

SEMIANNUAL REPORT

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST

June 30, 2022



FRANKLIN
TEMPLETON

Franklin Templeton Variable Insurance Products Trust Semiannual Report

Table of Contents

Important Notes to Performance Information	i
Fund Summaries	
Franklin Allocation VIP Fund	FA-1
Index Descriptions	I-1
Shareholder Information	SI-1

Not FDIC Insured	May Lose Value	No Bank Guarantee
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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 semiannual report for Franklin Allocation VIP Fund covers the period ended June 30, 2022.

Class 2 Performance Summary as of June 30, 2022

The Fund's Class 2 Shares posted a -16.76% total return* for the six-month period ended June 30, 2022.

*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. The Fund has an expense reduction and a fee waiver associated with any investments it makes in a Franklin Templeton money fund and/or other Franklin Templeton fund, contractually guaranteed through 4/30/23. Fund investment results reflect the expense reduction and fee waiver; without these reductions, the results would have been lower.

*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.

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 sleeves (investment strategies).

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 Fund is actively managed and could experience losses if the investment manager's or subadvisors' judgment about markets, future volatility, interest rates, industries, sectors and regions or the attractiveness, relative values, liquidity, effectiveness or potential appreciation of particular investments made for the Fund's portfolio prove to be incorrect. The investment manager's allocation of Fund assets among different asset classes and strategy sleeves may not prove beneficial in light of subsequent market events. There can be no guarantee that these techniques or the investment manager's or subadvisors' investment decisions will produce the desired results. To the extent the Fund invests in underlying investment companies, including exchange-traded funds, the Fund's performance is related to the performance of the underlying investment companies held by it. Stock prices fluctuate, sometimes rapidly and dramatically, due to factors affecting individual companies, particular industries or sectors, or general market conditions. When interest rates rise, debt security prices generally fall. The opposite is also generally true: debt security prices rise when interest rates fall. Derivatives involve costs and can create economic leverage in the Fund's portfolio which may result in significant volatility and cause the Fund to participate in losses (as well as gains) in an amount that exceeds the Fund's initial investment. Investing in foreign securities typically involves more risks than investing in U.S. securities, and includes risks associated with internal and external political and economic developments, trading practices, availability of information, limited markets and currency exchange rate fluctuations and policies. The risks of foreign investments may be greater in developing or emerging market countries. Growth stock prices reflect projections of future earnings or revenues, and can,

therefore, fall dramatically if the company fails to meet those projections. 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 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

6/30/22

	% of Total Net Assets
Common Stocks	56.2%
U.S. Government and Agency Securities	19.2%
Corporate Bonds	10.5%
Mortgage-Backed Securities	3.9%
Management Investment Companies	2.1%
Foreign Government and Agency Securities	1.9%
Other	2.2%
Short-Term Investments & Other Net Assets	4.0%

Performance Overview

You can find the Fund's six-month total return in the Performance Summary. In comparison, the Fund's benchmark, the Standard & Poor's 500® Index (S&P 500®), posted a -19.96% total return.¹ The Fund's other benchmarks performed as follows: the Bloomberg U.S. Aggregate Bond Index posted a -10.35% total return, the MSCI World ex USA Index-NR posted a -18.76% total return, and the Linked Allocation VIP Fund Benchmark posted a -0.78% total return.^{1,2}

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).

Economic and Market Overview

Global developed and emerging market equities, as measured by the MSCI All Country World Index-NR (net of tax withholding when dividends are paid), posted a -20.18% total return for the six months ended June 30, 2022.¹ 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 stances regarding monetary policy. The Chinese government's imposition of new lockdowns to quell the spread of the Omicron variant of COVID-19 pressured Asian and global emerging market stocks. Russia's invasion of Ukraine also increased investor uncertainty, as international sanctions on Russia constrained companies that do business with Russia and disrupted global economic activity and commodity markets.

In the U.S., gross domestic product (GDP) growth turned negative in the first quarter of 2022 as high inflation, supply constraints and record trade deficits weighed on the economy. Rising prices precipitated a notable decline in consumer confidence, despite high spending levels. 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 two meetings, accelerating the rate of increase each time to end the period at a range of 1.50%–1.75%. The Fed noted in its June meeting that inflation remained elevated, as job growth was robust and the unemployment rate remained low. Furthermore, the Fed said it would continue to reduce its bond holdings, and anticipated instituting further interest rate increases at future meetings.

Geographic Composition

6/30/22

	% of Total Net Assets
North America	73.9%
Europe	13.2%
Asia	5.8%
Latin America & Caribbean	1.3%
Other	1.8%
Short-Term Investments & Other Net Assets	4.0%

Economic growth in the eurozone maintained a slow rate in the first quarter of 2022 as the war in Ukraine disrupted supply chains, sent commodity prices higher, and weakened the economic outlook. The war in Ukraine contributed to record high inflation across the eurozone as commodity and oil prices soared. The European Central Bank indicated

it will raise interest rates in July, the first increase in more than a decade, to fight growing inflation. In this environment, European developed market equities, as measured by the MSCI Europe Index-NR, posted a -20.79% total return for the six months under review.¹

Asian developed and emerging market equities, as measured by the MSCI All Country Asia Index-NR, posted a -17.69% total return for the six-month period.¹ While many Asian countries experienced improving economic conditions, Japan's GDP contracted in the first quarter of 2022 after having returned to growth in the fourth quarter of 2021. Although China's economy continued to grow, it was pressured by coronavirus-related restrictions and government measures to limit real estate speculation. Unexpected regulatory changes by the Chinese government, which negatively impacted education- and technology-related businesses, and investor concerns about the solvency of several large Chinese property developers further pressured Chinese stocks.

Global emerging market stocks, as measured by the MSCI Emerging Markets Index-NR, posted a -17.63% total return for the six months under review.¹ 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. Meanwhile, some countries, particularly in Latin America, as well as South Africa and Saudi Arabia, have benefited from the 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

6/30/22

Company Industry, Country	% of Total Net Assets
U.S. Treasury Notes <i>Diversified Financial Services, United States</i>	14.9%
U.S. Treasury Bonds <i>Diversified Financial Services, United States</i>	4.3%
Schwab U.S. TIPS ETF <i>Capital Markets, United States</i>	2.1%
Microsoft Corp. <i>Software, United States</i>	2.0%
FNMA, 30 Year <i>Thriffs & Mortgage Finance, United States</i>	1.9%
Apple, Inc. <i>Technology Hardware, Storage & Peripherals, United States</i>	1.4%
Alphabet, Inc. <i>Interactive Media & Services, United States</i>	1.3%
Amazon.com, Inc. <i>Internet & Direct Marketing Retail, United States</i>	1.1%
Bank of America Corp. <i>Banks, United States</i>	0.9%
UnitedHealth Group, Inc. <i>Health Care Providers & Services, United States</i>	0.8%

During the six 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 Rising Dividends Strategy, the Franklin U.S. Core Equity Strategy and the Franklin U.S. Smart Beta Equity Strategy outperformed the index. During the period, the Fund's management team exited the Franklin Rising Dividends and U.S. Smart Beta strategies, and initiated positions in the ClearBridge Large Cap Growth

and ClearBridge Large Cap Value strategies. Three of those four strategies performed better than the domestic equity benchmark; the exception was ClearBridge Large Cap Growth. On the fixed income side, the Western Asset Core Bond Strategy and the Brandywine Global Opportunity Bond Strategy, both new positions during the period, underperformed the Fund's fixed income benchmark, the Bloomberg U.S. Aggregate Bond Index. The Franklin Investment Grade Corporate Strategy and the Franklin U.S. Core Bond Strategy also underperformed the benchmark. The Templeton Global Bond VIP Fund – Class 1 and the Franklin U.S. Treasury Securities Strategy outperformed 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, outperformed 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.

The foregoing information reflects our analysis, opinions and portfolio holdings as of June 30, 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 1/1/22	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 6/30/22	Fund-Level Expenses Paid During Period 1/1/22–6/30/22 ^{1,2}	Ending Account Value 6/30/22	Fund-Level Expenses Paid During Period 1/1/22–6/30/22 ^{1,2}	
2	\$1,000	\$832.40	\$3.69	\$1,020.77	\$4.07	0.81%

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 181/365 to reflect the one-half year period.

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

Financial Highlights

Franklin Allocation VIP Fund

	Six Months Ended June 30, 2022 (unaudited)	Year Ended December 31,				
		2021	2020	2019	2018	2017
Class 1						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$6.02	\$5.49	\$6.86	\$6.37	\$7.44	\$7.13
Income from investment operations ^a :						
Net investment income ^b	0.04	0.06	0.10	0.11 ^c	0.23 ^c	0.21 ^c
Net realized and unrealized gains (losses)	(1.04)	0.58	0.45	1.11	(0.89)	0.63
Total from investment operations	(1.00)	0.64	0.55	1.22	(0.66)	0.84
Less distributions from:						
Net investment income	(0.10)	(0.11)	(0.12)	(0.27)	(0.24)	(0.22)
Net realized gains	(0.51)	—	(1.80)	(0.46)	(0.17)	(0.31)
Total distributions	(0.61)	(0.11)	(1.92)	(0.73)	(0.41)	(0.53)
Net asset value, end of period	\$4.41	\$6.02	\$5.49	\$6.86	\$6.37	\$7.44
Total return ^d	(16.62)%	11.81%	12.19%	20.04%	(9.34)%	12.17%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates	0.60%	0.60%	0.60%	0.44%	0.12%	0.12%
Expenses net of waiver and payments by affiliates	0.56% ^f	0.56% ^f	0.55% ^f	0.39%	0.10%	0.10%
Net investment income	1.46%	1.04%	1.79%	1.55%	3.13%	2.75%
Supplemental data						
Net assets, end of period (000's)	\$710	\$841	\$811	\$842	\$984	\$1,047
Portfolio turnover rate	73.06%	54.07%	99.02%	170.79%	2.23%	1.28%
Portfolio turnover rate excluding mortgage dollar rolls	73.06%	54.07%	91.62% ^g	158.11% ^g	2.23%	1.28%

^aThe 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.

^bBased on average daily shares outstanding.

^cRecognition 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.

^dTotal 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. Total return is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

^fBenefit of expense reduction rounds to less than 0.01%.

^gSee Note 1(e) regarding mortgage dollar rolls.

Franklin Allocation VIP Fund (continued)

	Six Months Ended June 30, 2022 (unaudited)	Year Ended December 31,				
		2021	2020	2019	2018	2017
Class 2						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$5.96	\$5.43	\$6.81	\$6.32	\$7.39	\$7.08
Income from investment operations ^a :						
Net investment income ^b	0.03	0.05	0.09	0.09 ^c	0.21 ^c	0.18 ^c
Net realized and unrealized gains (losses)	(1.03)	0.58	0.43	1.11	(0.89)	0.64
Total from investment operations	(1.00)	0.63	0.52	1.20	(0.68)	0.82
Less distributions from:						
Net investment income	(0.08)	(0.10)	(0.10)	(0.25)	(0.22)	(0.20)
Net realized gains	(0.51)	—	(1.80)	(0.46)	(0.17)	(0.31)
Total distributions	(0.59)	(0.10)	(1.90)	(0.71)	(0.39)	(0.51)
Net asset value, end of period	\$4.37	\$5.96	\$5.43	\$6.81	\$6.32	\$7.39
Total return ^d	(16.76)%	11.68%	11.74%	19.86%	(9.65)%	11.98%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates	0.85%	0.85%	0.85%	0.69%	0.37%	0.37%
Expenses net of waiver and payments by affiliates	0.81% ^f	0.81% ^f	0.80% ^f	0.64%	0.35%	0.35%
Net investment income	1.20%	0.80%	1.54%	1.30%	2.88%	2.50%
Supplemental data						
Net assets, end of period (000's)	\$237,960	\$302,084	\$398,620	\$403,040	\$390,300	\$480,402
Portfolio turnover rate	73.06%	54.07%	99.02%	170.79%	2.23%	1.28%
Portfolio turnover rate excluding mortgage dollar rolls	73.06%	54.07%	91.62% ^g	158.11% ^g	2.23%	1.28%

^aThe 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.

^bBased on average daily shares outstanding.

^cRecognition 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.

^dTotal 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. Total return is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

^fBenefit of expense reduction rounds to less than 0.01%.

^gSee Note 1(e) regarding mortgage dollar rolls.

Franklin Allocation VIP Fund (continued)

	Six Months Ended June 30, 2022 (unaudited)	Year Ended December 31,				
		2021	2020	2019	2018	2017
Class 4						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$6.17	\$5.62	\$6.97	\$6.46	\$7.53	\$7.21
Income from investment operations ^a :						
Net investment income ^b	0.03	0.04	0.08	0.08 ^c	0.20 ^c	0.18 ^c
Net realized and unrealized gains (losses)	(1.07)	0.60	0.46	1.13	(0.89)	0.64
Total from investment operations	(1.04)	0.64	0.54	1.21	(0.69)	0.82
Less distributions from:						
Net investment income	(0.08)	(0.09)	(0.09)	(0.24)	(0.21)	(0.19)
Net realized gains	(0.51)	—	(1.80)	(0.46)	(0.17)	(0.31)
Total distributions	(0.59)	(0.09)	(1.89)	(0.70)	(0.38)	(0.50)
Net asset value, end of period	\$4.54	\$6.17	\$5.62	\$6.97	\$6.46	\$7.53
Total return ^d	(16.92)%	11.54%	11.75%	19.56%	(9.58)%	11.78%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates	0.95%	0.95%	0.95%	0.79%	0.47%	0.47%
Expenses net of waiver and payments by affiliates	0.91% ^f	0.91% ^f	0.90% ^f	0.74%	0.45%	0.45%
Net investment income	1.11%	0.70%	1.44%	1.20%	2.78%	2.40%
Supplemental data						
Net assets, end of period (000's)	\$336,206	\$418,751	\$409,388	\$406,693	\$393,385	\$528,862
Portfolio turnover rate	73.06%	54.07%	99.02%	170.79%	2.23%	1.28%
Portfolio turnover rate excluding mortgage dollar rolls	73.06%	54.07%	91.62% ^g	158.11% ^g	2.23%	1.28%

^aThe 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.

^bBased on average daily shares outstanding.

^cRecognition 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.

^dTotal 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. Total return is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

^fBenefit of expense reduction rounds to less than 0.01%.

^gSee Note 1(e) regarding mortgage dollar rolls.

Schedule of Investments (unaudited), June 30, 2022

Franklin Allocation VIP Fund

	Country	Shares	Value
Common Stocks 56.2%			
Aerospace & Defense 2.2%			
BAE Systems plc	United Kingdom	128,120	\$1,296,873
BWX Technologies, Inc.	United States	3,401	187,361
Dassault Aviation SA	France	4,924	768,909
General Dynamics Corp.	United States	1,562	345,593
Lockheed Martin Corp.	United States	3,931	1,690,173
MTU Aero Engines AG	Germany	6,500	1,190,688
Northrop Grumman Corp.	United States	5,601	2,680,471
Raytheon Technologies Corp.	United States	43,768	4,206,542
^a Rolls-Royce Holdings plc	United Kingdom	424,017	431,435
			12,798,045
Air Freight & Logistics 0.7%			
Deutsche Post AG	Germany	5,313	200,589
DSV A/S	Denmark	5,700	801,535
United Parcel Service, Inc., B	United States	17,383	3,173,093
			4,175,217
Airlines 0.1%			
^a Delta Air Lines, Inc.	United States	4,117	119,269
^a International Consolidated Airlines Group SA	United Kingdom	196,163	258,008
			377,277
Auto Components 0.5%			
^a Aptiv plc	United States	7,527	670,430
Bridgestone Corp.	Japan	4,400	160,392
Continental AG	Germany	8,481	595,243
^a Faurecia SE	France	33,112	663,545
Valeo	France	27,169	529,389
			2,618,999
Automobiles 0.6%			
Bayerische Motoren Werke AG	Germany	7,758	601,376
Honda Motor Co. Ltd.	Japan	27,500	662,933
^a Rivian Automotive, Inc., A	United States	2,200	56,628
Stellantis NV	United States	66,543	826,075
^a Tesla, Inc.	United States	1,989	1,339,433
Thor Industries, Inc.	United States	1,669	124,724
			3,611,169
Banks 2.9%			
Bank Leumi Le-Israel BM	Israel	29,281	261,975
Bank of America Corp.	United States	113,341	3,528,305
Bank OZK	United States	2,058	77,237
Barclays plc	United Kingdom	140,843	263,327
Comerica, Inc.	United States	3,308	242,741
Commonwealth Bank of Australia	Australia	6,843	427,558
DBS Group Holdings Ltd.	Singapore	36,700	785,257
FincoBank Banca Finco SpA	Italy	90,110	1,080,959
FNB Corp.	United States	10,692	116,115
ING Groep NV	Netherlands	97,371	959,215
JPMorgan Chase & Co.	United States	22,608	2,545,887
Kasikornbank PCL	Thailand	119,392	510,277
KB Financial Group, Inc.	South Korea	19,180	721,530
KeyCorp	United States	7,229	124,556
Lloyds Banking Group plc	United Kingdom	1,333,680	686,074
Mitsubishi UFJ Financial Group, Inc.	Japan	39,400	210,753
Pinnacle Financial Partners, Inc.	United States	1,049	75,853

Franklin Allocation VIP Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Banks (continued)			
Popular, Inc.	United States	2,335	\$179,631
Shinhan Financial Group Co. Ltd.	South Korea	23,391	675,674
Standard Chartered plc.	United Kingdom	154,167	1,163,677
Sumitomo Mitsui Financial Group, Inc.	Japan	23,900	710,299
Sumitomo Mitsui Financial Group, Inc., ADR	Japan	98,900	583,510
Truist Financial Corp.	United States	1,664	78,923
US Bancorp	United States	15,528	714,598
Wintrust Financial Corp.	United States	934	74,860
			16,798,791
Beverages 1.0%			
Anheuser-Busch InBev SA/NV	Belgium	2,303	124,015
Brown-Forman Corp., B	United States	4,091	287,024
^b Budweiser Brewing Co. APAC Ltd., 144A, Reg S	China	77,100	231,352
Constellation Brands, Inc., A	United States	1,404	327,216
^a Monster Beverage Corp.	United States	16,777	1,555,228
PepsiCo, Inc.	United States	15,498	2,582,897
Pernod Ricard SA	France	3,269	604,327
Suntory Beverage & Food Ltd.	Japan	1,600	60,410
			5,772,469
Biotechnology 1.1%			
AbbVie, Inc.	United States	6,211	951,277
Amgen, Inc.	United States	5,399	1,313,577
CSL Ltd.	Australia	8,072	1,498,876
^a Genmab A/S	Denmark	3,600	1,168,026
^a Mirati Therapeutics, Inc.	United States	600	40,278
^a Moderna, Inc.	United States	1,678	239,702
^a Neurocrine Biosciences, Inc.	United States	909	88,609
^a PTC Therapeutics, Inc.	United States	800	32,048
^a Regeneron Pharmaceuticals, Inc.	United States	1,701	1,005,512
^a Vertex Pharmaceuticals, Inc.	United States	484	136,386
			6,474,291
Building Products 0.3%			
Allegion plc.	United States	1,357	132,850
^a Builders FirstSource, Inc.	United States	5,443	292,289
Cie de Saint-Gobain	France	10,691	461,928
Owens Corning	United States	3,050	226,646
Trane Technologies plc	United States	2,656	344,935
			1,458,648
Capital Markets 1.8%			
3i Group plc	United Kingdom	20,638	279,678
Bank of New York Mellon Corp. (The)	United States	21,298	888,340
BlackRock, Inc.	United States	365	222,300
Blackstone, Inc.	United States	1,000	91,230
Carlyle Group, Inc. (The)	United States	4,692	148,549
Charles Schwab Corp. (The)	United States	29,749	1,879,542
CME Group, Inc.	United States	1,395	285,557
Deutsche Boerse AG	Germany	8,603	1,444,605
Evercore, Inc., A	United States	1,140	106,715
FactSet Research Systems, Inc.	United States	1,232	473,790
Intercontinental Exchange, Inc.	United States	3,555	334,312
Intermediate Capital Group plc	United Kingdom	46,000	735,307
Macquarie Group Ltd.	Australia	2,000	227,728
MarketAxess Holdings, Inc.	United States	300	76,803
Morgan Stanley	United States	2,908	221,182

Franklin Allocation VIP Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Capital Markets (continued)			
MSCI, Inc.	United States	263	\$108,395
S&P Global, Inc.	United States	3,903	1,315,545
SBI Holdings, Inc.	Japan	4,500	87,912
SEI Investments Co.	United States	3,295	177,996
Singapore Exchange Ltd.	Singapore	7,000	47,689
Tradeweb Markets, Inc., A.	United States	3,100	211,575
UBS Group AG	Switzerland	42,837	692,643
			10,057,393
Chemicals 1.7%			
Air Products and Chemicals, Inc.	United States	7,134	1,715,584
BASF SE	Germany	1,897	82,994
CF Industries Holdings, Inc.	United States	6,421	550,472
^b Covestro AG, 144A, Reg S	Germany	18,596	646,156
Ecolab, Inc.	United States	1,621	249,245
Huntsman Corp.	United States	2,644	74,958
Koninklijke DSM NV	Netherlands	6,400	916,760
Linde plc.	United Kingdom	1,885	541,994
LyondellBasell Industries NV, A	United States	7,924	693,033
Mosaic Co. (The)	United States	3,749	177,065
Nissan Chemical Corp.	Japan	1,800	83,068
Nitto Denko Corp.	Japan	6,800	439,733
PPG Industries, Inc.	United States	8,733	998,531
Sherwin-Williams Co. (The)	United States	2,130	476,928
Sika AG	Switzerland	3,400	784,970
Symrise AG	Germany	9,000	981,541
Tosoh Corp.	Japan	8,800	109,441
Westlake Corp.	United States	1,030	100,961
Yara International ASA	Brazil	1,197	50,158
			9,673,592
Commercial Services & Supplies 0.1%			
Cintas Corp.	United States	284	106,082
Dai Nippon Printing Co. Ltd.	Japan	2,100	45,164
Republic Services, Inc.	United States	4,008	524,527
			675,773
Communications Equipment 0.6%			
^a Arista Networks, Inc.	United States	846	79,304
Cisco Systems, Inc.	United States	42,295	1,803,459
Juniper Networks, Inc.	United States	3,212	91,542
Motorola Solutions, Inc.	United States	7,474	1,566,550
Telefonaktiebolaget LM Ericsson, B.	Sweden	16,668	124,488
			3,665,343
Construction & Engineering 0.1%			
Kajima Corp.	Japan	22,100	253,365
Sinopec Engineering Group Co. Ltd., H	China	168,000	77,093
			330,458
Construction Materials 0.3%			
CRH plc	Ireland	14,992	517,331
James Hardie Industries plc, CDI	United States	2,445	53,532
Martin Marietta Materials, Inc.	United States	3,448	1,031,780
			1,602,643

