plc. ....	United Kingdom	22,000	851,520
<sup>a</sup> Bill.com Holdings, Inc. ....	United States	2,700	294,192
<sup>a</sup> Cadence Design Systems, Inc. ....	United States	8,345	1,340,541
<sup>a</sup> Check Point Software Technologies Ltd. ....	Israel	2,369	298,873
<sup>a</sup> Crowdstrike Holdings, Inc., A. ....	United States	300	31,587

**Franklin Allocation VIP Fund** (continued)

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Software</b> (continued)			
<sup>a</sup> CyberArk Software Ltd. ....	United States	7,200	\$933,480
<sup>a</sup> Fair Isaac Corp. ....	United States	760	454,921
<sup>a</sup> Fortinet, Inc. ....	United States	15,564	760,924
<sup>a</sup> Gitlab, Inc., A ....	United States	300	13,632
Intuit, Inc. ....	United States	2,185	850,446
<sup>a</sup> Manhattan Associates, Inc. ....	United States	1,941	235,637
Microsoft Corp. ....	United States	38,775	9,299,020
<sup>a</sup> Nice Ltd., ADR ....	Israel	4,600	884,580
Oracle Corp. ....	United States	9,966	814,621
<sup>a</sup> Palo Alto Networks, Inc. ....	United States	5,597	781,005
<sup>a</sup> Paycom Software, Inc. ....	United States	400	124,124
<sup>a</sup> Procore Technologies, Inc. ....	United States	200	9,436
<sup>a</sup> PTC, Inc. ....	United States	3,021	362,641
Sage Group plc (The) ....	United Kingdom	28,337	255,156
<sup>a</sup> Salesforce, Inc. ....	United States	6,306	836,113
<sup>a</sup> ServiceNow, Inc. ....	United States	2,155	836,722
SimCorp A/S ....	Denmark	12,500	860,613
<sup>a</sup> Splunk, Inc. ....	United States	5,427	467,210
<sup>a</sup> Synopsys, Inc. ....	United States	2,165	691,263
<sup>a</sup> Teradata Corp. ....	United States	3,120	105,019
<sup>a</sup> Trend Micro, Inc. ....	Japan	900	42,076
<sup>a</sup> Tyler Technologies, Inc. ....	United States	496	159,915
<sup>a</sup> Unity Software, Inc. ....	United States	3,894	111,329
<sup>a</sup> VMware, Inc., A. ....	United States	2,352	288,732
WiseTech Global Ltd. ....	Australia	4,348	149,527
<sup>a</sup> Workday, Inc., A ....	United States	4,989	834,809
			25,524,553
<b>Specialty Retail 0.8%</b>			
Advance Auto Parts, Inc. ....	United States	3,038	446,677
<sup>a</sup> AutoNation, Inc. ....	United States	781	83,801
<sup>a</sup> AutoZone, Inc. ....	United States	219	540,093
Home Depot, Inc. (The) ....	United States	4,875	1,539,817
Industria de Diseno Textil SA ....	Spain	8,661	230,035
JD Sports Fashion plc ....	United Kingdom	32,614	49,559
Lowe's Cos., Inc. ....	United States	387	77,106
Penske Automotive Group, Inc. ....	United States	821	94,358
Tractor Supply Co. ....	United States	909	204,498
<sup>a</sup> Ulta Beauty, Inc. ....	United States	1,308	613,544
USS Co. Ltd. ....	Japan	3,300	52,343
<sup>a</sup> Victoria's Secret & Co. ....	United States	2,186	78,215
Williams-Sonoma, Inc. ....	United States	2,129	244,665
			4,254,711
<b>Technology Hardware, Storage &amp; Peripherals 1.6%</b>			
Apple, Inc. ....	United States	55,597	7,223,718
Brother Industries Ltd. ....	Japan	2,800	42,304
Elecom Co. Ltd. ....	Japan	14,000	143,443
Hewlett Packard Enterprise Co. ....	United States	5,731	91,467
<sup>a</sup> Pure Storage, Inc., A. ....	United States	2,653	70,994
Samsung Electronics Co. Ltd. ....	South Korea	23,631	1,041,603
Seiko Epson Corp. ....	Japan	8,700	126,533
			8,740,062
<b>Textiles, Apparel &amp; Luxury Goods 0.5%</b>			
Burberry Group plc ....	United Kingdom	11,806	287,018
<sup>a</sup> Deckers Outdoor Corp. ....	United States	321	128,130
Hermes International. ....	France	109	168,708

Franklin Allocation VIP Fund (continued)

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Textiles, Apparel &amp; Luxury Goods</b> (continued)			
<sup>a</sup> Lululemon Athletica, Inc. . . . .	United States	464	\$148,656
LVMH Moet Hennessy Louis Vuitton SE . . . . .	France	882	641,796
NIKE, Inc., B. . . . .	United States	12,321	1,441,680
Pandora A/S . . . . .	Denmark	1,830	129,340
Swatch Group AG (The) . . . . .	Switzerland	1,512	78,615
			3,023,943
<b>Thriffs &amp; Mortgage Finance 0.0%<sup>†</sup></b>			
MGIC Investment Corp. . . . .	United States	9,665	125,645
<b>Tobacco 0.4%</b>			
Altria Group, Inc. . . . .	United States	9,657	441,421
Imperial Brands plc . . . . .	United Kingdom	46,828	1,166,491
Philip Morris International, Inc. . . . .	United States	1,410	142,706
Swedish Match AB . . . . .	Sweden	17,324	188,500
			1,939,118
<b>Trading Companies &amp; Distributors 0.4%</b>			
Fastenal Co. . . . .	United States	7,200	340,704
Marubeni Corp. . . . .	Japan	14,700	168,345
Mitsubishi Corp. . . . .	Japan	14,100	457,597
RS Group plc . . . . .	United Kingdom	12,000	129,200
WW Grainger, Inc. . . . .	United States	2,021	1,124,181
			2,220,027
<b>Water Utilities 0.1%</b>			
American Water Works Co., Inc. . . . .	United States	1,619	246,768
Essential Utilities, Inc. . . . .	United States	1,626	77,609
			324,377
<b>Wireless Telecommunication Services 0.1%</b>			
KDDI Corp. . . . .	Japan	17,400	527,507
<sup>a</sup> T-Mobile US, Inc. . . . .	United States	1,022	143,080
			670,587
<b>Total Common Stocks (Cost \$287,772,420)</b> . . . . .			<b>316,019,561</b>
<b>Management Investment Companies 2.1%</b>			
<b>Capital Markets 2.1%</b>			
Schwab U.S. TIPS ETF . . . . .	United States	219,598	11,372,981
<b>Total Management Investment Companies (Cost \$13,506,924)</b> . . . . .			<b>11,372,981</b>
<b>Preferred Stocks 0.0%<sup>†</sup></b>			
<b>Life Sciences Tools &amp; Services 0.0%<sup>†</sup></b>			
<sup>c</sup> Sartorius AG, 0.34% . . . . .	Germany	250	98,714
<b>Total Preferred Stocks (Cost \$89,180)</b> . . . . .			<b>98,714</b>
		<b>Units</b>	
<b>Private Limited Partnership Funds 0.3%</b>			
<b>Oil, Gas &amp; Consumable Fuels 0.3%</b>			
Enterprise Products Partners LP . . . . .	United States	61,784	1,490,230
<b>Total Private Limited Partnership Funds (Cost \$1,583,439)</b> . . . . .			<b>1,490,230</b>

Franklin Allocation VIP Fund (continued)

	Country	Principal Amount <sup>†</sup>	Value
<b>Corporate Bonds 10.5%</b>			
<b>Aerospace &amp; Defense 0.2%</b>			
Boeing Co. (The),			
Senior Bond, 3.2%, 3/01/29 . . . . .	United States	20,000	\$17,578
Senior Bond, 3.25%, 2/01/35 . . . . .	United States	30,000	22,905
Senior Bond, 3.5%, 3/01/39 . . . . .	United States	200,000	144,930
Senior Bond, 5.705%, 5/01/40 . . . . .	United States	30,000	28,735
Senior Bond, 5.805%, 5/01/50 . . . . .	United States	60,000	55,936
Senior Bond, 5.93%, 5/01/60 . . . . .	United States	20,000	18,326
Senior Note, 4.875%, 5/01/25 . . . . .	United States	70,000	69,527
Senior Note, 2.196%, 2/04/26 . . . . .	United States	350,000	318,384
Senior Note, 5.15%, 5/01/30 . . . . .	United States	50,000	48,905
General Dynamics Corp., Senior Bond, 4.25%, 4/01/50 . . . . .	United States	10,000	8,927
Lockheed Martin Corp.,			
Senior Bond, 3.9%, 6/15/32 . . . . .	United States	10,000	9,453
Senior Bond, 4.15%, 6/15/53 . . . . .	United States	50,000	42,692
Northrop Grumman Corp.,			
Senior Bond, 3.25%, 1/15/28 . . . . .	United States	10,000	9,240
Senior Bond, 5.25%, 5/01/50 . . . . .	United States	190,000	188,215
Senior Note, 2.93%, 1/15/25 . . . . .	United States	20,000	19,196
Raytheon Technologies Corp.,			
Senior Bond, 4.125%, 11/16/28 . . . . .	United States	20,000	19,183
Senior Bond, 4.5%, 6/01/42 . . . . .	United States	300,000	271,201
Senior Bond, 4.15%, 5/15/45 . . . . .	United States	20,000	16,772
Senior Bond, 3.125%, 7/01/50 . . . . .	United States	30,000	21,144
			1,331,249
<b>Air Freight &amp; Logistics 0.1%</b>			
FedEx Corp., Senior Bond, 5.1%, 1/15/44 . . . . .	United States	400,000	356,596
United Parcel Service, Inc., Senior Bond, 3.75%, 11/15/47 . . . . .	United States	100,000	82,255
			438,851
<b>Airlines 0.0%<sup>†</sup></b>			
<sup>b</sup> Delta Air Lines, Inc. / SkyMiles IP Ltd.,			
Senior Secured Note, 144A, 4.5%, 10/20/25 . . . . .	United States	255,000	248,912
Senior Secured Note, 144A, 4.75%, 10/20/28 . . . . .	United States	30,000	28,245
			277,157
<b>Automobiles 0.0%<sup>†</sup></b>			
General Motors Co., Senior Bond, 6.6%, 4/01/36 . . . . .	United States	20,000	19,659
<b>Banks 2.3%</b>			
<sup>b</sup> Banco de Chile, Senior Bond, 144A, 2.99%, 12/09/31 . . . . .			
	Chile	200,000	170,404
Bancolombia SA, Senior Note, 3%, 1/29/25 . . . . .			
	Colombia	250,000	237,235
Bank of America Corp.,			
Senior Bond, 3.419% to 12/19/27, FRN thereafter, 12/20/28 . . . . .	United States	80,000	72,577
Senior Bond, 2.572% to 10/19/31, FRN thereafter, 10/20/32 . . . . .	United States	90,000	70,711
Senior Bond, 4.571% to 4/26/32, FRN thereafter, 4/27/33 . . . . .	United States	70,000	64,227
Senior Bond, 5%, 1/21/44 . . . . .	United States	20,000	18,484
Senior Bond, 4.083% to 3/19/50, FRN thereafter, 3/20/51 . . . . .	United States	100,000	78,741
Senior Note, 3.55% to 3/04/23, FRN thereafter, 3/05/24 . . . . .	United States	30,000	29,889
Senior Note, 3.864% to 7/22/23, FRN thereafter, 7/23/24 . . . . .	United States	200,000	198,233
Senior Note, 1.319% to 6/18/25, FRN thereafter, 6/19/26 . . . . .	United States	150,000	135,207
Senior Note, 6.204% to 11/09/27, FRN thereafter, 11/10/28 . . . . .	United States	1,030,000	1,065,297
Sub. Bond, 4%, 1/22/25 . . . . .	United States	20,000	19,591
Sub. Bond, 4.25%, 10/22/26 . . . . .	United States	100,000	96,735
Sub. Bond, 2.482% to 9/20/31, FRN thereafter, 9/21/36 . . . . .	United States	10,000	7,371

Franklin Allocation VIP Fund (continued)

	Country	Principal Amount <sup>1</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Banks</b> (continued)			
Bank of America Corp., (continued)			
L, Sub. Bond, 4.183%, 11/25/27	United States	200,000	\$190,045
Bank of Montreal, Senior Note, 1.85%, 5/01/25	Canada	30,000	28,049
Bank of Nova Scotia (The),			
Senior Note, 3.45%, 4/11/25	Canada	50,000	48,160
Sub. Bond, 4.588% to 5/03/32, FRN thereafter, 5/04/37	Canada	10,000	8,560
<sup>b</sup> BNP Paribas SA,			
Senior Note, 144A, 2.819% to 11/18/24, FRN thereafter, 11/19/25	France	200,000	189,597
Senior Note, 144A, 1.675% to 6/29/26, FRN thereafter, 6/30/27	France	200,000	174,292
Canadian Imperial Bank of Commerce, Senior Note, 0.95%, 6/23/23	Canada	20,000	19,631
Citigroup, Inc.,			
Senior Bond, 2.572% to 6/02/30, FRN thereafter, 6/03/31	United States	540,000	437,938
Senior Bond, 4.91% to 5/23/32, FRN thereafter, 5/24/33	United States	80,000	75,145
Senior Bond, 2.904% to 11/02/41, FRN thereafter, 11/03/42	United States	30,000	20,817
Senior Note, 4.044% to 5/31/23, FRN thereafter, 6/01/24	United States	400,000	397,401
Senior Note, 3.352% to 4/23/24, FRN thereafter, 4/24/25	United States	750,000	727,640
Senior Note, 3.29% to 3/16/25, FRN thereafter, 3/17/26	United States	40,000	38,055
Senior Note, 4.658% to 5/23/27, FRN thereafter, 5/24/28	United States	120,000	116,321
Sub. Bond, 5.5%, 9/13/25	United States	20,000	20,143
Sub. Bond, 4.45%, 9/29/27	United States	60,000	57,305
Sub. Bond, 5.3%, 5/06/44	United States	20,000	18,118
<sup>b,d</sup> Commonwealth Bank of Australia, Senior Note, 144A, FRN, 5.049%, (SOFR + 0.74%), 3/14/25	Australia	250,000	249,042
<sup>b</sup> Cooperatieve Rabobank UA, Senior Note, 144A, 3.649% to 4/05/27, FRN thereafter, 4/06/28	Netherlands	250,000	230,702
HSBC Holdings plc,			
Senior Note, 0.976% to 5/23/24, FRN thereafter, 5/24/25	United Kingdom	200,000	185,280
Senior Note, 1.645% to 8/17/25, FRN thereafter, 4/18/26	United Kingdom	525,000	474,304
Senior Note, 1.589% to 5/23/26, FRN thereafter, 5/24/27	United Kingdom	200,000	172,673
Senior Note, 4.755% to 6/08/27, FRN thereafter, 6/09/28	United Kingdom	200,000	189,351
JPMorgan Chase & Co.,			
Senior Bond, 3.54% to 4/30/27, FRN thereafter, 5/01/28	United States	1,200,000	1,106,070
Senior Bond, 4.452% to 12/04/28, FRN thereafter, 12/05/29	United States	60,000	56,482
Senior Bond, 2.545% to 11/07/31, FRN thereafter, 11/08/32	United States	30,000	23,789
Senior Bond, 3.109% to 4/21/50, FRN thereafter, 4/22/51	United States	20,000	13,191
Senior Note, 1.514% to 5/31/23, FRN thereafter, 6/01/24	United States	50,000	49,193
Senior Note, 2.083% to 4/21/25, FRN thereafter, 4/22/26	United States	80,000	74,332
Senior Note, 4.565% to 6/13/29, FRN thereafter, 6/14/30	United States	60,000	56,581
Sub. Bond, 3.625%, 12/01/27	United States	60,000	55,569
Sub. Bond, 2.956% to 5/12/30, FRN thereafter, 5/13/31	United States	200,000	165,231
Sub. Bond, 4.95%, 6/01/45	United States	20,000	17,965
KeyBank NA, Senior Note, 4.15%, 8/08/25	United States	250,000	244,493
Mitsubishi UFJ Financial Group, Inc., Senior Note, 5.063% to 9/11/24, FRN thereafter, 9/12/25			
	Japan	200,000	198,707
<sup>b</sup> Nordea Bank Abp, Senior Note, 144A, 4.75%, 9/22/25	Finland	200,000	198,946
<sup>e</sup> PNC Financial Services Group, Inc. (The), T, Junior Sub. Bond, 3.4% to 9/14/26, FRN thereafter, Perpetual	United States	400,000	318,000
Royal Bank of Canada,			
Senior Bond, 3.875%, 5/04/32	Canada	50,000	45,674
Senior Note, 1.6%, 4/17/23	Canada	30,000	29,744
Senior Note, 1.15%, 6/10/25	Canada	20,000	18,325

**Franklin Allocation VIP Fund** (continued)

	Country	Principal Amount <sup>1</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Banks</b> (continued)			
Santander UK Group Holdings plc, Senior Note, 1.673% to 6/23/26, FRN thereafter, 6/14/27	United Kingdom	200,000	\$170,289
<sup>b</sup> Societe Generale SA, Senior Note, 144A, 1.792% to 6/08/26, FRN thereafter, 6/09/27	France	200,000	172,315
<sup>b</sup> Standard Chartered plc, Senior Bond, 144A, 4.05%, 4/12/26	United Kingdom	470,000	454,678
SVB Financial Group, Senior Bond, 3.125%, 6/05/30	United States	100,000	83,000
Toronto-Dominion Bank (The), Senior Bond, 4.456%, 6/08/32	Canada	10,000	9,562
Senior Note, 0.75%, 6/12/23	Canada	30,000	29,465
Senior Note, 1.15%, 6/12/25	Canada	20,000	18,263
Senior Note, 4.693%, 9/15/27	Canada	200,000	198,059
Truist Financial Corp., Senior Note, 5.9% to 10/27/25, FRN thereafter, 10/28/26	United States	150,000	153,510
Sub. Bond, 3.875%, 3/19/29	United States	760,000	702,469
<sup>b</sup> UniCredit SpA, Senior Note, 144A, 1.982% to 6/02/26, FRN thereafter, 6/03/27	Italy	300,000	256,097
US Bancorp, Senior Note, 1.45%, 5/12/25	United States	40,000	37,124
Senior Note, 5.727% to 10/20/25, FRN thereafter, 10/21/26	United States	100,000	101,960
Wells Fargo & Co., Senior Bond, 2.879% to 10/29/29, FRN thereafter, 10/30/30	United States	150,000	127,731
Senior Bond, 3.35% to 3/01/32, FRN thereafter, 3/02/33	United States	30,000	25,353
Senior Bond, 5.013% to 4/03/50, FRN thereafter, 4/04/51	United States	220,000	194,925
Senior Note, 1.654% to 6/01/23, FRN thereafter, 6/02/24	United States	40,000	39,360
Senior Note, 2.188% to 4/29/25, FRN thereafter, 4/30/26	United States	60,000	55,891
Senior Note, 4.54% to 8/14/25, FRN thereafter, 8/15/26	United States	100,000	98,095
Senior Note, 4.808% to 7/24/27, FRN thereafter, 7/25/28	United States	850,000	831,592
Sub. Bond, 4.3%, 7/22/27	United States	60,000	57,838
Sub. Bond, 4.9%, 11/17/45	United States	90,000	77,897
			12,901,036
<b>Beverages 0.1%</b>			
Anheuser-Busch Cos. LLC / Anheuser-Busch InBev Worldwide, Inc., Senior Bond, 4.9%, 2/01/46	Belgium	100,000	91,411
Senior Note, 3.65%, 2/01/26	Belgium	30,000	28,907
Anheuser-Busch InBev Worldwide, Inc., Senior Bond, 4.75%, 1/23/29	Belgium	60,000	59,354
Senior Bond, 3.5%, 6/01/30	Belgium	420,000	383,358
Senior Bond, 4.35%, 6/01/40	Belgium	30,000	26,491
Senior Bond, 5.8%, 1/23/59	Belgium	150,000	154,408
Coca-Cola Co. (The), Senior Bond, 2.5%, 6/01/40	United States	10,000	7,327
Senior Note, 1.45%, 6/01/27	United States	20,000	17,686
Constellation Brands, Inc., Senior Note, 3.6%, 5/09/24	United States	10,000	9,808
Senior Note, 4.35%, 5/09/27	United States	10,000	9,754
PepsiCo, Inc., Senior Bond, 1.625%, 5/01/30	United States	10,000	8,157
			796,661
<b>Biotechnology 0.2%</b>			
AbbVie, Inc., Senior Bond, 4.85%, 6/15/44	United States	400,000	368,360
Senior Bond, 4.75%, 3/15/45	United States	100,000	90,297
Senior Bond, 4.25%, 11/21/49	United States	40,000	33,401



Franklin Allocation VIP Fund (continued)