Franklin Allocation VIP Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Consumer Finance 0.4%			
American Express Co.	United States	15,740	\$2,181,879
^a Credit Acceptance Corp.	United States	219	103,677
Synchrony Financial	United States	7,380	203,835
			2,489,391
Containers & Packaging 0.0%[†]			
Packaging Corp. of America	United States	1,606	220,825
Distributors 0.0%[†]			
Genuine Parts Co.	United States	853	113,449
Diversified Financial Services 0.5%			
^a Berkshire Hathaway, Inc., B.	United States	8,773	2,395,205
EXOR NV	Netherlands	6,337	395,980
ORIX Corp.	Japan	4,200	70,378
Sofina SA	Belgium	451	92,442
Wendel SE	France	1,304	109,287
			3,063,292
Diversified Telecommunication Services 0.5%			
AT&T, Inc.	United States	33,483	701,804
^b Cellnex Telecom SA, 144A, Reg S.	Spain	22,000	856,159
Deutsche Telekom AG.	Germany	6,132	121,955
Nippon Telegraph & Telephone Corp.	Japan	36,400	1,045,695
			2,725,613
Electric Utilities 0.7%			
American Electric Power Co., Inc.	United States	6,155	590,511
Edison International	United States	19,898	1,258,349
Elia Group SA/NV	Belgium	1,493	212,027
Exelon Corp.	United States	13,645	618,391
NextEra Energy, Inc.	United States	5,392	417,664
NRG Energy, Inc.	United States	7,515	286,848
Power Assets Holdings Ltd.	Hong Kong	58,000	365,393
Red Electrica Corp. SA	Spain	21,224	401,742
SSE plc	United Kingdom	4,745	93,629
			4,244,554
Electrical Equipment 0.5%			
Acuity Brands, Inc.	United States	1,073	165,285
AMETEK, Inc.	United States	1,618	177,802
^a Array Technologies, Inc.	United States	45,200	497,652
Eaton Corp. plc	United States	5,955	750,271
Emerson Electric Co.	United States	3,581	284,833
Fuji Electric Co. Ltd.	Japan	6,000	248,017
Mitsubishi Electric Corp.	Japan	13,400	144,012
Vertiv Holdings Co.	United States	62,237	511,588
			2,779,460
Electronic Equipment, Instruments & Components 0.8%			
Amphenol Corp., A	United States	7,466	480,661
^a Arrow Electronics, Inc.	United States	2,096	234,941
Cognex Corp.	United States	787	33,463
Jabil, Inc.	United States	4,310	220,715
Keyence Corp.	Japan	400	137,150
^a Keysight Technologies, Inc.	United States	2,246	309,611
Kyocera Corp.	Japan	4,400	235,165
Shimadzu Corp.	Japan	1,500	47,534

Franklin Allocation VIP Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Electronic Equipment, Instruments & Components (continued)			
TE Connectivity Ltd.	Switzerland	23,758	\$2,688,218
Yokogawa Electric Corp.	Japan	5,400	89,317
			4,476,775
Energy Equipment & Services 0.2%			
SBM Offshore NV	Netherlands	54,601	739,462
^a Tecnicas Reunidas SA	Spain	16,513	122,312
			861,774
Entertainment 0.5%			
^a CTS Eventim AG & Co. KGaA	Germany	17,200	907,244
^a Netflix, Inc.	United States	3,022	528,457
Nintendo Co. Ltd.	Japan	800	343,982
^a ROBLOX Corp., A	United States	3,300	108,438
^a Sea Ltd., ADR	Singapore	4,312	288,301
Square Enix Holdings Co. Ltd.	Japan	1,200	53,254
^a Walt Disney Co. (The)	United States	6,074	573,386
World Wrestling Entertainment, Inc., A.	United States	1,339	83,674
			2,886,736
Equity Real Estate Investment Trusts (REITs) 1.0%			
American Tower Corp.	United States	5,626	1,437,949
Apartment Income REIT Corp.	United States	2,445	101,712
Crown Castle International Corp.	United States	2,885	485,776
Dexus	Australia	10,357	63,694
Equinix, Inc.	United States	952	625,483
Extra Space Storage, Inc.	United States	531	90,334
Goodman Group	Australia	13,033	160,940
Medical Properties Trust, Inc.	United States	8,596	131,261
Public Storage	United States	4,804	1,502,067
Segro plc	United Kingdom	53,112	633,935
Simon Property Group, Inc.	United States	765	72,614
Weyerhaeuser Co.	United States	14,878	492,759
			5,798,524
Food & Staples Retailing 0.5%			
Albertsons Cos., Inc., A.	United States	2,768	73,961
Coles Group Ltd.	Australia	10,496	129,177
Costco Wholesale Corp.	United States	385	184,523
Jeronimo Martins SGPS SA	Portugal	4,762	103,227
Koninklijke Ahold Delhaize NV.	Netherlands	20,655	537,603
Kroger Co. (The)	United States	20,575	973,815
Sundrug Co. Ltd.	Japan	22,543	504,051
Walmart, Inc.	United States	800	97,264
			2,603,621
Food Products 0.6%			
Archer-Daniels-Midland Co.	United States	4,664	361,926
Hershey Co. (The)	United States	4,488	965,638
Lamb Weston Holdings, Inc.	United States	1,232	88,039
Nestle SA	United States	10,788	1,261,022
Tyson Foods, Inc., A	United States	6,683	575,139
^b WH Group Ltd., 144A, Reg S	Hong Kong	397,500	307,657
			3,559,421
Gas Utilities 0.1%			
National Fuel Gas Co.	United States	1,586	104,755

Franklin Allocation VIP Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Gas Utilities (continued)			
Osaka Gas Co. Ltd.	Japan	18,700	\$358,324
			463,079
Health Care Equipment & Supplies 1.7%			
Abbott Laboratories.	United States	3,360	365,064
Alcon, Inc., (CHF Traded)	Switzerland	15,178	1,064,472
Alcon, Inc., (USD Traded)	Switzerland	10,122	707,427
Becton Dickinson and Co.	United States	4,048	997,954
BioMerieux	France	1,437	140,898
Cochlear Ltd.	Australia	6,900	947,388
^a Dexcom, Inc.	United States	6,716	500,544
^a Edwards Lifesciences Corp.	United States	4,852	461,377
Fisher & Paykel Healthcare Corp. Ltd.	New Zealand	6,734	83,883
^a Haemonetics Corp.	United States	2,524	164,514
^a Hologic, Inc.	United States	7,858	544,559
^a IDEXX Laboratories, Inc.	United States	1,988	697,251
^a Intuitive Surgical, Inc.	United States	5,833	1,170,741
^a QuidelOrtho Corp.	United States	1,550	150,629
Sonova Holding AG.	Switzerland	1,466	468,580
Stryker Corp.	United States	3,302	656,867
Teleflex, Inc.	United States	1,384	340,256
			9,462,404
Health Care Providers & Services 1.8%			
^a Centene Corp.	United States	1,108	93,748
Cigna Corp.	United States	358	94,340
CVS Health Corp.	United States	9,132	846,171
Elevance Health, Inc.	United States	5,508	2,658,051
Fresenius Medical Care AG & Co. KGaA.	Germany	10,926	547,379
^a Guardant Health, Inc.	United States	800	32,272
Laboratory Corp. of America Holdings	United States	1,010	236,704
McKesson Corp.	United States	3,321	1,083,343
^a Molina Healthcare, Inc.	United States	289	80,807
Sonic Healthcare Ltd.	Australia	8,883	202,487
UnitedHealth Group, Inc.	United States	8,851	4,546,139
			10,421,441
Health Care Technology 0.0%[†]			
^a Certara, Inc.	United States	600	12,876
^a Veeva Systems, Inc., A	United States	1,192	236,064
			248,940
Hotels, Restaurants & Leisure 0.6%			
^a Airbnb, Inc., A	United States	1,000	89,080
^a Booking Holdings, Inc.	United States	971	1,698,269
Choice Hotels International, Inc.	United States	1,062	118,551
Compass Group plc	United Kingdom	16,646	341,709
Domino's Pizza, Inc.	United States	739	287,996
^b La Francaise des Jeux SAEM, 144A, Reg S	France	4,623	160,523
^a Las Vegas Sands Corp.	United States	6,338	212,893
McDonald's Corp.	United States	2,177	537,458
Yum! Brands, Inc.	United States	1,474	167,314
			3,613,793
Household Durables 0.2%			
Barratt Developments plc	United Kingdom	29,489	164,924
Gree Electric Appliances, Inc. of Zhuhai, A.	China	50,300	253,780

Franklin Allocation VIP Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Household Durables (continued)			
^a NVR, Inc.	United States	19	\$76,079
Persimmon plc	United Kingdom	1,868	42,494
PulteGroup, Inc.	United States	1,905	75,495
Sekisui House Ltd.	Japan	10,200	179,032
Sony Group Corp.	Japan	4,348	354,544
Taylor Wimpey plc.	United Kingdom	47,621	67,822
			1,214,170
Household Products 0.2%			
Colgate-Palmolive Co.	United States	10,220	819,031
Procter & Gamble Co. (The)	United States	4,018	577,748
			1,396,779
Independent Power and Renewable Electricity Producers 0.1%			
RWE AG	Germany	2,900	107,255
Vistra Corp.	United States	13,232	302,351
			409,606
Industrial Conglomerates 0.6%			
3M Co.	United States	2,635	340,995
CK Hutchison Holdings Ltd.	United Kingdom	142,500	966,714
Hitachi Ltd.	Japan	24,046	1,143,659
Honeywell International, Inc.	United States	4,684	814,126
Siemens AG	Germany	3,019	310,328
			3,575,822
Insurance 1.5%			
AIA Group Ltd.	Hong Kong	80,146	875,715
American Financial Group, Inc.	United States	2,055	285,255
Assured Guaranty Ltd.	United States	1,915	106,838
Chubb Ltd.	United States	2,720	534,698
Dai-ichi Life Holdings, Inc.	Japan	35,100	649,069
Marsh & McLennan Cos., Inc.	United States	8,000	1,242,000
MetLife, Inc.	United States	4,598	288,708
Progressive Corp. (The)	United States	9,634	1,120,145
Prudential plc, (GBP Traded).	Hong Kong	33,639	418,375
Prudential plc, (HKD Traded).	Hong Kong	7,550	91,956
Swiss Life Holding AG	Switzerland	665	324,683
Tokio Marine Holdings, Inc.	Japan	5,100	297,336
Travelers Cos., Inc. (The)	United States	6,659	1,126,237
Unum Group	United States	3,260	110,905
W R Berkley Corp.	United States	3,397	231,879
Zurich Insurance Group AG	Switzerland	1,715	747,983
			8,451,782
Interactive Media & Services 1.8%			
^a Alphabet, Inc., A	United States	2,750	5,992,965
^a Alphabet, Inc., C	United States	592	1,294,970
^b Auto Trader Group plc, 144A, Reg S	United Kingdom	18,854	127,669
^a Baidu, Inc., ADR	China	1,985	295,229
^a Match Group, Inc.	United States	1,531	106,695
^a Meta Platforms, Inc., A	United States	15,439	2,489,539
			10,307,067
Internet & Direct Marketing Retail 1.6%			
^a Alibaba Group Holding Ltd.	China	58,593	835,847
^a Amazon.com, Inc.	United States	55,926	5,939,900

Franklin Allocation VIP Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Internet & Direct Marketing Retail (continued)			
^{a,b} Delivery Hero SE, 144A, Reg S	South Korea	1,617	\$61,000
^{a,b} Just Eat Takeaway.com NV, 144A, Reg S	United Kingdom	13,847	217,574
^a MercadoLibre, Inc.	Brazil	1,200	764,244
^a Prosus NV	China	11,673	755,833
^a Vipshop Holdings Ltd., ADR	China	50,700	501,423
ZOZO, Inc.	Japan	6,100	110,345
			9,186,166
IT Services 2.4%			
Accenture plc, A	United States	903	250,718
^{a,b} Adyen NV, 144A, Reg S	Netherlands	736	1,062,095
^a Amadeus IT Group SA	Spain	21,843	1,223,022
Amdocs Ltd.	United States	3,885	323,659
Automatic Data Processing, Inc.	United States	567	119,093
Cognizant Technology Solutions Corp., A	United States	2,389	161,234
^a DXC Technology Co.	United States	23,000	697,130
Fidelity National Information Services, Inc.	United States	4,210	385,931
Fujitsu Ltd.	Japan	3,000	375,315
^a Gartner, Inc.	United States	962	232,640
Genpact Ltd.	United States	5,731	242,765
Jack Henry & Associates, Inc.	United States	2,297	413,506
Keywords Studios plc	Ireland	38,000	1,015,002
^a Marqeta, Inc., A	United States	2,300	18,653
Mastercard, Inc., A	United States	3,748	1,182,419
^a Okta, Inc.	United States	1,000	90,400
Paychex, Inc.	United States	6,424	731,501
^a Paymentus Holdings, Inc., A	United States	2,600	34,762
^a PayPal Holdings, Inc.	United States	8,698	607,468
^a Shopify, Inc., A	Canada	16,000	499,840
^a Snowflake, Inc., A	United States	1,500	208,590
Visa, Inc., A	United States	20,954	4,125,633
			14,001,376
Leisure Products 0.0%[†]			
Shimano, Inc.	Japan	500	84,213
Life Sciences Tools & Services 1.2%			
^a 10X Genomics, Inc., A	United States	800	36,200
Agilent Technologies, Inc.	United States	3,185	378,283
Danaher Corp.	United States	2,987	757,264
Eurofins Scientific SE	Luxembourg	923	72,893
^a Evotec SE	Germany	38,000	921,031
^a Illumina, Inc.	United States	1,446	266,585
^a Mettler-Toledo International, Inc.	United States	1,465	1,682,948
Sartorius Stedim Biotech	France	657	207,285
Thermo Fisher Scientific, Inc.	United States	3,293	1,789,021
^a Waters Corp.	United States	1,873	619,926
			6,731,436
Machinery 1.3%			
AGCO Corp.	United States	742	73,235
Allison Transmission Holdings, Inc.	United States	3,031	116,542
Atlas Copco AB, B	Sweden	43,275	362,580
CNH Industrial NV	United Kingdom	9,015	104,257
Deere & Co.	United States	8,721	2,611,678
Dover Corp.	United States	1,100	133,452
Illinois Tool Works, Inc.	United States	8,171	1,489,165
Ingersoll Rand, Inc.	United States	4,826	203,078

Franklin Allocation VIP Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Machinery (continued)			
Komatsu Ltd.	Japan	12,100	\$269,383
Lincoln Electric Holdings, Inc.	United States	1,381	170,360
Mitsubishi Heavy Industries Ltd.	Japan	2,700	94,352
NGK Insulators Ltd.	Japan	3,600	48,492
Oshkosh Corp.	United States	2,047	168,141
Otis Worldwide Corp.	United States	10,609	749,738
^a Proterra, Inc.	United States	6,500	30,160
Snap-on, Inc.	United States	1,661	327,267
Stanley Black & Decker, Inc.	United States	1,952	204,687
Techtronic Industries Co. Ltd.	Hong Kong	12,000	125,305
Toyota Industries Corp.	Japan	2,550	158,089
Xylem, Inc.	United States	2,400	187,632
			7,627,593
Marine 0.0%[†]			
Nippon Yusen KK	Japan	900	61,697
SITC International Holdings Co. Ltd.	China	60,000	170,650
			232,347
Media 1.2%			
^{a,b} Ascential plc, Reg S	United Kingdom	255,000	804,313
Cable One, Inc.	United States	261	336,513
^a Charter Communications, Inc., A	United States	3,037	1,422,926
Comcast Corp., A	United States	43,777	1,717,809
CyberAgent, Inc.	Japan	66,500	666,110
^a DISH Network Corp., A	United States	51,155	917,209
^a Informa plc	United Kingdom	76,988	497,308
^a Viaplay Group AB, B	Sweden	34,000	698,363
			7,060,551
Metals & Mining 0.5%			
Anglo American plc	South Africa	17,212	615,203
ArcelorMittal SA	Luxembourg	18,349	411,464
BHP Group Ltd.	Australia	3,784	108,358
Fortescue Metals Group Ltd.	Australia	10,458	125,764
Nucor Corp.	United States	4,076	425,575
Rio Tinto Ltd.	Australia	4,421	315,412
South32 Ltd.	Australia	108,716	294,608
Sumitomo Metal Mining Co. Ltd.	Japan	16,265	504,192
			2,800,576
Multiline Retail 0.1%			
^a Dollar Tree, Inc.	United States	495	77,146
Macy's, Inc.	United States	8,617	157,863
Next plc	United Kingdom	1,847	131,929
Seria Co. Ltd.	Japan	14,048	249,714
			616,652
Multi-Utilities 0.8%			
DTE Energy Co.	United States	5,833	739,333
E.ON SE.	Germany	76,106	641,016
National Grid plc.	United Kingdom	6,237	80,138
Sempra Energy.	United States	20,688	3,108,786
			4,569,273
Oil, Gas & Consumable Fuels 2.4%			
^a Aker BP ASA, SDR	Norway	8,596	297,472

Franklin Allocation VIP Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Oil, Gas & Consumable Fuels (continued)			
APA Corp.	United States	5,135	\$179,211
BP plc.	United Kingdom	411,922	1,933,860
Chevron Corp.	United States	16,232	2,350,069
ConocoPhillips	United States	46,853	4,207,868
Continental Resources, Inc.	United States	1,118	73,061
Devon Energy Corp.	United States	1,277	70,375
EOG Resources, Inc.	United States	2,898	320,055
Equinor ASA	Norway	12,389	431,721
Exxon Mobil Corp.	United States	7,564	647,781
Galp Energia SGPS SA, B	Portugal	37,722	441,364
Idemitsu Kosan Co. Ltd.	Japan	1,800	42,992
Lundin Energy AB	Sweden	9,039	6,146
OMV AG	Austria	1,457	68,521
Repsol SA	Spain	25,646	378,055
Shell plc.	Netherlands	65,833	1,714,193
TotalEnergies SE	France	11,064	582,348
Valero Energy Corp.	United States	2,152	228,715
			13,973,807
Paper & Forest Products 0.0%[†]			
Louisiana-Pacific Corp.	United States	1,490	78,091
Personal Products 0.2%			
Estee Lauder Cos., Inc. (The), A	United States	500	127,335
L'Oreal SA	France	2,814	976,990
^a Olaplex Holdings, Inc.	United States	1,000	14,090
			1,118,415
Pharmaceuticals 2.9%			
Astellas Pharma, Inc.	Japan	9,500	148,189
AstraZeneca plc	United Kingdom	5,199	685,749
AstraZeneca plc, ADR	United Kingdom	5,614	370,917
Bayer AG	Germany	18,134	1,082,845
^a Catalent, Inc.	United States	6,689	717,663
Eli Lilly & Co.	United States	3,062	992,792
GSK plc	United States	61,364	1,322,275
Hikma Pharmaceuticals plc	Jordan	39,000	769,366
Ipsen SA	France	1,880	177,996
Johnson & Johnson	United States	12,140	2,154,971
Merck & Co., Inc.	United States	21,943	2,000,543
Novo Nordisk A/S, B	Denmark	12,223	1,355,589
Orion OYJ, B	Finland	5,114	228,864
Pfizer, Inc.	United States	26,071	1,366,903
Roche Holding AG	United States	4,681	1,565,103
Roche Holding AG, BR	United States	146	56,511
Sanofi SA	France	2,887	291,129
Zoetis, Inc.	United States	6,691	1,150,116
			16,437,521
Professional Services 0.7%			
Adecco Group AG	Switzerland	19,463	663,497
^a Clarivate plc	United States	69,000	956,340
^a CoStar Group, Inc.	United States	4,000	241,640
Equifax, Inc.	United States	1,090	199,230
Experian plc	United Kingdom	27,000	792,612
Randstad NV	Netherlands	4,462	215,640
RELX plc	United Kingdom	7,908	214,678
Robert Half International, Inc.	United States	3,437	257,397

Franklin Allocation VIP Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Professional Services (continued)			
Verisk Analytics, Inc.	United States	661	\$114,412
Wolters Kluwer NV	Netherlands	4,399	426,322
			4,081,768
Real Estate Management & Development 0.2%			
^a CBRE Group, Inc., A.	United States	1,295	95,325
CK Asset Holdings Ltd.	Hong Kong	25,500	181,185
^a Jones Lang LaSalle, Inc.	United States	859	150,205
LEG Immobilien SE.	Germany	3,483	289,847
Nomura Real Estate Holdings, Inc.	Japan	6,000	146,765
			863,327
Road & Rail 0.5%			
Aurizon Holdings Ltd.	Australia	79,699	209,626
^a Avis Budget Group, Inc.	United States	712	104,721
Canadian Pacific Railway Ltd.	Canada	5,360	374,342
JB Hunt Transport Services, Inc.	United States	1,150	181,090
Landstar System, Inc.	United States	547	79,545
Nippon Express Holdings, Inc.	Japan	2,500	136,158
Old Dominion Freight Line, Inc.	United States	1,119	286,777
Ryder System, Inc.	United States	1,546	109,859
^a Uber Technologies, Inc.	United States	21,482	439,522
Union Pacific Corp.	United States	5,236	1,116,734
			3,038,374
Semiconductors & Semiconductor Equipment 2.4%			
ASML Holding NV	Netherlands	1,915	904,676
ASML Holding NV, NYRS	Netherlands	1,932	919,400
Broadcom, Inc.	United States	371	180,235
Infineon Technologies AG	Germany	23,896	581,255
Intel Corp.	United States	45,655	1,707,954
KLA Corp.	United States	255	81,365
Micron Technology, Inc.	United States	21,485	1,187,691
Monolithic Power Systems, Inc.	United States	1,200	460,848
NVIDIA Corp.	United States	13,144	1,992,499
NXP Semiconductors NV	China	5,031	744,739
QUALCOMM, Inc.	United States	11,825	1,510,525
STMicroelectronics NV	Singapore	20,349	643,508
Taiwan Semiconductor Manufacturing Co. Ltd.	Taiwan	51,586	826,888
Texas Instruments, Inc.	United States	9,506	1,460,597
Tokyo Electron Ltd.	Japan	1,800	587,400
			13,789,580
Software 4.9%			
^a Adobe, Inc.	United States	3,004	1,099,644
^a Atlassian Corp. plc, A	United States	3,627	679,700
^a Autodesk, Inc.	United States	1,942	333,946
^a Avalara, Inc.	United States	2,280	160,968
AVEVA Group plc	United Kingdom	29,000	795,993
^a Bill.com Holdings, Inc.	United States	2,700	296,838
^a Cadence Design Systems, Inc.	United States	6,326	949,090
^a Check Point Software Technologies Ltd.	Israel	1,200	146,136
^a CrowdStrike Holdings, Inc., A.	United States	300	50,568
^a CyberArk Software Ltd.	United States	7,900	1,010,884
^a Dropbox, Inc., A	United States	3,702	77,705
^a Fair Isaac Corp.	United States	813	325,932
^a Fortinet, Inc.	United States	9,820	555,616
^a Gitlab, Inc., A	United States	300	15,942

Franklin Allocation VIP Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Software (continued)			
Intuit, Inc.	United States	2,185	\$842,186
^a Manhattan Associates, Inc.	United States	2,008	230,117
Microsoft Corp.	United States	42,305	10,865,193
Nemetschek SE	Germany	2,610	158,776
^a Nice Ltd., ADR	Israel	4,600	885,270
Oracle Corp.	United States	11,176	780,867
^a Palo Alto Networks, Inc.	United States	2,459	1,214,599
^a Paycom Software, Inc.	United States	400	112,048
^a Procure Technologies, Inc.	United States	200	9,078
^a PTC, Inc.	United States	3,021	321,253
Sage Group plc (The)	United Kingdom	8,376	64,851
^a Salesforce, Inc.	United States	7,516	1,240,441
^a ServiceNow, Inc.	United States	2,255	1,072,298
SimCorp A/S	Denmark	12,500	913,803
^a Splunk, Inc.	United States	5,577	493,341
^a Synopsys, Inc.	United States	2,230	677,251
^a Teradata Corp.	United States	3,074	113,769
Trend Micro, Inc.	Japan	1,000	48,912
^a Tyler Technologies, Inc.	United States	496	164,910
^a UiPath, Inc., A.	United States	7,609	138,408
^a Unity Software, Inc.	United States	4,004	147,427
WiseTech Global Ltd.	Australia	7,323	192,039
^a Workday, Inc., A	United States	5,349	746,613
^a Zoom Video Communications, Inc., A	United States	671	72,448
			28,004,860
Specialty Retail 0.8%			
Advance Auto Parts, Inc.	United States	3,298	570,851
^a AutoNation, Inc.	United States	1,249	139,588
^a AutoZone, Inc.	United States	379	814,516
Best Buy Co., Inc.	United States	1,103	71,905
Home Depot, Inc. (The)	United States	5,397	1,480,235
Kingfisher plc	United Kingdom	73,438	219,432
Lithia Motors, Inc., A.	United States	313	86,016
Penske Automotive Group, Inc.	United States	860	90,033
Tractor Supply Co.	United States	2,809	544,525
^a Ulta Beauty, Inc.	United States	366	141,086
Williams-Sonoma, Inc.	United States	1,711	189,835
			4,348,022
Technology Hardware, Storage & Peripherals 1.7%			
Apple, Inc.	United States	57,119	7,809,310
Canon, Inc.	Japan	7,200	163,132
Elecom Co. Ltd.	Japan	14,100	158,743
HP, Inc.	United States	13,012	426,533
Samsung Electronics Co. Ltd.	South Korea	20,438	908,117
			9,465,835
Textiles, Apparel & Luxury Goods 0.5%			
Burberry Group plc	United Kingdom	3,663	73,473
Hermes International.	France	446	501,917
^a Lululemon Athletica, Inc.	United States	502	136,850
LVMH Moet Hennessy Louis Vuitton SE	France	1,002	614,075
NIKE, Inc., B.	United States	13,070	1,335,754
Pandora A/S	Denmark	2,080	132,150
Swatch Group AG (The)	Switzerland	1,066	47,571
			2,841,790

Franklin Allocation VIP Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Thriffs & Mortgage Finance 0.1%			
Housing Development Finance Corp. Ltd.	India	25,429	\$703,604
Tobacco 0.3%			
Altria Group, Inc.	United States	10,163	424,508
British American Tobacco plc.	United Kingdom	1,730	74,143
Imperial Brands plc	United Kingdom	41,858	936,952
Swedish Match AB	Sweden	35,469	361,856
			1,797,459
Trading Companies & Distributors 0.6%			
Fastenal Co.	United States	8,882	443,389
Marubeni Corp.	Japan	72,700	652,114
Mitsubishi Corp.	Japan	31,100	926,024
WW Grainger, Inc.	United States	2,586	1,175,156
			3,196,683
Water Utilities 0.0%[†]			
American Water Works Co., Inc.	United States	1,619	240,859
Wireless Telecommunication Services 0.1%			
KDDI Corp.	Japan	21,500	677,864
^a T-Mobile US, Inc.	United States	1,118	150,416
			828,280
Total Common Stocks (Cost \$312,089,270)			323,196,884
Management Investment Companies 2.1%			
Capital Markets 2.1%			
Schwab U.S. TIPS ETF	United States	219,598	12,253,569
Total Management Investment Companies (Cost \$13,506,924)			12,253,569
Preferred Stocks 0.1%			
Automobiles 0.1%			
^c Bayerische Motoren Werke AG, 8.55%	Germany	2,724	194,281
Total Preferred Stocks (Cost \$252,229)			194,281
		<u>Units</u>	
Private Limited Partnership Funds 0.3%			
Oil, Gas & Consumable Fuels 0.3%			
Enterprise Products Partners LP	United States	67,434	1,643,367
Total Private Limited Partnership Funds (Cost \$1,742,860)			1,643,367
			<u>Principal Amount^e</u>
Corporate Bonds 10.5%			
Aerospace & Defense 0.3%			
Boeing Co. (The),			
Senior Bond, 3.2%, 3/01/29	United States	20,000	17,324
Senior Bond, 3.25%, 2/01/35	United States	30,000	22,739
Senior Bond, 3.5%, 3/01/39	United States	300,000	215,072
Senior Bond, 5.705%, 5/01/40	United States	30,000	28,035
Senior Bond, 5.805%, 5/01/50	United States	60,000	55,217
Senior Bond, 5.93%, 5/01/60	United States	20,000	18,254

Franklin Allocation VIP Fund (continued)

	Country	Principal Amount*	Value
Corporate Bonds (continued)			
Aerospace & Defense (continued)			
Boeing Co. (The), (continued)			
Senior Note, 4.875%, 5/01/25	United States	70,000	\$69,839
Senior Note, 2.196%, 2/04/26	United States	350,000	316,025
Senior Note, 5.15%, 5/01/30	United States	50,000	48,036
General Dynamics Corp., Senior Bond, 4.25%, 4/01/50	United States	10,000	9,639
Lockheed Martin Corp.,			
Senior Bond, 3.9%, 6/15/32	United States	10,000	9,879
Senior Bond, 4.15%, 6/15/53	United States	50,000	46,771
Northrop Grumman Corp.,			
Senior Bond, 3.25%, 1/15/28	United States	10,000	9,514
Senior Bond, 5.25%, 5/01/50	United States	190,000	201,662
Senior Note, 2.93%, 1/15/25	United States	20,000	19,584
Raytheon Technologies Corp.,			
Senior Bond, 4.125%, 11/16/28	United States	20,000	19,758
Senior Bond, 4.5%, 6/01/42	United States	300,000	286,610
Senior Bond, 4.15%, 5/15/45	United States	20,000	17,818
Senior Bond, 3.125%, 7/01/50	United States	30,000	23,015
			1,434,791
Air Freight & Logistics 0.1%			
FedEx Corp.,			
Senior Bond, 5.1%, 1/15/44	United States	400,000	386,036
Senior Bond, 4.75%, 11/15/45	United States	100,000	91,864
United Parcel Service, Inc., Senior Bond, 3.75%, 11/15/47	United States	100,000	89,301
			567,201
Airlines 0.0%†			
‡Delta Air Lines, Inc. / SkyMiles IP Ltd.,			
Senior Secured Note, 144A, 4.5%, 10/20/25	United States	255,000	248,016
Senior Secured Note, 144A, 4.75%, 10/20/28	United States	30,000	28,362
			276,378
Automobiles 0.0%†			
General Motors Co., Senior Bond, 6.6%, 4/01/36	United States	20,000	20,283
Banks 2.0%			
‡Banco de Chile, Senior Bond, 144A, 2.99%, 12/09/31	Chile	200,000	167,372
Banco Santander SA, Senior Note, 2.746%, 5/28/25	Spain	200,000	189,659
Bancolombia SA, Senior Note, 3%, 1/29/25	Colombia	650,000	600,113
Bank of America Corp.,			
Senior Bond, 3.419% to 12/19/27, FRN thereafter, 12/20/28	United States	80,000	74,574
Senior Bond, 2.572% to 10/19/31, FRN thereafter, 10/20/32	United States	90,000	74,326
Senior Bond, 4.571% to 4/26/32, FRN thereafter, 4/27/33	United States	70,000	68,207
Senior Bond, 5%, 1/21/44	United States	20,000	19,691
Senior Bond, 4.083% to 3/19/50, FRN thereafter, 3/20/51	United States	100,000	86,430
Senior Note, 3.004% to 12/19/22, FRN thereafter, 12/20/23	United States	40,000	39,879
Senior Note, 3.55% to 3/04/23, FRN thereafter, 3/05/24	United States	30,000	29,915
Senior Note, 3.864% to 7/22/23, FRN thereafter, 7/23/24	United States	200,000	199,236
Senior Note, 1.319% to 6/18/25, FRN thereafter, 6/19/26	United States	150,000	136,552
Sub. Bond, 4%, 1/22/25	United States	20,000	19,935
Sub. Bond, 4.25%, 10/22/26	United States	100,000	98,667
Sub. Bond, 2.482% to 9/20/31, FRN thereafter, 9/21/36	United States	10,000	7,767
L, Sub. Bond, 4.183%, 11/25/27	United States	960,000	933,865

Franklin Allocation VIP Fund (continued)

	Country	Principal Amount*	Value
Corporate Bonds (continued)			
Banks (continued)			
Bank of Montreal, Senior Note, 1.85%, 5/01/25	Canada	30,000	\$28,418
^b BNP Paribas SA, Senior Note, 144A, 1.675% to 6/29/26, FRN thereafter, 6/30/27	France	200,000	176,527
Canadian Imperial Bank of Commerce, Senior Note, 0.95%, 6/23/23	Canada	20,000	19,432
Citigroup, Inc.,			
Senior Bond, 2.572% to 6/02/30, FRN thereafter, 6/03/31	United States	540,000	454,382
Senior Bond, 4.91% to 5/23/32, FRN thereafter, 5/24/33	United States	80,000	79,030
Senior Bond, 2.904% to 11/02/41, FRN thereafter, 11/03/42	United States	30,000	21,772
Senior Note, 4.044% to 5/31/23, FRN thereafter, 6/01/24	United States	400,000	399,108
Senior Note, 3.352% to 4/23/24, FRN thereafter, 4/24/25	United States	1,100,000	1,078,330
Senior Note, 3.29% to 3/16/25, FRN thereafter, 3/17/26	United States	40,000	38,719
Senior Note, 4.658% to 5/23/27, FRN thereafter, 5/24/28	United States	120,000	119,180
Sub. Bond, 5.5%, 9/13/25	United States	20,000	20,580
Sub. Bond, 4.45%, 9/29/27	United States	60,000	58,812
Sub. Bond, 5.3%, 5/06/44	United States	20,000	19,197
^b Cooperatieve Rabobank UA, Senior Note, 144A, 3.649% to 4/05/27, FRN thereafter, 4/06/28	Netherlands	250,000	237,663
Credit Suisse Group Funding Guernsey Ltd., Senior Note, 3.8%, 9/15/22	Switzerland	1,200,000	1,201,094
HSBC Holdings plc,			
Senior Note, 1.645% to 8/17/25, FRN thereafter, 4/18/26	United Kingdom	525,000	481,633
Senior Note, 4.755% to 6/08/27, FRN thereafter, 6/09/28	United Kingdom	200,000	194,610
JPMorgan Chase & Co.,			
Senior Bond, 3.54% to 4/30/27, FRN thereafter, 5/01/28	United States	1,200,000	1,138,818
Senior Bond, 4.452% to 12/04/28, FRN thereafter, 12/05/29	United States	60,000	58,506
Senior Bond, 2.545% to 11/07/31, FRN thereafter, 11/08/32	United States	30,000	24,956
Senior Bond, 3.109% to 4/21/50, FRN thereafter, 4/22/51	United States	20,000	14,698
Senior Note, 1.514% to 5/31/23, FRN thereafter, 6/01/24	United States	50,000	48,764
Senior Note, 2.083% to 4/21/25, FRN thereafter, 4/22/26	United States	80,000	74,906
Senior Note, 4.565% to 6/13/29, FRN thereafter, 6/14/30	United States	60,000	58,958
Sub. Bond, 3.625%, 12/01/27	United States	60,000	57,646
Sub. Bond, 2.956% to 5/12/30, FRN thereafter, 5/13/31	United States	200,000	172,849
Sub. Bond, 4.95%, 6/01/45	United States	20,000	19,134
^d PNC Financial Services Group, Inc. (The), T, Junior Sub. Bond, 3.4% to 9/14/26, FRN thereafter, Perpetual	United States	400,000	304,729
Royal Bank of Canada,			
Senior Bond, 3.875%, 5/04/32	Canada	50,000	47,757
Senior Note, 1.6%, 4/17/23	Canada	30,000	29,677
Senior Note, 1.15%, 6/10/25	Canada	20,000	18,530
^b Standard Chartered plc, Senior Bond, 144A, 4.05%, 4/12/26	United Kingdom	470,000	461,803
SVB Financial Group, Senior Bond, 3.125%, 6/05/30	United States	100,000	86,144
Toronto-Dominion Bank (The),			
Senior Bond, 4.456%, 6/08/32	Canada	10,000	9,898
Senior Note, 0.75%, 6/12/23	Canada	30,000	29,186
Senior Note, 1.15%, 6/12/25	Canada	20,000	18,471
Truist Financial Corp., Sub. Bond, 3.875%, 3/19/29	United States	760,000	722,849
^b UniCredit SpA, Senior Note, 144A, 1.982% to 6/02/26, FRN thereafter, 6/03/27	Italy	300,000	259,542
US Bancorp, Senior Note, 1.45%, 5/12/25	United States	40,000	37,537
Wells Fargo & Co.,			
Senior Bond, 2.879% to 10/29/29, FRN thereafter, 10/30/30	United States	150,000	132,031
Senior Bond, 3.35% to 3/01/32, FRN thereafter, 3/02/33	United States	30,000	26,649
Senior Bond, 5.013% to 4/03/50, FRN thereafter, 4/04/51	United States	220,000	216,368
Senior Note, 1.654% to 6/01/23, FRN thereafter, 6/02/24	United States	40,000	39,086
Senior Note, 2.188% to 4/29/25, FRN thereafter, 4/30/26	United States	60,000	56,210

Franklin Allocation VIP Fund (continued)

	Country	Principal Amount*	Value
Corporate Bonds (continued)			
Banks (continued)			
Wells Fargo & Co., (continued)			
Sub. Bond, 4.3%, 7/22/27	United States	60,000	\$59,390
Sub. Bond, 4.9%, 11/17/45	United States	90,000	83,625
			11,683,392
Beverages 0.2%			
Anheuser-Busch Cos. LLC / Anheuser-Busch InBev Worldwide, Inc.,			
Senior Bond, 4.9%, 2/01/46	Belgium	100,000	94,176
Senior Note, 3.65%, 2/01/26	Belgium	30,000	29,561
Anheuser-Busch InBev Worldwide, Inc.,			
Senior Bond, 4.75%, 1/23/29	Belgium	60,000	61,102
Senior Bond, 3.5%, 6/01/30	Belgium	420,000	394,102
Senior Bond, 4.35%, 6/01/40	Belgium	30,000	26,898
Senior Bond, 4.5%, 6/01/50	Belgium	90,000	81,060
Senior Bond, 5.8%, 1/23/59	Belgium	150,000	156,439
Coca-Cola Co. (The),			
Senior Bond, 2.5%, 6/01/40	United States	10,000	7,839
Senior Note, 1.45%, 6/01/27	United States	20,000	18,116
Constellation Brands, Inc.,			
Senior Note, 3.6%, 5/09/24	United States	10,000	9,970
Senior Note, 4.35%, 5/09/27	United States	10,000	9,924
PepsiCo, Inc., Senior Bond, 1.625%, 5/01/30	United States	10,000	8,489
			897,676
Biotechnology 0.3%			
AbbVie, Inc.,			
Senior Bond, 4.85%, 6/15/44	United States	400,000	383,055
Senior Bond, 4.75%, 3/15/45	United States	300,000	282,745
Senior Bond, 4.25%, 11/21/49	United States	40,000	35,578
Senior Note, 2.6%, 11/21/24	United States	100,000	96,911
Senior Note, 2.95%, 11/21/26	United States	40,000	37,930
Senior Note, 3.2%, 11/21/29	United States	90,000	82,867
Amgen, Inc., Senior Bond, 2.45%, 2/21/30	United States	680,000	593,610
Gilead Sciences, Inc.,			
Senior Bond, 3.65%, 3/01/26	United States	10,000	9,837
Senior Bond, 4.75%, 3/01/46	United States	10,000	9,611
			1,532,144
Building Products 0.1%			
Carrier Global Corp., Senior Bond, 3.577%, 4/05/50	United States	230,000	174,570
Fortune Brands Home & Security, Inc., Senior Bond, 4%, 3/25/32	United States	400,000	354,229
			528,799
Capital Markets 0.5%			
Credit Suisse AG, Senior Note, 1.25%, 8/07/26	Switzerland	250,000	218,712
Goldman Sachs Group, Inc. (The),			
Senior Bond, 3.5%, 1/23/25	United States	425,000	419,205
Senior Bond, 3.691% to 6/04/27, FRN thereafter, 6/05/28	United States	140,000	132,878
Senior Bond, 2.65% to 10/20/31, FRN thereafter, 10/21/32	United States	70,000	57,760
Senior Bond, 2.908% to 7/20/41, FRN thereafter, 7/21/42	United States	40,000	29,275
Senior Note, 3.625%, 2/20/24	United States	40,000	39,906
Senior Note, 3.5%, 4/01/25	United States	40,000	39,262
Sub. Bond, 4.25%, 10/21/25	United States	200,000	198,780
Sub. Bond, 5.15%, 5/22/45	United States	50,000	47,593

Franklin Allocation VIP Fund (continued)

	Country	Principal Amount*	Value
Corporate Bonds (continued)			
Capital Markets (continued)			
Intercontinental Exchange, Inc., Senior Bond, 4.6%, 3/15/33	United States	20,000	\$19,871
Morgan Stanley,			
Senior Bond, 3.591% to 7/21/27, FRN thereafter, 7/22/28	United States	860,000	814,881
Senior Bond, 3.772% to 1/23/28, FRN thereafter, 1/24/29	United States	40,000	37,991
Senior Bond, 3.622% to 3/31/30, FRN thereafter, 4/01/31	United States	300,000	275,849
Senior Bond, 2.511% to 10/19/31, FRN thereafter, 10/20/32	United States	100,000	82,744
Senior Note, 2.188% to 4/27/25, FRN thereafter, 4/28/26	United States	50,000	46,872
^b UBS Group AG, Senior Note, 144A, 4.488% to 5/11/25, FRN thereafter, 5/12/26	Switzerland	200,000	199,511
			2,661,090
Commercial Services & Supplies 0.0%[†]			
Cintas Corp. No. 2,			
Senior Bond, 3.7%, 4/01/27	United States	10,000	9,885
Senior Bond, 4%, 5/01/32	United States	10,000	9,832
Republic Services, Inc., Senior Note, 2.5%, 8/15/24	United States	10,000	9,690
			29,407
Consumer Finance 0.1%			
AerCap Ireland Capital DAC / AerCap Global Aviation Trust, Senior Note, 2.45%, 10/29/26	Ireland	150,000	130,719
American Express Co.,			
Senior Note, 2.5%, 7/30/24	United States	70,000	68,177
Senior Note, 4.05%, 5/03/29	United States	30,000	29,437
Capital One Financial Corp., Senior Bond, 3.75%, 3/09/27	United States	435,000	416,763
John Deere Capital Corp., Senior Bond, 3.9%, 6/07/32	United States	75,000	74,210
			719,306
Containers & Packaging 0.0%[†]			
WRKCo, Inc., Senior Bond, 3%, 6/15/33	United States	135,000	114,590
Diversified Financial Services 0.3%			
^b CK Hutchison International 19 Ltd., Senior Note, 144A, 3.25%, 4/11/24	United Kingdom	635,000	632,177
^b EDP Finance BV, Senior Note, 144A, 1.71%, 1/24/28	Portugal	400,000	343,152
^b NTT Finance Corp., Senior Bond, 144A, 2.065%, 4/03/31	Japan	500,000	419,187
Shell International Finance BV,			
Senior Bond, 2.875%, 5/10/26	Netherlands	20,000	19,345
Senior Bond, 2.75%, 4/06/30	Netherlands	50,000	45,174
Senior Bond, 4%, 5/10/46	Netherlands	20,000	17,858
Senior Bond, 3.25%, 4/06/50	Netherlands	40,000	31,616
			1,508,509
Diversified Telecommunication Services 0.4%			
AT&T, Inc.,			
Senior Bond, 2.55%, 12/01/33	United States	40,000	32,495
Senior Bond, 3.5%, 6/01/41	United States	525,000	420,074
Senior Bond, 3.5%, 9/15/53	United States	40,000	30,387
Senior Bond, 3.55%, 9/15/55	United States	30,000	22,527
Senior Bond, 3.65%, 9/15/59	United States	10,000	7,512
Senior Note, 1.65%, 2/01/28	United States	100,000	86,599
Orange SA, Senior Bond, 9%, 3/01/31	France	100,000	129,182
Verizon Communications, Inc.,			
Senior Bond, 2.625%, 8/15/26	United States	40,000	37,867

Franklin Allocation VIP Fund (continued)