	Country	Principal Amount <sup>†</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Biotechnology</b> (continued)			
AbbVie, Inc., (continued)			
Senior Note, 2.6%, 11/21/24	United States	100,000	\$95,738
Senior Note, 2.95%, 11/21/26	United States	40,000	37,255
Senior Note, 3.2%, 11/21/29	United States	90,000	81,338
Amgen, Inc., Senior Bond, 2.45%, 2/21/30	United States	680,000	573,704
Gilead Sciences, Inc.,			
Senior Bond, 3.65%, 3/01/26	United States	10,000	9,652
Senior Bond, 4.75%, 3/01/46	United States	10,000	9,050
			1,298,795
<b>Building Products 0.1%</b>			
Carrier Global Corp., Senior Bond, 3.577%, 4/05/50	United States	230,000	165,052
Fortune Brands Innovations, Inc., Senior Bond, 4%, 3/25/32	United States	200,000	173,949
			339,001
<b>Capital Markets 0.6%</b>			
Credit Suisse AG, Senior Note, 1.25%, 8/07/26	Switzerland	250,000	202,568
Deutsche Bank AG, Senior Note, 5.371%, 9/09/27	Germany	150,000	150,592
Goldman Sachs Group, Inc. (The),			
Senior Bond, 3.5%, 1/23/25	United States	425,000	410,882
Senior Bond, 3.691% to 6/04/27, FRN thereafter, 6/05/28	United States	140,000	130,296
Senior Bond, 2.65% to 10/20/31, FRN thereafter, 10/21/32	United States	70,000	55,444
Senior Bond, 2.908% to 7/20/41, FRN thereafter, 7/21/42	United States	40,000	27,349
Senior Note, 3.625%, 2/20/24	United States	40,000	39,326
Senior Note, 5.7%, 11/01/24	United States	230,000	232,904
Senior Note, 3.5%, 4/01/25	United States	40,000	38,500
Senior Note, 1.948% to 10/20/26, FRN thereafter, 10/21/27	United States	200,000	175,138
Sub. Bond, 4.25%, 10/21/25	United States	200,000	195,401
Sub. Bond, 5.15%, 5/22/45	United States	50,000	45,149
Intercontinental Exchange, Inc., Senior Bond, 4.6%, 3/15/33	United States	20,000	19,232
<sup>b</sup> Macquarie Group Ltd., Senior Note, 144A, 6.207%, 11/22/24	Australia	240,000	241,737
Morgan Stanley,			
Senior Bond, 3.591% to 7/21/27, FRN thereafter, 7/22/28	United States	860,000	790,189
Senior Bond, 3.772% to 1/23/28, FRN thereafter, 1/24/29	United States	40,000	36,699
Senior Bond, 3.622% to 3/31/30, FRN thereafter, 4/01/31	United States	300,000	262,579
Senior Bond, 2.511% to 10/19/31, FRN thereafter, 10/20/32	United States	100,000	78,524
Senior Note, 2.188% to 4/27/25, FRN thereafter, 4/28/26	United States	50,000	46,506
<sup>b</sup> UBS Group AG, Senior Note, 144A, 4.488% to 5/11/25, FRN thereafter, 5/12/26	Switzerland	200,000	195,653
			3,374,668
<b>Commercial Services &amp; Supplies 0.0%<sup>†</sup></b>			
Cintas Corp. No. 2,			
Senior Bond, 3.7%, 4/01/27	United States	10,000	9,655
Senior Bond, 4%, 5/01/32	United States	10,000	9,419
RELX Capital, Inc., Senior Bond, 3%, 5/22/30	United Kingdom	300,000	256,331
Republic Services, Inc., Senior Note, 2.5%, 8/15/24	United States	10,000	9,589
			284,994
<b>Consumer Finance 0.2%</b>			
AerCap Ireland Capital DAC / AerCap Global Aviation Trust, Senior Note, 2.45%, 10/29/26			
	Ireland	150,000	131,361
American Express Co.,			
Senior Note, 2.5%, 7/30/24	United States	70,000	67,362

**Franklin Allocation VIP Fund** (continued)

	Country	Principal Amount <sup>a</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Consumer Finance</b> (continued)			
American Express Co., (continued)			
Senior Note, 4.05%, 5/03/29	United States	30,000	\$28,633
Capital One Financial Corp., Senior Bond, 3.75%, 3/09/27	United States	435,000	413,999
John Deere Capital Corp.,			
Senior Bond, 3.9%, 6/07/32	United States	75,000	70,251
Senior Bond, 4.35%, 9/15/32	United States	200,000	194,923
			906,529
<b>Containers &amp; Packaging 0.0%<sup>†</sup></b>			
WRKCo, Inc., Senior Bond, 3%, 6/15/33	United States	135,000	107,597
<b>Diversified Financial Services 0.2%</b>			
<sup>b</sup> EDP Finance BV, Senior Note, 144A, 1.71%, 1/24/28	Portugal	400,000	330,777
<sup>b</sup> NTT Finance Corp., Senior Bond, 144A, 2.065%, 4/03/31	Japan	500,000	401,441
Shell International Finance BV,			
Senior Bond, 2.875%, 5/10/26	Netherlands	20,000	18,859
Senior Bond, 2.75%, 4/06/30	Netherlands	50,000	43,988
Senior Bond, 4%, 5/10/46	Netherlands	20,000	16,404
Senior Bond, 3.25%, 4/06/50	Netherlands	40,000	28,884
			840,353
<b>Diversified Telecommunication Services 0.3%</b>			
AT&T, Inc.,			
Senior Bond, 2.55%, 12/01/33	United States	40,000	30,858
Senior Bond, 3.5%, 9/15/53	United States	40,000	27,177
Senior Bond, 3.55%, 9/15/55	United States	30,000	20,152
Senior Bond, 3.65%, 9/15/59	United States	10,000	6,739
Senior Note, 1.65%, 2/01/28	United States	100,000	84,623
Orange SA, Senior Bond, 9%, 3/01/31	France	100,000	122,639
Verizon Communications, Inc.,			
Senior Bond, 2.625%, 8/15/26	United States	40,000	36,965
Senior Bond, 2.55%, 3/21/31	United States	200,000	164,965
Senior Bond, 4.5%, 8/10/33	United States	100,000	93,891
Senior Bond, 2.85%, 9/03/41	United States	200,000	138,403
Senior Bond, 3.85%, 11/01/42	United States	100,000	79,698
Senior Bond, 2.875%, 11/20/50	United States	70,000	44,188
Senior Note, 2.1%, 3/22/28	United States	40,000	34,785
Senior Note, 2.355%, 3/15/32	United States	850,000	676,046
			1,561,129
<b>Electric Utilities 0.5%</b>			
<sup>b</sup> American Transmission Systems, Inc., Senior Bond, 144A, 2.65%, 1/15/32	United States	20,000	16,467
<sup>b</sup> Cleveland Electric Illuminating Co. (The), Senior Bond, 144A, 3.5%, 4/01/28	United States	10,000	9,130
Commonwealth Edison Co., Senior Bond, 4%, 3/01/48	United States	200,000	165,335
Duke Energy Corp., Senior Bond, 3.15%, 8/15/27	United States	10,000	9,243
Duke Energy Florida LLC, Senior Bond, 6.4%, 6/15/38	United States	200,000	220,297
<sup>b</sup> Enel Finance International NV, Senior Bond, 144A, 2.25%, 7/12/31	Italy	200,000	145,972
Exelon Corp.,			
Senior Bond, 4.05%, 4/15/30	United States	650,000	605,017
Senior Bond, 5.625%, 6/15/35	United States	10,000	10,173

Franklin Allocation VIP Fund (continued)

	Country	Principal Amount <sup>†</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Electric Utilities</b> (continued)			
Georgia Power Co., Senior Bond, 4.3%, 3/15/42 . . . . .	United States	700,000	\$604,162
MidAmerican Energy Co., Senior Bond, 3.65%, 4/15/29 . . . . .	United States	20,000	18,742
<sup>b</sup> Mid-Atlantic Interstate Transmission LLC, Senior Bond, 144A, 4.1%, 5/15/28 . . . . .	United States	10,000	9,429
Pacific Gas and Electric Co., Senior Bond, 2.5%, 2/01/31 . . . . .	United States	10,000	7,782
Senior Bond, 3.3%, 8/01/40 . . . . .	United States	10,000	6,805
Senior Bond, 3.5%, 8/01/50 . . . . .	United States	10,000	6,249
Senior Note, 2.1%, 8/01/27 . . . . .	United States	10,000	8,555
PacifiCorp, Senior Bond, 5.35%, 12/01/53 . . . . .	United States	375,000	373,466
Southern Co. (The), A, Senior Bond, 3.7%, 4/30/30 . . . . .	United States	300,000	271,466
<sup>b</sup> Vistra Operations Co. LLC, Senior Secured Note, 144A, 3.55%, 7/15/24 . . . . .	United States	235,000	225,525
			2,713,815
<b>Electrical Equipment 0.0%<sup>†</sup></b>			
Eaton Corp., Senior Bond, 4.15%, 11/02/42 . . . . .	United States	10,000	8,592
Emerson Electric Co., Senior Bond, 2.8%, 12/21/51 . . . . .	United States	60,000	38,876
			47,468
<b>Energy Equipment &amp; Services 0.1%</b>			
Baker Hughes Holdings LLC / Baker Hughes Co-Obligor, Inc., Senior Bond, 4.08%, 12/15/47 . . . . .	United States	485,000	380,531
<b>Entertainment 0.2%</b>			
Netflix, Inc., Senior Bond, 5.75%, 3/01/24 . . . . .	United States	400,000	403,456
Walt Disney Co. (The), Senior Bond, 2.65%, 1/13/31 . . . . .	United States	200,000	171,215
<sup>b</sup> Warnermedia Holdings, Inc., Senior Bond, 144A, 4.279%, 3/15/32 . . . . .	United States	70,000	57,839
Senior Bond, 144A, 5.05%, 3/15/42 . . . . .	United States	210,000	161,411
Senior Bond, 144A, 5.141%, 3/15/52 . . . . .	United States	50,000	36,541
Senior Note, 144A, 3.755%, 3/15/27 . . . . .	United States	10,000	9,020
Senior Note, 144A, 4.054%, 3/15/29 . . . . .	United States	10,000	8,670
			848,152
<b>Equity Real Estate Investment Trusts (REITs) 0.1%</b>			
Essex Portfolio LP, Senior Bond, 2.65%, 3/15/32 . . . . .	United States	360,000	284,629
Simon Property Group LP, Senior Note, 3.375%, 12/01/27 . . . . .	United States	595,000	551,273
			835,902
<b>Food &amp; Staples Retailing 0.0%<sup>†</sup></b>			
Costco Wholesale Corp., Senior Bond, 1.75%, 4/20/32 . . . . .	United States	20,000	15,866
Walmart, Inc., Senior Note, 1.5%, 9/22/28 . . . . .	United States	10,000	8,589
			24,455
<b>Food Products 0.1%</b>			
<sup>b</sup> Bimbo Bakeries USA, Inc., Senior Bond, 144A, 4%, 5/17/51 . . . . .	Mexico	200,000	150,823
<sup>b</sup> Cargill, Inc., Senior Note, 144A, 1.375%, 7/23/23 . . . . .	United States	20,000	19,597
General Mills, Inc., Senior Note, 5.241%, 11/18/25 . . . . .	United States	225,000	225,640
<sup>b</sup> JBS USA LUX SA / JBS USA Food Co. / JBS USA Finance, Inc., Senior Note, 144A, 3.625%, 1/15/32 . . . . .	United States	200,000	162,289
Kraft Heinz Foods Co., Senior Note, 3%, 6/01/26 . . . . .	United States	10,000	9,371
Senior Note, 3.75%, 4/01/30 . . . . .	United States	100,000	91,301

**Franklin Allocation VIP Fund** (continued)

	Country	Principal Amount <sup>1</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Food Products</b> (continued)			
<sup>b</sup> Mars, Inc.,			
Senior Bond, 144A, 3.2%, 4/01/30 . . . . .	United States	30,000	\$26,869
Senior Bond, 144A, 2.375%, 7/16/40 . . . . .	United States	10,000	6,813
Mondelez International, Inc., Senior Note, 1.5%, 5/04/25 . . . . .	United States	20,000	18,525
			711,228
<b>Gas Utilities 0.1%</b>			
Southern California Gas Co., Senior Bond, 6.35%, 11/15/52 . . . . .	United States	350,000	385,097
<b>Health Care Equipment &amp; Supplies 0.1%</b>			
Abbott Laboratories,			
Senior Bond, 3.75%, 11/30/26 . . . . .	United States	30,000	29,250
Senior Bond, 4.9%, 11/30/46 . . . . .	United States	10,000	9,806
<sup>b</sup> GE HealthCare Technologies, Inc., Senior Note, 144A, 5.6%,			
11/15/25 . . . . .	United States	100,000	100,723
STERIS Irish FinCo. UnLtd. Co., Senior Bond, 3.75%, 3/15/51 . . . . .	United States	250,000	178,863
			318,642
<b>Health Care Providers &amp; Services 0.5%</b>			
Centene Corp., Senior Bond, 3%, 10/15/30 . . . . .	United States	250,000	205,501
Cigna Corp.,			
Senior Bond, 2.375%, 3/15/31 . . . . .	United States	100,000	82,085
Senior Bond, 4.8%, 8/15/38 . . . . .	United States	20,000	18,644
Senior Bond, 4.9%, 12/15/48 . . . . .	United States	10,000	9,063
Senior Note, 3.75%, 7/15/23 . . . . .	United States	10,000	9,936
Senior Note, 4.125%, 11/15/25 . . . . .	United States	10,000	9,781
Senior Note, 3.05%, 10/15/27 . . . . .	United States	550,000	504,143
Senior Note, 4.375%, 10/15/28 . . . . .	United States	60,000	57,988
CVS Health Corp.,			
Senior Bond, 3.875%, 7/20/25 . . . . .	United States	10,000	9,768
Senior Bond, 4.3%, 3/25/28 . . . . .	United States	30,000	29,073
Senior Bond, 2.125%, 9/15/31 . . . . .	United States	50,000	39,771
Senior Bond, 4.78%, 3/25/38 . . . . .	United States	40,000	36,597
Senior Bond, 5.3%, 12/05/43 . . . . .	United States	500,000	469,450
Senior Bond, 5.125%, 7/20/45 . . . . .	United States	100,000	91,629
Senior Bond, 5.05%, 3/25/48 . . . . .	United States	40,000	36,106
Senior Bond, 4.25%, 4/01/50 . . . . .	United States	20,000	16,016
Elevance Health, Inc.,			
Senior Bond, 3.65%, 12/01/27 . . . . .	United States	20,000	18,893
Senior Bond, 4.1%, 5/15/32 . . . . .	United States	10,000	9,331
Senior Bond, 5.1%, 1/15/44 . . . . .	United States	400,000	379,115
Senior Bond, 4.55%, 5/15/52 . . . . .	United States	10,000	8,742
HCA, Inc., Senior Secured Bond, 4.5%, 2/15/27 . . . . .	United States	408,000	393,828
Humana, Inc., Senior Bond, 3.125%, 8/15/29 . . . . .	United States	90,000	79,081
Quest Diagnostics, Inc., Senior Bond, 2.8%, 6/30/31 . . . . .	United States	300,000	252,050
UnitedHealth Group, Inc.,			
Senior Bond, 2.75%, 5/15/40 . . . . .	United States	30,000	21,882
Senior Bond, 3.25%, 5/15/51 . . . . .	United States	10,000	7,204
Senior Bond, 3.875%, 8/15/59 . . . . .	United States	30,000	23,639
Senior Note, 3.75%, 7/15/25 . . . . .	United States	10,000	9,785
Senior Note, 4%, 5/15/29 . . . . .	United States	20,000	19,144
Senior Note, 4.2%, 5/15/32 . . . . .	United States	30,000	28,569
			2,876,814

Franklin Allocation VIP Fund (continued)

	Country	Principal Amount <sup>†</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Hotels, Restaurants &amp; Leisure 0.1%</b>			
Las Vegas Sands Corp., Senior Bond, 3.9%, 8/08/29 . . . . .	United States	250,000	\$211,109
McDonald's Corp.,			
Senior Bond, 4.875%, 12/09/45 . . . . .	United States	10,000	9,293
Senior Bond, 4.2%, 4/01/50 . . . . .	United States	30,000	25,116
Senior Note, 1.45%, 9/01/25 . . . . .	United States	40,000	36,719
Senior Note, 2.125%, 3/01/30 . . . . .	United States	30,000	25,164
			307,401
<b>Household Durables 0.1%</b>			
MDC Holdings, Inc., Senior Bond, 2.5%, 1/15/31 . . . . .	United States	156,000	112,830
Mohawk Industries, Inc., Senior Bond, 3.625%, 5/15/30 . . . . .	United States	210,000	181,368
			294,198
<b>Household Products 0.1%</b>			
<sup>b</sup> Kimberly-Clark de Mexico SAB de CV, Senior Bond, 144A, 2.431%, 7/01/31 . . . . .	Mexico	500,000	400,592
Procter & Gamble Co. (The), Senior Bond, 3%, 3/25/30 . . . . .	United States	10,000	9,161
			409,753
<b>Industrial Conglomerates 0.0%<sup>†</sup></b>			
3M Co.,			
Senior Bond, 3.05%, 4/15/30 . . . . .	United States	40,000	35,211
Senior Bond, 3.7%, 4/15/50 . . . . .	United States	10,000	7,704
Honeywell International, Inc., Senior Note, 1.35%, 6/01/25 . . . . .	United States	10,000	9,253
			52,168
<b>Insurance 0.7%</b>			
Aflac, Inc., Senior Bond, 4.75%, 1/15/49 . . . . .	United States	500,000	446,139
Allstate Corp. (The), Senior Bond, 4.2%, 12/15/46 . . . . .	United States	500,000	416,228
American International Group, Inc., Senior Note, 2.5%, 6/30/25 . . . . .	United States	6,000	5,654
Aon Corp., Senior Bond, 2.8%, 5/15/30 . . . . .	United States	500,000	427,567
Arch Capital Group Ltd., Senior Bond, 3.635%, 6/30/50 . . . . .	United States	300,000	208,300
Berkshire Hathaway Finance Corp.,			
Senior Bond, 4.25%, 1/15/49 . . . . .	United States	20,000	17,916
Senior Bond, 3.85%, 3/15/52 . . . . .	United States	200,000	160,473
Brown & Brown, Inc., Senior Bond, 2.375%, 3/15/31 . . . . .	United States	230,000	175,515
<sup>b</sup> Guardian Life Global Funding, Secured Note, 144A, 1.1%, 6/23/25	United States	10,000	9,067
<sup>b,d</sup> Jackson National Life Global Funding, Secured Note, 144A, FRN, 5.452%, (SOFR + 1.15%), 6/28/24 . . . . .	United States	230,000	230,095
Marsh & McLennan Cos., Inc., Senior Bond, 4.9%, 3/15/49 . . . . .	United States	250,000	231,147
<sup>b</sup> MassMutual Global Funding II, Senior Secured Note, 144A, 5.05%, 12/07/27 . . . . .	United States	200,000	201,334
MetLife, Inc., Junior Sub. Bond, 6.4%, 12/15/36 . . . . .	United States	270,000	261,458
<sup>b</sup> Metropolitan Life Global Funding I,			
Secured Note, 144A, 0.9%, 6/08/23 . . . . .	United States	150,000	147,536
Secured Note, 144A, 3.6%, 1/11/24 . . . . .	United States	940,000	926,079
Secured Note, 144A, 4.3%, 8/25/29 . . . . .	United States	150,000	142,857
<sup>b</sup> New York Life Global Funding, Senior Secured Note, 144A, 0.95%, 6/24/25 . . . . .	United States	10,000	9,064
<sup>b</sup> Teachers Insurance & Annuity Association of America, Sub. Bond, 144A, 4.9%, 9/15/44 . . . . .	United States	10,000	9,191
			4,025,620

**Franklin Allocation VIP Fund** (continued)

	Country	Principal Amount <sup>†</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Interactive Media &amp; Services 0.1%</b>			
Alphabet, Inc.,			
Senior Bond, 1.1%, 8/15/30 . . . . .	United States	10,000	\$7,849
Senior Bond, 1.9%, 8/15/40 . . . . .	United States	10,000	6,675
Senior Bond, 2.05%, 8/15/50 . . . . .	United States	10,000	5,890
Meta Platforms, Inc., Senior Bond, 4.45%, 8/15/52 . . . . .	United States	250,000	199,961
<sup>b</sup> Tencent Holdings Ltd., Senior Bond, 144A, 3.595%, 1/19/28 . . . . .	China	500,000	459,134
			679,509
<b>Internet &amp; Direct Marketing Retail 0.2%</b>			
Alibaba Group Holding Ltd., Senior Bond, 4.2%, 12/06/47 . . . . .	China	600,000	460,671
Amazon.com, Inc.,			
Senior Bond, 3.6%, 4/13/32 . . . . .	United States	70,000	64,266
Senior Bond, 3.875%, 8/22/37 . . . . .	United States	30,000	26,698
Senior Bond, 4.05%, 8/22/47 . . . . .	United States	300,000	258,815
Senior Bond, 2.5%, 6/03/50 . . . . .	United States	110,000	69,826
Senior Bond, 4.25%, 8/22/57 . . . . .	United States	10,000	8,649
Senior Note, 1.2%, 6/03/27 . . . . .	United States	60,000	52,051
<sup>b</sup> Prosus NV, Senior Bond, 144A, 3.68%, 1/21/30 . . . . .	China	200,000	166,705
			1,107,681
<b>IT Services 0.2%</b>			
Fidelity National Information Services, Inc., Senior Bond, 2.25%, 3/01/31 . . . . .	United States	650,000	510,877
Fiserv, Inc.,			
Senior Bond, 3.5%, 7/01/29 . . . . .	United States	470,000	424,436
Senior Bond, 2.65%, 6/01/30 . . . . .	United States	200,000	168,587
Mastercard, Inc.,			
Senior Bond, 3.35%, 3/26/30 . . . . .	United States	10,000	9,193
Senior Bond, 3.85%, 3/26/50 . . . . .	United States	40,000	33,597
PayPal Holdings, Inc.,			
Senior Bond, 2.3%, 6/01/30 . . . . .	United States	10,000	8,238
Senior Bond, 4.4%, 6/01/32 . . . . .	United States	10,000	9,442
Senior Note, 1.65%, 6/01/25 . . . . .	United States	10,000	9,292
Visa, Inc.,			
Senior Bond, 3.15%, 12/14/25 . . . . .	United States	20,000	19,304
Senior Bond, 4.3%, 12/14/45 . . . . .	United States	10,000	9,182
			1,202,148
<b>Life Sciences Tools &amp; Services 0.1%</b>			
Illumina, Inc., Senior Note, 5.8%, 12/12/25 . . . . .	United States	150,000	151,184
Thermo Fisher Scientific, Inc., Senior Note, 0.797%, 10/18/23 . . . . .	United States	200,000	193,622
			344,806
<b>Machinery 0.0%<sup>†</sup></b>			
Deere & Co.,			
Senior Bond, 3.1%, 4/15/30 . . . . .	United States	10,000	8,979
Senior Bond, 3.75%, 4/15/50 . . . . .	United States	30,000	25,484
Otis Worldwide Corp., Senior Note, 2.056%, 4/05/25 . . . . .	United States	10,000	9,365
			43,828
<b>Media 0.3%</b>			
Charter Communications Operating LLC / Charter Communications Operating Capital,			
Senior Secured Bond, 5.05%, 3/30/29 . . . . .	United States	80,000	75,432

Franklin Allocation VIP Fund (continued)

	Country	Principal Amount <sup>a</sup>	Value
<b>Corporate Bonds (continued)</b>			
<b>Media (continued)</b>			
Charter Communications Operating LLC / Charter Communications Operating Capital, (continued)			
Senior Secured Bond, 2.8%, 4/01/31	United States	350,000	\$273,282
Senior Secured Bond, 4.4%, 4/01/33	United States	30,000	25,755
Senior Secured Bond, 5.375%, 4/01/38	United States	10,000	8,360
Senior Secured Bond, 3.5%, 3/01/42	United States	130,000	83,724
Senior Secured Bond, 3.9%, 6/01/52	United States	70,000	44,207
Senior Secured Bond, 5.5%, 4/01/63	United States	40,000	30,671
Senior Secured Note, 4.908%, 7/23/25	United States	60,000	58,864
Comcast Corp.,			
Senior Bond, 4.15%, 10/15/28	United States	70,000	67,268
Senior Bond, 3.4%, 4/01/30	United States	10,000	9,143
Senior Bond, 4.25%, 10/15/30	United States	60,000	57,556
Senior Bond, 4.25%, 1/15/33	United States	300,000	283,714
Senior Bond, 3.75%, 4/01/40	United States	30,000	24,866
Senior Bond, 3.969%, 11/01/47	United States	30,000	24,112
Senior Bond, 2.887%, 11/01/51	United States	40,000	25,870
Senior Bond, 4.049%, 11/01/52	United States	500,000	398,297
Senior Bond, 2.937%, 11/01/56	United States	20,000	12,460
Senior Note, 3.95%, 10/15/25	United States	30,000	29,411
Fox Corp.,			
Senior Bond, 5.476%, 1/25/39	United States	40,000	36,553
Senior Note, 4.709%, 1/25/29	United States	300,000	290,512
Time Warner Cable LLC, Senior Secured Bond, 6.55%, 5/01/37	United States	10,000	9,557
			1,869,614
<b>Metals &amp; Mining 0.1%</b>			
<sup>b</sup> Anglo American Capital plc, Senior Note, 144A, 3.625%, 9/11/24	South Africa	200,000	193,644
Barrick North America Finance LLC, Senior Bond, 5.7%, 5/30/41	Canada	20,000	20,182
BHP Billiton Finance USA Ltd., Senior Bond, 5%, 9/30/43	Australia	20,000	19,479
Freeport-McMoRan, Inc., Senior Bond, 5.45%, 3/15/43	United States	20,000	18,086
<sup>b</sup> Glencore Funding LLC,			
Senior Bond, 144A, 4%, 3/27/27	Australia	20,000	18,904
Senior Note, 144A, 4.125%, 3/12/24	Australia	30,000	29,533
Southern Copper Corp., Senior Bond, 5.25%, 11/08/42	Mexico	100,000	95,653
Vale Overseas Ltd., Senior Bond, 6.25%, 8/10/26	Brazil	130,000	134,869
			530,350
<b>Multiline Retail 0.1%</b>			
Dollar Tree, Inc., Senior Note, 4%, 5/15/25	United States	350,000	342,011
Target Corp., Senior Note, 2.25%, 4/15/25	United States	20,000	18,991
			361,002
<b>Multi-Utilities 0.3%</b>			
Consolidated Edison Co. of New York, Inc.,			
20A, Senior Bond, 3.35%, 4/01/30	United States	10,000	9,017
20B, Senior Bond, 3.95%, 4/01/50	United States	10,000	7,893
Dominion Energy, Inc., Senior Note, 4.25%, 6/01/28	United States	750,000	715,145
Public Service Enterprise Group, Inc., Senior Note, 2.875%, 6/15/24	United States	1,000,000	966,291
			1,698,346

**Franklin Allocation VIP Fund** (continued)

	Country	Principal Amount <sup>a</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Oil, Gas &amp; Consumable Fuels 0.9%</b>			
<sup>b</sup> Aker BP ASA, Senior Bond, 144A, 3.75%, 1/15/30 . . . . .	Norway	300,000	\$264,571
BP Capital Markets America, Inc.,			
Senior Bond, 1.749%, 8/10/30 . . . . .	United States	40,000	31,980
Senior Bond, 2.939%, 6/04/51 . . . . .	United States	40,000	26,520
Senior Note, 3.119%, 5/04/26 . . . . .	United States	40,000	37,965
<sup>b</sup> Cameron LNG LLC,			
Senior Secured Bond, 144A, 2.902%, 7/15/31 . . . . .	United States	20,000	16,923
Senior Secured Bond, 144A, 3.302%, 1/15/35 . . . . .	United States	40,000	32,344
Chevron Corp.,			
Senior Bond, 3.078%, 5/11/50 . . . . .	United States	20,000	14,452
Senior Note, 1.554%, 5/11/25 . . . . .	United States	20,000	18,623
Senior Note, 1.995%, 5/11/27 . . . . .	United States	30,000	26,988
Continental Resources, Inc.,			
Senior Bond, 4.9%, 6/01/44 . . . . .	United States	110,000	81,744
Senior Note, 4.5%, 4/15/23 . . . . .	United States	10,000	9,999
Senior Note, 3.8%, 6/01/24 . . . . .	United States	10,000	9,740
Senior Note, 4.375%, 1/15/28 . . . . .	United States	40,000	36,716
<sup>b</sup> Senior Note, 144A, 2.268%, 11/15/26 . . . . .	United States	40,000	34,710
Coterra Energy, Inc.,			
Senior Note, 3.9%, 5/15/27 . . . . .	United States	30,000	28,058
Senior Note, 4.375%, 3/15/29 . . . . .	United States	60,000	56,821
Devon Energy Corp.,			
Senior Bond, 5.85%, 12/15/25 . . . . .	United States	10,000	10,191
Senior Bond, 4.75%, 5/15/42 . . . . .	United States	30,000	25,521
Senior Bond, 5%, 6/15/45 . . . . .	United States	120,000	104,159
Diamondback Energy, Inc.,			
Senior Bond, 3.125%, 3/24/31 . . . . .	United States	10,000	8,305
Senior Bond, 4.4%, 3/24/51 . . . . .	United States	60,000	45,979
Senior Note, 3.5%, 12/01/29 . . . . .	United States	60,000	52,771
Energy Transfer LP,			
Senior Bond, 4.95%, 6/15/28 . . . . .	United States	40,000	38,755
Senior Bond, 3.75%, 5/15/30 . . . . .	United States	50,000	44,200
Senior Bond, 6.05%, 6/01/41 . . . . .	United States	350,000	330,373
Senior Bond, 6.25%, 4/15/49 . . . . .	United States	50,000	46,734
Senior Note, 2.9%, 5/15/25 . . . . .	United States	20,000	18,852
Enterprise Products Operating LLC,			
Senior Bond, 4.15%, 10/16/28 . . . . .	United States	30,000	28,467
Senior Bond, 3.125%, 7/31/29 . . . . .	United States	400,000	353,032
Senior Bond, 2.8%, 1/31/30 . . . . .	United States	60,000	51,104
Senior Bond, 6.125%, 10/15/39 . . . . .	United States	500,000	514,395
Senior Bond, 4.45%, 2/15/43 . . . . .	United States	20,000	16,940
Senior Bond, 3.7%, 1/31/51 . . . . .	United States	50,000	36,276
Senior Bond, 5.375% to 2/14/28, FRN thereafter, 2/15/78 . . . . .	United States	10,000	7,639
EOG Resources, Inc.,			
Senior Bond, 4.375%, 4/15/30 . . . . .	United States	30,000	29,074
Senior Bond, 3.9%, 4/01/35 . . . . .	United States	20,000	17,911
Senior Bond, 4.95%, 4/15/50 . . . . .	United States	40,000	38,290
EQT Corp., Senior Bond, 7%, 2/01/30 . . . . .	United States	10,000	10,388
Exxon Mobil Corp.,			
Senior Bond, 3.482%, 3/19/30 . . . . .	United States	50,000	46,752
Senior Bond, 4.227%, 3/19/40 . . . . .	United States	10,000	9,042
Senior Bond, 3.452%, 4/15/51 . . . . .	United States	20,000	15,159
Senior Note, 2.992%, 3/19/25 . . . . .	United States	40,000	38,562



Franklin Allocation VIP Fund (continued)

	Country	Principal Amount <sup>1</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Oil, Gas &amp; Consumable Fuels</b> (continued)			
Kinder Morgan, Inc.,			
Senior Bond, 4.3%, 3/01/28 . . . . .	United States	40,000	\$38,390
Senior Bond, 5.55%, 6/01/45 . . . . .	United States	340,000	311,607
MPLX LP,			
Senior Bond, 4%, 3/15/28 . . . . .	United States	20,000	18,638
Senior Bond, 4.5%, 4/15/38 . . . . .	United States	10,000	8,461
Senior Bond, 5.5%, 2/15/49 . . . . .	United States	385,000	340,209
Senior Note, 2.65%, 8/15/30 . . . . .	United States	300,000	243,796
Phillips 66, Senior Bond, 3.3%, 3/15/52 . . . . .	United States	200,000	138,946
Pioneer Natural Resources Co., Senior Note, 2.15%, 1/15/31 . . . . .	United States	60,000	47,566
Sabine Pass Liquefaction LLC, Senior Secured Bond, 4.2%, 3/15/28 . . . . .	United States	250,000	235,443
Targa Resources Corp., Senior Bond, 4.95%, 4/15/52 . . . . .	United States	10,000	7,956
<sup>b</sup> Tennessee Gas Pipeline Co. LLC, Senior Bond, 144A, 2.9%, 3/01/30 . . . . .	United States	30,000	25,194
Transcontinental Gas Pipe Line Co. LLC,			
Senior Note, 7.85%, 2/01/26 . . . . .	United States	300,000	320,518
Senior Note, 3.25%, 5/15/30 . . . . .	United States	50,000	43,505
<sup>b</sup> Var Energi ASA, Senior Note, 144A, 7.5%, 1/15/28 . . . . .	Norway	200,000	204,113
Western Midstream Operating LP, Senior Note, 3.35%, 2/01/25 . . . . .	United States	10,000	9,479
Williams Cos., Inc. (The),			
Senior Bond, 3.75%, 6/15/27 . . . . .	United States	60,000	56,570
Senior Bond, 5.1%, 9/15/45 . . . . .	United States	30,000	26,370
			4,743,786
<b>Paper &amp; Forest Products 0.1%</b>			
Suzano Austria GmbH,			
Senior Bond, 3.75%, 1/15/31 . . . . .	Brazil	225,000	189,266
Senior Note, 6%, 1/15/29 . . . . .	Brazil	200,000	199,402
			388,668
<b>Pharmaceuticals 0.2%</b>			
AstraZeneca plc,			
Senior Bond, 4%, 9/18/42 . . . . .	United Kingdom	200,000	173,823
Senior Bond, 4.375%, 11/16/45 . . . . .	United Kingdom	450,000	406,217
Bristol-Myers Squibb Co.,			
Senior Bond, 4.55%, 2/20/48 . . . . .	United States	10,000	9,045
Senior Note, 2.9%, 7/26/24 . . . . .	United States	30,000	29,141
Senior Note, 3.2%, 6/15/26 . . . . .	United States	10,000	9,546
Senior Note, 3.4%, 7/26/29 . . . . .	United States	10,000	9,277
Johnson & Johnson,			
Senior Bond, 2.1%, 9/01/40 . . . . .	United States	30,000	20,760
Senior Bond, 3.7%, 3/01/46 . . . . .	United States	10,000	8,441
Merck & Co., Inc.,			
Senior Bond, 1.45%, 6/24/30 . . . . .	United States	10,000	8,001
Senior Bond, 2.75%, 12/10/51 . . . . .	United States	30,000	20,191
Senior Note, 0.75%, 2/24/26 . . . . .	United States	20,000	17,731
Pfizer, Inc.,			
Senior Bond, 1.7%, 5/28/30 . . . . .	United States	30,000	24,754
Senior Bond, 2.55%, 5/28/40 . . . . .	United States	30,000	21,812
Senior Bond, 2.7%, 5/28/50 . . . . .	United States	30,000	20,429
Takeda Pharmaceutical Co. Ltd., Senior Bond, 3.175%, 7/09/50 . . . . .	Japan	400,000	271,576
			1,050,744

**Franklin Allocation VIP Fund** (continued)

	Country	Principal Amount <sup>1</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Road &amp; Rail 0.2%</b>			
Burlington Northern Santa Fe LLC, Senior Bond, 4.9%, 4/01/44 . . . . .	United States	200,000	\$189,801
Senior Bond, 2.875%, 6/15/52 . . . . .	United States	10,000	6,715
Canadian Pacific Railway Co., Senior Bond, 2.45%, 12/02/31 . . . . .	Canada	70,000	58,163
Senior Bond, 3%, 12/02/41 . . . . .	Canada	20,000	15,163
CSX Corp., Senior Bond, 3.8%, 11/01/46 . . . . .	United States	100,000	78,975
Senior Bond, 4.75%, 11/15/48 . . . . .	United States	525,000	477,110
Union Pacific Corp., Senior Bond, 2.4%, 2/05/30 . . . . .	United States	10,000	8,578
Senior Bond, 2.891%, 4/06/36 . . . . .	United States	10,000	7,983
Senior Bond, 3.839%, 3/20/60 . . . . .	United States	10,000	7,781
Senior Bond, 3.75%, 2/05/70 . . . . .	United States	10,000	7,345
Senior Note, 3.75%, 7/15/25 . . . . .	United States	10,000	9,725
Senior Note, 2.15%, 2/05/27 . . . . .	United States	10,000	9,044
			876,383
<b>Semiconductors &amp; Semiconductor Equipment 0.1%</b>			
Applied Materials, Inc., Senior Bond, 1.75%, 6/01/30 . . . . .	United States	20,000	16,355
<sup>b</sup> Broadcom, Inc., Senior Bond, 144A, 3.137%, 11/15/35 . . . . .	United States	80,000	59,066
Intel Corp., Senior Bond, 3.05%, 8/12/51 . . . . .	United States	30,000	19,558
Senior Note, 1.6%, 8/12/28 . . . . .	United States	10,000	8,513
KLA Corp., Senior Bond, 4.65%, 7/15/32 . . . . .	United States	10,000	9,826
NVIDIA Corp., Senior Bond, 2.85%, 4/01/30 . . . . .	United States	10,000	8,746
Senior Bond, 3.5%, 4/01/40 . . . . .	United States	20,000	16,279
Senior Bond, 3.5%, 4/01/50 . . . . .	United States	30,000	22,793
Senior Bond, 3.7%, 4/01/60 . . . . .	United States	20,000	14,857
NXP BV / NXP Funding LLC / NXP USA, Inc., Senior Note, 2.7%, 5/01/25 . . . . .	China	10,000	9,423
Texas Instruments, Inc., Senior Bond, 1.75%, 5/04/30 . . . . .	United States	10,000	8,244
Senior Bond, 3.875%, 3/15/39 . . . . .	United States	10,000	8,852
Senior Bond, 4.15%, 5/15/48 . . . . .	United States	20,000	17,809
TSMC Arizona Corp., Senior Bond, 2.5%, 10/25/31 . . . . .	Taiwan	200,000	164,198
			384,519
<b>Software 0.1%</b>			
Adobe, Inc., Senior Bond, 2.3%, 2/01/30 . . . . .	United States	20,000	17,099
Microsoft Corp., Senior Bond, 3.3%, 2/06/27 . . . . .	United States	80,000	77,216
Senior Bond, 2.921%, 3/17/52 . . . . .	United States	270,000	192,422
Oracle Corp., Senior Bond, 2.875%, 3/25/31 . . . . .	United States	50,000	41,579
Senior Note, 1.65%, 3/25/26 . . . . .	United States	50,000	44,819
Salesforce, Inc., Senior Bond, 3.7%, 4/11/28 . . . . .	United States	20,000	19,221
Senior Bond, 1.95%, 7/15/31 . . . . .	United States	250,000	199,952
ServiceNow, Inc., Senior Bond, 1.4%, 9/01/30 . . . . .	United States	150,000	115,090
Workday, Inc., Senior Bond, 3.8%, 4/01/32 . . . . .	United States	20,000	17,710

Franklin Allocation VIP Fund (continued)

	Country	Principal Amount <sup>†</sup>	Value
<b>Corporate Bonds (continued)</b>			
<b>Software (continued)</b>			
Workday, Inc., (continued)			
Senior Note, 3.5%, 4/01/27 .....	United States	10,000	\$9,361
Senior Note, 3.7%, 4/01/29 .....	United States	20,000	18,391
			752,860
<b>Specialty Retail 0.1%</b>			
Home Depot, Inc. (The),			
Senior Bond, 2.7%, 4/15/30 .....	United States	10,000	8,743
Senior Bond, 3.3%, 4/15/40 .....	United States	10,000	8,003
Senior Bond, 3.35%, 4/15/50 .....	United States	20,000	14,779
Senior Note, 2.5%, 4/15/27 .....	United States	10,000	9,217
Senior Note, 4.5%, 9/15/32 .....	United States	400,000	391,828
Lowe's Cos., Inc.,			
Senior Bond, 4.5%, 4/15/30 .....	United States	10,000	9,608
Senior Note, 1.7%, 9/15/28 .....	United States	20,000	16,835
			459,013
<b>Technology Hardware, Storage &amp; Peripherals 0.1%</b>			
Apple, Inc.,			
Senior Bond, 2.45%, 8/04/26 .....	United States	40,000	37,147
Senior Bond, 3.85%, 8/04/46 .....	United States	10,000	8,543
Senior Bond, 2.65%, 5/11/50 .....	United States	100,000	66,636
Senior Bond, 2.8%, 2/08/61 .....	United States	500,000	318,879
			431,205
<b>Textiles, Apparel &amp; Luxury Goods 0.0%<sup>†</sup></b>			
NIKE, Inc.,			
Senior Bond, 2.85%, 3/27/30 .....	United States	10,000	8,960
Senior Bond, 3.25%, 3/27/40 .....	United States	10,000	8,166
Senior Note, 2.75%, 3/27/27 .....	United States	10,000	9,355
			26,481
<b>Thriffs &amp; Mortgage Finance 0.1%</b>			
<sup>b</sup> BPCE SA,			
Senior Note, 144A, 2.045% to 10/18/26, FRN thereafter, 10/19/27	France	250,000	215,805
Sub. Bond, 144A, 5.15%, 7/21/24 .....	France	600,000	587,705
			803,510
<b>Tobacco 0.1%</b>			
Altria Group, Inc.,			
Senior Bond, 4.8%, 2/14/29 .....	United States	30,000	28,849
Senior Bond, 5.8%, 2/14/39 .....	United States	20,000	18,519
Senior Bond, 5.95%, 2/14/49 .....	United States	50,000	44,693
BAT Capital Corp.,			
Senior Bond, 4.54%, 8/15/47 .....	United Kingdom	20,000	14,207
Senior Note, 3.557%, 8/15/27 .....	United Kingdom	50,000	45,757
<sup>b</sup> Imperial Brands Finance plc, Senior Bond, 144A, 4.25%, 7/21/25	United Kingdom	285,000	272,447
Philip Morris International, Inc.,			
Senior Bond, 2.1%, 5/01/30 .....	United States	20,000	16,219
Senior Bond, 4.5%, 3/20/42 .....	United States	10,000	8,477
			449,168
<b>Trading Companies &amp; Distributors 0.0%<sup>†</sup></b>			
Air Lease Corp., Senior Note, 3.375%, 7/01/25 .....	United States	20,000	18,935

**Franklin Allocation VIP Fund** (continued)

	Country	Principal Amount <sup>a</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Transportation Infrastructure 0.0%<sup>†</sup></b>			
<sup>b</sup> DP World Ltd., Senior Bond, 144A, 5.625%, 9/25/48 . . . . .	United Arab Emirates	200,000	\$188,305
<b>Wireless Telecommunication Services 0.1%</b>			
<sup>b</sup> Rogers Communications, Inc., Senior Bond, 144A, 4.55%, 3/15/52	Canada	180,000	140,385
T-Mobile USA, Inc.,			
Senior Bond, 2.25%, 11/15/31 . . . . .	United States	50,000	39,458
Senior Bond, 3%, 2/15/41 . . . . .	United States	20,000	14,188
Senior Bond, 3.3%, 2/15/51 . . . . .	United States	100,000	67,174
Senior Note, 3.5%, 4/15/25 . . . . .	United States	20,000	19,251
Senior Note, 3.75%, 4/15/27 . . . . .	United States	325,000	306,612
Senior Note, 3.875%, 4/15/30 . . . . .	United States	80,000	72,653
Vodafone Group plc, Senior Bond, 6.15%, 2/27/37 . . . . .	United Kingdom	100,000	101,710
			761,431
<b>Total Corporate Bonds (Cost \$64,792,001)</b> . . . . .			<b>57,881,215</b>
<b>Foreign Government and Agency Securities 1.7%</b>			
<sup>b</sup> African Export-Import Bank (The), Senior Bond, 144A, 3.994%, 9/21/29 . . . . .	Supranational <sup>f</sup>	500,000	436,050
Brazil Notas do Tesouro Nacional,			
10%, 1/01/27 . . . . .	Brazil	1,680,000 BRL	294,233
10%, 1/01/29 . . . . .	Brazil	480,000 BRL	81,541
10%, 1/01/31 . . . . .	Brazil	510,000 BRL	84,533
10%, 1/01/33 . . . . .	Brazil	1,030,000 BRL	167,828
<sup>b</sup> Bundesrepublik Deutschland, Reg S, 1.7%, 8/15/32 . . . . .	Germany	610,000 EUR	608,889
Colombia Government Bond, Senior Bond, 3.25%, 4/22/32 . . . . .	Colombia	200,000	146,089
Colombia Titulos de Tesoreria,			
B, 6.25%, 11/26/25 . . . . .	Colombia	740,000,000 COP	130,817
B, 6%, 4/28/28 . . . . .	Colombia	1,220,000,000 COP	188,335
B, 7%, 3/26/31 . . . . .	Colombia	850,000,000 COP	124,186
B, 7.25%, 10/26/50 . . . . .	Colombia	390,000,000 COP	45,782
<sup>b</sup> Comision Federal de Electricidad, Senior Bond, 144A, 3.348%, 2/09/31 . . . . .	Mexico	300,000	235,530
<sup>b</sup> Corp. Nacional del Cobre de Chile, Senior Bond, 144A, 3.7%, 1/30/50 . . . . .	Chile	200,000	149,640
Ecopetrol SA, Senior Bond, 5.875%, 5/28/45 . . . . .	Colombia	150,000	104,765
<sup>b</sup> Electricite de France SA, Senior Bond, 144A, 4.5%, 9/21/28 . . . . .	France	400,000	379,391
<sup>b</sup> France Government Bond,			
Reg S, Zero Cpn., 5/25/32 . . . . .	France	680,000 EUR	551,105
Reg S, 0.75%, 5/25/52 . . . . .	France	300,000 EUR	172,816
Israel Government Bond, Senior Bond, 2.75%, 7/03/30 . . . . .	Israel	200,000	182,155
<sup>b</sup> Korea Electric Power Corp., Senior Note, 144A, 5.375%, 4/06/26 . . . . .	South Korea	200,000	201,714
Korea Treasury Bonds,			
Senior Bond, 2%, 6/10/31 . . . . .	South Korea	900,000,000 KRW	623,174
Senior Bond, 1.875%, 3/10/51 . . . . .	South Korea	360,000,000 KRW	196,775
Malaysia Government Bond,			
3.48%, 3/15/23 . . . . .	Malaysia	690,000 MYR	156,568
3.955%, 9/15/25 . . . . .	Malaysia	260,000 MYR	59,329
3.899%, 11/16/27 . . . . .	Malaysia	500,000 MYR	113,723
Mexican Bonos Desarr Fixed Rate,			
M, 8%, 11/07/47 . . . . .	Mexico	4,700,000 <sup>g</sup> MXN	215,262
M, 8%, 7/31/53 . . . . .	Mexico	5,100,000 <sup>g</sup> MXN	233,400
M, Senior Bond, 7.75%, 11/13/42 . . . . .	Mexico	6,700,000 <sup>g</sup> MXN	300,335
M 20, Senior Bond, 8.5%, 5/31/29 . . . . .	Mexico	6,400,000 <sup>g</sup> MXN	319,649