	Country	Principal Amount*	Value
Corporate Bonds (continued)			
Diversified Telecommunication Services (continued)			
Verizon Communications, Inc., (continued)			
Senior Bond, 2.55%, 3/21/31	United States	200,000	\$171,171
Senior Bond, 4.5%, 8/10/33	United States	100,000	97,633
Senior Bond, 2.85%, 9/03/41	United States	400,000	300,489
Senior Bond, 2.875%, 11/20/50	United States	70,000	49,776
Senior Note, 2.1%, 3/22/28	United States	40,000	35,562
Senior Note, 2.355%, 3/15/32	United States	850,000	705,498
			2,126,772
Electric Utilities 0.5%			
^b American Transmission Systems, Inc., Senior Bond, 144A, 2.65%, 1/15/32	United States	20,000	16,962
^b Cleveland Electric Illuminating Co. (The), Senior Bond, 144A, 3.5%, 4/01/28	United States	10,000	9,418
Commonwealth Edison Co., Senior Bond, 4%, 3/01/48	United States	200,000	180,244
Duke Energy Corp.,			
Senior Bond, 3.15%, 8/15/27	United States	10,000	9,454
Senior Bond, 3.75%, 9/01/46	United States	100,000	78,952
Duke Energy Florida LLC, Senior Bond, 6.4%, 6/15/38	United States	200,000	234,294
^b Enel Finance International NV, Senior Bond, 144A, 2.25%, 7/12/31	Italy	200,000	157,193
Exelon Corp.,			
Senior Bond, 4.05%, 4/15/30	United States	650,000	624,407
Senior Bond, 5.625%, 6/15/35	United States	10,000	10,558
Georgia Power Co., Senior Bond, 4.3%, 3/15/42	United States	700,000	610,059
MidAmerican Energy Co., Senior Bond, 3.65%, 4/15/29	United States	20,000	19,448
^b Mid-Atlantic Interstate Transmission LLC, Senior Bond, 144A, 4.1%, 5/15/28	United States	10,000	9,767
Pacific Gas and Electric Co.,			
Senior Bond, 2.5%, 2/01/31	United States	10,000	7,658
Senior Bond, 3.3%, 8/01/40	United States	10,000	6,910
Senior Bond, 3.5%, 8/01/50	United States	10,000	6,698
Senior Note, 2.1%, 8/01/27	United States	10,000	8,391
Southern Co. (The), A, Senior Bond, 3.7%, 4/30/30	United States	300,000	278,665
^b State Grid Overseas Investment BVI Ltd., Senior Bond, 144A, 3.5%, 5/04/27	China	600,000	594,479
^b Vistra Operations Co. LLC, Senior Secured Note, 144A, 3.55%, 7/15/24	United States	235,000	227,061
			3,090,618
Electrical Equipment 0.0%†			
Eaton Corp., Senior Bond, 4.15%, 11/02/42	United States	10,000	8,994
Emerson Electric Co., Senior Bond, 2.8%, 12/21/51	United States	60,000	43,888
			52,882
Energy Equipment & Services 0.1%			
Baker Hughes Holdings LLC / Baker Hughes Co-Obligor, Inc., Senior Bond, 4.08%, 12/15/47	United States	485,000	411,015
^b Schlumberger Holdings Corp., Senior Note, 144A, 3.75%, 5/01/24	United States	410,000	408,548
			819,563
Entertainment 0.2%			
^b Magallanes, Inc.,			
Senior Bond, 144A, 4.279%, 3/15/32	United States	70,000	62,629
Senior Bond, 144A, 5.05%, 3/15/42	United States	210,000	178,990

Franklin Allocation VIP Fund (continued)

	Country	Principal Amount*	Value
Corporate Bonds (continued)			
Entertainment (continued)			
^b Magallanes, Inc., (continued)			
Senior Bond, 144A, 5.141%, 3/15/52	United States	50,000	\$42,033
Senior Note, 144A, 3.755%, 3/15/27	United States	10,000	9,388
Senior Note, 144A, 4.054%, 3/15/29	United States	10,000	9,167
Netflix, Inc., Senior Bond, 5.75%, 3/01/24	United States	400,000	406,648
Walt Disney Co. (The), Senior Bond, 2.65%, 1/13/31	United States	200,000	176,198
			885,053
Equity Real Estate Investment Trusts (REITs) 0.2%			
Alexandria Real Estate Equities, Inc., Senior Bond, 4.9%, 12/15/30	United States	50,000	49,684
Essex Portfolio LP, Senior Bond, 2.65%, 3/15/32	United States	360,000	299,294
MPT Operating Partnership LP / MPT Finance Corp., Senior Bond, 3.5%, 3/15/31	United States	100,000	79,112
Simon Property Group LP, Senior Note, 3.375%, 12/01/27	United States	595,000	559,101
			987,191
Food & Staples Retailing 0.1%			
Costco Wholesale Corp., Senior Bond, 1.75%, 4/20/32	United States	20,000	16,477
Kroger Co. (The), Senior Bond, 5.4%, 1/15/49	United States	400,000	419,613
Walmart, Inc., Senior Note, 1.5%, 9/22/28	United States	10,000	8,777
			444,867
Food Products 0.1%			
^b Bimbo Bakeries USA, Inc., Senior Bond, 144A, 4%, 5/17/51	Mexico	400,000	324,942
^b Cargill, Inc., Senior Note, 144A, 1.375%, 7/23/23	United States	20,000	19,613
^b JBS Finance Luxembourg SARL, Senior Bond, 144A, 3.625%, 1/15/32	United States	200,000	162,045
Kraft Heinz Foods Co., Senior Note, 3%, 6/01/26	United States	10,000	9,438
^b Mars, Inc.,			
Senior Bond, 144A, 3.2%, 4/01/30	United States	30,000	27,886
Senior Bond, 144A, 2.375%, 7/16/40	United States	10,000	7,292
Mondelez International, Inc., Senior Note, 1.5%, 5/04/25	United States	20,000	18,690
			569,906
Health Care Equipment & Supplies 0.0%†			
Abbott Laboratories,			
Senior Bond, 3.75%, 11/30/26	United States	30,000	30,217
Senior Bond, 4.9%, 11/30/46	United States	10,000	10,507
STERIS Irish FinCo. UnLtd. Co., Senior Bond, 3.75%, 3/15/51	United States	250,000	194,862
			235,586
Health Care Providers & Services 0.6%			
Centene Corp., Senior Bond, 3%, 10/15/30	United States	450,000	374,123
Cigna Corp.,			
Senior Bond, 2.375%, 3/15/31	United States	100,000	84,507
Senior Bond, 4.8%, 8/15/38	United States	20,000	19,489
Senior Bond, 4.9%, 12/15/48	United States	10,000	9,622
Senior Note, 3.75%, 7/15/23	United States	10,000	10,026
Senior Note, 4.125%, 11/15/25	United States	10,000	10,026
Senior Note, 3.05%, 10/15/27	United States	550,000	517,232
Senior Note, 4.375%, 10/15/28	United States	60,000	59,599
CVS Health Corp.,			
Senior Bond, 3.875%, 7/20/25	United States	10,000	9,952

Franklin Allocation VIP Fund (continued)

	Country	Principal Amount*	Value
Corporate Bonds (continued)			
Health Care Providers & Services (continued)			
CVS Health Corp., (continued)			
Senior Bond, 4.3%, 3/25/28	United States	30,000	\$29,712
Senior Bond, 2.125%, 9/15/31	United States	50,000	40,609
Senior Bond, 4.78%, 3/25/38	United States	40,000	37,927
Senior Bond, 5.3%, 12/05/43	United States	500,000	500,377
Senior Bond, 5.125%, 7/20/45	United States	200,000	193,085
Senior Bond, 5.05%, 3/25/48	United States	50,000	47,934
Senior Bond, 4.25%, 4/01/50	United States	20,000	17,266
Elevance Health, Inc.,			
Senior Bond, 3.65%, 12/01/27	United States	20,000	19,481
Senior Bond, 4.1%, 5/15/32	United States	10,000	9,742
Senior Bond, 5.1%, 1/15/44	United States	400,000	400,910
Senior Bond, 4.55%, 5/15/52	United States	10,000	9,429
HCA, Inc., Senior Bond, 4.5%, 2/15/27	United States	408,000	392,602
Humana, Inc., Senior Bond, 3.125%, 8/15/29	United States	90,000	81,413
Quest Diagnostics, Inc., Senior Bond, 2.8%, 6/30/31	United States	300,000	257,334
UnitedHealth Group, Inc.,			
Senior Bond, 2.75%, 5/15/40	United States	30,000	23,415
Senior Bond, 3.25%, 5/15/51	United States	20,000	15,738
Senior Bond, 3.875%, 8/15/59	United States	30,000	25,984
Senior Note, 3.75%, 7/15/25	United States	10,000	10,000
Senior Note, 4%, 5/15/29	United States	20,000	19,826
Senior Note, 4.2%, 5/15/32	United States	30,000	30,001
			3,257,361
Hotels, Restaurants & Leisure 0.1%			
Las Vegas Sands Corp., Senior Bond, 3.9%, 8/08/29	United States	450,000	368,022
McDonald's Corp.,			
Senior Bond, 4.875%, 12/09/45	United States	10,000	9,849
Senior Bond, 4.2%, 4/01/50	United States	30,000	26,863
Senior Note, 1.45%, 9/01/25	United States	40,000	37,257
Senior Note, 2.125%, 3/01/30	United States	30,000	25,673
			467,664
Household Durables 0.1%			
MDC Holdings, Inc., Senior Bond, 2.5%, 1/15/31	United States	156,000	115,300
Mohawk Industries, Inc., Senior Bond, 3.625%, 5/15/30	United States	210,000	187,600
			302,900
Household Products 0.1%			
^b Kimberly-Clark de Mexico SAB de CV, Senior Bond, 144A, 2.431%, 7/01/31	Mexico	500,000	416,567
Procter & Gamble Co. (The), Senior Bond, 3%, 3/25/30	United States	10,000	9,446
			426,013
Industrial Conglomerates 0.0%[†]			
3M Co.,			
Senior Bond, 3.05%, 4/15/30	United States	40,000	37,348
Senior Bond, 3.7%, 4/15/50	United States	10,000	8,591
Honeywell International, Inc., Senior Note, 1.35%, 6/01/25	United States	10,000	9,426
			55,365

Franklin Allocation VIP Fund (continued)

	Country	Principal Amount ¹	Value
Corporate Bonds (continued)			
Insurance 0.7%			
Aflac, Inc., Senior Bond, 4.75%, 1/15/49	United States	600,000	\$580,200
Allstate Corp. (The), Senior Bond, 4.2%, 12/15/46	United States	500,000	455,906
American International Group, Inc., Senior Note, 2.5%, 6/30/25	United States	10,000	9,544
Aon Corp., Senior Bond, 2.8%, 5/15/30	United States	500,000	437,559
Arch Capital Group Ltd., Senior Bond, 3.635%, 6/30/50	United States	600,000	467,781
Berkshire Hathaway Finance Corp., Senior Bond, 4.25%, 1/15/49	United States	20,000	18,473
Senior Bond, 3.85%, 3/15/52	United States	200,000	171,584
^b Guardian Life Global Funding, Secured Note, 144A, 1.1%, 6/23/25	United States	10,000	9,241
Marsh & McLennan Cos., Inc., Senior Bond, 4.9%, 3/15/49	United States	250,000	245,657
MetLife, Inc., Junior Sub. Bond, 6.4%, 12/15/36	United States	270,000	272,205
^b Metropolitan Life Global Funding I, Secured Note, 144A, 0.9%, 6/08/23	United States	150,000	146,864
Secured Note, 144A, 3.6%, 1/11/24	United States	940,000	936,635
^b New York Life Global Funding, Senior Secured Note, 144A, 0.95%, 6/24/25	United States	10,000	9,223
^b Teachers Insurance & Annuity Association of America, Sub. Bond, 144A, 4.9%, 9/15/44	United States	10,000	9,611
			3,770,483
Interactive Media & Services 0.1%			
Alphabet, Inc., Senior Bond, 1.1%, 8/15/30	United States	10,000	8,216
Senior Bond, 1.9%, 8/15/40	United States	10,000	7,186
Senior Bond, 2.05%, 8/15/50	United States	10,000	6,726
^b Tencent Holdings Ltd., Senior Bond, 144A, 3.595%, 1/19/28	China	500,000	475,401
Senior Note, 144A, 2.39%, 6/03/30	China	300,000	251,382
			748,911
Internet & Direct Marketing Retail 0.3%			
Alibaba Group Holding Ltd., Senior Bond, 4.2%, 12/06/47	China	800,000	663,933
Amazon.com, Inc., Senior Bond, 3.6%, 4/13/32	United States	70,000	67,476
Senior Bond, 3.875%, 8/22/37	United States	30,000	28,496
Senior Bond, 4.05%, 8/22/47	United States	400,000	375,476
Senior Bond, 2.5%, 6/03/50	United States	110,000	77,760
Senior Bond, 4.25%, 8/22/57	United States	10,000	9,412
Senior Note, 1.2%, 6/03/27	United States	60,000	53,433
^b Prosus NV, Senior Bond, 144A, 3.68%, 1/21/30	China	200,000	159,513
			1,435,499
IT Services 0.2%			
Fidelity National Information Services, Inc., Senior Bond, 2.25%, 3/01/31	United States	650,000	528,231
Fiserv, Inc., Senior Bond, 3.5%, 7/01/29	United States	470,000	429,127
Senior Bond, 2.65%, 6/01/30	United States	200,000	169,590
Mastercard, Inc., Senior Bond, 3.35%, 3/26/30	United States	10,000	9,553
Senior Bond, 3.85%, 3/26/50	United States	40,000	36,712
PayPal Holdings, Inc., Senior Bond, 2.3%, 6/01/30	United States	10,000	8,594
Senior Bond, 4.4%, 6/01/32	United States	10,000	9,911

Franklin Allocation VIP Fund (continued)

	Country	Principal Amount ^a	Value
Corporate Bonds (continued)			
IT Services (continued)			
PayPal Holdings, Inc., (continued)			
Senior Note, 1.65%, 6/01/25	United States	10,000	\$9,443
Visa, Inc.,			
Senior Bond, 3.15%, 12/14/25	United States	20,000	19,721
Senior Bond, 4.3%, 12/14/45	United States	20,000	19,788
			1,240,670
Life Sciences Tools & Services 0.0%[†]			
Thermo Fisher Scientific, Inc., Senior Note, 0.797%, 10/18/23	United States	200,000	193,901
Machinery 0.0%[†]			
Caterpillar, Inc., Senior Bond, 2.6%, 4/09/30	United States	215,000	194,783
Deere & Co.,			
Senior Bond, 3.1%, 4/15/30	United States	10,000	9,348
Senior Bond, 3.75%, 4/15/50	United States	30,000	27,447
Otis Worldwide Corp., Senior Note, 2.056%, 4/05/25	United States	10,000	9,483
			241,061
Media 0.3%			
Charter Communications Operating LLC / Charter Communications Operating Capital,			
Senior Secured Bond, 5.05%, 3/30/29	United States	80,000	77,088
Senior Secured Bond, 2.8%, 4/01/31	United States	350,000	280,663
Senior Secured Bond, 4.4%, 4/01/33	United States	30,000	26,824
Senior Secured Bond, 3.5%, 3/01/42	United States	160,000	111,285
Senior Secured Bond, 3.9%, 6/01/52	United States	70,000	48,730
Senior Secured Bond, 5.5%, 4/01/63	United States	40,000	34,066
Senior Secured Note, 4.908%, 7/23/25	United States	60,000	60,221
Comcast Corp.,			
Senior Bond, 4.15%, 10/15/28	United States	70,000	69,873
Senior Bond, 3.4%, 4/01/30	United States	10,000	9,392
Senior Bond, 4.25%, 10/15/30	United States	60,000	59,221
Senior Bond, 4.25%, 1/15/33	United States	300,000	295,131
Senior Bond, 3.75%, 4/01/40	United States	30,000	26,345
Senior Bond, 3.969%, 11/01/47	United States	30,000	26,007
Senior Bond, 2.887%, 11/01/51	United States	40,000	28,627
Senior Bond, 4.049%, 11/01/52	United States	500,000	438,140
Senior Bond, 2.937%, 11/01/56	United States	20,000	13,939
Senior Note, 3.95%, 10/15/25	United States	30,000	30,161
Fox Corp.,			
Senior Bond, 5.476%, 1/25/39	United States	40,000	38,905
Senior Note, 4.709%, 1/25/29	United States	300,000	294,470
Time Warner Cable LLC, Senior Secured Bond, 6.55%, 5/01/37 . .	United States	10,000	10,030
			1,979,118
Metals & Mining 0.1%			
^b Anglo American Capital plc, Senior Note, 144A, 3.625%, 9/11/24 . .	South Africa	200,000	196,303
Barrick North America Finance LLC, Senior Bond, 5.7%, 5/30/41 . .	Canada	20,000	20,747
BHP Billiton Finance USA Ltd., Senior Bond, 5%, 9/30/43	Australia	20,000	20,591
Freeport-McMoRan, Inc., Senior Bond, 5.45%, 3/15/43	United States	20,000	18,546
^b Glencore Funding LLC,			
Senior Bond, 144A, 4%, 3/27/27	Australia	20,000	19,249
Senior Note, 144A, 4.125%, 3/12/24	Australia	30,000	29,870

Franklin Allocation VIP Fund (continued)

	Country	Principal Amount*	Value
Corporate Bonds (continued)			
Metals & Mining (continued)			
Southern Copper Corp., Senior Bond, 5.25%, 11/08/42	Peru	100,000	\$97,967
Vale Overseas Ltd., Senior Bond, 6.25%, 8/10/26	Brazil	130,000	135,953
			539,226
Multiline Retail 0.1%			
Dollar Tree, Inc., Senior Note, 4%, 5/15/25	United States	350,000	348,131
Kohl's Corp., Senior Bond, 3.375%, 5/01/31	United States	400,000	347,357
Target Corp., Senior Note, 2.25%, 4/15/25	United States	20,000	19,332
			714,820
Multi-Utilities 0.4%			
^b Berkshire Hathaway Energy Co., Senior Bond, 144A, 4.6%, 5/01/53	United States	500,000	480,284
Consolidated Edison Co. of New York, Inc.,			
20A, Senior Bond, 3.35%, 4/01/30	United States	10,000	9,327
20B, Senior Bond, 3.95%, 4/01/50	United States	10,000	8,695
Dominion Energy, Inc., Senior Note, 4.25%, 6/01/28	United States	750,000	738,504
Public Service Enterprise Group, Inc., Senior Note, 2.875%, 6/15/24	United States	1,000,000	979,290
			2,216,100
Oil, Gas & Consumable Fuels 0.8%			
^b Aker BP ASA, Senior Bond, 144A, 3.75%, 1/15/30	Norway	500,000	448,416
BP Capital Markets America, Inc.,			
Senior Bond, 1.749%, 8/10/30	United States	40,000	32,778
Senior Bond, 2.939%, 6/04/51	United States	40,000	28,688
Senior Note, 3.119%, 5/04/26	United States	40,000	38,845
^b Cameron LNG LLC,			
Senior Secured Bond, 144A, 2.902%, 7/15/31	United States	20,000	17,634
Senior Secured Bond, 144A, 3.302%, 1/15/35	United States	40,000	34,281
Chevron Corp.,			
Senior Bond, 3.078%, 5/11/50	United States	20,000	15,950
Senior Note, 1.554%, 5/11/25	United States	20,000	18,990
Senior Note, 1.995%, 5/11/27	United States	30,000	27,599
Continental Resources, Inc.,			
Senior Bond, 4.9%, 6/01/44	United States	20,000	15,785
Senior Note, 4.5%, 4/15/23	United States	10,000	10,051
Senior Note, 3.8%, 6/01/24	United States	10,000	9,882
Senior Note, 4.375%, 1/15/28	United States	40,000	37,675
^b Coterra Energy, Inc.,			
Senior Note, 144A, 3.9%, 5/15/27	United States	30,000	28,792
Senior Note, 144A, 4.375%, 3/15/29	United States	60,000	58,912
Devon Energy Corp.,			
Senior Bond, 5.85%, 12/15/25	United States	10,000	10,421
Senior Bond, 4.75%, 5/15/42	United States	30,000	27,253
Senior Bond, 5%, 6/15/45	United States	80,000	74,364
Diamondback Energy, Inc.,			
Senior Bond, 3.125%, 3/24/31	United States	10,000	8,721
Senior Bond, 4.4%, 3/24/51	United States	10,000	8,538
Senior Note, 3.5%, 12/01/29	United States	30,000	27,507
Energy Transfer LP,			
Senior Bond, 4.95%, 6/15/28	United States	40,000	39,456
Senior Bond, 3.75%, 5/15/30	United States	50,000	45,110
Senior Bond, 6.05%, 6/01/41	United States	350,000	336,721
Senior Bond, 6.25%, 4/15/49	United States	50,000	48,573
Senior Note, 2.9%, 5/15/25	United States	20,000	19,030

Franklin Allocation VIP Fund (continued)

	Country	Principal Amount*	Value
Corporate Bonds (continued)			
Oil, Gas & Consumable Fuels (continued)			
Enterprise Products Operating LLC,			
Senior Bond, 4.15%, 10/16/28	United States	30,000	\$29,341
Senior Bond, 3.125%, 7/31/29	United States	400,000	360,360
Senior Bond, 2.8%, 1/31/30	United States	60,000	52,584
Senior Bond, 6.125%, 10/15/39	United States	500,000	529,784
Senior Bond, 4.45%, 2/15/43	United States	20,000	17,459
Senior Bond, 3.7%, 1/31/51	United States	50,000	39,179
EOG Resources, Inc.,			
Senior Bond, 4.375%, 4/15/30	United States	30,000	30,152
Senior Bond, 3.9%, 4/01/35	United States	20,000	18,485
Senior Bond, 4.95%, 4/15/50	United States	40,000	41,435
EQT Corp., Senior Bond, 7.5%, 2/01/30	United States	10,000	10,753
Exxon Mobil Corp.,			
Senior Bond, 3.482%, 3/19/30	United States	50,000	47,995
Senior Bond, 4.227%, 3/19/40	United States	10,000	9,470
Senior Bond, 3.452%, 4/15/51	United States	20,000	16,389
Senior Note, 2.992%, 3/19/25	United States	40,000	39,437
Kinder Morgan, Inc.,			
Senior Bond, 4.3%, 3/01/28	United States	40,000	38,952
Senior Bond, 5.55%, 6/01/45	United States	340,000	320,937
MPLX LP,			
Senior Bond, 4%, 3/15/28	United States	20,000	19,018
Senior Bond, 4.5%, 4/15/38	United States	10,000	8,784
Senior Bond, 5.5%, 2/15/49	United States	385,000	357,970
Senior Note, 2.65%, 8/15/30	United States	400,000	334,285
Phillips 66, Senior Bond, 3.3%, 3/15/52	United States	200,000	149,275
Pioneer Natural Resources Co., Senior Note, 2.15%, 1/15/31	United States	60,000	49,463
^b Sinopec Group Overseas Development 2018 Ltd., Senior Bond, 144A, 3.35%, 5/13/50	China	200,000	150,997
Targa Resources Corp., Senior Bond, 4.95%, 4/15/52	United States	10,000	8,592
^b Tennessee Gas Pipeline Co. LLC, Senior Bond, 144A, 2.9%, 3/01/30	United States	30,000	25,943
Transcontinental Gas Pipe Line Co. LLC,			
Senior Note, 7.85%, 2/01/26	United States	300,000	331,662
Senior Note, 3.25%, 5/15/30	United States	50,000	44,955
Western Midstream Operating LP, Senior Note, 3.6%, 2/01/25	United States	10,000	9,232
Williams Cos., Inc. (The),			
Senior Bond, 3.75%, 6/15/27	United States	60,000	57,348
Senior Bond, 5.1%, 9/15/45	United States	30,000	28,010
			4,648,218
Paper & Forest Products 0.1%			
Suzano Austria GmbH,			
Senior Bond, 3.75%, 1/15/31	Brazil	225,000	182,297
Senior Note, 6%, 1/15/29	Brazil	200,000	198,657
			380,954
Pharmaceuticals 0.2%			
AstraZeneca plc,			
Senior Bond, 4%, 9/18/42	United Kingdom	200,000	184,629
Senior Bond, 4.375%, 11/16/45	United Kingdom	450,000	434,183
Bristol-Myers Squibb Co.,			
Senior Bond, 4.55%, 2/20/48	United States	10,000	9,810
Senior Note, 2.9%, 7/26/24	United States	30,000	29,744