Franklin Allocation VIP Fund (continued)

	Country	Principal Amount <sup>1</sup>	Value
<b>Foreign Government and Agency Securities (continued)</b>			
Mexican Bonos Desarr Fixed Rate, (continued)			
M 30, Senior Bond, 8.5%, 11/18/38	Mexico	6,800,000 <sup>9</sup> MXN	\$330,492
Mexico Government Bond, Senior Bond, 4.75%, 3/08/44	Mexico	300,000	243,261
New South Wales Treasury Corp., Senior Note, 4%, 4/20/23	Australia	80,000 AUD	54,585
Panama Government Bond, Senior Bond, 2.252%, 9/29/32	Panama	200,000	148,851
Panama Notas del Tesoro, Senior Note, 3.75%, 4/17/26	Panama	250,000	235,753
<sup>b</sup> Pertamina Persero PT, Senior Bond, 144A, 4.7%, 7/30/49	Indonesia	200,000	163,757
Peru Government Bond, Senior Bond, 2.783%, 1/23/31	Peru	200,000	165,946
<sup>b</sup> Perusahaan Perseroan Persero PT Perusahaan Listrik Negara, Senior Bond, Reg S, 5.25%, 10/24/42	Indonesia	200,000	170,940
<sup>b</sup> Petroleos del Peru SA, Senior Bond, 144A, 4.75%, 6/19/32	Peru	200,000	154,940
Petroleos Mexicanos, Senior Bond, 6.625%, 6/15/35	Mexico	100,000	72,778
Poland Government Bond, 1.75%, 4/25/32	Poland	3,140,000 PLN	471,486
<sup>b</sup> Queensland Treasury Corp., Senior Bond, 144A, Reg S, 4.25%, 7/21/23	Australia	170,000 AUD	116,244
<sup>b</sup> Romania Government Bond, Senior Bond, 144A, 5.125%, 6/15/48	Romania	100,000	79,870
South Africa Government Bond, Senior Bond, 6.5%, 2/28/41	South Africa	6,300,000 ZAR	232,060
Senior Bond, 8.75%, 2/28/48	South Africa	5,200,000 ZAR	239,263
Uruguay Government Bond, Senior Bond, 4.375%, 1/23/31	Uruguay	40,000	39,831
Senior Bond, 5.75%, 10/28/34	Uruguay	150,000	162,489
Western Australian Treasury Corp., Senior Bond, 6%, 10/16/23	Australia	180,000 AUD	124,773
<b>Total Foreign Government and Agency Securities (Cost \$10,260,293)</b>			<b>9,710,933</b>
<b>U.S. Government and Agency Securities 18.2%</b>			
U.S. Treasury Bonds,			
6%, 2/15/26	United States	2,805,000	2,950,838
1.125%, 8/15/40	United States	332,000	206,359
1.375%, 11/15/40	United States	2,091,000	1,360,539
1.875%, 2/15/41	United States	310,000	219,277
2%, 11/15/41	United States	1,320,000	943,155
2.75%, 8/15/42	United States	2,335,000	1,879,629
<sup>h</sup> 4%, 11/15/42	United States	590,000	577,831
2.875%, 5/15/43	United States	2,760,000	2,255,330
3.125%, 8/15/44	United States	725,000	613,305
2.5%, 5/15/46	United States	945,000	705,871
2.25%, 8/15/46	United States	3,305,000	2,342,031
3.375%, 11/15/48	United States	3,300,000	2,912,766
3%, 2/15/49	United States	1,713,000	1,411,619
2.25%, 8/15/49	United States	150,000	105,527
1.25%, 5/15/50	United States	1,710,000	920,895
1.375%, 8/15/50	United States	1,065,000	592,177
2%, 8/15/51	United States	1,780,000	1,166,109
1.875%, 11/15/51	United States	1,275,000	807,981
2.25%, 2/15/52	United States	1,910,000	1,328,942
2.875%, 5/15/52	United States	3,500,000	2,805,469
3%, 8/15/52	United States	960,000	791,250
U.S. Treasury Notes,			
1.5%, 3/31/23	United States	465,000	461,738
2.125%, 3/31/24	United States	1,500,000	1,453,506
2%, 4/30/24	United States	1,345,000	1,298,135
2%, 5/31/24	United States	1,705,000	1,642,994
2.5%, 5/31/24	United States	1,980,000	1,921,296
2%, 6/30/24	United States	2,255,000	2,169,292

Franklin Allocation VIP Fund (continued)

	Country	Principal Amount <sup>†</sup>	Value
<b>U.S. Government and Agency Securities</b> (continued)			
U.S. Treasury Notes, (continued)			
1.75%, 7/31/24	United States	10,725,000	\$10,260,390
2.375%, 8/15/24	United States	1,640,000	1,582,856
1.25%, 8/31/24	United States	700,000	662,785
1.5%, 11/30/24	United States	510,000	482,687
2.125%, 11/30/24	United States	4,500,000	4,308,223
0.25%, 9/30/25	United States	310,000	278,395
0.375%, 11/30/25	United States	5,143,000	4,600,976
0.875%, 6/30/26	United States	975,000	872,054
1.875%, 7/31/26	United States	389,000	359,825
1.25%, 12/31/26	United States	3,800,000	3,403,523
2.375%, 5/15/27	United States	3,140,000	2,928,173
0.5%, 6/30/27	United States	6,985,000	5,975,722
3.25%, 6/30/27	United States	1,565,000	1,513,771
2.25%, 11/15/27	United States	3,500,000	3,226,016
<sup>i</sup> Index Linked, 0.5%, 1/15/28	United States	1,300,000	1,477,622
1.25%, 4/30/28	United States	2,575,000	2,234,617
3.125%, 11/15/28	United States	320,000	305,256
1.625%, 8/15/29	United States	2,565,000	2,226,440
4%, 10/31/29	United States	1,800,000	1,800,984
0.625%, 8/15/30	United States	1,550,000	1,220,443
1.125%, 2/15/31	United States	800,000	652,219
1.25%, 8/15/31	United States	765,000	620,546
1.375%, 11/15/31	United States	5,700,000	4,640,936
1.875%, 2/15/32	United States	2,070,000	1,756,670
2.75%, 8/15/32	United States	1,315,000	1,197,677
4.125%, 11/15/32	United States	500,000	510,352
<sup>d</sup> FRN, 4.383%, (3-month U.S. Treasury Bill Rate + (0.015%)), 1/31/24	United States	750,000	750,047
<sup>d</sup> FRN, 4.323%, (3-month U.S. Treasury Bill Rate + (0.075%)), 4/30/24	United States	840,000	838,437
<sup>d</sup> FRN, 4.435%, (3-month U.S. Treasury Bill Rate + 0.037%), 7/31/24	United States	4,100,000	4,095,514
<b>Total U.S. Government and Agency Securities (Cost \$113,608,810)</b>			<b>100,627,017</b>
<b>Asset-Backed Securities 0.6%</b>			
<b>Airlines 0.1%</b>			
American Airlines Pass-Through Trust, 2016-3, A, 3.25%, 10/15/28	United States	396,775	308,916
United Airlines Pass-Through Trust, 2016-1, A, 3.45%, 7/07/28	United States	73,617	62,115
2019-2, A, 2.9%, 5/01/28	United States	87,888	70,722
2020-1, B, 4.875%, 7/15/27	United States	228,600	217,745
			659,498
<b>Consumer Finance 0.0%<sup>†</sup></b>			
<sup>l</sup> Northstar Education Finance, Inc., 2007-1, A4, FRN, 5.886%, 1/29/46	United States	125,000	123,748

Franklin Allocation VIP Fund (continued)

	Country	Principal Amount <sup>†</sup>	Value
<b>Asset-Backed Securities (continued)</b>			
<b>Diversified Financial Services 0.5%</b>			
<sup>k</sup> Asset-Backed Securities Corp. Home Equity Loan Trust, 2006-HE3, A5, FRN, 2.892%, (1-month USD LIBOR + 0.54%), 3/25/36 . . . . .	United States	89,696	\$85,396
<sup>b,k</sup> Carlyle Global Market Strategies CLO Ltd., 2013-4A, A1RR, 144A, FRN, 5.079%, (3-month USD LIBOR + 1%), 1/15/31 . . . . .	United States	246,369	242,435
<sup>b</sup> Dividend Solar Loans LLC, 2018-1, B, 144A, 4.29%, 7/20/38 . . . . .	United States	109,906	99,635
<sup>k</sup> First Franklin Mortgage Loan Trust, 2006-FF4, A3, FRN, 4.129%, (1-month USD LIBOR + 0.56%), 3/25/36 . . . . .	United States	63,378	62,719
<sup>b</sup> Jimmy Johns Funding LLC, 2017-1A, A2II, 144A, 4.846%, 7/30/47 . . . . .	United States	121,500	112,033
<sup>b</sup> Mosaic Solar Loan Trust, 2021-3A, B, 144A, 1.92%, 6/20/52 . . . . .	United States	162,362	122,992
<sup>b</sup> MVW LLC, 2021-1WA, A, 144A, 1.14%, 1/22/41 . . . . .	United States	85,194	77,874
<sup>b,k</sup> Neuberger Berman Loan Advisers CLO 40 Ltd., 2021-40A, A, 144A, FRN, 5.139%, (3-month USD LIBOR + 1.06%), 4/16/33 . . . . .	United States	500,000	493,410
<sup>b</sup> New Economy Assets Phase 1 Sponsor LLC, 2021-1, A1, 144A, 1.91%, 10/20/61 . . . . .	United States	490,000	414,931
<sup>b,k</sup> Octagon Investment Partners XXI Ltd., 2014-1A, AAR3, 144A, FRN, 5.65%, (3-month USD LIBOR + 1%), 2/14/31 . . . . .	United States	250,000	245,923
<sup>b,k</sup> Palmer Square CLO Ltd., 2014-1A, A1R2, 144A, FRN, 5.209%, (3-month USD LIBOR + 1.13%), 1/17/31 . . . . .	United States	250,000	247,375
<sup>b,k</sup> Reese Park CLO Ltd., 2020-1A, AR, 144A, FRN, 5.209%, (3-month USD LIBOR + 1.13%), 10/15/34 . . . . .	United States	180,000	174,208
<sup>b,k</sup> Symphony CLO XV Ltd., 2014-15A, AR3, 144A, FRN, 5.159%, (3-month USD LIBOR + 1.08%), 1/17/32 . . . . .	United States	250,000	245,083
			2,624,014
<b>Road &amp; Rail 0.0%<sup>†</sup></b>			
<sup>b</sup> Avis Budget Rental Car Funding AESOP LLC, 2022-3A, A, 144A, 4.62%, 2/20/27 . . . . .	United States	110,000	107,551
<b>Total Asset-Backed Securities (Cost \$3,659,043)</b> . . . . .			<b>3,514,811</b>
<b>Commercial Mortgage-Backed Securities 0.6%</b>			
<b>Diversified Financial Services 0.5%</b>			
BANK,			
2017-BNK7, A4, 3.175%, 9/15/60 . . . . .	United States	130,000	119,111
2021-BN33, A5, 2.556%, 5/15/64 . . . . .	United States	210,000	174,010
<sup>b,k</sup> BPR Trust, 2022-OANA, A, 144A, FRN, 6.234%, (1-month SOFR + 1.898%), 4/15/37 . . . . .	United States	150,000	146,738
<sup>b,k</sup> BX Commercial Mortgage Trust,			
2021-21M, A, 144A, FRN, 5.048%, (1-month USD LIBOR + 0.73%), 10/15/36 . . . . .	United States	119,202	114,713
2021-VINO, A, 144A, FRN, 4.97%, (1-month USD LIBOR + 0.652%), 5/15/38 . . . . .	United States	150,000	144,607
2021-VOLT, B, 144A, FRN, 5.268%, (1-month USD LIBOR + 0.95%), 9/15/36 . . . . .	United States	250,000	236,198
2022-LP2, A, 144A, FRN, 5.349%, (1-month SOFR + 1.013%), 2/15/39 . . . . .	United States	213,530	206,121
<sup>b,k</sup> BX Mortgage Trust,			
2021-PAC, A, 144A, FRN, 5.007%, (1-month USD LIBOR + 0.689%), 10/15/36 . . . . .	United States	230,000	221,120
2022-MVRK, A, 144A, FRN, 5.793%, (1-month SOFR + 1.467%), 3/15/39 . . . . .	United States	120,000	117,406
<sup>b</sup> BX Trust,			
2022-CLS, A, 144A, 5.76%, 10/13/27 . . . . .	United States	100,000	98,105
<sup>k</sup> 2022-IND, A, 144A, FRN, 5.817%, (1-month SOFR + 1.491%), 4/15/37 . . . . .	United States	373,435	366,181

**Franklin Allocation VIP Fund** (continued)

	Country	Principal Amount <sup>1</sup>	Value
<b>Commercial Mortgage-Backed Securities</b> (continued)			
<b>Diversified Financial Services</b> (continued)			
GNMA, 2021-21, AH, 1.4%, 6/16/63 .....	United States	88,595	\$69,420
<sup>b,k</sup> ILPT Commercial Mortgage Trust, 2022-LPF2, A, 144A, FRN, 6.581%, (1-month SOFR + 2.245%), 10/15/39 .....	United States	100,000	100,195
<sup>b,k</sup> INTOWN Mortgage Trust, 2022-STAY, A, 144A, FRN, 6.825%, (1-month SOFR + 2.489%), 8/15/39 .....	United States	130,000	129,474
<sup>b,k</sup> J.P. Morgan Chase Commercial Mortgage Securities Trust, 2022-ACB, A, 144A, FRN, 5.207%, (30-day SOFR Average + 1.4%), 3/15/39 .....	United States	150,000	145,234
<sup>b,k</sup> LAQ Mortgage Trust, 2022-LAQ, A, 144A, FRN, 6.05%, (1-month SOFR + 1.724%), 3/15/39 .....	United States	33,094	32,436
<sup>b,k</sup> MF1 Ltd., 2021-FL7, A, 144A, FRN, 5.419%, (1-month USD LIBOR + 1.08%), 10/16/36 .....	United States	100,000	95,936
<sup>b,k</sup> MTN Commercial Mortgage Trust, 2022-LPFL, A, 144A, FRN, 5.733%, (1-month SOFR + 1.397%), 3/15/39 .....	United States	100,000	97,515
<sup>b,k</sup> SREIT Trust, 2021-MFP, A, 144A, FRN, 5.049%, (1-month USD LIBOR + 0.731%), 11/15/38 .....	United States	140,000	134,859
2021-MFP2, A, 144A, FRN, 5.14%, (1-month USD LIBOR + 0.822%), 11/15/36 .....	United States	100,000	96,397
			2,845,776
<b>Thriffs &amp; Mortgage Finance 0.1%</b>			
Citigroup Commercial Mortgage Trust, 2016-P6, A4, 3.458%, 12/10/49 .....	United States	266,043	249,404
FNMA, 2014-6, Z, 2.5%, 2/25/44 .....	United States	124,943	104,818
JPMBB Commercial Mortgage Securities Trust, 2015-C33, A4, 3.77%, 12/15/48 .....	United States	122,000	116,553
WFRBS Commercial Mortgage Trust, 2014-C23, A5, 3.917%, 10/15/57 .....	United States	106,000	102,743
			573,518
			3,419,294
<b>Total Commercial Mortgage-Backed Securities (Cost \$3,501,311) .....</b>			
<b>Mortgage-Backed Securities 4.6%</b>			
<b>Federal Home Loan Mortgage Corp. (FHLMC) Fixed Rate 1.3%</b>			
FHLMC Gold Pool, 30 Year, 4.5%, 1/01/49 .....	United States	363,135	358,922
FHLMC Pool, 15 Year, 3%, 8/01/34 .....	United States	43,814	41,173
FHLMC Pool, 15 Year, 4%, 11/01/37 .....	United States	195,482	190,967
FHLMC Pool, 20 Year, 3%, 5/01/42 .....	United States	191,901	171,621
FHLMC Pool, 30 Year, 2%, 2/01/52 - 8/01/52 .....	United States	731,225	596,382
FHLMC Pool, 30 Year, 2.5%, 12/01/50 - 1/01/52 .....	United States	707,453	606,065
FHLMC Pool, 30 Year, 3%, 3/01/50 - 7/01/52 .....	United States	1,084,089	956,936
FHLMC Pool, 30 Year, 3.5%, 4/01/50 - 8/01/52 .....	United States	2,020,657	1,874,185
FHLMC Pool, 30 Year, 4%, 5/01/47 - 6/01/52 .....	United States	801,445	761,758
FHLMC Pool, 30 Year, 4.5%, 10/01/48 - 10/01/52 .....	United States	713,175	696,138
FHLMC Pool, 30 Year, 5%, 8/01/52 - 11/01/52 .....	United States	559,057	553,521
FHLMC Pool, 30 Year, 5.5%, 12/01/52 .....	United States	318,184	319,336
			7,127,004
<b>Federal National Mortgage Association (FNMA) Fixed Rate 2.6%</b>			
FNMA, 2.5%, 9/01/61 .....	United States	188,744	156,365
FNMA, 3.66%, 10/01/32 .....	United States	200,000	187,683
FNMA, 3.75%, 9/01/32 .....	United States	100,000	94,560
FNMA, 3.89%, 7/01/32 .....	United States	100,000	93,864
FNMA, 15 Year, 2%, 8/01/36 - 12/01/36 .....	United States	1,015,982	907,362
FNMA, 15 Year, 2.5%, 7/01/36 .....	United States	335,561	308,360



Franklin Allocation VIP Fund (continued)

	Country	Principal Amount <sup>1</sup>	Value
<b>Mortgage-Backed Securities</b> (continued)			
<b>Federal National Mortgage Association (FNMA) Fixed Rate</b> (continued)			
FNMA, 20 Year, 2%, 3/01/42 . . . . .	United States	94,744	\$79,975
FNMA, 20 Year, 2.5%, 5/01/42 . . . . .	United States	94,735	82,369
FNMA, 30 Year, 1.5%, 3/01/51 . . . . .	United States	87,656	67,791
FNMA, 30 Year, 2%, 5/01/51 - 3/01/52 . . . . .	United States	3,289,410	2,688,720
FNMA, 30 Year, 2.5%, 5/01/51 - 3/01/52 . . . . .	United States	3,609,529	3,070,040
FNMA, 30 Year, 3%, 9/01/50 - 11/01/51 . . . . .	United States	2,069,083	1,827,970
FNMA, 30 Year, 3.5%, 6/01/49 - 9/01/52 . . . . .	United States	475,136	435,369
FNMA, 30 Year, 4%, 2/01/49 - 6/01/52 . . . . .	United States	428,155	405,676
FNMA, 30 Year, 4.5%, 2/01/50 - 9/01/52 . . . . .	United States	642,210	621,405
FNMA, 30 Year, 5%, 10/01/52 - 12/01/52 . . . . .	United States	297,306	293,473
FNMA, 30 Year, 5.5%, 12/01/52 . . . . .	United States	218,917	219,710
<sup>1</sup> FNMA, Single-family, 30 Year, 2%, 1/25/53 . . . . .	United States	1,000,000	813,929
<sup>1</sup> FNMA, Single-family, 30 Year, 2.5%, 1/25/53 - 2/25/53 . . . . .	United States	500,000	423,581
<sup>1</sup> FNMA, Single-family, 30 Year, 3%, 1/25/53 . . . . .	United States	500,000	438,919
<sup>1</sup> FNMA, Single-family, 30 Year, 3.5%, 1/25/53 - 2/25/53 . . . . .	United States	400,000	363,505
<sup>1</sup> FNMA, Single-family, 30 Year, 4%, 1/25/53 - 2/25/53 . . . . .	United States	300,000	281,439
<sup>1</sup> FNMA, Single-family, 30 Year, 4.5%, 1/25/53 - 2/25/53 . . . . .	United States	300,000	288,794
<sup>1</sup> FNMA, Single-family, 30 Year, 5.5%, 2/25/53 . . . . .	United States	100,000	100,227
			14,251,086
<b>Government National Mortgage Association (GNMA) Fixed Rate 0.7%</b>			
GNMA II, 3%, 8/20/50 - 5/20/51 . . . . .	United States	187,658	167,163
GNMA II, 3.5%, 1/20/48 - 6/20/50 . . . . .	United States	193,018	178,235
GNMA II, Single-family, 30 Year, 2%, 5/20/52 . . . . .	United States	801,745	672,865
GNMA II, Single-family, 30 Year, 2.5%, 2/20/50 - 6/20/52 . . . . .	United States	1,223,276	1,064,353
GNMA II, Single-family, 30 Year, 3%, 2/20/51 - 1/15/53 . . . . .	United States	523,418	469,673
<sup>1</sup> GNMA II, Single-family, 30 Year, 3.5%, 1/15/53 . . . . .	United States	200,000	183,786
GNMA II, Single-family, 30 Year, 4%, 8/20/46 - 8/20/48 . . . . .	United States	377,137	361,860
GNMA II, Single-family, 30 Year, 4.5%, 6/20/48 - 2/15/53 . . . . .	United States	300,248	294,142
<sup>1</sup> GNMA II, Single-family, 30 Year, 5%, 2/15/53 . . . . .	United States	200,000	198,177
<sup>1</sup> GNMA II, Single-family, 30 Year, 5.5%, 2/15/53 . . . . .	United States	200,000	201,025
<sup>1</sup> GNMA II, Single-family, 30 Year, 6%, 2/15/53 . . . . .	United States	100,000	101,417
			3,892,696
			<b>25,270,786</b>
<b>Municipal Bonds 0.3%</b>			
<b>Arizona 0.0%<sup>†</sup></b>			
Maricopa County Union High School District No. 210-Phoenix, GO, 2020 C, 5%, 7/01/31 . . . . .	United States	200,000	225,457
<b>California 0.2%</b>			
California Health Facilities Financing Authority, State of California Personal Income Tax, Revenue, Senior Lien, 2019, 2.934%, 6/01/32 . . . . .	United States	65,000	54,512
Golden State Tobacco Securitization Corp., Revenue, 2021 B-1, Refunding, 3.85%, 6/01/50 . . . . .	United States	540,000	478,483
San Bernardino Community College District, GO, 2021, Refunding, 2.686%, 8/01/41 . . . . .	United States	485,000	342,866
GO, 2021, Refunding, 2.856%, 8/01/49 . . . . .	United States	285,000	182,447
			1,058,308
<b>Ohio 0.0%<sup>†</sup></b>			
Greenville City School District, GO, 2019, Refunding, 3.541%, 1/01/51 . . . . .	United States	160,000	116,435