Franklin Allocation VIP Fund (continued)

	Country	Principal Amount*	Value
Corporate Bonds (continued)			
Pharmaceuticals (continued)			
Bristol-Myers Squibb Co., (continued)			
Senior Note, 3.2%, 6/15/26	United States	10,000	\$9,876
Senior Note, 3.4%, 7/26/29	United States	10,000	9,661
Johnson & Johnson,			
Senior Bond, 2.1%, 9/01/40	United States	30,000	21,972
Senior Bond, 3.7%, 3/01/46	United States	10,000	9,229
Merck & Co., Inc.,			
Senior Bond, 1.45%, 6/24/30	United States	10,000	8,317
Senior Bond, 2.75%, 12/10/51	United States	30,000	22,212
Senior Note, 0.75%, 2/24/26	United States	20,000	18,145
Pfizer, Inc.,			
Senior Bond, 1.7%, 5/28/30	United States	30,000	25,552
Senior Bond, 2.55%, 5/28/40	United States	30,000	23,512
Senior Bond, 2.7%, 5/28/50	United States	30,000	22,893
Takeda Pharmaceutical Co. Ltd., Senior Bond, 3.175%, 7/09/50	Japan	400,000	300,038
			1,129,773
Road & Rail 0.2%			
Burlington Northern Santa Fe LLC,			
Senior Bond, 4.9%, 4/01/44	United States	200,000	201,397
Senior Bond, 2.875%, 6/15/52	United States	10,000	7,490
Canadian Pacific Railway Co.,			
Senior Bond, 2.45%, 12/02/31	Canada	70,000	59,965
Senior Bond, 3%, 12/02/41	Canada	20,000	15,680
CSX Corp.,			
Senior Bond, 3.8%, 11/01/46	United States	200,000	169,931
Senior Bond, 4.75%, 11/15/48	United States	525,000	513,969
Union Pacific Corp.,			
Senior Bond, 2.4%, 2/05/30	United States	10,000	8,851
Senior Bond, 2.891%, 4/06/36	United States	10,000	8,282
Senior Bond, 3.839%, 3/20/60	United States	10,000	8,373
Senior Bond, 3.75%, 2/05/70	United States	20,000	15,922
Senior Note, 3.75%, 7/15/25	United States	10,000	10,022
Senior Note, 2.15%, 2/05/27	United States	10,000	9,273
			1,029,155
Semiconductors & Semiconductor Equipment 0.1%			
Applied Materials, Inc., Senior Bond, 1.75%, 6/01/30	United States	20,000	16,845
^b Broadcom, Inc., Senior Bond, 144A, 3.137%, 11/15/35	United States	80,000	60,861
Intel Corp.,			
Senior Bond, 3.05%, 8/12/51	United States	40,000	29,866
Senior Note, 1.6%, 8/12/28	United States	10,000	8,760
KLA Corp., Senior Bond, 4.65%, 7/15/32	United States	10,000	10,208
NVIDIA Corp.,			
Senior Bond, 2.85%, 4/01/30	United States	10,000	9,164
Senior Bond, 3.5%, 4/01/40	United States	20,000	17,543
Senior Bond, 3.5%, 4/01/50	United States	40,000	34,048
Senior Bond, 3.7%, 4/01/60	United States	20,000	16,835
NXP BV / NXP Funding LLC / NXP USA, Inc., Senior Note, 2.7%, 5/01/25	China	10,000	9,516
Texas Instruments, Inc.,			
Senior Bond, 1.75%, 5/04/30	United States	10,000	8,587
Senior Bond, 3.875%, 3/15/39	United States	10,000	9,438
Senior Bond, 4.15%, 5/15/48	United States	20,000	19,232

Franklin Allocation VIP Fund (continued)

	Country	Principal Amount*	Value
Corporate Bonds (continued)			
Semiconductors & Semiconductor Equipment (continued)			
TSMC Arizona Corp., Senior Bond, 2.5%, 10/25/31	Taiwan	200,000	\$171,746
			422,649
Software 0.1%			
Adobe, Inc., Senior Bond, 2.3%, 2/01/30	United States	20,000	17,679
Microsoft Corp.,			
Senior Bond, 3.3%, 2/06/27	United States	80,000	79,545
Senior Bond, 2.921%, 3/17/52	United States	20,000	15,808
Senior Note, 2.65%, 11/03/22	United States	420,000	420,354
Oracle Corp.,			
Senior Bond, 2.875%, 3/25/31	United States	50,000	41,245
Senior Note, 1.65%, 3/25/26	United States	50,000	44,872
Salesforce, Inc., Senior Bond, 3.7%, 4/11/28	United States	20,000	19,786
ServiceNow, Inc., Senior Bond, 1.4%, 9/01/30	United States	150,000	117,525
Workday, Inc.,			
Senior Bond, 3.8%, 4/01/32	United States	20,000	18,296
Senior Note, 3.5%, 4/01/27	United States	10,000	9,571
Senior Note, 3.7%, 4/01/29	United States	20,000	18,727
			803,408
Specialty Retail 0.0%[†]			
AutoZone, Inc., Senior Bond, 1.65%, 1/15/31	United States	265,000	208,067
Home Depot, Inc. (The),			
Senior Bond, 2.7%, 4/15/30	United States	10,000	9,079
Senior Bond, 3.3%, 4/15/40	United States	10,000	8,507
Senior Bond, 3.35%, 4/15/50	United States	20,000	16,286
Senior Note, 2.5%, 4/15/27	United States	10,000	9,449
Lowe's Cos., Inc.,			
Senior Bond, 4.5%, 4/15/30	United States	10,000	9,890
Senior Note, 1.7%, 9/15/28	United States	20,000	17,044
			278,322
Technology Hardware, Storage & Peripherals 0.0%[†]			
Apple, Inc.,			
Senior Bond, 2.45%, 8/04/26	United States	40,000	38,340
Senior Bond, 3.85%, 8/04/46	United States	10,000	9,170
Senior Bond, 2.8%, 2/08/61	United States	300,000	215,809
			263,319
Textiles, Apparel & Luxury Goods 0.0%[†]			
NIKE, Inc.,			
Senior Bond, 2.85%, 3/27/30	United States	10,000	9,194
Senior Bond, 3.25%, 3/27/40	United States	10,000	8,577
Senior Note, 2.75%, 3/27/27	United States	10,000	9,631
			27,402
Thriffs & Mortgage Finance 0.1%			
^b BPCE SA, Sub. Bond, 144A, 5.15%, 7/21/24	France	600,000	600,474
Radian Group, Inc., Senior Note, 4.875%, 3/15/27	United States	150,000	134,659
			735,133

Franklin Allocation VIP Fund (continued)

	Country	Principal Amount [*]	Value
Corporate Bonds (continued)			
Tobacco 0.1%			
Altria Group, Inc.,			
Senior Bond, 4.8%, 2/14/29	United States	30,000	\$28,542
Senior Bond, 5.8%, 2/14/39	United States	20,000	18,206
Senior Bond, 5.95%, 2/14/49	United States	50,000	43,921
BAT Capital Corp.,			
Senior Bond, 4.54%, 8/15/47	United Kingdom	20,000	14,699
Senior Note, 3.557%, 8/15/27	United Kingdom	50,000	45,782
^b Imperial Brands Finance plc, Senior Bond, 144A, 4.25%, 7/21/25 ..	United Kingdom	285,000	282,509
Philip Morris International, Inc.,			
Senior Bond, 2.1%, 5/01/30	United States	20,000	16,403
Senior Bond, 4.5%, 3/20/42	United States	10,000	8,678
			458,740
Trading Companies & Distributors 0.0%[†]			
Air Lease Corp., Senior Note, 3.375%, 7/01/25	United States	20,000	18,855
Transportation Infrastructure 0.0%[†]			
^b DP World Ltd., Senior Bond, 144A, 5.625%, 9/25/48	United Arab Emirates	200,000	187,951
Wireless Telecommunication Services 0.2%			
^b Rogers Communications, Inc., Senior Bond, 144A, 4.55%, 3/15/52	Canada	180,000	158,493
T-Mobile USA, Inc.,			
Senior Secured Bond, 2.25%, 11/15/31	United States	50,000	40,629
Senior Secured Bond, 3%, 2/15/41	United States	10,000	7,473
Senior Secured Bond, 3.3%, 2/15/51	United States	200,000	146,071
Senior Secured Note, 3.5%, 4/15/25	United States	20,000	19,586
Senior Secured Note, 3.75%, 4/15/27	United States	325,000	313,213
Senior Secured Note, 3.875%, 4/15/30	United States	80,000	74,735
Vodafone Group plc, Senior Bond, 6.15%, 2/27/37	United Kingdom	200,000	216,187
			976,387
Total Corporate Bonds (Cost \$66,367,554)			60,135,362
Foreign Government and Agency Securities 1.9%			
^b African Export-Import Bank (The), Senior Bond, 144A, 3.994%, 9/21/29	Supranational ^e	500,000	430,704
^b Australia Government Bond, Reg S, 5.75%, 7/15/22	Australia	380,000 AUD	262,687
^b Banque Ouest Africaine de Developpement, Senior Bond, 144A, 5%, 7/27/27	Supranational ^e	300,000	274,134
Brazil Notas do Tesouro Nacional,			
10%, 1/01/27	Brazil	1,680,000 BRL	292,323
10%, 1/01/29	Brazil	480,000 BRL	80,662
10%, 1/01/31	Brazil	510,000 BRL	83,431
10%, 1/01/33	Brazil	1,030,000 BRL	165,141
Colombia Government Bond,			
Senior Bond, 3.25%, 4/22/32	Colombia	200,000	145,017
Senior Bond, 5%, 6/15/45	Colombia	500,000	336,025
Colombia Titulos de Tesoreria,			
B, 6.25%, 11/26/25	Colombia	740,000,000 COP	156,638
B, 6%, 4/28/28	Colombia	1,220,000,000 COP	231,109

Franklin Allocation VIP Fund (continued)

	Country	Principal Amount*	Value
Foreign Government and Agency Securities (continued)			
^b Comision Federal de Electricidad, Senior Bond, 144A, 3.348%, 2/09/31	Mexico	300,000	\$230,114
^b Corp. Nacional del Cobre de Chile, Senior Bond, 144A, 3.7%, 1/30/50	Chile	200,000	149,503
Ecopetrol SA, Senior Bond, 5.875%, 5/28/45	Colombia	150,000	102,375
^b Electricite de France SA, Senior Bond, 144A, 4.5%, 9/21/28	France	655,000	637,029
^b Export-Import Bank of India, Senior Bond, 144A, 3.25%, 1/15/30 ..	India	200,000	174,165
^b France Government Bond, Reg S, Zero Cpn., 5/25/32	France	680,000 EUR	589,238
Reg S, 0.75%, 5/25/52	France	300,000 EUR	200,471
Israel Government Bond, Senior Bond, 2.75%, 7/03/30	Israel	200,000	185,723
Korea Treasury Bond, Senior Bond, 2%, 6/10/31	South Korea	900,000,000 KRW	609,495
Senior Bond, 1.875%, 3/10/51	South Korea	360,000,000 KRW	197,812
Malaysia Government Bond, 3.48%, 3/15/23	Malaysia	690,000 MYR	157,148
3.955%, 9/15/25	Malaysia	260,000 MYR	59,385
3.899%, 11/16/27	Malaysia	500,000 MYR	112,244
Mexican Bonos Desarr Fixed Rate, M, 8%, 11/07/47	Mexico	1,800,000 ^f MXN	79,893
M, 8%, 7/31/53	Mexico	2,700,000 ^f MXN	117,873
M, Senior Bond, 7.75%, 11/13/42	Mexico	6,700,000 ^f MXN	291,498
M 20, Senior Bond, 8.5%, 5/31/29	Mexico	6,400,000 ^f MXN	309,181
M 30, Senior Bond, 8.5%, 11/18/38	Mexico	6,800,000 ^f MXN	321,025
Mexico Government Bond, Senior Bond, 4.75%, 3/08/44	Mexico	300,000	250,587
New South Wales Treasury Corp., Senior Note, 4%, 4/20/23	Australia	80,000 AUD	55,906
Panama Government Bond, Senior Bond, 2.252%, 9/29/32	Panama	200,000	156,431
Panama Notas del Tesoro, Senior Note, 3.75%, 4/17/26	Panama	450,000	437,625
^b Pertamina Persero PT, Senior Bond, 144A, 4.7%, 7/30/49	Indonesia	200,000	165,819
Peru Government Bond, Senior Bond, 2.783%, 1/23/31	Peru	200,000	170,530
Senior Bond, 6.55%, 3/14/37	Peru	200,000	217,419
^b Perusahaan Perseroan Persero PT Perusahaan Listrik Negara, Senior Bond, Reg S, 5.25%, 10/24/42	Indonesia	200,000	171,995
^b Petroleos del Peru SA, Senior Bond, 144A, 4.75%, 6/19/32	Peru	200,000	154,925
Petroleos Mexicanos, Senior Bond, 6.625%, 6/15/35	Mexico	100,000	68,508
Philippines Government Bond, Senior Bond, 3.95%, 1/20/40	Philippines	310,000	270,438
Poland Government Bond, 4%, 10/25/23	Poland	420,000 PLN	89,905
Senior Bond, 4%, 1/22/24	Poland	70,000	70,108
^b Queensland Treasury Corp., Senior Bond, 144A, Reg S, 4.25%, 7/21/23	Australia	170,000 AUD	119,133
^b Romania Government Bond, Senior Bond, 144A, 5.125%, 6/15/48.	Romania	200,000	155,887
South Africa Government Bond, Senior Bond, 6.5%, 2/28/41	South Africa	6,300,000 ZAR	237,894
Senior Bond, 8.75%, 2/28/48	South Africa	5,200,000 ZAR	246,857
^b United Kingdom Gilt, Reg S, 0.25%, 7/31/31	United Kingdom	570,000 GBP	581,672
Uruguay Government Bond, Senior Bond, 4.375%, 1/23/31	Uruguay	200,000	202,562
Western Australian Treasury Corp., Senior Bond, 6%, 10/16/23 ..	Australia	180,000 AUD	128,943
Total Foreign Government and Agency Securities (Cost \$11,886,609)			10,935,187
U.S. Government and Agency Securities 19.2%			
U.S. Treasury Bonds, 6%, 2/15/26	United States	705,000	776,078

Franklin Allocation VIP Fund (continued)

	Country	Principal Amount	Value
U.S. Government and Agency Securities (continued)			
U.S. Treasury Bonds, (continued)			
1.125%, 8/15/40	United States	332,000	\$229,508
1.375%, 11/15/40	United States	1,771,000	1,276,158
2%, 11/15/41	United States	360,000	286,059
2.875%, 5/15/43	United States	3,370,000	3,075,915
3.125%, 8/15/44	United States	725,000	687,391
2.5%, 5/15/46	United States	945,000	801,700
2.25%, 8/15/46	United States	3,305,000	2,667,561
3.375%, 11/15/48	United States	3,300,000	3,354,527
3%, 2/15/49	United States	1,713,000	1,633,172
2.25%, 8/15/49	United States	150,000	123,146
1.25%, 5/15/50	United States	1,620,000	1,031,421
1.375%, 8/15/50	United States	595,000	391,921
2.375%, 5/15/51	United States	1,794,000	1,515,159
2%, 8/15/51	United States	480,000	371,194
1.875%, 11/15/51	United States	1,275,000	957,047
2.25%, 2/15/52	United States	320,000	263,450
2.875%, 5/15/52	United States	5,520,000	5,215,106
U.S. Treasury Notes,			
1.5%, 3/31/23	United States	465,000	460,603
2.125%, 11/30/23	United States	1,120,000	1,107,334
2.125%, 3/31/24	United States	6,750,000	6,652,178
2%, 4/30/24	United States	1,345,000	1,321,830
2.5%, 5/15/24	United States	5,710,000	5,660,484
2%, 5/31/24	United States	1,705,000	1,674,363
2.5%, 5/31/24	United States	5,260,000	5,212,948
2%, 6/30/24	United States	2,255,000	2,212,807
1.75%, 7/31/24	United States	13,225,000	12,895,925
2.375%, 8/15/24	United States	1,640,000	1,618,795
1.25%, 8/31/24	United States	700,000	674,488
1.5%, 10/31/24	United States	2,920,000	2,821,792
1.5%, 11/30/24	United States	510,000	492,090
0.25%, 6/30/25	United States	600,000	552,504
0.25%, 9/30/25	United States	310,000	283,269
0.375%, 11/30/25	United States	5,143,000	4,698,613
0.875%, 6/30/26	United States	975,000	895,172
1.875%, 7/31/26	United States	389,000	371,655
1.25%, 12/31/26	United States	2,680,000	2,477,377
2.375%, 5/15/27	United States	3,140,000	3,040,403
0.5%, 6/30/27	United States	8,585,000	7,568,382
2.25%, 11/15/27	United States	5,000,000	4,794,727
^g Index Linked, 0.5%, 1/15/28	United States	1,300,000	1,514,101
1.25%, 4/30/28	United States	1,700,000	1,533,719
3.125%, 11/15/28	United States	320,000	320,737
3.25%, 6/30/29	United States	320,000	323,825
1.625%, 8/15/29	United States	2,565,000	2,335,953
0.625%, 8/15/30	United States	1,550,000	1,285,410
1.25%, 8/15/31	United States	125,000	107,637
1.375%, 11/15/31	United States	2,300,000	1,995,250
1.875%, 2/15/32	United States	320,000	289,950
^h FRN, 1.793%, (3-month U.S. Treasury Bill Rate + 0.035%), 10/31/23	United States	5,490,000	5,503,826
^h FRN, 1.683%, (3-month U.S. Treasury Bill Rate + (0.075)%), 4/30/24	United States	3,190,000	3,187,824
Total U.S. Government and Agency Securities (Cost \$120,193,731)			110,542,484

Franklin Allocation VIP Fund (continued)

	Country	Principal Amount*	Value
Asset-Backed Securities 0.6%			
Airlines 0.1%			
American Airlines Pass-Through Trust, 2016-3, A, 3.25%, 10/15/28.	United States	410,758	\$344,280
United Airlines Pass-Through Trust, 2016-1, A, 3.45%, 7/07/28	United States	76,256	66,266
2019-2, A, 2.9%, 5/01/28	United States	90,448	79,646
2020-1, B, 4.875%, 7/15/27	United States	249,000	236,825
			727,017
Banks 0.1%			
Capital One Multi-Asset Execution Trust, 2017-A6, A6, 2.29%, 7/15/25.	United States	600,000	600,363
Diversified Financial Services 0.4%			
ⁱ Asset-Backed Securities Corp. Home Equity Loan Trust, 2006-HE3, A5, FRN, 2.164%, (1-month USD LIBOR + 0.54%), 3/25/36.	United States	98,214	95,171
^b Carlyle Global Market Strategies CLO Ltd., 2013-4A, A1RR, 144A, FRN, 2.044%, (3-month USD LIBOR + 1%), 1/15/31.	United States	246,369	241,975
ⁱ First Franklin Mortgage Loan Trust, 2006-FF4, A3, FRN, 2.184%, (1-month USD LIBOR + 0.56%), 3/25/36.	United States	95,690	94,546
^b MVW LLC, 2021-1WA, A, 144A, 1.14%, 1/22/41.	United States	105,973	98,630
^b Neuberger Berman Loan Advisers CLO 40 Ltd., 2021-40A, A, 144A, FRN, 2.104%, (3-month USD LIBOR + 1.06%), 4/16/33.	United States	500,000	489,888
^b New Economy Assets Phase 1 Sponsor LLC, 2021-1, A1, 144A, 1.91%, 10/20/61.	United States	490,000	428,300
^b Octagon Investment Partners XXI Ltd., 2014-1A, AAR3, 144A, FRN, 2.411%, (3-month USD LIBOR + 1%), 2/14/31.	United States	250,000	244,343
^b Palmer Square CLO Ltd., 2014-1A, A1R2, 144A, FRN, 2.174%, (3-month USD LIBOR + 1.13%), 1/17/31.	United States	250,000	246,930
^b Reese Park CLO Ltd., 2020-1A, AR, 144A, FRN, 2.174%, (3-month USD LIBOR + 1.13%), 10/15/34.	United States	180,000	174,301
^b Symphony CLO XV Ltd., 2014-15A, AR3, 144A, FRN, 2.124%, (3-month USD LIBOR + 1.08%), 1/17/32.	United States	250,000	245,000
			2,359,084
Total Asset-Backed Securities (Cost \$3,812,996)			3,686,464
Commercial Mortgage-Backed Securities 0.3%			
Diversified Financial Services 0.3%			
BANK, 2021-BN33, A5, 2.556%, 5/15/64.	United States	210,000	183,460
^b BX Commercial Mortgage Trust, 2021-VOLT, B, 144A, FRN, 2.274%, (1-month USD LIBOR + 0.95%), 9/15/36	United States	250,000	235,418
2022-LP2, A, 144A, FRN, 2.347%, (1-month SOFR + 1.013%), 2/15/39	United States	214,780	206,632
^b BX Mortgage Trust, 2021-PAC, A, 144A, FRN, 2.014%, (1-month USD LIBOR + 0.689%), 10/15/36.	United States	230,000	218,758
^b BX Trust, 2022-IND, A, 144A, FRN, 2.825%, (1-month SOFR + 1.491%), 4/15/37	United States	400,000	390,114
^b MTN Commercial Mortgage Trust, 2022-LPFL, A, 144A, FRN, 2.676%, (1-month SOFR + 1.397%), 3/15/39	United States	100,000	98,399
			1,332,781
Thriffs & Mortgage Finance 0.0%†			
^j BBCMS Mortgage Trust, 2017-C1, XA, IO, FRN, 1.602%, 2/15/50	United States	1,811,140	92,010
Total Commercial Mortgage-Backed Securities (Cost \$1,488,536)			1,424,791

Franklin Allocation VIP Fund (continued)