Franklin Allocation VIP Fund (continued)

	Country	Principal Amount <sup>†</sup>	Value
<b>Municipal Bonds</b> (continued)			
<b>Texas 0.1%</b>			
City of Austin, Electric Utility, Revenue, 2008, Refunding, AGMC Insured, 6.262%, 11/15/32 .....	United States	315,000	\$336,572
<b>Total Municipal Bonds (Cost \$2,133,279)</b> .....			<b>1,736,772</b>
<b>Residential Mortgage-Backed Securities 0.2%</b>			
<b>Diversified Financial Services 0.2%</b>			
<sup>b</sup> JBRAVO Residential Funding Trust, 2022-NQM3, A1, 144A, FRN, 5.108%, 7/25/62 .....	United States	96,077	94,420
<sup>b,k</sup> Connecticut Avenue Securities Trust, 2022-R04, 1M2, 144A, FRN, 7.028%, (30-day SOFR Average + 3.1%), 3/25/42 .....	United States	120,000	119,720
<sup>b,k</sup> FHLMC STACR REMIC Trust, 2022-DNA3, M1A, 144A, FRN, 5.928%, (30-day SOFR Average + 2%), 4/25/42 .....	United States	91,942	91,525
<sup>b</sup> Legacy Mortgage Asset Trust, 2021-GS3, A1, 144A, 1.75%, 7/25/61	United States	115,181	104,680
<sup>b,j</sup> New Residential Mortgage Loan Trust, 2016-4A, A1, 144A, FRN, 3.75%, 11/25/56 .....	United States	110,233	101,104
2017-1A, A1, 144A, FRN, 4%, 2/25/57 .....	United States	103,530	97,748
2018-3A, A1, 144A, FRN, 4.5%, 5/25/58 .....	United States	93,627	87,977
<sup>b,j</sup> PRKCM Trust, 2021-AFC2, A1, 144A, FRN, 2.071%, 11/25/56 .....	United States	88,942	74,115
<sup>b</sup> SG Residential Mortgage Trust, 2022-2, A1, 144A, 5.353%, 8/25/62	United States	126,711	124,690
<sup>b</sup> Verus Securitization Trust, 2022-6, A3, 144A, 4.91%, 6/25/67 .....	United States	94,147	87,913
			983,892
<b>Total Residential Mortgage-Backed Securities (Cost \$1,003,506)</b> .....			<b>983,892</b>
<b>Total Long Term Investments (Cost \$529,261,905)</b> .....			<b>532,126,206</b>
	<b>Number of Contracts</b>	<b>Notional Amount<sup>#</sup></b>	
<b>Options Purchased 0.0%<sup>†</sup></b>			
<b>Calls - Exchange-Traded</b>			
<b>Options on Interest Rate Futures</b>			
U.S. Treasury 10 Year Notes Futures, January Strike Price \$112.75, Expires 1/27/23 .....	1	100,000	719
U.S. Treasury 10 Year Notes Futures, January Strike Price \$113.50, Expires 1/27/23 .....	7	700,000	3,063
U.S. Treasury 10 Year Notes Futures, January Strike Price \$114.00, Expires 1/27/23 .....	2	200,000	625
U.S. Treasury 5 Year Notes Futures, January Strike Price \$108.25, Expires 1/27/23 .....	1	100,000	484
U.S. Treasury 5 Year Notes Futures, January Strike Price \$108.75, Expires 1/27/23 .....	1	100,000	297
U.S. Treasury 5 Year Notes Futures, January Strike Price \$109.50, Expires 1/27/23 .....	1	100,000	133
			5,321
<b>Puts - Exchange-Traded</b>			
<b>Options on Interest Rate Futures</b>			
3-month SOFR 1-year Mid-Curve Futures, January Strike Price \$95.63, Expires 1/13/23 .....	14	3,500,000	1,837
3-month SOFR 1-year Mid-Curve Futures, January Strike Price \$95.88, Expires 1/13/23 .....	15	3,750,000	5,437
<b>Total Options Purchased (Cost \$19,805)</b> .....			<b>12,595</b>

Franklin Allocation VIP Fund (continued)

Short Term Investments 3.6%

	Country	Principal Amount <sup>†</sup>	Value
<b>U.S. Government and Agency Securities 0.3%</b>			
<sup>m</sup> FHLB,			
1/11/23	United States	180,000	\$179,826
2/15/23	United States	180,000	179,054
2/22/23	United States	530,000	526,701
2/28/23	United States	210,000	208,564
3/08/23	United States	330,000	327,461
			1,421,606
<sup>m</sup> U.S. Treasury Bills,			
3/02/23	United States	20,000	19,864
3/28/23	United States	20,000	19,804
5/25/23	United States	220,000	216,089
			255,757
<b>Total U.S. Government and Agency Securities (Cost \$1,677,157)</b>			<b>1,677,363</b>
		<b>Shares</b>	
<b>Money Market Funds 3.3%</b>			
<sup>n</sup> °Institutional Fiduciary Trust - Money Market Portfolio, 3.782%	United States	15,109,675	15,109,675
<sup>o</sup> JPMorgan 100% U.S. Treasury Securities Money Market Fund, 3.52%	United States	2,533,729	2,533,729
<sup>n</sup> °Western Asset Premier Institutional Government Reserves, 4.25%	United States	105,090	105,090
<sup>n</sup> °Western Asset Premier Institutional U.S. Treasury Reserves, 3.96%	United States	633,433	633,433
<b>Total Money Market Funds (Cost \$18,381,928)</b>			<b>18,381,927</b>
<b>Total Short Term Investments (Cost \$20,059,085)</b>			<b>20,059,290</b>
<b>Total Investments (Cost \$549,340,795) 99.8%</b>			<b>\$552,198,091</b>
<b>Options Written (0.0)%<sup>†</sup></b>			<b>(16,125)</b>
<b>Other Assets, less Liabilities 0.2%</b>			<b>1,123,964</b>
<b>Net Assets 100.0%</b>			<b>\$553,305,930</b>

	Number of Contracts	Notional Amount <sup>#</sup>	
<sup>p</sup> Options Written (0.0)% <sup>†</sup>			
<b>Calls - Exchange-Traded</b>			
<b>Options on Interest Rate Futures</b>			
U.S. Treasury 10 Year Notes Futures, January Strike Price \$114.50, Expires 1/27/23	1	100,000	(203)
U.S. Treasury 10 Year Notes Futures, January Strike Price \$115.00, Expires 1/27/23	1	100,000	(141)
U.S. Treasury 10 Year Notes Futures, January Strike Price \$115.50, Expires 1/27/23	1	100,000	(110)
U.S. Treasury 10 Year Notes Futures, January Strike Price \$116.00, Expires 1/27/23	2	200,000	(156)
U.S. Treasury 30 Year Bonds Futures, January Strike Price \$132.00, Expires 1/27/23	1	100,000	(203)
			(813)

**Franklin Allocation VIP Fund** (continued)

	<b>Number of Contracts</b>	<b>Notional Amount<sup>#</sup></b>	<b>Value</b>
<b>Options Written</b> (continued)			
<b>Puts - Exchange-Traded</b>			
<b>Options on Interest Rate Futures</b>			
U.S. Treasury 10 Year Notes Futures, January Strike Price \$114.00, Expires 1/27/23 .....	2	200,000	\$(4,031)
U.S. Treasury 30 Year Bonds Futures, January Strike Price \$130.00, Expires 1/27/23 .....	1	100,000	(5,062)
U.S. Treasury 5 Year Notes Futures, January Strike Price \$107.50, Expires 1/27/23 .....	8	800,000	(3,625)
U.S. Treasury 5 Year Notes Futures, January Strike Price \$109.00, Expires 1/27/23 .....	2	200,000	(2,594)
			<u>(15,312)</u>
<b>Total Options Written (Premiums received \$10,420) .....</b>			<u><b>\$(16,125)</b></u>

**Franklin Allocation VIP Fund (continued)**

<sup>#</sup> Notional amount is the number of contracts multiplied by contract size, and may be multiplied by the underlying price. May include currency units, bushels, shares, pounds, barrels or other units. Currency units are stated in U.S. dollars unless otherwise indicated.

<sup>†</sup> The principal amount is stated in U.S. dollars unless otherwise indicated.

<sup>‡</sup> Rounds to less than 0.1% of net assets.

<sup>§</sup> Non-income producing.

<sup>||</sup> Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At December 31, 2022, the aggregate value of these securities was \$22,778,852, representing 4.1% of net assets.

<sup>°</sup> Variable rate security. The rate shown represents the yield at period end.

<sup>°</sup> The coupon rate shown represents the rate at period end.

<sup>°</sup> Perpetual security with no stated maturity date.

<sup>†</sup> A supranational organization is an entity formed by two or more central governments through international treaties.

<sup>§</sup> Principal amount is stated in 100 Mexican Peso Units.

<sup>||</sup> A portion or all of the security purchased on a delayed delivery basis. See Note 1(c).

<sup>†</sup> Principal amount of security is adjusted for inflation. See Note 1(g).

<sup>||</sup> Adjustable rate security with an interest rate that is not based on a published reference index and spread. The rate is based on the structure of the agreement and current market conditions. The coupon rate shown represents the rate at period end.

<sup>||</sup> The coupon rate shown represents the rate inclusive of any caps or floors, if applicable, in effect at period end.

<sup>||</sup> Security purchased on a to-be-announced (TBA) basis. See Note 1(c).

<sup>||</sup> The security was issued on a discount basis with no stated coupon rate.

<sup>||</sup> See Note 3(e) regarding investments in affiliated management investment companies.

<sup>||</sup> The rate shown is the annualized seven-day effective yield at period end.

<sup>||</sup> See Note 1(d) regarding written options.

At December 31, 2022, the Fund had the following futures contracts outstanding. See Note 1(d).

**Futures Contracts**

Description	Type	Number of Contracts	Notional Amount*	Expiration Date	Value/ Unrealized Appreciation (Depreciation)
<b>Equity contracts</b>					
S&P 500 E-Mini Index . . . . .	Short	82	\$15,830,100	3/17/23	\$671,435
S&P 500 E-Mini Index . . . . .	Long	18	3,474,900	3/17/23	(147,497)
<b>Interest rate contracts</b>					
30-day Federal Funds . . . . .	Short	24	9,567,765	1/31/23	(546)
3-month SOFR . . . . .	Short	39	9,308,325	3/19/24	54,514
3-month SOFR . . . . .	Long	15	3,624,750	3/18/25	(6,244)
90-day Eurodollar . . . . .	Long	11	2,614,713	3/13/23	(39,181)
U.S. Treasury 10 Year Notes . . . . .	Long	182	20,438,031	3/22/23	(189,334)
U.S. Treasury 10 Year Ultra Notes . . . . .	Short	5	591,406	3/22/23	7,247
U.S. Treasury 2 Year Notes . . . . .	Short	7	1,435,547	3/31/23	3,703
U.S. Treasury 5 Year Notes . . . . .	Long	92	9,929,531	3/31/23	(56,752)
U.S. Treasury Long Bonds . . . . .	Long	2	250,688	3/22/23	(5,518)
U.S. Treasury Ultra Bonds . . . . .	Short	10	1,343,125	3/22/23	44,360
U.S. Treasury Ultra Bonds . . . . .	Long	7	940,188	3/22/23	(26,168)
Total Futures Contracts . . . . .					\$310,019

\*As of period end.

**Franklin Allocation VIP Fund** (continued)

At December 31, 2022, the Fund had the following forward exchange contracts outstanding. See Note 1(d).

**Forward Exchange Contracts**

Currency	Counter-party <sup>a</sup>	Type	Quantity	Contract Amount*	Settlement Date	Unrealized Appreciation	Unrealized Depreciation
<b>OTC Forward Exchange Contracts</b>							
Swedish Krona . . . . .	HSBC	Buy	6,200,000	561,508	1/13/23	\$32,948	\$—
Brazilian Real . . . . .	HSBC	Buy	500,000	95,942	1/19/23	—	(1,650)
Brazilian Real . . . . .	HSBC	Sell	1,910,000	355,872	1/19/23	—	(4,320)
Polish Zloty . . . . .	CITI	Buy	250,000	54,687	1/20/23	2,334	—
Columbian Peso . . . . .	JPHQ	Sell	1,620,000,000	323,799	1/27/23	—	(8,803)
Mexican Peso . . . . .	CITI	Buy	5,000,000	249,531	1/31/23	5,640	—
Mexican Peso . . . . .	CITI	Sell	25,900,000	1,275,142	1/31/23	—	(46,646)
Euro . . . . .	BZWS	Buy	1,370,000	1,375,555	2/03/23	94,235	—
Euro . . . . .	MSCO	Sell	550,000	589,529	2/03/23	—	(533)
Thai Baht . . . . .	HSBC	Buy	4,500,000	119,832	2/10/23	11,078	—
South African Rand . . . . .	HSBC	Sell	7,700,000	442,094	2/15/23	—	(9,344)
British Pound . . . . .	JPHQ	Buy	430,000	529,579	3/03/23	—	(8,984)
British Pound . . . . .	JPHQ	Sell	430,000	517,561	3/03/23	—	(3,034)
Australian Dollar . . . . .	JPHQ	Sell	420,000	285,731	3/07/23	—	(960)
South Korean Won . . . . .	JPHQ	Sell	540,000,000	414,556	3/08/23	—	(14,837)
Japanese Yen . . . . .	JPHQ	Buy	342,000,000	2,534,497	3/14/23	95,147	—
Chilean Peso . . . . .	JPHQ	Buy	600,000,000	687,246	3/20/23	11,986	—
Norwegian Krone . . . . .	MSCO	Buy	5,800,000	597,794	3/20/23	—	(3,818)
Malaysian Ringgit . . . . .	GSCO	Sell	1,320,000	302,683	3/21/23	—	(159)
Total Forward Exchange Contracts . . . . .						\$253,368	\$(103,088)
Net unrealized appreciation (depreciation) . . . . .						\$150,280	

<sup>a</sup>May be comprised of multiple contracts with the same counterparty, currency and settlement date.

<sup>1</sup>In U.S. dollars unless otherwise indicated.

At December 31, 2022, the Fund had the following credit default swap contracts outstanding. See Note 1(d).

**Credit Default Swap Contracts**

Description	Periodic Payment Rate Received (Paid)	Payment Frequency	Counter-party	Maturity Date	Notional Amount <sup>(a)</sup>	Value	Upfront Payments (Receipts)	Unrealized Appreciation (Depreciation)	Rating <sup>(b)</sup>
<b>Centrally Cleared Swap Contracts</b>									
<b>Contracts to Sell Protection<sup>(c)(d)</sup></b>									
<b>Traded Index</b>									
CDX.NA.IG.39 . . . . .	1.00%	Quarterly		12/20/27	7,648,000	\$63,292	\$(24,638)	\$87,930	Investment Grade
CDX.NA.IG.39 . . . . .	1.00%	Quarterly		12/20/32	660,000	(8,850)	(11,174)	2,324	Investment Grade
Total Centrally Cleared Swap Contracts . . . . .						\$54,442	\$(35,812)	\$90,254	

**Franklin Allocation VIP Fund** (continued)

**Credit Default Swap Contracts** (continued)

Description	Periodic Payment Rate Received (Paid)	Payment Frequency	Counter- party	Maturity Date	Notional Amount <sup>(a)</sup>	Value	Upfront Payments (Receipts)	Unrealized Appreciation (Depreciation)	Rating <sup>(b)</sup>
<b>OTC Swap Contracts</b>									
<b>Contracts to Sell Protection<sup>(c)(d)</sup></b>									
<b>Single Name</b>									
Mexico									
Government Bond . . . . .	1.00%	Quarterly	GSCO	6/20/26	200,000	\$310	\$403	\$(93)	BBB
Total OTC Swap Contracts . . . . .						\$310	\$403	\$(93)	
Total Credit Default Swap Contracts . . . . .						\$54,752	\$(35,409)	\$90,161	

<sup>(a)</sup>In U.S. dollars unless otherwise indicated. For contracts to sell protection, the notional amount is equal to the maximum potential amount of the future payments and no recourse provisions have been entered into in association with the contracts.

<sup>(b)</sup>Based on Standard and Poor's (S&P) Rating for single name swaps and internal ratings for index swaps. Internal ratings based on mapping into equivalent ratings from external vendors.

<sup>(c)</sup>Performance triggers for settlement of contract include default, bankruptcy or restructuring for single name swaps, and failure to pay or bankruptcy of the underlying securities for traded index swaps.

<sup>(d)</sup>The fund enters contracts to sell protection to create a long credit position.

At December 31, 2022, the Fund had the following interest rate swap contracts outstanding. See Note 1(d).

**Interest Rate Swap Contracts**

Description	Payment Frequency	Counter- party	Maturity Date	Notional Amount*	Value	Unamortized Upfront Payments (Receipts)	Unrealized Appreciation (Depreciation)
<b>Centrally Cleared Swap Contracts</b>							
Receive Floating 1-day SOFR . . . . .	Annual						
Pay Fixed 3.27% . . . . .	Annual		4/30/29	2,318,000	\$52,480	\$(64,226)	\$116,706
Receive Floating 1-day SOFR . . . . .	Annual						
Pay Fixed 3.85% . . . . .	Annual		6/30/29	686,000	(7,887)	859	(8,746)
Receive Floating 1-day SOFR . . . . .	Annual						
Pay Fixed 2.6% . . . . .	Annual		2/15/48	275,000	33,308	18,814	14,494
Receive Floating 1-day SOFR . . . . .	Annual						
Pay Fixed 2.62% . . . . .	Annual		2/15/48	1,120,000	134,761	21,518	113,243
Total Interest Rate Swap Contracts . . . . .					\$212,662	\$(23,035)	\$235,697

\*In U.S. dollars unless otherwise indicated.

See Note 9 regarding other derivative information.

See Abbreviations on page FA-70.

## Statement of Assets and Liabilities

December 31, 2022

	<b>Franklin Allocation VIP Fund</b>
<b>Assets:</b>	
Investments in securities:	
Cost - Unaffiliated issuers . . . . .	\$533,492,597
Cost - Non-controlled affiliates (Note 3e) . . . . .	15,848,198
	<hr/>
Value - Unaffiliated issuers . . . . .	\$536,349,893
Value - Non-controlled affiliates (Note 3e) . . . . .	15,848,198
Cash . . . . .	858,447
Foreign currency, at value (cost \$126,798) . . . . .	128,031
Receivables:	
Investment securities sold . . . . .	6,735,747
Capital shares sold . . . . .	543,661
Dividends and interest . . . . .	2,126,391
Deposits with brokers for:	
OTC derivative contracts . . . . .	10,000
Futures contracts . . . . .	1,682,175
Centrally cleared swap contracts . . . . .	96,223
Variation margin on centrally cleared swap contracts . . . . .	49,710
OTC swap contracts (upfront payments \$565) . . . . .	403
Unrealized appreciation on OTC forward exchange contracts . . . . .	253,368
	<hr/>
Total assets . . . . .	564,682,247
<b>Liabilities:</b>	
Payables:	
Investment securities purchased . . . . .	9,949,008
Capital shares redeemed . . . . .	476,063
Management fees . . . . .	423,729
Distribution fees . . . . .	147,968
Trustees' fees and expenses . . . . .	1,056
Variation margin on futures contracts . . . . .	22,076
Deposits from brokers for:	
OTC derivative contracts . . . . .	10,000
Unrealized depreciation on OTC swap contracts . . . . .	93
Options written, at value (premiums received \$10,420) . . . . .	16,125
Unrealized depreciation on OTC forward exchange contracts . . . . .	103,088
Deferred tax . . . . .	26,694
Accrued expenses and other liabilities . . . . .	200,417
	<hr/>
Total liabilities . . . . .	11,376,317
	<hr/>
Net assets, at value . . . . .	\$553,305,930
<b>Net assets consist of:</b>	
Paid-in capital . . . . .	\$540,509,698
Total distributable earnings (losses) . . . . .	12,796,232
	<hr/>
Net assets, at value . . . . .	\$553,305,930



Statement of Assets and Liabilities (continued)

December 31, 2022

**Franklin  
Allocation VIP  
Fund**

**Class 1:**

Net assets, at value .....	\$647,720
Shares outstanding .....	145,391
Net asset value and maximum offering price per share .....	\$4.46

**Class 2:**

Net assets, at value .....	\$223,917,404
Shares outstanding .....	50,780,056
Net asset value and maximum offering price per share .....	\$4.41

**Class 4:**

Net assets, at value .....	\$328,740,806
Shares outstanding .....	71,701,306
Net asset value and maximum offering price per share .....	\$4.58