	Country	Principal Amount*	Value
Mortgage-Backed Securities 3.9%			
Federal Home Loan Mortgage Corp. (FHLMC) Fixed Rate 0.9%			
FHLMC Gold Pools, 30 Year, 4.5%, 1/01/49	United States	393,996	\$403,306
FHLMC Pool, 15 Year, 2.5%, 4/01/37	United States	262,569	251,087
FHLMC Pool, 15 Year, 3%, 8/01/34	United States	48,721	48,155
FHLMC Pool, 30 Year, 2.5%, 5/01/51	United States	88,570	79,857
FHLMC Pool, 30 Year, 3%, 3/01/50 - 4/01/52	United States	817,770	765,635
FHLMC Pool, 30 Year, 3.5%, 2/01/47 - 4/01/50	United States	1,830,217	1,782,654
FHLMC Pool, 30 Year, 4%, 5/01/47 - 6/01/52	United States	859,278	861,491
FHLMC Pool, 30 Year, 4.5%, 10/01/48 - 9/01/50	United States	615,975	627,246
			4,819,431
Federal National Mortgage Association (FNMA) Fixed Rate 2.8%			
FNMA, 15 Year, 2%, 8/01/36 - 12/01/36	United States	1,073,694	1,003,706
FNMA, 15 Year, 2.5%, 7/01/36	United States	905,799	866,464
FNMA, 30 Year, 2%, 5/01/51 - 2/01/52	United States	3,995,420	3,482,080
FNMA, 30 Year, 2.5%, 12/01/50 - 12/01/51	United States	3,846,333	3,473,213
FNMA, 30 Year, 3%, 8/01/50 - 11/01/51	United States	2,446,749	2,296,209
FNMA, 30 Year, 3.5%, 6/01/49	United States	308,723	303,201
FNMA, 30 Year, 4%, 2/01/49 - 6/01/52	United States	960,983	955,361
FNMA, 30 Year, 4.5%, 2/01/50	United States	190,044	193,517
^m FNMA, Single-family, 30 Year, 3%, 7/25/52	United States	900,000	838,477
^m FNMA, Single-family, 30 Year, 3.5%, 7/25/52	United States	1,750,000	1,683,418
^m FNMA, Single-family, 30 Year, 4%, 8/25/52	United States	200,000	196,941
^m FNMA, Single-family, 30 Year, 4.5%, 9/25/52	United States	500,000	500,026
^{m,m} FNMA, Single-family, 30 Year, 5%, 9/25/52	United States	200,000	203,192
			15,995,805
Government National Mortgage Association (GNMA) Fixed Rate 0.2%			
GNMA II, Single-family, 30 Year, 3.5%, 2/20/52 - 8/15/52	United States	397,193	386,084
^m GNMA II, Single-family, 30 Year, 4%, 8/15/52	United States	400,000	397,492
^m GNMA II, Single-family, 30 Year, 4.5%, 8/15/52	United States	400,000	404,469
^m GNMA II, Single-family, 30 Year, 5%, 8/15/52	United States	100,000	102,109
			1,290,154
Total Mortgage-Backed Securities (Cost \$23,434,438)			22,105,390
Municipal Bonds 0.9%			
Arizona 0.1%			
Maricopa County Union High School District No. 210-Phoenix, GO, 2020 C, 5%, 7/01/31	United States	200,000	228,499
California 0.5%			
California Health Facilities Financing Authority, State of California Personal Income Tax, Revenue, Senior Lien, 2019, 2.934%, 6/01/32	United States	65,000	57,873
State of California Personal Income Tax, Revenue, Senior Lien, 2019, 2.984%, 6/01/33	United States	55,000	48,410
State of California Personal Income Tax, Revenue, Senior Lien, 2019, 3.034%, 6/01/34	United States	40,000	34,780

Franklin Allocation VIP Fund (continued)

	Country	Principal Amount*	Value
Municipal Bonds (continued)			
California (continued)			
California State University, Revenue, 2021 B, Refunding, 2.719%, 11/01/52	United States	200,000	\$149,260
Clovis Unified School District, GO, 2021 B, Refunding, 3.067%, 8/01/39	United States	1,045,000	868,128
Foothill-Eastern Transportation Corridor Agency, Revenue, 2019 A, Refunding, 4.094%, 1/15/49	United States	35,000	30,725
Gilroy Unified School District, GO, 2019, Refunding, 3.364%, 8/01/47	United States	140,000	111,434
Golden State Tobacco Securitization Corp., Revenue, 2021 B-1, Refunding, 3.85%, 6/01/50	United States	540,000	487,728
San Bernardino Community College District, GO, 2021, Refunding, 2.686%, 8/01/41	United States	485,000	376,955
GO, 2021, Refunding, 2.856%, 8/01/49	United States	285,000	205,061
State of California, GO, 2.5%, 10/01/29	United States	500,000	458,780
			2,829,134
Florida 0.1%			
County of Broward, Airport System, Revenue, 2019 C, Refunding, 3.477%, 10/01/43	United States	70,000	59,125
County of Sarasota, Half-Cent Sales Tax, Revenue, 2020, 5%, 10/01/34	United States	500,000	573,572
			632,697
Illinois 0.0%†			
State of Illinois, GO, 2003, 5.1%, 6/01/33	United States	125,000	125,912
Massachusetts 0.0%†			
Massachusetts State College Building Authority, Revenue, 2019 C, Refunding, 3.373%, 5/01/43	United States	230,000	191,267
New York 0.0%†			
Metropolitan Transportation Authority, Revenue, 2020 E, Refunding, 4%, 11/15/45	United States	95,000	85,501
Ohio 0.0%†			
Greenville City School District, GO, 2019, Refunding, 3.541%, 1/01/51	United States	160,000	134,282
Pennsylvania 0.1%			
Commonwealth Financing Authority, Revenue, 2021 A, 2.991%, 6/01/42	United States	625,000	499,363
University of Pittsburgh-of the Commonwealth System of Higher Education, Revenue, 2017 C, Refunding, 3.005%, 9/15/41	United States	250,000	202,751
			702,114
Texas 0.1%			
City of Austin, Electric Utility, Revenue, 2008, Refunding, AGMC Insured, 6.262%, 11/15/32	United States	335,000	380,160
Total Municipal Bonds (Cost \$6,201,051)			5,309,566

Franklin Allocation VIP Fund (continued)

	Country	Principal Amount*	Value
Residential Mortgage-Backed Securities 0.0%†			
Diversified Financial Services 0.0%†			
^{b,k} PRKCM Trust, 2021-AFC2, A1, 144A, FRN, 2.071%, 11/25/56	United States	93,999	\$80,612
^{b,k} Verus Securitization Trust, 2022-6, A3, 144A, FRN, 4.91%, 6/25/67	United States	100,000	96,655
			177,267
Total Residential Mortgage-Backed Securities (Cost \$176,011)			177,267
Total Long Term Investments (Cost \$561,152,209)			551,604,612
	Number of Contracts	Notional Amount#	
Options Purchased 0.0%†			
Calls - Exchange-Traded			
Options on Interest Rate Futures			
U.S. Treasury 10 Year Notes Futures, July Strike Price \$117.00, Expires 7/22/22	2	200,000	3,844
U.S. Treasury 30 Year Bonds Futures, July Strike Price \$134.50, Expires 7/22/22	1	100,000	4,625
			8,469
Total Options Purchased (Cost \$5,380)			8,469
Short Term Investments 5.2%			
	Country	Shares	Value
Money Market Funds 5.2%			
^o BNY Mellon Institutional Cash Reserve Fund (The)	United States	324,051	324,051
^{o,p} Institutional Fiduciary Trust - Money Market Portfolio, 0.895%	United States	13,636,013	13,636,013
^o JPMorgan 100% U.S. Treasury Securities Money Market Fund, 0.56%	United States	3,425,459	3,425,459
^{o,p} Western Asset Premier Institutional Government Reserves, 1.4%	United States	11,529,697	11,529,697
^{o,p} Western Asset Premier Institutional U.S. Treasury Reserves, 0.9%	United States	856,365	856,365
Total Money Market Funds (Cost \$29,771,584)			29,771,585
Total Short Term Investments (Cost \$29,771,584)			29,771,585
Total Investments (Cost \$590,929,173) 101.2%			\$581,384,666
Options Written (0.0)%†			(50,258)
Other Assets, less Liabilities (1.2)%			(6,459,363)
Net Assets 100.0%			\$574,875,045
	Number of Contracts	Notional Amount#	
Options Written (0.0)%†			
Calls - Exchange-Traded			
Options on Interest Rate Futures			
90-Day Eurodollar Futures, December Strike Price \$96.50, Expires 12/19/22	8	2,000,000	(5,750)
U.S. Treasury 10 Year Notes Futures, July Strike Price \$116.50, Expires 7/22/22	1	100,000	(2,313)

Franklin Allocation VIP Fund (continued)

	Number of Contracts	Notional Amount#	Value
Options Written (continued)			
Calls - Exchange-Traded (continued)			
Options on Interest Rate Futures (continued)			
U.S. Treasury 10 Year Notes Futures, July Strike Price \$117.50, Expires 7/22/22	3	300,000	\$(4,687)
U.S. Treasury 10 Year Notes Futures, July Strike Price \$118.00, Expires 7/22/22	14	1,400,000	(17,281)
U.S. Treasury 10 Year Notes Futures, July Strike Price \$120.00, Expires 7/22/22	1	100,000	(391)
U.S. Treasury 30 Year Bonds Futures, July Strike Price \$138.00, Expires 7/22/22	1	100,000	(2,172)
U.S. Treasury 30 Year Bonds Futures, July Strike Price \$139.00, Expires 7/22/22	1	100,000	(1,656)
U.S. Treasury 5 Year Notes Futures, July Strike Price \$111.00, Expires 7/22/22	1	100,000	(1,461)
U.S. Treasury 5 Year Notes Futures, July Strike Price \$111.50, Expires 7/22/22	4	400,000	(4,344)
U.S. Treasury 5 Year Notes Futures, July Strike Price \$112.00, Expires 7/22/22	12	1,200,000	(9,281)
			<u>(49,336)</u>
Puts - Exchange-Traded			
Options on Interest Rate Futures			
U.S. Treasury 10 Year Notes Futures, July Strike Price \$117.00, Expires 7/22/22	1	100,000	(391)
U.S. Treasury 10 Year Notes Futures, July Strike Price \$117.50, Expires 7/01/22	1	100,000	(31)
U.S. Treasury 30 Year Bonds Futures, July Strike Price \$134.00, Expires 7/22/22	1	100,000	(422)
U.S. Treasury 5 Year Notes Futures, July Strike Price \$110.00, Expires 7/22/22	1	100,000	(78)
			<u>(922)</u>
Total Options Written (Premiums received \$33,156)			<u>\$(50,258)</u>

Franklin Allocation VIP Fund (continued)

Notional amount is the number of units specified in the contract, and can include currency units, bushels, shares, pounds, barrels or other units. Currency units are stated in U.S. dollars unless otherwise indicated.

* The principal amount is stated in U.S. dollars unless otherwise indicated.

† Rounds to less than 0.1% of net assets.

^a Non-income producing.

^b 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 June 30, 2022, the aggregate value of these securities was \$22,904,060, representing 4.0% of net assets.

^c Variable rate security. The rate shown represents the yield at period end.

^d Perpetual security with no stated maturity date.

^e A supranational organization is an entity formed by two or more central governments through international treaties.

^f Principal amount is stated in 100 Mexican Peso Units.

^g Principal amount of security is adjusted for inflation. See Note 1(g).

^h The coupon rate shown represents the rate at period end.

ⁱ The coupon rate shown represents the rate inclusive of any caps or floors, if applicable, in effect at period end.

^j Investment in an interest-only security entitles holders to receive only the interest payment on the underlying instruments. The principal amount shown is the notional amount of the underlying instruments.

^k 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.

^l A portion or all of the security purchased on a delayed delivery basis. See Note 1(c).

^m Security purchased on a to-be-announced (TBA) basis. See Note 1(c).

ⁿ Security purchased on a when-issued basis. See Note 1(c).

^o The rate shown is the annualized seven-day effective yield at period end.

^p See Note 3(e) regarding investments in affiliated management investment companies.

^q See Note 1(d) regarding written options.

Franklin Allocation VIP Fund (continued)

At June 30, 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)
Equity contracts					
S&P 500 E-Mini Index	Long	45	\$8,526,375	9/16/22	\$13,873
Interest rate contracts					
3-month SOFR	Short	8	1,940,900	12/20/22	(2,149)
90-day Eurodollar	Long	38	9,171,763	12/19/22	51,157
U.S. Treasury 10 Year Notes	Short	53	6,282,156	9/21/22	(1,742)
U.S. Treasury 10 Year Notes	Long	55	6,519,219	9/21/22	21,115
U.S. Treasury 10 Year Ultra Notes	Short	16	2,038,000	9/21/22	(76,743)
U.S. Treasury 2 Year Notes	Long	39	8,190,609	9/30/22	70,237
U.S. Treasury 5 Year Notes	Short	12	1,347,000	9/30/22	(34,796)
U.S. Treasury 5 Year Notes	Long	85	9,541,250	9/30/22	190,691
U.S. Treasury Long Bonds	Short	1	138,625	9/21/22	(6,376)
U.S. Treasury Ultra Bonds	Short	8	1,234,750	9/21/22	(61,512)
U.S. Treasury Ultra Bonds	Long	8	1,234,750	9/21/22	(25,291)
Total Futures Contracts					\$138,464

*As of period end.

At June 30, 2022, the Fund had the following forward exchange contracts outstanding. See Note 1(d).

Forward Exchange Contracts

Currency	Counter-party ^a	Type	Quantity	Contract Amount*	Settlement Date	Unrealized Appreciation	Unrealized Depreciation
OTC Forward Exchange Contracts							
Swedish Krona	GSCO	Buy	6,200,000	618,169	7/07/22	\$—	\$(12,081)
Swedish Krona	HSBC	Sell	6,200,000	607,099	7/07/22	1,011	—
Brazilian Real	HSBC	Sell	2,720,000	524,200	7/18/22	6,612	—
Euro	BRCP	Sell	450,000	468,792	7/26/22	—	(3,436)
Euro	JPHQ	Buy	2,190,000	2,327,094	7/26/22	—	(28,920)
Polish Zloty	JPHQ	Sell	2,310,000	506,753	7/27/22	—	(6,960)
Polish Zloty	UBSW	Buy	4,870,000	1,088,071	7/27/22	—	(5,048)
Columbian Peso	JPHQ	Sell	1,550,000,000	376,447	7/28/22	4,740	—
South Korean Won	JPHQ	Buy	50,000,000	38,756	7/28/22	51	—
South Korean Won	JPHQ	Sell	1,060,000,000	837,296	7/28/22	14,596	—
Chilean Peso	JPHQ	Buy	1,010,000,000	1,142,922	8/05/22	—	(49,034)
Chilean Peso	JPHQ	Sell	190,000,000	206,690	8/05/22	909	—
Thai Baht	NAB	Buy	4,500,000	130,514	8/10/22	—	(2,837)
South African Rand	HSBC	Sell	7,900,000	486,618	8/17/22	3,135	—
Hungarian Forint	HSBC	Buy	155,000,000	424,341	8/23/22	—	(18,100)
Mexican Peso	JPHQ	Sell	22,500,000	1,103,414	8/24/22	—	(4,853)
British Pound	HSBC	Sell	470,000	588,368	8/25/22	15,765	—
British Pound	JPHQ	Buy	20,000	23,899	8/25/22	468	—

Franklin Allocation VIP Fund (continued)

Forward Exchange Contracts (continued)

Currency	Counter-party ^a	Type	Quantity	Contract Amount [*]	Settlement Date	Unrealized Appreciation	Unrealized Depreciation
OTC Forward Exchange Contracts (continued)							
Australian Dollar	MSCO	Sell	800,000	558,982	9/07/22	\$6,472	\$—
Malaysian Ringgit	GSCO	Sell	1,380,000	312,394	9/21/22	—	(1,200)
Japanese Yen	JPHQ	Buy	348,000,000	2,651,570	9/26/22	—	(71,582)
Swedish Krona	HSBC	Buy	6,200,000	609,570	10/07/22	—	(989)
Total Forward Exchange Contracts						\$53,759	\$(205,040)
Net unrealized appreciation (depreciation)							\$(151,281)

^aMay be comprised of multiple contracts with the same counterparty, currency and settlement date.
^{*}In U.S. dollars unless otherwise indicated.

At June 30, 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 ^(a)	Value	Unamortized Upfront Payments (Receipts)	Unrealized Appreciation (Depreciation)	Rating ^(b)
Centrally Cleared Swap Contracts									
Contracts to Sell Protection ^{(c)(d)}									
Traded Index									
CDX.NA.IG.38	1.00%	Quarterly		6/20/27	12,000,000	\$3,333	\$13,631	\$(10,298)	Investment Grade
Total Centrally Cleared Swap Contracts						\$3,333	\$13,631	\$(10,298)	
OTC Swap Contracts									
Contracts to Sell Protection ^{(c)(d)}									
Single Name									
Mexico									
Government									
Bond	1.00%	Quarterly	GSCO	6/20/26	575,000	(10,482)	1,328	(11,810)	BBB
Total OTC Swap Contracts						\$(10,482)	\$1,328	\$(11,810)	
Total Credit Default Swap Contracts						\$(7,149)	\$14,959	\$(22,108)	

^(a)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.

^(b)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.

^(c)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.

^(d)The fund enters contracts to sell protection to create a long credit position.

At June 30, 2022, the Fund had the following interest rate swap contracts outstanding. See Note 1(d).

Franklin Allocation VIP Fund (continued)

Interest Rate Swap Contracts

Description	Payment Frequency	Counter- party	Maturity Date	Notional Amount ^a	Value	Unamortized Upfront Payments (Receipts)	Unrealized Appreciation (Depreciation)
Centrally Cleared Swap Contracts							
Receive Floating 1-day SOFR	Annual						
Pay Fixed 3.27%	Annual		4/30/29	2,617,000	\$(75,429)	\$(75,429)	\$—
Receive Floating 1-day SOFR	Annual						
Pay Fixed 2.62%	Annual		2/15/48	1,530,000	29,694	29,694	—
Total Interest Rate Swap Contracts					\$(45,735)	\$(45,735)	\$—

^(a)In U.S. dollars unless otherwise indicated.

See Note 9 regarding other derivative information.

See Abbreviations on page FA-64.

Statement of Assets and Liabilities

June 30, 2022 (unaudited)

	Franklin Allocation VIP Fund
Assets:	
Investments in securities:	
Cost - Unaffiliated issuers	\$564,907,098
Cost - Non-controlled affiliates (Note 3e)	26,022,075
Value - Unaffiliated issuers	\$555,362,591
Value - Non-controlled affiliates (Note 3e)	26,022,075
Cash	276,945
Foreign currency, at value (cost \$369,459)	368,680
Receivables:	
Investment securities sold	13,181,363
Capital shares sold	198,379
Dividends and interest	2,028,747
Deposits with brokers for:	
Futures contracts	789,695
Centrally cleared swap contracts	360,702
Variation margin on centrally cleared swap contracts	12,458
OTC swap contracts (upfront payments \$1,623)	1,328
Unrealized appreciation on OTC forward exchange contracts	53,759
Total assets	<u>598,656,722</u>
Liabilities:	
Payables:	
Investment securities purchased	21,835,597
Capital shares redeemed	731,972
Management fees	205,626
Distribution fees	148,610
Trustees' fees and expenses	613
Variation margin on futures contracts	297,864
Unrealized depreciation on OTC swap contracts	11,810
Options written, at value (premiums received \$33,156)	50,258
Unrealized depreciation on OTC forward exchange contracts	205,040
Deferred tax	8,813
Accrued expenses and other liabilities	285,474
Total liabilities	<u>23,781,677</u>
Net assets, at value	<u>\$574,875,045</u>
Net assets consist of:	
Paid-in capital	\$567,259,988
Total distributable earnings (losses)	7,615,057
Net assets, at value	<u>\$574,875,045</u>

Statement of Assets and Liabilities (continued)

June 30, 2022 (unaudited)

	Franklin Allocation VIP Fund
Class 1:	
Net assets, at value	\$710,010
Shares outstanding	161,065
Net asset value and maximum offering price per share	<u>\$4.41</u>
Class 2:	
Net assets, at value	\$237,959,516
Shares outstanding	54,475,838
Net asset value and maximum offering price per share	<u>\$4.37</u>
Class 4:	
Net assets, at value	\$336,205,519
Shares outstanding	73,988,403
Net asset value and maximum offering price per share	<u>\$4.54</u>

Statement of Operations

for the six months ended June 30, 2022 (unaudited)

	Franklin Allocation VIP Fund
Investment income:	
Dividends: (net of foreign taxes of \$215,637)	
Unaffiliated issuers	\$4,007,321
Non-controlled affiliates (Note 3e)	31,818
Interest: (net of foreign taxes of \$940)	
Unaffiliated issuers	2,392,038
Total investment income	<u>6,431,177</u>
Expenses:	
Management fees (Note 3a)	1,756,500
Distribution fees: (Note 3c)	
Class 2	333,523
Class 4	649,506
Custodian fees (Note 4)	8,813
Reports to shareholders fees	44,807
Professional fees	58,341
Trustees' fees and expenses	3,733
Other	43,744
Total expenses	2,898,967
Expense reductions (Note 4)	(21)
Expenses waived/paid by affiliates (Note 3e and 3f)	<u>(123,347)</u>
Net expenses	2,775,599
Net investment income	<u>3,655,578</u>
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Investments: (net of foreign taxes of \$6,411)	
Unaffiliated issuers	25,754,557
Non-controlled affiliates (Note 3e)	(1,396,313)
Written options	1,353
Foreign currency transactions	8,642
Forward exchange contracts	(78,219)
Futures contracts	(3,269,363)
Swap contracts	(11,332)
Net realized gain (loss)	<u>21,009,325</u>
Net change in unrealized appreciation (depreciation) on:	
Investments:	
Unaffiliated issuers	(144,753,984)
Non-controlled affiliates (Note 3e)	1,151,023
Translation of other assets and liabilities denominated in foreign currencies	9,508
Written options	(17,102)
Forward exchange contracts	(151,281)
Futures contracts	66,848
Swap contracts	(18,342)
Change in deferred taxes on unrealized appreciation	20,607
Net change in unrealized appreciation (depreciation)	<u>(143,692,723)</u>
Net realized and unrealized gain (loss)	<u>(122,683,398)</u>
Net increase (decrease) in net assets resulting from operations	<u>\$(119,027,820)</u>

Statements of Changes in Net Assets

	Franklin Allocation VIP Fund	
	Six Months Ended June 30, 2022 (unaudited)	Year Ended December 31, 2021
Increase (decrease) in net assets:		
Operations:		
Net investment income	\$3,655,578	\$5,721,145
Net realized gain (loss)	21,009,325	66,714,704
Net change in unrealized appreciation (depreciation)	(143,692,723)	11,744,579
Net increase (decrease) in net assets resulting from operations	(119,027,820)	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	96,420	(44,550)
Class 2	13,923,515	(128,346,341)
Class 4	25,358,420	(29,324,411)
Total capital share transactions	39,378,355	(157,715,302)
Net increase (decrease) in net assets	(146,800,601)	(87,142,912)
Net assets:		
Beginning of period	721,675,646	808,818,558
End of period	\$574,875,045	\$721,675,646

Notes to Financial Statements (unaudited)

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 and applies the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP). 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 June 30, 2022, 44.3% 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 Fund's administrator has responsibility for oversight of valuation, 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.

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, book values, 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

Franklin Allocation VIP Fund (continued)

1. Organization and Significant Accounting Policies (continued)

a. Financial Instrument Valuation (continued)

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 June 30, 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 When-Issued or Delayed Delivery and TBA Basis

The Fund purchases securities on a when-issued or 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.

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

Franklin Allocation VIP Fund (continued)

1. Organization and Significant Accounting Policies (continued)

d. Derivative Financial Instruments (continued)

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 June 30, 2022, the Fund had OTC derivatives in a net liability position for such contracts of \$215,522.