## Statement of Operations

for the year ended December 31, 2022

	<b>Franklin Allocation VIP Fund</b>
Investment income:	
Dividends: (net of foreign taxes of \$298,292)	
Unaffiliated issuers . . . . .	\$7,281,927
Non-controlled affiliates (Note 3e) . . . . .	256,677
Interest: (net of foreign taxes of \$2,336)	
Unaffiliated issuers . . . . .	5,203,970
Total investment income . . . . .	<u>12,742,574</u>
Expenses:	
Management fees (Note 3a) . . . . .	3,325,100
Distribution fees: (Note 3c)	
Class 2 . . . . .	625,422
Class 4 . . . . .	1,237,807
Custodian fees (Note 4) . . . . .	38,035
Reports to shareholders fees . . . . .	(83,212)
Professional fees . . . . .	127,474
Trustees' fees and expenses . . . . .	7,766
Other . . . . .	71,440
Total expenses . . . . .	5,349,832
Expense reductions (Note 4) . . . . .	(1)
Expenses waived/paid by affiliates (Note 3e and 3f) . . . . .	(68,045)
Net expenses . . . . .	<u>5,281,786</u>
Net investment income . . . . .	<u>7,460,788</u>
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Investments: (net of foreign taxes of \$8,266)	
Unaffiliated issuers . . . . .	14,633,375
Non-controlled affiliates (Note 3e) . . . . .	(1,396,313)
Written options . . . . .	341,789
Foreign currency transactions . . . . .	49,800
Forward exchange contracts . . . . .	(448,644)
Futures contracts . . . . .	(3,962,569)
TBA sale commitments . . . . .	(119,379)
Swap contracts . . . . .	56,866
Net realized gain (loss) . . . . .	<u>9,154,925</u>
Net change in unrealized appreciation (depreciation) on:	
Investments:	
Unaffiliated issuers . . . . .	(132,352,181)
Non-controlled affiliates (Note 3e) . . . . .	1,151,023
Translation of other assets and liabilities denominated in foreign currencies . . . . .	23,472
Written options . . . . .	(5,705)
Forward exchange contracts . . . . .	150,280
Futures contracts . . . . .	238,403
Swap contracts . . . . .	329,624
Change in deferred taxes on unrealized appreciation . . . . .	2,726
Net change in unrealized appreciation (depreciation) . . . . .	<u>(130,462,358)</u>
Net realized and unrealized gain (loss) . . . . .	<u>(121,307,433)</u>
Net increase (decrease) in net assets resulting from operations . . . . .	<u>\$(113,846,645)</u>

## Statements of Changes in Net Assets

	Franklin Allocation VIP Fund	
	Year Ended December 31, 2022	Year Ended December 31, 2021
Increase (decrease) in net assets:		
Operations:		
Net investment income . . . . .	\$7,460,788	\$5,721,145
Net realized gain (loss) . . . . .	9,154,925	66,714,704
Net change in unrealized appreciation (depreciation) . . . . .	(130,462,358)	11,744,579
Net increase (decrease) in net assets resulting from operations . . . . .	(113,846,645)	84,180,428
Distributions to shareholders:		
Class 1 . . . . .	(86,111)	(15,547)
Class 2 . . . . .	(28,489,853)	(7,020,699)
Class 4 . . . . .	(38,575,172)	(6,571,792)
Total distributions to shareholders . . . . .	(67,151,136)	(13,608,038)
Capital share transactions: (Note 2)		
Class 1 . . . . .	32,245	(44,550)
Class 2 . . . . .	(2,410,465)	(128,346,341)
Class 4 . . . . .	15,006,285	(29,324,411)
Total capital share transactions . . . . .	12,628,065	(157,715,302)
Net increase (decrease) in net assets . . . . .	(168,369,716)	(87,142,912)
Net assets:		
Beginning of year . . . . .	721,675,646	808,818,558
End of year . . . . .	\$553,305,930	\$721,675,646

# Notes to Financial Statements

## Franklin Allocation VIP Fund

### 1. Organization and Significant Accounting Policies

Franklin Templeton Variable Insurance Products Trust (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company, consisting of eighteen separate funds. The Trust follows the accounting and reporting guidance in Financial Accounting Standards Board (FASB) Accounting Standard Codification Topic 946, Financial Services – Investment Companies (ASC 946) and applies the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP), including, but not limited to, ASC 946. Franklin Allocation VIP Fund (Fund) is included in this report. Shares of the Fund are generally sold only to insurance company separate accounts to fund the benefits of variable life insurance policies or variable annuity contracts. At December 31, 2022, 45.2% of the Fund's shares were held through one insurance company. Investment activities of these insurance company separate accounts could have a material impact on the Fund. The Fund offers three classes of shares: Class 1, Class 2 and Class 4. Each class of shares may differ by its distribution fees, voting rights on matters affecting a single class and its exchange privilege.

The following summarizes the Fund's significant accounting policies.

#### a. Financial Instrument Valuation

The Fund's investments in financial instruments are carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Fund calculates the net asset value (NAV) per share each business day as of 4 p.m. Eastern time or the regularly scheduled close of the New York Stock Exchange (NYSE), whichever is earlier. Under compliance policies and procedures approved by the Trust's Board of Trustees (the Board), the Board has designated the Fund's investment manager as the valuation designee and has responsibility for oversight of valuation. The investment manager is assisted by the Fund's administrator in performing this responsibility, including leading the cross-functional Valuation Committee (VC). The Fund may utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

Equity securities, exchange traded funds and derivative financial instruments listed on an exchange or on the NASDAQ National Market System are valued at the last quoted sale price or the official closing price of the day, respectively. Foreign equity securities are valued as of the close of trading on the foreign stock exchange on which the security is primarily traded, or as of 4 p.m. Eastern time. The value is then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at 4 p.m. Eastern time on the day that the value of the security is determined. Over-the-counter (OTC) securities are valued within the range of the most recent quoted bid and ask prices. Securities that trade in multiple markets or on multiple exchanges are valued according to the broadest and most representative market. Certain equity securities are valued based upon fundamental characteristics or relationships to similar securities.

Debt securities generally trade in the OTC market rather than on a securities exchange. The Fund's pricing services use multiple valuation techniques to determine fair value. In instances where sufficient market activity exists, the pricing services may utilize a market-based approach through which quotes from market makers are used to determine fair value. In instances where sufficient market activity may not exist or is limited, the pricing services also utilize proprietary valuation models which may consider market characteristics such as benchmark yield curves, credit spreads, estimated default rates, anticipated market interest rate volatility, coupon rates, anticipated timing of principal repayments, underlying collateral, and other unique security features in order to estimate the relevant cash flows, which are then discounted to calculate the fair value. Securities denominated in a foreign currency are converted into their U.S. dollar equivalent at the foreign exchange rate in effect at 4 p.m. Eastern time on the date that the values of the foreign debt securities are determined.

Investments in open-end mutual funds are valued at the closing NAV.

Certain derivative financial instruments are centrally cleared or trade in the OTC market. The Fund's pricing services use various techniques including industry standard option pricing models and proprietary discounted cash flow models to determine the fair value of those instruments. The Fund's net benefit or obligation under the derivative contract, as measured by the fair value of the contract, is included in net assets.

**Franklin Allocation VIP Fund** (continued)**1. Organization and Significant Accounting Policies**

(continued)

**a. Financial Instrument Valuation** (continued)

The Fund has procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the Fund primarily employs a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, and other relevant information for the investment to determine the fair value of the investment. An income-based valuation approach may also be used in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

Trading in securities on foreign securities stock exchanges and OTC markets may be completed before 4 p.m. Eastern time. In addition, trading in certain foreign markets may not take place on every Fund's business day. Events can occur between the time at which trading in a foreign security is completed and 4 p.m. Eastern time that might call into question the reliability of the value of a portfolio security held by the Fund. As a result, differences may arise between the value of the Fund's portfolio securities as determined at the foreign market close and the latest indications of value at 4 p.m. Eastern time. In order to minimize the potential for these differences, an independent pricing service may be used to adjust the value of the Fund's portfolio securities to the latest indications of fair value at 4 p.m. Eastern time. At December 31, 2022, certain securities may have been fair valued using these procedures, in which case the securities were categorized as Level 2 inputs within the fair value hierarchy (referred to as "market level fair value"). See the Fair Value Measurements note for more information.

When the last day of the reporting period is a non-business day, certain foreign markets may be open on those days that the Fund's NAV is not calculated, which could result in differences between the value of the Fund's portfolio securities on the last business day and the last calendar day of the reporting period. Any security valuation changes due to an open foreign market are adjusted and reflected by the Fund for financial reporting purposes.

**b. Foreign Currency Translation**

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the exchange rate of such currencies against U.S. dollars on the date of valuation. The Fund may enter into foreign currency exchange contracts to facilitate transactions denominated in a foreign currency. Purchases and sales of securities, income and expense items denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date. Portfolio securities and assets and liabilities denominated in foreign currencies contain risks that those currencies will decline in value relative to the U.S. dollar. Occasionally, events may impact the availability or reliability of foreign exchange rates used to convert the U.S. dollar equivalent value. If such an event occurs, the foreign exchange rate will be valued at fair value using procedures established and approved by the Board.

The Fund does not separately report the effect of changes in foreign exchange rates from changes in market prices on securities held. Such changes are included in net realized and unrealized gain or loss from investments in the Statement of Operations.

Realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the recorded amounts of dividends, interest, and foreign withholding taxes and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in foreign exchange rates on foreign denominated assets and liabilities other than investments in securities held at the end of the reporting period.

**c. Securities Purchased on a Delayed Delivery and TBA Basis**

The Fund purchases securities on a delayed delivery and to-be-announced (TBA) basis, with payment and delivery scheduled for a future date. These transactions are subject to market fluctuations and are subject to the risk that the value at delivery may be more or less than the trade date purchase price. Although the Fund will generally purchase these securities with the intention of holding the securities, it may sell the securities before the settlement date.

## Franklin Allocation VIP Fund (continued)

### 1. Organization and Significant Accounting Policies (continued)

#### d. Derivative Financial Instruments

The Fund invested in derivative financial instruments in order to manage risk or gain exposure to various other investments or markets. Derivatives are financial contracts based on an underlying or notional amount, require no initial investment or an initial net investment that is smaller than would normally be required to have a similar response to changes in market factors, and require or permit net settlement. Derivatives contain various risks including the potential inability of the counterparty to fulfill their obligations under the terms of the contract, the potential for an illiquid secondary market, and/or the potential for market movements which expose the Fund to gains or losses in excess of the amounts shown in the Statement of Assets and Liabilities. Realized gain and loss and unrealized appreciation and depreciation on these contracts for the period are included in the Statement of Operations.

Derivative counterparty credit risk is managed through a formal evaluation of the creditworthiness of all potential counterparties. The Fund attempts to reduce its exposure to counterparty credit risk on OTC derivatives, whenever possible, by entering into International Swaps and Derivatives Association (ISDA) master agreements with certain counterparties. These agreements contain various provisions, including but not limited to collateral requirements, events of default, or early termination. Termination events applicable to the counterparty include certain deteriorations in the credit quality of the counterparty. Termination events applicable to the Fund include failure of the Fund to maintain certain net asset levels and/or limit the decline in net assets over various periods of time. In the event of default or early termination, the ISDA master agreement gives the non-defaulting party the right to net and close-out all transactions traded, whether or not arising under the ISDA agreement, to one net amount payable by one counterparty to the other. However, absent an event of default or early termination, OTC derivative assets and liabilities are presented gross and not offset in the Statement of Assets and Liabilities. Early termination by the counterparty may result in an immediate payment by the Fund of any net liability owed to that counterparty under the ISDA agreement. At December 31, 2022, the Fund had OTC derivatives in a net liability position of \$43,023 and the aggregate value of collateral pledged for such contracts was \$10,000.

Collateral requirements differ by type of derivative. Collateral or initial margin requirements are set by the broker or exchange clearing house for exchange traded and centrally cleared derivatives. Initial margin deposited is held at the exchange and can be in the form of cash and/or securities. For OTC derivatives traded under an ISDA master agreement, posting of collateral is required by either the Fund or the applicable counterparty if the total net exposure of all OTC derivatives with the applicable counterparty exceeds the minimum transfer amount, which typically ranges from \$100,000 to \$250,000, and can vary depending on the counterparty and the type of agreement. Generally, collateral is determined at the close of Fund business each day and any additional collateral required due to changes in derivative values may be delivered by the Fund or the counterparty the next business day, or within a few business days. Collateral pledged and/or received by the Fund for OTC derivatives, if any, is held in segregated accounts with the Fund's custodian/counterparty broker and can be in the form of cash and/or securities. Unrestricted cash may be invested according to the Fund's investment objectives. To the extent that the amounts due to the Fund from its counterparties are not subject to collateralization or are not fully collateralized, the Fund bears the risk of loss from counterparty non-performance.

The Fund entered into exchange traded futures contracts primarily to manage and/or gain exposure to interest rate and equity price risk. A futures contract is an agreement between the Fund and a counterparty to buy or sell an asset at a specified price on a future date. Required initial margins are pledged by the Fund, and the daily change in fair value is accounted for as a variation margin payable or receivable in the Statement of Assets and Liabilities.

The Fund entered into OTC forward exchange contracts primarily to manage and/or gain exposure to certain foreign currencies. A forward exchange contract is an agreement between the Fund and a counterparty to buy or sell a foreign currency at a specific exchange rate on a future date.

The Fund entered into credit default swap contracts primarily to manage and/or gain exposure to credit risk. A credit default swap is an agreement between the Fund and a counterparty whereby the buyer of the contract receives credit protection and the seller of the contract guarantees the credit worthiness of a referenced debt obligation. These agreements may be privately negotiated in the over-the-counter market (OTC credit default swaps) or may be

**Franklin Allocation VIP Fund** (continued)**1. Organization and Significant Accounting Policies**  
(continued)**d. Derivative Financial Instruments** (continued)

executed in a multilateral trade facility platform, such as a registered exchange (centrally cleared credit default swaps). The underlying referenced debt obligation may be a single issuer of corporate or sovereign debt, a credit index, a basket of issuers or indices, or a tranche of a credit index or basket of issuers or indices. In the event of a default of the underlying referenced debt obligation, the buyer is entitled to receive the notional amount of the credit default swap contract from the seller in exchange for the referenced debt obligation, a net settlement amount equal to the notional amount of the credit default swap less the recovery value of the referenced debt obligation, or other agreed upon amount. For centrally cleared credit default swaps, required initial margins are pledged by the Fund, and the daily change in fair value is accounted for as a variation margin payable or receivable in the Statement of Assets and Liabilities. Over the term of the contract, the buyer pays the seller a periodic stream of payments, provided that no event of default has occurred. Such periodic payments are accrued daily as an unrealized appreciation or depreciation until the payments are made, at which time they are realized. Upfront payments and receipts are reflected in the Statement of Assets and Liabilities and represent compensating factors between stated terms of the credit default swap agreement and prevailing market conditions (credit spreads and other relevant factors). These upfront payments and receipts are amortized over the term of the contract as a realized gain or loss in the Statement of Operations.

The Fund entered into inflation index swap contracts primarily to manage and/or gain exposure to inflation risk. An inflation index swap is an agreement between the Fund and a counterparty to exchange cash flows whereby one party makes payments based on the percentage change in an index that serves as a measure of inflation and the other party makes a regular payment based on a compounded fixed rate, applied to a notional amount. These agreements may be privately negotiated in the over-the-counter market (OTC inflation index swap) or may be executed on a registered exchange (centrally cleared inflation index swap). For centrally cleared inflation index swaps, required initial margins are pledged by the Fund, and the daily change in fair value is accounted for as a variation margin payable or receivable. Over the term of the contract, contractually required payments to be paid and to be received are

accrued daily and recorded as unrealized appreciation or depreciation until the payments are made, at which time they are realized. Typically, an inflation index swap has payment obligations netted and exchanged upon maturity. At December 31, 2022, the Fund had no inflation index swap contracts.

The Fund entered into interest rate swap contracts primarily to manage interest rate risk. An interest rate swap is an agreement between the Fund and a counterparty to exchange cash flows based on the difference between two interest rates, applied to a notional amount. These agreements may be privately negotiated in the over-the-counter market (OTC interest rate swaps) or may be executed on a registered exchange (centrally cleared interest rate swaps). For centrally cleared interest rate swaps, required initial margins are pledged by the Fund, and the daily change in fair value is accounted for as a variation margin payable or receivable in the Statement of Assets and Liabilities. Over the term of the contract, contractually required payments to be paid and to be received are accrued daily and recorded as unrealized appreciation or depreciation until the payments are made, at which time they are realized.

The Fund purchased or wrote exchange traded option contracts primarily to manage and/or gain exposure to interest rate risk. An option is a contract entitling the holder to purchase or sell a specific amount of shares or units of an asset or notional amount of a swap (swaption), at a specified price. When an option is purchased or written, an amount equal to the premium paid or received is recorded as an asset or liability, respectively. Upon exercise of an option, the acquisition cost or sales proceeds of the underlying investment is adjusted by any premium received or paid. Upon expiration of an option, any premium received or paid is recorded as a realized gain or loss. Upon closing an option other than through expiration or exercise, the difference between the premium received or paid and the cost to close the position is recorded as a realized gain or loss.

See Note 9 regarding other derivative information.

**e. Mortgage Dollar Rolls**

The Fund enters into mortgage dollar rolls, typically on a TBA basis. Mortgage dollar rolls are agreements between the Fund and a financial institution where the Fund sells (or buys) mortgage-backed securities for delivery on a specified date and simultaneously contracts to repurchase

## Franklin Allocation VIP Fund (continued)

### 1. Organization and Significant Accounting Policies (continued)

#### e. Mortgage Dollar Rolls (continued)

(or sell) substantially similar (same type, coupon, and maturity) securities at a future date and at a predetermined price. Gains or losses are realized on the initial sale, and the difference between the repurchase price and the sale price is recorded as an unrealized gain or loss to the Fund upon entering into the mortgage dollar roll. In addition, the Fund may invest the cash proceeds that are received from the initial sale. During the period between the sale and repurchase, the Fund is not entitled to principal and interest paid on the mortgage backed securities. Transactions in mortgage dollar rolls are accounted for as purchases and sales and may result in an increase to the Fund's portfolio turnover rate. The risks of mortgage dollar roll transactions include the potential inability of the counterparty to fulfill its obligations.

#### f. Income and Deferred Taxes

It is the Fund's policy to qualify as a regulated investment company under the Internal Revenue Code. The Fund intends to distribute to shareholders substantially all of its taxable income and net realized gains to relieve it from federal income and if applicable, excise taxes. As a result, no provision for U.S. federal income taxes is required.

The Fund may be subject to foreign taxation related to income received, capital gains on the sale of securities and certain foreign currency transactions in the foreign jurisdictions in which it invests. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Fund invests. When a capital gain tax is determined to apply, the Fund records an estimated deferred tax liability in an amount that would be payable if the securities were disposed of on the valuation date.

The Fund may recognize an income tax liability related to its uncertain tax positions under U.S. GAAP when the uncertain tax position has a less than 50% probability that it will be sustained upon examination by the tax authorities based on its technical merits. As of December 31, 2022, the Fund has determined that no tax liability is required in its financial statements related to uncertain tax positions for any open tax years (or expected to be taken in future tax years). Open

tax years are those that remain subject to examination and are based on the statute of limitations in each jurisdiction in which the Fund invests.

#### g. Security Transactions, Investment Income, Expenses and Distributions

Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on a specific identification basis. Interest income and estimated expenses are accrued daily. Amortization of premium and accretion of discount on debt securities are included in interest income. Paydown gains and losses are recorded as an adjustment to interest income. Dividend income, capital gain distributions are recorded on the ex-dividend date except for certain dividends from securities where the dividend rate is not available. In such cases, the dividend is recorded as soon as the information is received by the Fund. Distributions to shareholders are recorded on the ex-dividend date. Distributable earnings are determined according to income tax regulations (tax basis) and may differ from earnings recorded in accordance with U.S. GAAP. These differences may be permanent or temporary. Permanent differences are reclassified among capital accounts to reflect their tax character. These reclassifications have no impact on net assets or the results of operations. Temporary differences are not reclassified, as they may reverse in subsequent periods.

Common expenses incurred by the Trust are allocated among the Funds based on the ratio of net assets of each Fund to the combined net assets of the Trust or based on the ratio of number of shareholders of each Fund to the combined number of shareholders of the Trust. Fund specific expenses are charged directly to the Fund that incurred the expense.

Realized and unrealized gains and losses and net investment income, excluding class specific expenses, are allocated daily to each class of shares based upon the relative proportion of net assets of each class. Differences in per share distributions by class are generally due to differences in class specific expenses.

Inflation-indexed bonds are adjusted for inflation through periodic increases or decreases in the security's interest accruals, face amount, or principal redemption value, by amounts corresponding to the rate of inflation as measured



**Franklin Allocation VIP Fund** (continued)**1. Organization and Significant Accounting Policies**  
(continued)**g. Security Transactions, Investment Income, Expenses and Distributions** (continued)

by an index. Any increase or decrease in the face amount or principal redemption value will be included as interest income in the Statement of Operations.

**h. Accounting Estimates**

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

**i. Guarantees and Indemnifications**

Under the Trust's organizational documents, its officers and trustees are indemnified by the Trust against certain liabilities arising out of the performance of their duties to the Trust. Additionally, in the normal course of business, the Trust, on behalf of the Fund, enters into contracts with service providers that contain general indemnification clauses. The Trust's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred. Currently, the Trust expects the risk of loss to be remote.

**2. Shares of Beneficial Interest**

At December 31, 2022, there were an unlimited number of shares authorized (without par value). Transactions in the Fund's shares were as follows:

	Year Ended December 31, 2022		Year Ended December 31, 2021	
	Shares	Amount	Shares	Amount
<b>Class 1 Shares:</b>				
Shares sold	16,838	\$79,334	11,749	\$68,109
Shares issued in reinvestment of distributions	19,526	86,111	2,704	15,547
Shares redeemed	(30,604)	(133,200)	(22,563)	(128,206)
Net increase (decrease)	5,760	\$32,245	(8,110)	\$(44,550)
<b>Class 2 Shares:</b>				
Shares sold	2,067,285	\$10,531,771	2,481,710	\$14,077,892
Shares issued in reinvestment of distributions	6,519,416	28,489,853	1,231,702	7,020,699
Shares redeemed	(8,499,043)	(41,432,089)	(26,406,666)	(149,444,932)
Net increase (decrease)	87,658	\$(2,410,465)	(22,693,254)	\$(128,346,341)
<b>Class 4 Shares:</b>				
Shares sold	2,663,783	\$13,538,819	1,953,061	\$11,577,200
Shares issued in reinvestment of distributions	8,478,060	38,575,172	1,113,863	6,571,792
Shares redeemed	(7,330,236)	(37,107,706)	(8,025,411)	(47,473,403)
Net increase (decrease)	3,811,607	\$15,006,285	(4,958,487)	\$(29,324,411)

## Franklin Allocation VIP Fund (continued)

### 3. Transactions with Affiliates

Franklin Resources, Inc. is the holding company for various subsidiaries that together are referred to as Franklin Templeton. Certain officers and trustees of the Fund are also officers and/or directors of the following subsidiaries:

Subsidiary	Affiliation
Franklin Advisers, Inc. (Advisers)	Investment manager
Brandywine Global Investment Management, LLC (Brandywine)	Investment manager
ClearBridge Investments, LLC (ClearBridge)	Investment manager
Franklin Templeton Institutional, LLC (FT Institutional)	Investment manager
Templeton Global Advisors Limited (Global Advisors)	Investment manager
Western Asset Management Company, LLC (Western)	Investment manager
Western Asset Management Company, Limited (Western London)	Investment manager
Franklin Templeton Services, LLC (FT Services)	Administrative manager
Franklin Distributors, LLC (Distributors)	Principal underwriter
Franklin Templeton Investor Services, LLC (Investor Services)	Transfer agent

#### a. Management Fees

The Fund pays an investment management fee, calculated daily and paid monthly, to Advisers of 0.55% per year of the average daily net assets of the Fund.

Under each subadvisory agreement, the below entities provide subadvisory services to the Fund. The subadvisory fees are paid by Advisers and are not an additional expense of the Fund. Each subadvisor is compensated for managing its respective portion of the Fund's average daily net assets.

#### Subadvisors

Brandywine (Effective May 9, 2022)
ClearBridge (Effective April 22, 2022)
FT Institutional
Global Advisors
Western (Effective June 13, 2022)
Western London (Effective June 13, 2022)

#### b. Administrative Fees

Under an agreement with Advisers, FT Services provides administrative services to the Fund. The fee is paid by Advisers based on the Fund's average daily net assets, and is not an additional expense of the Fund.

#### c. Distribution Fees

The Board has adopted distribution plans for Class 2 and Class 4 shares pursuant to Rule 12b-1 under the 1940 Act. Under the Fund's compensation distribution plans, the Fund pays Distributors for costs incurred in connection with the servicing, sale and distribution of the Fund's shares up to 0.35% per year of its average daily net assets of each class. The Board has agreed to limit the current rate to 0.25% per year for Class 2. The plan year, for purposes of monitoring compliance with the maximum annual plan rates, is February 1 through January 31.

**Franklin Allocation VIP Fund** (continued)**3. Transactions with Affiliates** (continued)**d. Transfer Agent Fees**

Investor Services, under terms of an agreement, performs shareholder servicing for the Fund and is not paid by the Fund for the services.

**e. Investments in Affiliated Management Investment Companies**

The Fund invests in one or more affiliated management investment companies. As defined in the 1940 Act, an investment is deemed to be a "Controlled Affiliate" of a fund when a fund owns, either directly or indirectly, 25% or more of the affiliated fund's outstanding shares or has the power to exercise control over management or policies of such fund. The Fund does not invest for purposes of exercising a controlling influence over the management or policies. Management fees paid by the Fund are waived on assets invested in the affiliated management investment companies, as noted in the Statement of Operations, in an amount not to exceed the management and administrative fees paid directly or indirectly by each affiliate. During the year ended December 31, 2022, the Fund held investments in affiliated management investment companies as follows:

	Value at Beginning of Year	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Year	Number of Shares Held at End of Year	Investment Income	Dividends
<b>Franklin Allocation VIP Fund</b>									
<b>Non-Controlled Affiliates</b>									
Institutional Fiduciary Trust - Money Market Portfolio, 3.782%	\$18,002,980	\$192,608,654	\$(195,501,959)	\$—	\$—	\$15,109,675	15,109,675	\$220,022	
Templeton Global Bond VIP Fund, Class 1 . . . . .	7,062,310	—	(6,817,020)	(1,396,313)	1,151,023	—	—	—	
Western Asset Premier Institutional Government Reserves, Class Premium, 4.25% . . . . .	—	48,198,077	(48,092,987)	—	—	105,090	105,090	28,494	
Western Asset Premier Institutional U.S. Treasury Reserves, Class Premium, 3.96% . . . . .	—	20,876,008	(20,242,575)	—	—	633,433	633,433	8,161	
<b>Total Affiliated Securities . . .</b>	<b>\$25,065,290</b>	<b>\$261,682,739</b>	<b>\$(270,654,541)</b>	<b>\$(1,396,313)</b>	<b>\$1,151,023</b>	<b>\$15,848,198</b>		<b>\$256,677</b>	

**f. Waiver and Expense Reimbursements**

Advisers has contractually agreed in advance to waive or limit its fees and to assume as its own expense certain expenses otherwise payable by the Fund so that the operating expenses (excluding interest expense, distribution fees and certain non-routine expenses or costs, including those relating to litigation, indemnification, reorganizations, and liquidations) and acquired fund fees and expenses for each class of the Fund do not exceed 0.57%, based on the average net assets of each class until April 30, 2023. Total expenses waived or paid are not subject to recapture subsequent to the Fund's fiscal year end.

**4. Expense Offset Arrangement**

The Fund has entered into an arrangement with its custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Fund's custodian expenses. During the year ended December 31, 2022, the custodian fees were reduced as noted in the Statement of Operations.

**Franklin Allocation VIP Fund** (continued)

**5. Income Taxes**

The tax character of distributions paid during the years ended December 31, 2022 and 2021, was as follows:

	2022	2021
Distributions paid from:		
Ordinary income . . . . .	\$20,845,979	\$13,608,038
Long term capital gain . . . . .	46,305,157	—
	\$67,151,136	\$13,608,038

At December 31, 2022, the cost of investments, net unrealized appreciation (depreciation), undistributed ordinary income and undistributed long term capital gains for income tax purposes were as follows:

Cost of investments . . . . .	\$556,525,196
Unrealized appreciation . . . . .	\$52,845,705
Unrealized depreciation . . . . .	(56,465,699)
Net unrealized appreciation (depreciation) . . . . .	\$(3,619,994)
Distributable earnings:	
Undistributed ordinary income . . . . .	\$7,222,094
Undistributed long term capital gains . . . . .	9,194,658
Total distributable earnings . . . . .	\$16,416,752

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatments of foreign currency transactions, passive foreign investment company shares, bond discounts and premiums, wash sales and financial futures transactions.

**6. Investment Transactions**

Purchases and sales of investments (excluding short term securities) for the year ended December 31, 2022, aggregated \$630,536,839 and \$668,725,842, respectively.

**7. Geopolitical Risk**

On February 24, 2022, Russia engaged in military actions in the sovereign territory of Ukraine. The current political and financial uncertainty surrounding Russia and Ukraine may increase market volatility and the economic risk of investing in securities in these countries and may also cause uncertainty for the global economy and broader financial markets. The ultimate fallout and long-term impact from these events are not known. The Fund will continue to assess the impact on valuations and liquidity and will take any potential actions needed in accordance with procedures approved by the Board.

**8. Novel Coronavirus Pandemic**

The global outbreak of the novel coronavirus disease, known as COVID-19, has caused adverse effects on many companies, sectors, nations, regions and the markets in general, and may continue for an unpredictable duration. The effects of this pandemic may materially impact the value and performance of the Fund, its ability to buy and sell fund investments at appropriate valuations and its ability to achieve its investment objectives.

**Franklin Allocation VIP Fund** (continued)

**9. Other Derivative Information**

At December 31, 2022, investments in derivative contracts are reflected in the Statement of Assets and Liabilities as follows:

Derivative Contracts Not Accounted for as Hedging Instruments	Asset Derivatives		Liability Derivatives	
	Statement of Assets and Liabilities Location	Fair Value	Statement of Assets and Liabilities Location	Fair Value
<b>Franklin Allocation VIP Fund</b>				
Interest rate contracts . . . . .				
	Investments in securities, at value	\$12,595 <sup>a</sup>	Options written, at value	\$16,125
	Variation margin on futures contracts	109,824 <sup>b</sup>	Variation margin on futures contracts	323,743 <sup>b</sup>
	Variation margin on centrally cleared swap contracts	244,443 <sup>c</sup>	Variation margin on centrally cleared swap contracts	8,746 <sup>c</sup>
Foreign exchange contracts . . .				
	Unrealized appreciation on OTC forward exchange contracts	253,368	Unrealized depreciation on OTC forward exchange contracts	103,088
Credit contracts . . . . .				
	Variation margin on centrally cleared swap contracts	90,254 <sup>c</sup>	Variation margin on centrally cleared swap contracts	—
	OTC swap contracts (upfront payments)	403	OTC swap contracts (upfront receipts)	—
	Unrealized appreciation on OTC swap contracts	—	Unrealized depreciation on OTC swap contracts	93
Equity contracts . . . . .				
	Variation margin on futures contracts	671,435 <sup>b</sup>	Variation margin on futures contracts	147,497 <sup>b</sup>
<b>Total . . . . .</b>		<b>\$1,382,322</b>		<b>\$599,292</b>

<sup>a</sup>Purchased option contracts are included in the net change in unrealized appreciation (depreciation) on investments in the Statement of Assets and Liabilities.

<sup>b</sup>This amount reflects the cumulative appreciation (depreciation) of futures contracts as reported in the Schedule of Investments. Only the variation margin receivable/payable at year end is separately reported within the Statement of Assets and Liabilities. Prior variation margin movements were recorded to cash upon receipt or payment.

<sup>c</sup>This amount reflects the cumulative appreciation (depreciation) of centrally cleared swap contracts as reported in the Schedule of Investments. Only the variation margin receivable/payable at year end is separately reported within the Statement of Assets and Liabilities. Prior variation margin movements were recorded to cash upon receipt or payment.

**Franklin Allocation VIP Fund** (continued)

**9. Other Derivative Information** (continued)

For the year ended December 31, 2022, the effect of derivative contracts in the Statement of Operations was as follows:

Derivative Contracts Not Accounted for as Hedging Instruments	Statement of Operations Location	Net Realized Gain (Loss) for the Year	Statement of Operations Location	Net Change in Unrealized Appreciation (Depreciation) for the Year
<b>Franklin Allocation VIP Fund</b>				
	Net realized gain (loss) from:		Net change in unrealized appreciation (depreciation) on:	
Interest rate contracts . . . . .				
	Investments	\$(90,241) <sup>a</sup>	Investments	\$(7,210) <sup>a</sup>
	Written options	341,789	Written options	(5,705)
	Futures contracts	(1,092,444)	Futures contracts	(28,783)
	Swap contracts	2,726	Swap contracts	235,697
Foreign exchange contracts . . . . .				
	Forward exchange contracts	(448,644)	Forward exchange contracts	150,280
Credit contracts . . . . .				
	Swap contracts	54,140	Swap contracts	93,927
Equity contracts . . . . .				
	Futures contracts	(2,870,125)	Futures contracts	267,186
Total . . . . .		<u>\$(4,102,799)</u>		<u>\$705,392</u>

<sup>a</sup>Purchased option contracts are included in net realized gain (loss) from investments and net change in unrealized appreciation (depreciation) on investments in the Statement of Operations.

For the year ended December 31, 2022, the average month end notional amount of futures contracts, swap contracts and options, and the average month end contract value for forward exchange contracts were as follows:

	<b>Franklin Allocation VIP Fund</b>
Futures contracts . . . . .	\$56,724,501
Swap Contracts . . . . .	9,012,154
Forward exchange contracts . . . . .	8,428,287
Options . . . . .	4,852,692

See Note 1(d) regarding derivative financial instruments.

**10. Credit Facility**

The Fund, together with other U.S. registered and foreign investment funds (collectively, Borrowers), managed by Franklin Templeton, are borrowers in a joint syndicated senior unsecured credit facility totaling \$2.675 billion (Global Credit Facility) which matured on February 3, 2023. This Global Credit Facility provides a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests. Effective February 3, 2023, the Borrowers renewed the Global Credit Facility for a one-year term, maturing February 2, 2024, for a total of \$2.675 billion.

**Franklin Allocation VIP Fund** (continued)

**10. Credit Facility** (continued)

Under the terms of the Global Credit Facility, the Fund shall, in addition to interest charged on any borrowings made by the Fund and other costs incurred by the Fund, pay its share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon its relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee of 0.15% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses in the Statement of Operations. During the year ended December 31, 2022, the Fund did not use the Global Credit Facility.

**11. Fair Value Measurements**

The Fund follows a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Fund's own market assumptions (unobservable inputs). These inputs are used in determining the value of the Fund's financial instruments and are summarized in the following fair value hierarchy:

- Level 1 – quoted prices in active markets for identical financial instruments
- Level 2 – other significant observable inputs (including quoted prices for similar financial instruments, interest rates, prepayment speed, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining the fair value of financial instruments)

The input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level.

A summary of inputs used as of December 31, 2022, in valuing the Fund's assets and liabilities carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
<b>Franklin Allocation VIP Fund</b>				
<b>Assets:</b>				
Investments in Securities:				
Common Stocks:				
Aerospace & Defense	\$8,701,583	\$3,389,139	\$—	\$12,090,722
Air Freight & Logistics	2,885,969	1,181,119	—	4,067,088
Airlines	72,292	—	—	72,292
Auto Components	678,215	1,924,376	—	2,602,591
Automobiles	1,134,766	2,945,174	—	4,079,940
Banks	8,723,265	9,272,804	—	17,996,069
Beverages	4,885,304	697,447	—	5,582,751
Biotechnology	4,768,513	2,616,269	—	7,384,782
Building Products	1,152,647	543,485	—	1,696,132
Capital Markets	7,503,367	4,238,740	—	11,742,107
Chemicals	5,438,105	4,266,834	—	9,704,939
Commercial Services & Supplies	495,939	44,157	—	540,096
Communications Equipment	3,737,931	—	—	3,737,931
Construction Materials	1,070,689	671,727	—	1,742,416
Consumer Finance	2,310,826	—	—	2,310,826
Containers & Packaging	138,172	—	—	138,172
Distributors	142,799	—	—	142,799
Diversified Consumer Services	186,457	—	—	186,457
Diversified Financial Services	1,563,652	1,412,823	—	2,976,475
Diversified Telecommunication Services	581,388	1,634,453	—	2,215,841
Electric Utilities	2,734,242	652,141	—	3,386,383
Electrical Equipment	2,641,481	786,456	—	3,427,937

**Franklin Allocation VIP Fund** (continued)

**11. Fair Value Measurements** (continued)

	Level 1	Level 2	Level 3	Total
<b>Franklin Allocation VIP Fund</b> (continued)				
<b>Assets: (continued)</b>				
Investments in Securities:				
Common Stocks:				
Electronic Equipment, Instruments & Components	\$3,596,978	\$552,495	\$—	\$4,149,473
Energy Equipment & Services	95,693	938,519	—	1,034,212
Entertainment	1,852,749	1,549,052	—	3,401,801
Equity Real Estate Investment Trusts (REITs)	4,091,089	442,040	—	4,533,129
Food & Staples Retailing	1,126,895	1,177,679	—	2,304,574
Food Products	840,869	1,939,617	—	2,780,486
Gas Utilities	173,695	234,877	—	408,572
Health Care Equipment & Supplies	7,806,373	2,894,704	—	10,701,077
Health Care Providers & Services	9,203,650	533,210	—	9,736,860
Health Care Technology	112,966	—	—	112,966
Hotels, Restaurants & Leisure	1,591,147	535,006	—	2,126,153
Household Durables	—	1,257,819	—	1,257,819
Household Products	1,327,462	—	—	1,327,462
Independent Power and Renewable Electricity Producers	75,980	141,812	—	217,792
Industrial Conglomerates	1,399,831	1,816,817	—	3,216,648
Insurance	5,663,537	3,354,703	—	9,018,240
Interactive Media & Services	8,451,402	117,206	—	8,568,608
Internet & Direct Marketing Retail	6,696,475	2,025,385	—	8,721,860
IT Services	10,106,786	3,669,492	—	13,776,278
Leisure Products	—	100,253	—	100,253
Life Sciences Tools & Services	5,713,926	917,458	—	6,631,384
Machinery	7,782,766	1,560,314	—	9,343,080
Marine	—	291,377	—	291,377
Media	4,227,735	1,471,538	—	5,699,273
Metals & Mining	972,304	2,651,278	—	3,623,582
Multiline Retail	173,109	351,565	—	524,674
Multi-Utilities	3,555,911	873,588	—	4,429,499
Oil, Gas & Consumable Fuels	8,552,307	6,046,644	—	14,598,951
Personal Products	1,840,295	984,244	—	2,824,539
Pharmaceuticals	8,344,636	6,332,621	—	14,677,257
Professional Services	1,508,778	2,485,244	—	3,994,022
Real Estate Management & Development	443,048	499,321	—	942,369
Road & Rail	2,572,167	181,527	—	2,753,694
Semiconductors & Semiconductor Equipment	9,814,402	3,729,426	—	13,543,828
Software	23,365,661	2,158,892	—	25,524,553
Specialty Retail	3,922,774	331,937	—	4,254,711
Technology Hardware, Storage & Peripherals	7,386,179	1,353,883	—	8,740,062
Textiles, Apparel & Luxury Goods	1,718,466	1,305,477	—	3,023,943
Thriffs & Mortgage Finance	125,645	—	—	125,645
Tobacco	584,127	1,354,991	—	1,939,118
Trading Companies & Distributors	1,464,885	755,142	—	2,220,027
Water Utilities	324,377	—	—	324,377
Wireless Telecommunication Services	143,080	527,507	—	670,587
Management Investment Companies	11,372,981	—	—	11,372,981
Preferred Stocks	—	98,714	—	98,714
Private Limited Partnership Funds	1,490,230	—	—	1,490,230
Corporate Bonds	—	57,881,215	—	57,881,215
Foreign Government and Agency Securities	—	9,710,933	—	9,710,933
U.S. Government and Agency Securities	—	100,627,017	—	100,627,017
Asset-Backed Securities	—	3,514,811	—	3,514,811
Commercial Mortgage-Backed Securities	—	3,419,294	—	3,419,294
Mortgage-Backed Securities	—	25,270,786	—	25,270,786



**Franklin Allocation VIP Fund** (continued)

**11. Fair Value Measurements** (continued)

	Level 1	Level 2	Level 3	Total
<b>Franklin Allocation VIP Fund</b> (continued)				
<b>Assets: (continued)</b>				
Investments in Securities:				
Common Stocks:				
Municipal Bonds . . . . .	\$—	\$1,736,772	\$—	\$1,736,772
Residential Mortgage-Backed Securities . . . . .	—	983,892	—	983,892
Options purchased . . . . .	12,595	—	—	12,595
Short Term Investments . . . . .	18,381,927	1,677,363	—	20,059,290
Total Investments in Securities . . . . .	<u>\$251,555,490</u>	<u>\$300,642,601<sup>a</sup></u>	<u>\$—</u>	<u>\$552,198,091</u>
Other Financial Instruments:				
Forward exchange contracts . . . . .	\$—	\$253,368	\$—	\$253,368
Futures contracts . . . . .	781,259	—	—	781,259
Swap contracts . . . . .	—	334,698	—	334,698
Total Other Financial Instruments . . . . .	<u>\$781,259</u>	<u>\$588,066</u>	<u>\$—</u>	<u>\$1,369,325</u>
<b>Liabilities:</b>				
Other Financial Instruments:				
Options written . . . . .	\$16,125	\$—	\$—	\$16,125
Forward exchange contracts . . . . .	—	103,088	—	103,088
Futures contracts . . . . .	471,240	—	—	471,240
Swap contracts . . . . .	—	8,840	—	8,840
Total Other Financial Instruments . . . . .	<u>\$487,365</u>	<u>\$111,928</u>	<u>\$—</u>	<u>\$599,293</u>

<sup>a</sup> Includes foreign securities valued at \$95,820,518, which were categorized as Level 2 as a result of the application of market level fair value procedures. See the Financial Instrument Valuation note for more information.

**12. New Accounting Pronouncements**

In March 2020, the FASB issued Accounting Standards Update (ASU) No. 2020-04, Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting. In January 2021 and December 2022, the FASB issued ASU No. 2021-01 and ASU No. 2022-06, with further amendments to Topic 848. The amendments in the ASUs provide optional temporary accounting recognition and financial reporting relief from the effect of certain types of contract modifications due to the planned discontinuation of the London Interbank Offered Rate (LIBOR) and other interbank-offered based reference rates as of the end of 2021 for certain LIBOR settings and 2023 for the remainder. The ASUs are effective for certain reference rate-related contract modifications that occur during the period March 12, 2020 through December 31, 2024. Management has reviewed the requirements and believes the adoption of these ASUs will not have a material impact on the financial statements.

In June 2022, the FASB issued ASU No. 2022-03, Fair Value Measurement (Topic 820) – Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions. The amendments in the ASU clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, should not be considered in measuring fair value. The ASU is effective for interim and annual reporting periods beginning after December 15, 2023, with the option of early adoption. Management has reviewed the requirements and believes that the adoption of the ASU will not have a material impact on the financial statements.

**13. Subsequent Events**

The Fund has evaluated subsequent events through the issuance of the financial statements and determined that no events have occurred that require disclosure other than those already disclosed in the financial statements.

**Franklin Allocation VIP Fund** (continued)

**Abbreviations**

**Counterparty**

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<b>BZWS</b>	Barclays Bank plc
<b>CITI</b>	Citibank NA
<b>GSCO</b>	Goldman Sachs Group, Inc.
<b>HSBC</b>	HSBC Bank USA, NA
<b>JPHQ</b>	JPMorgan Chase Bank NA
<b>MSCO</b>	Morgan Stanley

**Currency**

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<b>AUD</b>	Australian Dollar
<b>BRL</b>	Brazilian Real
<b>CHF</b>	Swiss Franc
<b>COP</b>	Colombian Peso
<b>EUR</b>	Euro
<b>GBP</b>	British Pound
<b>HKD</b>	Hong Kong Dollar
<b>KRW</b>	South Korean Won
<b>MXN</b>	Mexican Peso
<b>MYR</b>	Malaysian Ringgit
<b>PLN</b>	Polish Zloty
<b>USD</b>	United States Dollar
<b>ZAR</b>	South African Rand

**Index**

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**CDX.NA.IG.**

**Series number** CDX North America Investment Grade Index

**Selected Portfolio**

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<b>ADR</b>	American Depositary Receipt
<b>AGMC</b>	Assured Guaranty Municipal Corp.
<b>CLO</b>	Collateralized Loan Obligation
<b>ETF</b>	Exchange-Traded Fund
<b>FHLB</b>	Federal Home Loan Banks
<b>FHLMC</b>	Federal Home Loan Mortgage Corp.
<b>FNMA</b>	Federal National Mortgage Association
<b>FRN</b>	Floating Rate Note
<b>GNMA</b>	Government National Mortgage Association
<b>GO</b>	General Obligation
<b>LIBOR</b>	London Inter-Bank Offered Rate
<b>NYRS</b>	New York Registry Shares
<b>SOFR</b>	Secured Overnight Financing Rate
<b>TIPS</b>	Treasury Inflation Protected Securities

## Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Franklin Templeton Variable Insurance Products Trust and Shareholders of Franklin Allocation VIP Fund

### ***Opinion on the Financial Statements***

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Franklin Allocation VIP Fund (one of the funds constituting Franklin Templeton Variable Insurance Products Trust, referred to hereafter as the “Fund”) as of December 31, 2022, the related statement of operations for the year ended December 31, 2022, the statement of changes in net assets for each of the two years in the period ended December 31, 2022, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2022 (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2022, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2022 and the financial highlights for each of the five years in the period ended December 31, 2022 in conformity with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2022 by correspondence with the custodian, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP  
San Francisco, California  
February 17, 2023

We have served as the auditor of one or more investment companies in the Franklin Templeton Group of Funds since 1948.