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 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

Franklin Allocation VIP Fund (continued)

1. Organization and Significant Accounting Policies (continued)

d. Derivative Financial Instruments (continued)

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 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 depreciation and appreciation 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 (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

Franklin Allocation VIP Fund (continued)

1. Organization and Significant Accounting Policies (continued)

f. Income and Deferred Taxes (continued)

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 June 30, 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 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.

Franklin Allocation VIP Fund (continued)

2. Shares of Beneficial Interest

At June 30, 2022, there were an unlimited number of shares authorized (without par value). Transactions in the Fund's shares were as follows:

	Six Months Ended June 30, 2022		Year Ended December 31, 2021	
	Shares	Amount	Shares	Amount
Class 1 Shares:				
Shares sold	4,496	\$24,526	11,749	\$68,109
Shares issued in reinvestment of distributions	19,526	86,111	2,704	15,547
Shares redeemed	(2,588)	(14,217)	(22,563)	(128,206)
Net increase (decrease)	21,434	\$96,420	(8,110)	\$(44,550)
Class 2 Shares:				
Shares sold	1,500,739	\$8,051,897	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	(4,236,715)	(22,618,235)	(26,406,666)	(149,444,932)
Net increase (decrease)	3,783,440	\$13,923,515	(22,693,254)	\$(128,346,341)
Class 4 Shares:				
Shares sold	1,264,895	\$7,114,575	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	(3,644,251)	(20,331,327)	(8,025,411)	(47,473,403)
Net increase (decrease)	6,098,704	\$25,358,420	(4,958,487)	\$(29,324,411)

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

Franklin Allocation VIP Fund (continued)

3. Transactions with Affiliates (continued)

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.

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 period ended June 30, 2022, the Fund held investments in affiliated management investment companies as follows:

Franklin Allocation VIP Fund (continued)

3. Transactions with Affiliates (continued)

e. Investments in Affiliated Management Investment Companies (continued)

	Value at Beginning of Period	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Period	Number of Shares Held at End of Period	Investment Income
Franklin Allocation VIP Fund								
Non-Controlled Affiliates								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 0.895%	\$18,002,980	\$153,857,112	\$(158,224,079)	\$—	\$—	\$13,636,013	13,636,013	\$30,979
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, 1.4%	—	39,637,514	(28,107,817)	—	—	11,529,697	11,529,697	—
Western Asset Premier Institutional U.S. Treasury Reserves, Class Premium, 0.9%	—	19,734,956	(18,878,591)	—	—	856,365	856,365	839
Total Affiliated Securities . . .	\$25,065,290	\$213,229,582	\$(212,027,507)	\$(1,396,313)	\$1,151,023	\$26,022,075		\$31,818

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 period ended June 30, 2022, the custodian fees were reduced as noted in the Statement of Operations.

5. Income Taxes

At June 30, 2022, the cost of investments and net unrealized appreciation (depreciation) for income tax purposes were as follows:

Cost of investments	\$596,898,740
Unrealized appreciation.	\$39,995,537
Unrealized depreciation.	(55,625,569)
Net unrealized appreciation (depreciation).	\$(15,630,032)

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

Franklin Allocation VIP Fund (continued)

6. Investment Transactions

Purchases and sales of investments (excluding short term securities) for the period ended June 30, 2022, aggregated \$455,722,545 and \$457,443,503, 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.

9. Other Derivative Information

At June 30, 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
Franklin Allocation VIP Fund				
Interest rate contracts				
	Investments in securities, at value	\$8,469 ^a	Options written, at value	\$50,258
	Variation margin on futures contracts	333,200 ^b	Variation margin on futures contracts	208,609 ^b
	Variation margin on centrally cleared swap contracts	— ^c	Variation margin on centrally cleared swap contracts	— ^c
Foreign exchange contracts . . .				
	Unrealized appreciation on OTC forward exchange contracts	53,759	Unrealized depreciation on OTC forward exchange contracts	205,040
Credit contracts.				
	Variation margin on centrally cleared swap contracts	—	Variation margin on centrally cleared swap contracts	10,298 ^c
	OTC swap contracts (upfront payments)	1,328	OTC swap contracts (upfront receipts)	—
	Unrealized appreciation on OTC swap contracts	—	Unrealized depreciation on OTC swap contracts	11,810
Equity contracts				
	Variation margin on futures contracts	13,873 ^b	Variation margin on futures contracts	—
Total		<u>\$410,629</u>		<u>\$486,015</u>

Franklin Allocation VIP Fund (continued)

9. Other Derivative Information (continued)

^aPurchased option contracts are included in the net change in unrealized appreciation (depreciation) on investments in the Statement of Assets and Liabilities.

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

^cThis 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 period end is separately reported within the Statement of Assets and Liabilities. Prior variation margin movements were recorded to cash upon receipt or payment.

For the period ended June 30, 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 Period	Statement of Operations Location	Net Change in Unrealized Appreciation (Depreciation) for the Period
Franklin Allocation VIP Fund				
	Net realized gain (loss) from:		Net change in unrealized appreciation (depreciation) on:	
Interest rate contracts				
	Investments	\$—	Investments	\$3,089 ^a
	Written options	1,353	Written options	(17,102)
	Futures contracts	668,421	Futures contracts	309,727
Foreign exchange contracts				
	Forward exchange contracts	(78,219)	Forward exchange contracts	(151,281)
Credit contracts				
	Swap contracts	(11,332)	Swap contracts	(18,342)
Equity Contracts				
	Futures contracts	(3,937,784)	Futures contracts	(242,879)
Total		<u>\$(3,357,561)</u>		<u>\$(116,788)</u>

^aPurchased option contracts are included in the net change in unrealized appreciation (depreciation) on investments in the Statement of Operations.

For the period ended June 30, 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:

	Franklin Allocation VIP Fund
Futures contracts	\$39,889,079
Swap Contracts	3,113,857
Forward exchange contracts	4,226,748
Options	928,571

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 matures 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.

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 period ended June 30, 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 June 30, 2022, in valuing the Fund's assets and liabilities carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
Franklin Allocation VIP Fund				
Assets:				
Investments in Securities:				
Common Stocks:				
Aerospace & Defense	\$9,110,140	\$3,687,905	\$—	\$12,798,045
Air Freight & Logistics	3,173,093	1,002,124	—	4,175,217
Airlines	119,269	258,008	—	377,277
Auto Components	670,430	1,948,569	—	2,618,999
Automobiles	1,520,785	2,090,384	—	3,611,169
Banks	8,342,216	8,456,575	—	16,798,791
Beverages	4,752,365	1,020,104	—	5,772,469
Biotechnology	3,807,389	2,666,902	—	6,474,291
Building Products	996,720	461,928	—	1,458,648
Capital Markets	6,541,831	3,515,562	—	10,057,393
Chemicals	5,578,771	4,094,821	—	9,673,592
Commercial Services & Supplies	630,609	45,164	—	675,773
Communications Equipment	3,540,855	124,488	—	3,665,343
Construction & Engineering	—	330,458	—	330,458
Construction Materials	1,031,780	570,863	—	1,602,643
Consumer Finance	2,489,391	—	—	2,489,391
Containers & Packaging	220,825	—	—	220,825
Distributors	113,449	—	—	113,449
Diversified Financial Services	2,395,205	668,087	—	3,063,292
Diversified Telecommunication Services	701,804	2,023,809	—	2,725,613
Electric Utilities	3,171,763	1,072,791	—	4,244,554
Electrical Equipment	2,387,431	392,029	—	2,779,460
Electronic Equipment, Instruments & Components	3,967,609	509,166	—	4,476,775

Franklin Allocation VIP Fund (continued)

11. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
Franklin Allocation VIP Fund (continued)				
Assets: (continued)				
Investments in Securities:				
Common Stocks:				
Energy Equipment & Services	\$—	\$861,774	\$—	\$861,774
Entertainment	1,582,256	1,304,480	—	2,886,736
Equity Real Estate Investment Trusts (REITs)	4,939,955	858,569	—	5,798,524
Food & Staples Retailing	1,329,563	1,274,058	—	2,603,621
Food Products	1,990,742	1,568,679	—	3,559,421
Gas Utilities	104,755	358,324	—	463,079
Health Care Equipment & Supplies	6,757,183	2,705,221	—	9,462,404
Health Care Providers & Services	9,671,575	749,866	—	10,421,441
Health Care Technology	248,940	—	—	248,940
Hotels, Restaurants & Leisure	3,111,561	502,232	—	3,613,793
Household Durables	151,574	1,062,596	—	1,214,170
Household Products	1,396,779	—	—	1,396,779
Independent Power and Renewable Electricity Producers	302,351	107,255	—	409,606
Industrial Conglomerates	1,155,121	2,420,701	—	3,575,822
Insurance	5,046,665	3,405,117	—	8,451,782
Interactive Media & Services	10,179,398	127,669	—	10,307,067
Internet & Direct Marketing Retail	7,205,567	1,980,599	—	9,186,166
IT Services	10,325,942	3,675,434	—	14,001,376
Leisure Products	—	84,213	—	84,213
Life Sciences Tools & Services	5,530,227	1,201,209	—	6,731,436
Machinery	6,465,135	1,162,458	—	7,627,593
Marine	—	232,347	—	232,347
Media	4,394,457	2,666,094	—	7,060,551
Metals & Mining	425,575	2,375,001	—	2,800,576
Multiline Retail	235,009	381,643	—	616,652
Multi-Utilities	3,848,119	721,154	—	4,569,273
Oil, Gas & Consumable Fuels	8,077,135	5,896,672	—	13,973,807
Paper & Forest Products	78,091	—	—	78,091
Personal Products	141,425	976,990	—	1,118,415
Pharmaceuticals	8,753,905	7,683,616	—	16,437,521
Professional Services	1,769,019	2,312,749	—	4,081,768
Real Estate Management & Development	245,530	617,797	—	863,327
Road & Rail	2,692,590	345,784	—	3,038,374
Semiconductors & Semiconductor Equipment	10,245,853	3,543,727	—	13,789,580
Software	25,830,486	2,174,374	—	28,004,860
Specialty Retail	4,128,590	219,432	—	4,348,022
Technology Hardware, Storage & Peripherals	8,235,843	1,229,992	—	9,465,835
Textiles, Apparel & Luxury Goods	1,472,604	1,369,186	—	2,841,790
Thrifts & Mortgage Finance	—	703,604	—	703,604
Tobacco	424,508	1,372,951	—	1,797,459
Trading Companies & Distributors	1,618,545	1,578,138	—	3,196,683
Water Utilities	240,859	—	—	240,859
Wireless Telecommunication Services	150,416	677,864	—	828,280
Management Investment Companies	12,253,569	—	—	12,253,569
Preferred Stocks	—	194,281	—	194,281
Private Limited Partnership Funds	1,643,367	—	—	1,643,367
Corporate Bonds	—	60,135,362	—	60,135,362
Foreign Government and Agency Securities	—	10,935,187	—	10,935,187
U.S. Government and Agency Securities	—	110,542,484	—	110,542,484
Asset-Backed Securities	—	3,686,464	—	3,686,464
Commercial Mortgage-Backed Securities	—	1,424,791	—	1,424,791
Mortgage-Backed Securities	—	22,105,390	—	22,105,390

Franklin Allocation VIP Fund (continued)

11. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
Franklin Allocation VIP Fund (continued)				
Assets: (continued)				
Investments in Securities:				
Common Stocks:				
Municipal Bonds	\$—	\$5,309,566	\$—	\$5,309,566
Residential Mortgage-Backed Securities	—	177,267	—	177,267
Options purchased	8,469	—	—	8,469
Short Term Investments	29,771,585	—	—	29,771,585
Total Investments in Securities	\$269,444,568	\$311,940,098 ^a	\$—	\$581,384,666
Other Financial Instruments:				
Forward exchange contracts	\$—	\$53,759	\$—	\$53,759
Futures contracts	347,073	—	—	347,073
Total Other Financial Instruments	\$347,073	\$53,759	\$—	\$400,832
Liabilities:				
Other Financial Instruments:				
Options written	\$50,258	\$—	\$—	\$50,258
Forward exchange contracts	—	205,040	—	205,040
Futures contracts	208,609	—	—	208,609
Swap contracts	—	22,108	—	22,108
Total Other Financial Instruments	\$258,867	\$227,148	\$—	\$486,015

^a Includes foreign securities valued at \$97,326,115, 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 Financial Accounting Standards Board (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, the FASB issued ASU No. 2021-01, 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, 2022. 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, 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 is currently evaluating the impact, if any, of applying this ASU.

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.

Franklin Allocation VIP Fund (continued)

Abbreviations

Counterparty

BRCP	Barclays Capital, Inc.
GSCO	Goldman Sachs Group, Inc.
HSBC	HSBC Bank USA, NA
JPHQ	JPMorgan Chase Bank NA
MSCO	Morgan Stanley
NAB	National Australia Bank Ltd.
UBSW	UBS AG

Selected Portfolio (continued)

SOFR	Secured Overnight Financing Rate
TIPS	Treasury Inflation Protected Securities

Currency

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

Index

CDX.NA.IG.

Series number CDX North America Investment Grade Index

Selected Portfolio

ADR	American Depositary Receipt
AGMC	Assured Guaranty Municipal Corp.
CDI	CREST Depository Interest
CLO	Collateralized Loan Obligation
ETF	Exchange-Traded Fund
FHLMC	Federal Home Loan Mortgage Corp.
FNMA	Federal National Mortgage Association
FRN	Floating Rate Note
GNMA	Government National Mortgage Association
GO	General Obligation
LIBOR	London Inter-Bank Offered Rate
NYRS	New York Registry Shares
REIT	Real Estate Investment Trust
SDR	Swedish Depository Receipt

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 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 Bond 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 Bond 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, Fitch and Standard & Poor's 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 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 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.

Shareholder Information

Board Approval of Investment Management Agreements

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST

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 Mutual Global Discovery VIP Fund
Franklin Mutual Shares VIP Fund
Franklin Rising Dividends VIP Fund
Franklin Small Cap Value 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
 (each a Fund)

At an in-person meeting held on April 12, 2022 (Meeting), the Board of Trustees (Board) of Franklin Templeton Variable Insurance Products Trust (Trust), including a majority of the trustees who are not “interested persons” as defined in the Investment Company Act of 1940 (Independent Trustees), reviewed and approved the continuance of the (i) investment management agreement between Franklin Advisers, Inc. (FAV) and the Trust, on behalf of each of Franklin Allocation VIP Fund, Franklin DynaTech Growth 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, and Templeton Global Bond VIP Fund; (ii) the investment sub-advisory agreement between FAV and Franklin Templeton Institutional, LLC (FTIL), an affiliate of FAV, on behalf of Franklin Allocation VIP Fund; (iii) the investment sub-advisory agreement between FAV and Templeton Global Advisors Limited (TGAL), an affiliate of FAV, on behalf of Franklin Allocation VIP Fund; (iv) the investment sub-advisory agreement between FAV and Brandywine Global Investment Management, LLC (BGIM), an affiliate of FAV, on behalf of Franklin Allocation VIP Fund; (v) the investment sub-advisory agreement between FAV

and ClearBridge Investments, LLC (CIL), an affiliate of FAV, on behalf of Franklin Allocation VIP Fund; (vi) the investment sub-advisory agreement between FAV and Western Asset Management Company, LLC (WAMC), an affiliate of FAV, on behalf of Franklin Allocation VIP Fund; (vii) the investment sub-advisory agreement between FAV and Western Asset Management Company Limited (WAMCL), an affiliate of FAV, on behalf of Franklin Allocation VIP Fund; (viii) the investment management agreement between FTIL and the Trust, on behalf of Franklin Global Real Estate VIP Fund; (ix) the investment management agreement between Franklin Mutual Advisers, LLC (FMA) and the Trust, on behalf of each of Franklin Mutual Global Discovery VIP Fund, Franklin Mutual Shares VIP Fund and Franklin Small Cap Value VIP Fund; (x) the investment management agreement between Templeton Asset Management Ltd. (TAML) and the Trust, on behalf of Templeton Developing Markets VIP Fund; (xi) the investment sub-advisory agreement between TAML and Franklin Templeton Investment Management Ltd. (FTIML), on behalf of Templeton Developing Markets VIP Fund; (xii) the investment management agreement between Templeton Investment Counsel, LLC (TICL) and the Trust, on behalf of Templeton Foreign VIP Fund; and (xiii) the investment management agreement between TGAL and the Trust, on behalf of Templeton Growth VIP Fund (each a Management Agreement) for an additional one-year period. The Independent Trustees received advice from and met separately with Independent Trustee counsel in considering whether to approve the continuation of each Management Agreement. Although the Management Agreements for the Funds were considered at the same Board meeting, the Board considered the information provided to it about the Funds together and with respect to each Fund separately as the Board deemed appropriate. BGIM, CIL, FAV, FTIL, FTIML, FMA, TAML, TICL, TGAL, WAMC and WAMCL are each referred to herein as a Manager.

In considering the continuation of each Management Agreement, the Board reviewed and considered information provided by each Manager at the Meeting and throughout the year at meetings of the Board and its committees. The Board also reviewed and considered information provided in response to a detailed set of requests for information submitted to each Manager by Independent Trustee counsel on behalf of the Independent Trustees in connection with the annual contract renewal process. In addition, prior to the Meeting, the Independent Trustees held a virtual contract renewal meeting at which the Independent Trustees first conferred amongst themselves and Independent Trustee counsel about contract renewal matters; and then met

with management to request additional information that the Independent Trustees reviewed and considered at the Meeting. The Board reviewed and considered all of the factors it deemed relevant in approving the continuance of each Management Agreement, including, but not limited to: (i) the nature, extent and quality of the services provided by each Manager; (ii) the investment performance of each Fund; (iii) the costs of the services provided and profits realized by each Manager and its affiliates from the relationship with each Fund; (iv) the extent to which economies of scale are realized as each Fund grows; and (v) whether fee levels reflect these economies of scale for the benefit of Fund investors.

In approving the continuance of each Management Agreement, the Board, including a majority of the Independent Trustees, determined that the terms of each Management Agreement are fair and reasonable and that the continuance of such Management Agreement is in the best interests of the applicable Fund and its shareholders. While attention was given to all information furnished, the following discusses some primary factors relevant to the Board's determination.

Nature, Extent and Quality of Services

The Board reviewed and considered information regarding the nature, extent and quality of investment management services provided by each Manager and its affiliates to the Funds and their shareholders. This information included, among other things, the qualifications, background and experience of the senior management and investment personnel of each Manager; as well as information on succession planning where appropriate; the structure of investment personnel compensation; oversight of third-party service providers; investment performance reports and related financial information for each Fund; reports on expenses and shareholder services; legal and compliance matters; risk controls; pricing and other services provided by each Manager and its affiliates; and management fees charged by each Manager and its affiliates to US funds and other accounts, including management's explanation of differences among accounts where relevant. The Board also reviewed and considered an annual report on payments made by Franklin Templeton (FT) or the Funds to financial intermediaries, as well as a memorandum relating to third-party servicing arrangements, which included discussion of the changing distribution landscape for the Funds. The Board acknowledged the ongoing integration of the Legg Mason family of funds into the FT family of funds and developing strategies to address areas of heightened concern in the mutual fund industry, including various regulatory initiatives and recent geopolitical concerns.

The Board also reviewed and considered the benefits provided to Fund shareholders of investing in a fund that is part of the FT family of funds. The Board noted the financial position of Franklin Resources, Inc. (FRI), the Managers' parent, and its commitment to the mutual fund business as evidenced by its reassessment of the fund offerings in response to the market environment and project initiatives and capital investments relating to the services provided to the Funds by the FT organization. The Board specifically noted FT's commitment to being a global leader in stewardship and sustainability and the recent addition of a senior executive focused on environmental, social and governance and climate control initiatives.

Following consideration of such information, the Board was satisfied with the nature, extent and quality of services provided by each Manager and its affiliates to the Funds and their shareholders.

Fund Performance

The Board reviewed and considered the performance results of each Fund over various time periods ended January 31, 2022. The Board considered the performance returns for each Fund in comparison to the performance returns of mutual funds deemed comparable to the Fund included in a universe (Performance Universe) selected by Broadridge Financial Solutions, Inc. (Broadridge), an independent provider of investment company data. The Board received a description of the methodology used by Broadridge to select the mutual funds included in a Performance Universe. The Board also reviewed and considered Fund performance reports provided and discussions that occurred with portfolio managers at Board meetings throughout the year. A summary of each Fund's performance results is below.

Franklin Allocation VIP Fund - The Performance Universe for the Fund included the Fund and all mixed-asset target allocation growth funds underlying variable insurance products (VIPs). The Board noted that the Fund's annualized income return for the one-, three-, five- and 10-year periods was above the median of its Performance Universe. The Board also noted that the Fund's annualized total return for the one-, three-, five- and 10-year periods was below the median of its Performance Universe. The Board discussed the Fund's performance with management and management explained that the Fund maintains a strategic equity asset allocation that is on the lower end of its peers that comprise the Performance Universe, which has negatively impacted the Fund's relative returns in a risk-on market environment in recent years. Management reminded the Board that, effective May 1, 2019, the Fund was repositioned to a direct investment fund with an actively managed allocation strategy which is not reflected in the Fund's longer-term performance.

Management then discussed with the Board the actions that are being taken in an effort to address the sources of the Fund's underperformance, including enhancements made to the Fund's investment strategies. The Board concluded that the Fund's Management Agreement should be continued for an additional one-year period, and management's efforts should continue to be closely monitored.

Franklin Income VIP Fund - The Performance Universe for the Fund included the Fund and all flexible portfolio funds underlying VIPs. The Board noted that the Fund's annualized income return for the one-, three-, five- and 10-year periods was above the median of its Performance Universe. The Board also noted that the Fund's annualized total return for the one- and 10-year periods was above the median of its Performance Universe, but for the three- and five-year periods was below the median of its Performance Universe. The Board considered the income-related attributes of the Fund (such as a fund's investment objective and/or investment strategy) and that the evaluation of the Fund's performance relative to its peers on an income return basis was appropriate given the Fund's income-related attributes and investor expectations. The Board concluded that the Fund's performance was satisfactory.

Franklin Strategic Income VIP Fund and Franklin U.S. Government Securities VIP Fund - The Performance Universe for the Franklin Strategic Income VIP Fund included the Fund and all multi-sector income funds underlying VIPs. The Performance Universe for the Franklin U.S. Government Securities VIP Fund included the Fund and all intermediate US government funds underlying VIPs. The Board noted that each Fund's annualized income return for the one-, three-, five- and 10-year periods was above the median of its respective Performance Universe. The Board also noted that each Fund's annualized total return for the three-, five- and 10-year periods was below the median of its respective Performance Universe, but for the one-year period was above the median of the Fund's respective Performance Universe. The Board further noted the Franklin U.S. Government Securities VIP Fund's conservative policy of investing substantially all of its assets in Ginnie Mae obligations. The Board considered the income-related attributes of each Fund (such as a fund's investment objective and/or investment strategy) and that the evaluation of the Fund's performance relative to its peers on an income return basis was appropriate given the Fund's income-related attributes and investor expectations. The Board concluded that each Fund's performance was satisfactory.