## Tax Information (unaudited)

### Franklin Allocation VIP Fund

By mid-February, tax information related to a shareholder's proportionate share of distributions paid during the preceding calendar year will be received, if applicable. Please also refer to [www.franklintempleton.com](http://www.franklintempleton.com) for per share tax information related to any distributions paid during the preceding calendar year. Shareholders are advised to consult with their tax advisors for further information on the treatment of these amounts on their tax returns.

The following tax information for the Fund is required to be furnished to shareholders with respect to income earned and distributions paid during its fiscal year.

The Fund hereby reports the following amounts, or if subsequently determined to be different, the maximum allowable amounts, for the fiscal year ended December 31, 2022:

	<b>Pursuant to:</b>	<b>Amount Reported</b>
Long-Term Capital Gain Dividends Distributed	§852(b)(3)(C)	\$46,305,157
Income Eligible for Dividends Received Deduction (DRD)	§854(b)(1)(A)	\$3,226,515
Interest Earned from Federal Obligations	Note (1)	\$2,550,416

Note (1) - The Law varies in each state as to whether and what percentage of dividend income attributable to Federal obligations is exempt from state income tax. Shareholders are advised to consult with their tax advisors to determine if any portion of the dividends received is exempt from state income taxes.

## Index Descriptions

The indexes are unmanaged and include reinvestment of any income or distributions. They do not reflect any fees, expenses or sales charges. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio. Net Returns (NR) include income net of tax withholding when dividends are paid.

For Russell Indexes: Frank Russell Company is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Frank Russell Company.

See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

**Bloomberg 1-3 Month U.S. Treasury Bill Index** measures the performance of U.S. Treasury bills that have a remaining maturity of greater than or equal to one month and less than three months. Treasuries, if held to maturity, offer a fixed rate of return and a fixed principal value; their interest payments and principal are guaranteed.

**Bloomberg U.S. Aggregate Bond Index** measures the performance of the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid adjustable-rate mortgage pass-throughs), asset-backed securities and commercial mortgage-backed securities (agency and nonagency).

**Bloomberg U.S. Corporate Investment Grade Index** measures the performance of the investment-grade, fixed-rate, taxable corporate bond market. It includes U.S. dollar-denominated securities publicly issued by U.S. and non-U.S. industrial, utility and financial issuers.

**Bloomberg U.S. Corporate High Yield Index** measures the performance of the U.S. dollar-denominated, high-yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Standard & Poor's, and Fitch is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets (EM) country of risk, based on Bloomberg EM country definition, are excluded.

**Bloomberg U.S. Government - Intermediate Index** is the intermediate component of the Bloomberg U.S. Government Index, which includes U.S. dollar-denominated, fixed-rate, nominal U.S. Treasuries and U.S. agency debentures (securities issued by U.S. government-owned or government-sponsored entities, and debt explicitly guaranteed by the U.S. government).

**Bloomberg U.S. High Yield Very Liquid Index** is a component of the Bloomberg U.S. Corporate High Yield Index that is designed to track a more liquid component of the U.S. dollar-denominated, high-yield, fixed-rate corporate bond market.

**Bloomberg U.S. Mortgage-Backed Securities (MBS) Index** tracks the performance of fixed-rate agency mortgage-backed pass-through securities guaranteed by Ginnie Mae (GNMA), Fannie Mae (FNMA) and Freddie Mac (FHLMC). Effective June 1, 2017, hybrid adjustable-rate mortgages were removed from the index.

**Bloomberg U.S. Treasury Index** measures the performance of U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury with at least one year until final maturity. Treasuries, if held to maturity, offer a fixed rate of return and a fixed principal value; their interest payments and principal are guaranteed.

**FTSE® EPRA®/NAREIT® Developed Index** is a free float-adjusted index designed to measure the performance of publicly traded real estate securities in the North American, European and Asian real estate markets.

**FTSE World Government Bond Index (WGBI)** measures the performance of fixed-rate, local currency, investment-grade sovereign bonds and is stated in U.S. dollar terms.

**J.P. Morgan (JPM) Global Government Bond Index (GGBI)** tracks total returns for liquid, fixed-rate, domestic government bonds with maturities greater than one year issued by developed countries globally.

**MSCI All Country Asia Index-NR** is a free float-adjusted, market capitalization-weighted index designed to measure the equity market performance of developed and emerging markets in Asia.

**MSCI All Country World Index (ACWI)-NR** is a free float-adjusted, market capitalization-weighted index designed to measure the equity market performance of global developed and emerging markets.

**MSCI All Country World Index (ACWI) ex USA Index-NR** is a free float-adjusted, market capitalization-weighted index designed to measure the equity market performance of global developed and emerging markets, excluding the U.S.

**MSCI Emerging Markets (EM) Index-NR** is a free float-adjusted, market capitalization-weighted index designed to measure the equity market performance of global emerging markets.

**MSCI Europe Index-NR** is a free float-adjusted, market capitalization-weighted index designed to measure the equity market performance of developed markets in Europe.

**MSCI USA High Dividend Yield Index** is based on the MSCI USA Index, its parent index, and includes large- and mid-capitalization stocks. The index is designed to reflect the performance of equities in the parent index (excluding real estate investment trusts) with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent.

**MSCI USA Index** is designed to measure the performance of the large- and mid-capitalization segments of the U.S. market. With 627 constituents, the index covers approximately 85% of the free float adjusted market capitalization in the U.S.

**MSCI World ex USA Index-NR** is a free float-adjusted, market capitalization-weighted index designed to measure the equity market performance of global developed markets, excluding the U.S.

**MSCI World Value Index-NR** is a free float-adjusted, market capitalization-weighted index designed to measure the performance of stocks exhibiting overall value style characteristics in global developed markets.

**Russell 1000® Growth Index** is market capitalization weighted and measures the performance of those Russell 1000® Index companies with relatively higher price-to-book ratios and higher forecasted growth rates.

**Russell 1000® Index** is market capitalization weighted and measures the performance of the approximately 1,000 largest companies in the Russell 3000® Index, which represents the majority of the U.S. market's total capitalization.

**Russell 1000® Value Index** is market capitalization weighted and measures the performance of those Russell 1000® Index companies with relatively lower price-to-book ratios and lower forecasted growth rates.

**Russell 2000® Index** is market capitalization weighted and measures the performance of the approximately 2,000 smallest companies in the Russell 3000® Index that represent a small amount of the total market capitalization of the Russell 3000® Index.

**Russell 2000® Value Index** is market capitalization weighted and measures the performance of those Russell 2000® Index companies with relatively lower price-to-book ratios and lower forecasted growth rates.

**Russell 2500™ Index** is market capitalization weighted and measures the performance of the approximately 2,500 smallest companies in the Russell 3000® Index that represent a modest amount of the Russell 3000® Index's total market capitalization.

**Russell 3000® Index** is market capitalization weighted and measures the performance of the largest 3,000 U.S. companies representing the majority of the U.S. market's total capitalization.

**Russell Midcap® Growth Index** is market capitalization weighted and measures the performance of those Russell Midcap® Index companies with relatively higher price-to-book ratios and higher forecasted growth rates.

**Russell Midcap® Index** is market capitalization weighted and measures the performance of the approximately 800 smallest companies in the Russell 1000® Index that represent a modest amount of the Russell 1000® Index's total market capitalization.

**Standard & Poor's® 500 Index (S&P 500®)** is a market capitalization-weighted index of 500 stocks designed to measure total U.S. equity market performance.

## Board Members and Officers

The name, year of birth and address of the officers and board members, as well as their affiliations, positions held with the Trust, principal occupations during at least the past five years and number of U.S. registered portfolios overseen in the Franklin Templeton/Legg Mason fund complex, are shown below. Generally, each board member serves until that person's successor is elected and qualified.

### Independent Board Members

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
<b>Harris J. Ashton (1932)</b> One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 1988	119	Bar-S Foods (meat packing company) (1981-2010).
<b>Principal Occupation During at Least the Past 5 Years:</b> Director of various companies; and <b>formerly</b> , Director, RBC Holdings, Inc. (bank holding company) (until 2002); and President, Chief Executive Officer and Chairman of the Board, General Host Corporation (nursery and craft centers) (until 1998).				
<b>Terrence J. Checki (1945)</b> One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2017	119	Hess Corporation (exploration of oil and gas) (2014-present).
<b>Principal Occupation During at Least the Past 5 Years:</b> Member of the Council on Foreign Relations (1996-present); Member of the National Committee on U.S.-China Relations (1999-present); member of the board of trustees of the Economic Club of New York (2013-present); member of the board of trustees of the Foreign Policy Association (2005-present); member of the board of directors of Council of the Americas (2007-present) and the Tallberg Foundation (2018-present); and <b>formerly</b> , Executive Vice President of the Federal Reserve Bank of New York and Head of its Emerging Markets and Internal Affairs Group and Member of Management Committee (1995-2014); and Visiting Fellow at the Council on Foreign Relations (2014).				
<b>Mary C. Choksi (1950)</b> One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2014	120	Omnicom Group Inc. (advertising and marketing communications services) (2011-present) and White Mountains Insurance Group, Ltd. (holding company) (2017-present); and <b>formerly</b> , Avis Budget Group Inc. (car rental) (2007-2020).
<b>Principal Occupation During at Least the Past 5 Years:</b> Director of various companies; and <b>formerly</b> , Founder and Senior Advisor, Strategic Investment Group (investment management group) (2015-2017); Founding Partner and Senior Managing Director, Strategic Investment Group (1987-2015); Founding Partner and Managing Director, Emerging Markets Management LLC (investment management firm) (1987-2011); and Loan Officer/Senior Loan Officer/Senior Pension Investment Officer, World Bank Group (international financial institution) (1977-1987).				

## Independent Board Members (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
<b>Edith E. Holiday (1952)</b> One Franklin Parkway San Mateo, CA 94403-1906	Lead Independent Trustee	Trustee since 2005 and Lead Independent Trustee since 2019	120	Hess Corporation (exploration of oil and gas) (1993-present), Santander Consumer USA Holdings, Inc. (consumer finance) (2016-present); Santander Holdings USA (holding company) (2019-present); and <b>formerly</b> , Canadian National Railway (railroad) (2001-2021), White Mountains Insurance Group, Ltd. (holding company) (2004-2021), RTI International Metals, Inc. (manufacture and distribution of titanium) (1999-2015) and H.J. Heinz Company (processed foods and allied products) (1994-2013).

**Principal Occupation During at Least the Past 5 Years:**

Director or Trustee of various companies and trusts; and **formerly**, Assistant to the President of the United States and Secretary of the Cabinet (1990-1993); General Counsel to the United States Treasury Department (1989-1990); and Counselor to the Secretary and Assistant Secretary for Public Affairs and Public Liaison-United States Treasury Department (1988-1989).

<b>J. Michael Luttig (1954)</b> One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2009	120	Boeing Capital Corporation (aircraft financing) (2006-2010).
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**Principal Occupation During at Least the Past 5 Years:**

Counselor and Special Advisor to the CEO and Board of Directors of the Coca-Cola Company (beverage company) (2021-present); and **formerly**, Counselor and Senior Advisor to the Chairman, CEO, and Board of Directors, of The Boeing Company (aerospace company), and member of the Executive Council (2019-2020); Executive Vice President, General Counsel and member of the Executive Council, The Boeing Company (2006-2019); and Federal Appeals Court Judge, United States Court of Appeals for the Fourth Circuit (1991-2006).

<b>Larry D. Thompson (1945)</b> One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2007	120	Graham Holdings Company (education and media organization) (2011-2021); The Southern Company (energy company) (2014-2020; previously 2010-2012) and Cbeyond, Inc. (business communications provider) (2010-2012).
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**Principal Occupation During at Least the Past 5 Years:**

Director of various companies; Counsel, Finch McCranie, LLP (law firm) (2015-present); John A. Sibley Professor of Corporate and Business Law, University of Georgia School of Law (2015-present; previously 2011-2012); and **formerly**, Independent Compliance Monitor and Auditor, Volkswagen AG (manufacturer of automobiles and commercial vehicles) (2017-2020); Executive Vice President - Government Affairs, General Counsel and Corporate Secretary, PepsiCo, Inc. (consumer products) (2012-2014); Senior Vice President - Government Affairs, General Counsel and Secretary, PepsiCo, Inc. (2004-2011); Senior Fellow of The Brookings Institution (2003-2004); Visiting Professor, University of Georgia School of Law (2004); and Deputy Attorney General, U.S. Department of Justice (2001-2003).



## Independent Board Members (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
<b>Valerie M. Williams (1956)</b> One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2021	111	Omnicom Group, Inc. (advertising and marketing communications services) (2016-present), DTE Energy Co. (gas and electric utility) (2018-present), Devon Energy Corporation (exploration and production of oil and gas) (January 2021-present); and <b>formerly</b> , WPX Energy, Inc. (exploration and production of oil and gas) (2018-2021).

**Principal Occupation During at Least the Past 5 Years:**

Director of various companies; and **formerly**, Regional Assurance Managing Partner, Ernst & Young LLP (public accounting) (2005-2016), various roles of increasing responsibility at Ernst & Young (1981-2005).

## Interested Board Members and Officers

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
<b>**Gregory E. Johnson (1961)</b> One Franklin Parkway San Mateo, CA 94403-1906	Chairman of the Board and Trustee	Chairman of the Board since January 2023 and Trustee since 2013	131	None

**Principal Occupation During at Least the Past 5 Years:**

Executive Chairman, Chairman of the Board and Director, Franklin Resources, Inc.; officer and/or director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of certain funds in the Franklin Templeton/Legg Mason fund complex; Vice Chairman, Investment Company Institute; and **formerly**, Chief Executive Officer (2013-2020) and President (1994-2015) Franklin Resources, Inc.

<b>**Rupert H. Johnson, Jr. (1940)</b> One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 1988	120	None
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**Principal Occupation During at Least the Past 5 Years:**

Director (Vice Chairman), Franklin Resources, Inc.; Director, Franklin Advisers, Inc.; and officer and/or director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of certain funds in the Franklin Templeton/Legg Mason fund complex.

<b>Alison E. Baur (1964)</b> One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2012	Not Applicable	Not Applicable
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**Principal Occupation During at Least the Past 5 Years:**

Deputy General Counsel, Franklin Templeton; and officer of some of the other subsidiaries of Franklin Resources, Inc. and of certain funds in the Franklin Templeton/Legg Mason fund complex.

<b>Breda M. Beckerle (1958)</b> 280 Park Avenue New York, NY 10017	Chief Compliance Officer	Since 2020	Not Applicable	Not Applicable
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**Principal Occupation During at Least the Past 5 Years:**

Chief Compliance Officer, Fiduciary Investment Management International, Inc., Franklin Advisers, Inc., Franklin Mutual Advisers, LLC, Franklin Templeton Institutional, LLC; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.

## Interested Board Members and Officers (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
<b>Steven J. Gray (1955)</b> One Franklin Parkway San Mateo, CA 94403-1906	Vice President and Co-Secretary	Vice President since 2009 and Co-Secretary since 2019	Not Applicable	Not Applicable

**Principal Occupation During at Least the Past 5 Years:**

Senior Associate General Counsel, Franklin Templeton; Assistant Secretary, Franklin Distributors, LLC; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.

<b>Matthew T. Hinkle (1971)</b> One Franklin Parkway San Mateo, CA 94403-1906	Chief Executive Officer - Finance and Administration	Since 2017	Not Applicable	Not Applicable
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**Principal Occupation During at Least the Past 5 Years:**

Senior Vice President, Franklin Templeton Services, LLC; officer of certain funds in the Franklin Templeton/Legg Mason fund complex; and formerly, Vice President, Global Tax (2012-April 2017) and Treasurer/Assistant Treasurer, Franklin Templeton (2009-2017).

<b>Susan Kerr (1949)</b> 620 Eighth Avenue New York, NY 10018	Vice President - AML Compliance	Since 2021	Not Applicable	Not Applicable
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**Principal Occupation During at Least the Past 5 Years:**

Senior Compliance Analyst, Franklin Templeton; Chief Anti-Money Laundering Compliance Officer, Legg Mason & Co., or its affiliates; Anti Money Laundering Compliance Officer; Senior Compliance Officer, LMIS; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.

<b>Christopher Kings (1974)</b> One Franklin Parkway San Mateo, CA 94403-1906	Chief Financial Officer, Chief Accounting Officer and Treasurer	Since January 2022	Not Applicable	Not Applicable
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**Principal Occupation During at Least the Past 5 Years:**

Treasurer, U.S. Fund Administration & Reporting; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.

<b>Edward D. Perks (1970)</b> One Franklin Parkway San Mateo, CA 94403-1906	President and Chief Executive Officer - Investment Management	Since 2018	Not Applicable	Not Applicable
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**Principal Occupation During at Least the Past 5 Years:**

President and Director, Franklin Advisers, Inc.; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.

<b>Navid J. Tofigh (1972)</b> One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2015	Not Applicable	Not Applicable
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**Principal Occupation During at Least the Past 5 Years:**

Senior Associate General Counsel, Franklin Templeton; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.

<b>Lori A. Weber (1964)</b> 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Vice President and Co-Secretary	Vice President since 2011 and Co-Secretary since 2019	Not Applicable	Not Applicable
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**Principal Occupation During at Least the Past 5 Years:**

Senior Associate General Counsel, Franklin Templeton; Assistant Secretary, Franklin Resources, Inc.; Vice President and Secretary, Templeton Investment Counsel, LLC; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.

## Interested Board Members and Officers (continued)

\*We base the number of portfolios on each separate series of the U.S. registered investment companies within the Franklin Templeton/Legg Mason fund complex. These portfolios have a common investment manager or affiliated investment managers.

\*\*Gregory E. Johnson is considered to be an interested person of the Fund under the federal securities laws due to his position as an officer and director of Franklin Resources, Inc. (Resources), which is the parent company of the Fund's investment manager and distributor. Rupert H. Johnson, Jr. is considered to be an interested person of the Fund under the federal securities laws due to his position as an officer and director and major shareholder of Resources.

Note 1: Rupert H. Johnson, Jr. is the uncle of Gregory E. Johnson.

Note 2: Officer information is current as of the date of this report. It is possible that after this date, information about officers may change.

The Sarbanes-Oxley Act of 2002 and Rules adopted by the Securities and Exchange Commission require the Fund to disclose whether the Fund's Audit Committee includes at least one member who is an audit committee financial expert within the meaning of such Act and Rules. The Fund's Board has determined that there is at least one such financial expert on the Audit Committee and has designated Mary C. Choksi as its audit committee financial expert. The Board believes that Ms. Choksi qualifies as such an expert in view of her extensive business background and experience. She served as a director of Avis Budget Group, Inc. (2007-2020) and formerly, Founder and Senior Advisor, Strategic Investment Group (1987 to 2017). Ms. Choksi has been a Member of the Fund's Audit Committee since 2014. As a result of such background and experience, the Board believes that Ms. Choksi has acquired an understanding of generally accepted accounting principles and financial statements, the general application of such principles in connection with the accounting estimates, accruals and reserves, and analyzing and evaluating financial statements that present a breadth and level of complexity of accounting issues generally comparable to those of the Fund, as well as an understanding of internal controls and procedures for financial reporting and an understanding of audit committee functions. Ms. Choksi is an independent Board member as that term is defined under the relevant Securities and Exchange Commission Rules and Releases.

The Statement of Additional Information (SAI) includes additional information about the board members and is available, without charge, upon request. Shareholders may call (800) DIAL BEN/342-5236 to request the SAI.

## Shareholder Information

### Proxy Voting Policies and Procedures

The Trust's investment manager has established Proxy Voting Policies and Procedures (Policies) that the Trust uses to determine how to vote proxies relating to portfolio securities. Shareholders may view the Trust's complete Policies online at [franklintempleton.com](http://franklintempleton.com). Alternatively, shareholders may request copies of the Policies free of charge by calling the Proxy Group collect at (954) 527-7678 or by sending a written request to: Franklin Templeton Companies, LLC, 300 S.E. 2nd Street, Fort Lauderdale, FL 33301, Attention: Proxy Group. Copies of the Trust's proxy voting records are also made available online at [franklintempleton.com](http://franklintempleton.com) and posted on the U.S. Securities and Exchange Commission's website at [sec.gov](http://sec.gov) and reflect the most recent 12-month period ended June 30.

### Quarterly Schedule of Investments

The Trust files a complete schedule of investments with the U.S. Securities and Exchange Commission for the first and third quarters for each fiscal year as an exhibit to its report on Form N-PORT. Shareholders may view the filed Form N-PORT by visiting the Commission's website at [sec.gov](http://sec.gov). The filed form may also be viewed and copied at the Commission's Public Reference Room in Washington, DC. Information regarding the operations of the Public Reference Room may be obtained by calling (800) SEC-0330.

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Franklin Templeton Variable Insurance Products Trust (FTVIP) shares are not offered to the public; they are offered and sold only to: (1) insurance company separate accounts (Separate Account) to serve as the underlying investment vehicle for variable contracts; (2) certain qualified plans; and (3) other mutual funds (funds of funds).

Authorized for distribution to investors in Separate Accounts only when accompanied or preceded by the current prospectus for the applicable contract, which includes the Separate Account and the FTVIP prospectuses. Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. The prospectus contains this and other information; please read it carefully before investing.

To help ensure we provide you with quality service, all calls to and from our service areas are monitored and/or recorded.



**Annual Report**  
**Franklin Templeton Variable Insurance Products Trust**

**Investment Managers**

Franklin Advisers, Inc.  
Franklin Mutual Advisers, LLC  
Franklin Templeton Institutional, LLC  
Templeton Asset Management Ltd.  
Templeton Global Advisors Limited  
Templeton Investment Counsel, LLC

**Fund Administrator**

Franklin Templeton Services, LLC

**Distributor**

Franklin  
Distributors, LLC