Templeton Global Bond VIP Fund - The Performance Universe for the Fund included the Fund and all global income funds underlying VIPs. The Board noted that the Fund's annualized income return for the three-, five- and 10-year periods was above the median of its Performance Universe, but for the one-year period was below the median of its Performance Universe. The Board also noted that the Fund's annualized total return for the three-, five-, and 10-year periods was below the median of its Performance Universe, but for the one-year period was equal to the median of its Performance Universe. The Board discussed this performance with management and management explained that the Fund's relative underperformance in comparison to its Performance Universe over the three- and five-year reporting periods was largely due to the Fund's performance in 2019 and 2020. Management further explained that the underperformance was driven by the Fund's defensive positioning amid the pandemic, which restrained the Fund's participation in the risk asset rallies in the second half of 2020. Management also explained that the Fund's long exposure to emerging market local currency assets and short exposure to US Treasury duration during the three- and five-year reporting periods detracted from the Fund's relative performance versus the Performance Universe. Management further explained that after vaccines were approved toward the end of 2020 management significantly repositioned the Fund's strategies back towards risk allocations and expanded on that risk positioning throughout 2021, emphasizing specific currencies against the US dollar and the euro, as well as local currency bonds in a select set of emerging markets. Management further explained the steps the portfolio management team is taking in an effort to improve the Fund's peer rankings across all reporting periods and reduce the impact of the Fund's relative underperformance in 2019 and 2020. The Board noted management's continued confidence in the Fund's portfolio management team, commitment to an enhanced investment process for the benefit of Fund shareholders and commitment to have ongoing conversations with the Board regarding management's strategies for addressing the performance of the global macro funds as a whole. Based on the foregoing, the Board concluded that the Fund's Management Agreement should be continued for an additional one-year period, and that management's efforts and the recent improved performance of the Fund should continue to be closely monitored.

Franklin Growth and Income VIP Fund - The Performance Universe for the Fund included the Fund and all equity income funds underlying VIPs. The Board noted that the Fund's annualized income return and annualized total return for the one-, three-, five- and 10-year periods were above the medians of its Performance Universe. The Board concluded that the Fund's performance was satisfactory.

Franklin DynaTech VIP Fund, Franklin Mutual Shares VIP Fund, Templeton Foreign VIP Fund and Templeton Growth VIP Fund - The Performance Universe for the Franklin DynaTech VIP Fund included the Fund and all large-cap growth funds underlying VIPs. The Performance Universe for the Franklin Mutual Shares VIP Fund included the Fund and all multi-cap value funds underlying VIPs. The Performance Universe for the Templeton Foreign VIP Fund included the Fund and all international multi-cap value funds underlying VIPs. The Performance Universe for the Templeton Growth VIP Fund included the Fund and all global multi-cap value funds underlying VIPs. The Board noted that each Fund's annualized total return for the one-, three-, five and 10-year periods was below the median of its respective Performance Universe. The Board further noted that, effective May 1, 2021, the Franklin DynaTech VIP Fund changed its name, investment strategy, and primary benchmark to align with the Franklin DynaTech Fund and that it would need more time to assess the implication of these changes on Fund performance.

The Board also noted management's explanation that the Franklin Mutual Shares VIP Fund's underperformance in 2017 was material and continues to adversely impact the Fund's ranking over longer-term periods. Management reminded the Board of the primary factors that impacted the 2017 performance, including, among factors, exposure to non-US equities and stock selection. Management explained that the Fund has a more value oriented tilt and underweight position in US securities as compared to its Performance Universe, both of which detracted from the Fund's relative performance during a period of historic and sustained outperformance of growth over value. Management further explained that key detractors from the Fund's three-year performance included the Fund's stock selection in the financials and industrials sectors and the Fund's underweight position in the industrials sector. Management reviewed with the Board ongoing enhancements to the Fund's investment team and processes in an effort to improve performance.

The Board discussed Templeton Foreign VIP Fund's performance with management and management explained the Fund's relative performance over the reporting periods was negatively impacted by the Fund's overweight positions in cash and the information technology and energy sectors,

and underweight positions in the financials, consumer staples and communication services sectors as compared to the Performance Universe. Management then noted that the Fund outperformed its benchmark, the MSCI All Country World ex-US Index-NR, for the one-year period, more than doubling the gains of the index. Management discussed with the Board the actions that are being taken in an effort to improve the performance of the Fund and the global equity funds as a whole. Management specifically highlighted the strategic initiatives being undertaken in the Templeton Global Equity Group, including enhancements to the leadership of the group and the commitment of additional resources important to delivering sustainable returns.

The Board discussed Templeton Growth VIP Fund's performance with management and management explained that the Fund's relative performance over the reporting periods was negatively impacted by the Fund's overweight positions in cash and the consumer discretionary sector and underweight position in the financials sector as compared to the Performance Universe. Management also explained that the Fund's one-year relative underperformance was primarily attributable to stock-specific weakness and underweight allocations in the US market and the information technology sector. Management then discussed with the Board the actions that are being taken in an effort to improve the performance of the Fund and the global equity funds as a whole. Management specifically highlighted the strategic initiatives being undertaken in the Templeton Global Equity Group, including enhancements to the leadership of the group and the commitment of additional resources important to delivering sustainable returns.

The Board concluded that the Funds' Management Agreements should be continued for an additional one-year period, and management's efforts should continue to be closely monitored.

Franklin Global Real Estate VIP Fund - The Performance Universe for the Fund included the Fund and all global real estate funds underlying VIPs. The Board noted that the Fund's annualized total return for the one- and 10-year periods was above the median of its Performance Universe, but for the three- and five-year periods was below the median of its Performance Universe. The Board further noted that, while below the median, the Fund's three- and five-year annualized total returns were 7.98% and 7.55%, respectively. The Board concluded that the Fund's performance was satisfactory.

Franklin Large Cap Growth VIP Fund - The Performance Universe for the Franklin Large Cap Growth VIP Fund included the Fund and all multi-cap growth funds underlying VIPs. The Board noted that the Fund's annualized total return for the one-, three- and five-year periods was above the median of its Performance Universe, but for the 10-year period was below the median of its Performance Universe. The Board concluded that the Fund's performance was satisfactory.

Templeton Developing Markets VIP Fund and Franklin Small Cap Value VIP Fund - The Performance Universe for the Templeton Developing Markets VIP Fund included the Fund and all emerging markets funds underlying VIPs. The Performance Universe for the Franklin Small Cap Value VIP Fund included the Fund and all small-cap value funds underlying VIPs. The Board noted that each Fund's annualized total return for the three-, five and 10-year periods was above the median of its respective Performance Universe, but for the one-year period was below the median of its respective Performance Universe (noting the one-year annualized total return for the Franklin Small Cap Value VIP Fund exceeded 20%). The Board concluded that each Fund's performance was satisfactory.

Franklin Mutual Global Discovery VIP Fund - The Performance Universe for the Fund included the Fund and all global multi-cap value funds underlying VIPs. The Board noted that the Fund's annualized total return for the one-, three- and 10-year periods was above the median of its Performance Universe, but for the five-year period was below the median of its Performance Universe. The Board concluded that the Fund's performance was satisfactory.

Franklin Rising Dividends VIP Fund - The Performance Universe for the Fund included the Fund and all large-cap core funds underlying VIPs. The Board noted that the Fund's annualized total return for the one- and three-year periods was above the median of its Performance Universe, but for the five- and 10-year periods was below the median of its Performance Universe. The Board further noted that, while below the median, the Fund's five- and 10-year annualized total returns were 15.42% and 13.68%, respectively. The Board concluded that the Fund's performance was satisfactory.

Franklin VolSmart Allocation VIP Fund - The Performance Universe for the Fund included the Fund and all flexible portfolio funds underlying VIPs. The Board noted that the Fund incepted on April 1, 2013 and has been in operation for less than 10 years. The Board further noted that its annualized total return for the one-, three- and five-year periods was above the median and in the first quintile (best)

of its Performance Universe. The Board also noted that its annualized income return for the one- and three-year periods was above the median of its Performance Universe, but for the five-year period was below the median of its Performance Universe. The Board concluded that the Fund's performance was satisfactory.

Franklin Small-Mid Cap Growth VIP Fund - The Performance Universe for the Fund included the Fund and all mid-cap growth funds underlying VIPs. The Board noted that the Fund's annualized total return for the one- and 10-year periods was below the median of its Performance Universe, but for the three- and five-year periods was above the median of its Performance Universe and exceeded 16.35%. The Board concluded that the Fund's performance was acceptable.

Comparative Fees and Expenses

The Board reviewed and considered information regarding each Fund's actual total expense ratio and its various components, including, as applicable, management fees; transfer agent expenses; underlying fund expenses; Rule 12b-1 and non-Rule 12b-1 service fees; and other non-management fees. The Board also noted the quarterly and annual reports it receives on all marketing support payments made by FT to financial intermediaries. The Board considered the actual total expense ratio and, separately, the contractual management fee rate, without the effect of fee waivers, if any (Management Rate) of each Fund in comparison to the median expense ratio and median Management Rate, respectively, of other mutual funds deemed comparable to and with a similar expense structure to the Fund selected by Broadridge (Expense Group). Broadridge fee and expense data is based upon information taken from each fund's most recent annual or semi-annual report, which reflects historical asset levels that may be quite different from those currently existing, particularly in a period of market volatility. While recognizing such inherent limitation and the fact that expense ratios and Management Rates generally increase as assets decline and decrease as assets grow, the Board believed the independent analysis conducted by Broadridge to be an appropriate measure of comparative fees and expenses. The Broadridge Management Rate includes administrative charges. The Board received a description of the methodology used by Broadridge to select the mutual funds included in an Expense Group.

Franklin Allocation VIP Fund, Franklin Growth and Income VIP Fund, Franklin Income VIP Fund, Franklin Small Cap Value VIP Fund, Templeton Global Bond VIP Fund, Franklin DynaTech VIP Fund, Franklin Rising Dividends VIP Fund and Franklin Small-Mid Cap Growth VIP Fund - The

Expense Group for the Franklin Allocation VIP Fund included the Fund and 10 other mixed-asset target allocation growth funds underlying VIPs. The Expense Group for the Franklin Growth and Income VIP Fund included the Fund and 11 other equity income funds underlying VIPs. The Expense Group for the Franklin Income VIP Fund included the Fund and 11 other flexible portfolio funds underlying VIPs. The Expense Group for the Franklin Small Cap Value VIP Fund included the Fund and eight other small-cap value funds underlying VIPs. The Expense Group for the Templeton Global Bond VIP Fund included the Fund and 10 other global income funds underlying VIPs. The Expense Group for the Franklin DynaTech VIP Fund included the Fund and 12 other large-cap growth funds underlying VIPs. The Expense Group for the Franklin Rising Dividends VIP Fund included the Fund and 11 other large-cap core funds underlying VIPs. The Expense Group for the Franklin Small-Mid Cap Growth VIP Fund included the Fund and 11 other mid-cap growth funds underlying VIPs. The Board noted that the Management Rate and actual total expense ratio for each Fund were below the medians of its respective Expense Group. The Board also noted that the Franklin Allocation VIP Fund, Franklin DynaTech VIP Fund and Franklin Growth and Income VIP Fund's actual total expense ratio reflected a fee waiver from management. The Board further noted that the Franklin Allocation VIP Fund's sub-advisers are paid by FAV out of the management fee FAV receives from the Fund and that the allocation of the fee between FAV and each sub-adviser reflected the services provided by each to the Fund. After consideration of the above, the Board concluded that the Management Rate charged to each Fund and the sub-advisory fee paid to each sub-adviser of the Franklin Allocation VIP Fund are reasonable.

Franklin U.S. Government Securities VIP Fund - The Expense Group for the Fund included the Fund, three other intermediate US government funds underlying VIPs and 11 inflation-protected bond funds underlying VIPs. The Board noted that the Management Rate for the Fund was below the median of its Expense Group, and the actual total expense ratio for the Fund was slightly above the median of its Expense Group. The Board concluded that the Management Rate charged to the Fund is reasonable.

Franklin Global Real Estate VIP Fund, Franklin Mutual Global Discovery VIP Fund, Franklin Mutual Shares VIP Fund, Templeton Developing Markets VIP Fund, Templeton Growth VIP Fund, Templeton Foreign VIP Fund, Franklin Large Cap Growth VIP Fund, Franklin VolSmart Allocation VIP Fund and Franklin Strategic Income VIP Fund - The Expense Group for the Franklin Global Real Estate VIP Fund included the Fund and seven other global real estate

funds underlying VIPs. The Expense Group for the Franklin Mutual Global Discovery VIP Fund included the Fund, one other global multi-cap value fund underlying VIPs, two global multi-cap core funds underlying VIPs, and two global multi-cap growth funds underlying VIPs. The Expense Group for the Franklin Mutual Shares VIP Fund included the Fund and 12 other multi-cap value funds underlying VIPs. The Expense Group for the Templeton Developing Markets VIP Fund included the Fund and 13 other emerging markets funds underlying VIPs. The Expense Group for the Templeton Growth VIP Fund included the Fund, one other global multi-cap value fund underlying VIPs, two global multi-cap core funds underlying VIPs, and two global multi-cap growth funds underlying VIPs. The Expense Group for the Templeton Foreign VIP Fund included the Fund, nine other international multi-cap value funds underlying VIPs and four international large-cap value funds underlying VIPs. The Expense Group for the Franklin Large Cap Growth VIP Fund included the Fund and 11 other multi-cap growth funds underlying VIPs. The Expense Group for the Franklin VolSmart Allocation VIP Fund included the Fund, three other flexible portfolio funds underlying VIPs, and three mixed-asset target allocation growth fund underlying VIPs. The Expense Group for the Franklin Strategic Income VIP Fund included the Fund and nine other multi-sector income funds underlying VIPs. The Board noted that the Management Rate and actual total expense ratio for each Fund were above the median of its respective Expense Group.

With respect to the Franklin Mutual Global Discovery VIP Fund, the Board noted management's explanation that the portfolio management team makes investments in the debt and equity of distressed companies and merger arbitrage securities that are specialized in nature and therefore require additional expertise and resources, whereas the Fund's Expense Group generally does not make such investments. With respect to the Franklin Large Cap Growth VIP Fund, Franklin Mutual Shares VIP Fund, Franklin Strategic Income VIP Fund and Templeton Developing Markets VIP Fund, the Board noted that each Fund's Management Rate and actual total expense ratio were less than 5 basis points above the respective median of the Fund's Expense Group. With respect to each of the Templeton Foreign VIP Fund and the Templeton Growth VIP Fund, the Board noted management's explanation that the Expense Group for each Fund is not directly comparable to the Fund because funds that comprise the Expense Group have a higher allocation to domestic equity than the Fund. Management further explained that when each Fund is compared to a subset of its Expense Group that has a smaller allocation to domestic equity similar to the Fund, the Fund's actual total expense ratio is more aligned with peers. The Board

discussed with management the expenses of both of these Funds and management agreed to implement a reduction in the Management Rate for the Templeton Foreign VIP Fund and implement an expense cap on the Templeton Growth VIP Fund's actual total expense ratio of 0.87%, effective May 1, 2022. The Board also noted that the Franklin VolSmart Allocation VIP Fund's actual total expense ratio reflected a fee waiver from management. The Board further noted that the Templeton Developing Markets VIP Fund's sub-adviser is paid by TAML out of the management fee TAML receives from the Fund and that the allocation of the fee between TAML and the sub-adviser reflected the services provided by each to the Fund. After consideration of the above, the Board concluded that the Management Rate charged to each Fund and the sub-advisory fee paid to the Templeton Developing Markets VIP Fund's sub-adviser are reasonable.

Profitability

The Board reviewed and considered information regarding the profits realized by each Manager and its affiliates in connection with the operation of each Fund. In this respect, the Board considered the Fund profitability analysis that addresses the overall profitability of FT's US fund business, as well as its profits in providing investment management and other services to each of the individual funds during the 12-month period ended September 30, 2021, being the most recent fiscal year-end for FRI. The Board noted that although management continually makes refinements to its methodologies used in calculating profitability in response to organizational and product-related changes, the overall methodology has remained consistent with that used in the Funds' profitability report presentations from prior years. The Board also noted that PricewaterhouseCoopers LLP, auditor to FRI and certain FT funds, has been engaged to periodically review and assess the allocation methodologies to be used solely by the Funds' Board with respect to the profitability analysis.

The Board noted management's belief that costs incurred in establishing the infrastructure necessary for the type of mutual fund operations conducted by each Manager and its affiliates may not be fully reflected in the expenses allocated to each Fund in determining its profitability, as well as the fact that the level of profits, to a certain extent, reflected operational cost savings and efficiencies initiated by management. As part of this evaluation, the Board considered management's outsourcing of certain operations, which effort has required considerable up-front expenditures by the Managers but, over the long run is expected to result in greater efficiencies. The Board also noted management's expenditures in improving shareholder services provided to

the Funds, as well as the need to implement systems and meet additional regulatory and compliance requirements resulting from recent US Securities and Exchange Commission and other regulatory requirements.

The Board also considered the extent to which each Manager and its affiliates might derive ancillary benefits from fund operations, including revenues generated from transfer agent services, potential benefits resulting from personnel and systems enhancements necessitated by fund growth, as well as increased leverage with service providers and counterparties. Based upon its consideration of all these factors, the Board concluded that the level of profits realized by each Manager and its affiliates from providing services to each Fund was not excessive in view of the nature, extent and quality of services provided to each Fund.

Economies of Scale

The Board reviewed and considered the extent to which each Manager may realize economies of scale, if any, as each Fund grows larger and whether each Fund's management fee structure reflects any economies of scale for the benefit of shareholders. With respect to possible economies of scale, the Board noted the existence of management fee breakpoints for each Fund (except for the Franklin Allocation VIP Fund and the Franklin VolSmart Allocation VIP Fund), which operate generally to share any economies of scale with a Fund's shareholders by reducing the Fund's effective management fees as the Fund grows in size. The Board considered management's view that any analyses of potential economies of scale in managing a particular fund are inherently limited in light of the joint and common costs and investments each Manager incurs across the FT family of funds as a whole. The Board concluded that to the extent economies of scale may be realized by each Manager and its affiliates, each Fund's management fee structure (except for the Franklin Allocation VIP Fund and the Franklin VolSmart Allocation VIP Fund) provided a sharing of benefits with the Fund and its shareholders as the Fund grows. The Board recognized that there would not likely be any economies of scale for the Franklin DynaTech VIP Fund, Franklin Global Real Estate VIP Fund, Franklin Growth and Income VIP Fund, Franklin Large Cap Growth VIP Fund and Franklin VolSmart Allocation VIP Fund until each Fund's assets grow. The Board also recognized that given the decline in assets over the past three calendar years for each of the Franklin Income VIP Fund, Franklin Mutual Shares VIP Fund, Franklin Strategic Income VIP Fund, Franklin U.S. Government Securities VIP Fund, Templeton Global Bond VIP Fund and Templeton Growth VIP Fund, these Funds are not expected to experience additional economies of scale in the foreseeable future. The Board concluded that

to the extent economies of scale may be realized by each Manager and its affiliates, each Fund's management fee structure provided a sharing of benefits with the Fund and its shareholders as the Fund grows.

Conclusion

Based on its review, consideration and evaluation of all factors it believed relevant, including the above-described factors and conclusions, the Board unanimously approved the continuation of each Management Agreement for an additional one-year period.

Liquidity Risk Management Program

Each Fund has adopted and implemented a written Liquidity Risk Management Program (the "LRMP") as required by Rule 22e-4 under the Investment Company Act of 1940 (the "Liquidity Rule"). The LRMP is designed to assess and manage each Fund's liquidity risk, which is defined as the risk that the Fund could not meet requests to redeem shares issued by the Fund without significant dilution of remaining investors' interests in the Fund. In accordance with the Liquidity Rule, the LRMP includes policies and procedures that provide for: (1) assessment, management, and review (no less frequently than annually) of each Fund's liquidity risk; (2) classification of each Fund's portfolio holdings into one of four liquidity categories (Highly Liquid, Moderately Liquid, Less Liquid, and Illiquid); (3) for Funds that do not primarily hold assets that are Highly Liquid, establishing and maintaining a minimum percentage of the Fund's net assets in Highly Liquid investments (called a "Highly Liquid Investment Minimum" or "HLIM"); and (4) prohibiting the Fund's acquisition of Illiquid investments that would result in the Fund holding more than 15% of its net assets in Illiquid assets. The LRMP also requires reporting to the Securities and Exchange Commission ("SEC") (on a non-public basis) and to the Board if the Fund's holdings of Illiquid assets exceed 15% of the Fund's net assets. Funds with HLIMs must have procedures for addressing HLIM shortfalls, including reporting to the Board and, with respect to HLIM shortfalls lasting more than seven consecutive calendar days, reporting to the SEC (on a non-public basis).

The Director of Liquidity Risk within the Investment Risk Management Group (the "IRMG") is the appointed Administrator of the LRMP. The IRMG maintains the Investment Liquidity Committee (the "ILC") to provide oversight and administration of policies and procedures governing liquidity risk management for Franklin Templeton and Legg Mason products and portfolios. The ILC includes representatives from Franklin Templeton's Risk, Trading, Global Compliance, Legal, Investment Compliance,

Investment Operations, Valuation Committee, Product Management and Global Product Strategy.

In assessing and managing each Fund's liquidity risk, the ILC considers, as relevant, a variety of factors, including the Fund's investment strategy and the liquidity of its portfolio investments during both normal and reasonably foreseeable stressed conditions; its short and long-term cash flow projections; and its cash holdings and access to other funding sources including the Funds' interfund lending facility and line of credit. Classification of the Fund's portfolio holdings in the four liquidity categories is based on the number of days it is reasonably expected to take to convert the investment to cash (for Highly Liquid and Moderately Liquid holdings) or sell or dispose of the investment (for Less Liquid and Illiquid investments), in current market conditions without significantly changing the investment's market value.

Each Fund primarily holds liquid assets that are defined under the Liquidity Rule as "Highly Liquid Investments," and therefore is not required to establish an HLIM. Highly Liquid Investments are defined as cash and any investment reasonably expected to be convertible to cash in current market conditions in three business days or less without the conversion to cash significantly changing the market value of the investment.

At meetings of the Funds' Board of Trustees held in May 2022, the Program Administrator provided a written report to the Board addressing the adequacy and effectiveness of the program for the year ended December 31, 2021. The Program Administrator report concluded that (i.) the LRMP, as adopted and implemented, remains reasonably designed to assess and manage each Fund's liquidity risk; (ii.) the LRMP, including the Highly Liquid Investment Minimum ("HLIM") where applicable, was implemented and operated effectively to achieve the goal of assessing and managing each Fund's liquidity risk; and (iii.) each Fund was able to meet requests for redemption without significant dilution of remaining investors' interests in the Fund.

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. 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 and posted on the U.S. Securities and Exchange Commission's website at 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. 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.

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.



**FRANKLIN
TEMPLETON**

**Semiannual 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