

ANNUAL REPORT

TEMPLETON FOREIGN VIP FUND

December 31, 2023

F

The Securities and Exchange Commission has adopted new regulations that will result in changes to the design and delivery of annual and semiannual shareholder reports beginning in July 2024.

If you have previously elected to receive shareholder reports electronically, you will continue to do so and need not take any action.

Contents

Fund Overview	2
Performance Summary.....	4
Your Fund's Expenses.....	7
Financial Highlights and Schedule of Investments	8
Financial Statements	14
Notes to Financial Statements.....	17
Report of Independent Registered Public Accounting Firm	25
Tax Information	26
Board Members and Officers.....	27
Shareholder Information	31

Templeton Foreign VIP Fund

This annual report for Templeton Foreign VIP Fund covers the fiscal year ended December 31, 2023.

Fund Overview

The Fund seeks long-term capital growth. When choosing

The Fund outperformed its benchmark MSCI All Country World ex-US Index for the year, driven by stock selection in the materials, industrials and consumer discretionary sectors.

In materials, we held chemical companies and balanced exposure to construction materials firms offering strong economic upside and sustainable growth with top quality and industrial metals firms with sound balance sheets, good

Performance Summary as of December 31, 2023¹

¹(continued)

Class 4 (12/31/13–12/31/23)

Your Fund's 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." Y

Financial Highlights

(for a share outstanding throughout the year)

(continued)

(for a share outstanding throughout the year)
Net asset value, beginning of year

(continued)

Schedule of Investments, December 31, 2023

(continued)

(continued)

^a Non-income producing.

^b Variable interest entity (VIE). See the Fund's statement of additional information and/or notes to financial statements regarding investments made through a VIE structure. At December 31, 2023, the aggregate value of this security was \$21,475,480, representing 2.4% of net assets.

^c A portion or all of the security is on loan at December 31, 2023. See Note 1(c).

^d Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At December 31, 2023, the aggregate value of these securities was \$21,266,013, representing 2.4% of net assets.

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

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

Statement of Assets and Liabilities

December 31, 2023

Assets:	
Investments in securities:	
Cost - Unaffiliated issuers	\$640,055,005
Cost - Non-controlled affiliates (Note 3e)	68,636,979
Value - Unaffiliated issuers (Includes securities loaned of \$31,380,286)	\$820,804,664
Value - Non-controlled affiliates (Note 3e)	68,636,979
Foreign currency, at value (cost \$1)	51
Receivables:	
Investment securities sold	1,846,813
Capital shares sold	289,802
Dividends	2,782,810
European Union tax reclaims (Note 1d)	123,255
Total assets	<u>894,484,374</u>
Liabilities:	
Payables:	
Investment securities purchased	941
Capital shares redeemed	215,413
Management fees	571,221
Distribution fees	169,673
Trustees' fees and expenses	1,018
Deferred tax	941,004
Accrued expenses and other liabilities	190,658
Total liabilities	<u>2,089,928</u>
Net assets, at value	<u>\$892,394,446</u>
Net assets consist of:	
Paid-in capital	\$714,728,667
Total distributable earnings (losses)	177,665,779
Net assets, at value	<u>\$892,394,446</u>

Statement of Operations

for the year ended December 31, 2023

Investment income:	
Dividends: (net of foreign taxes of \$1,913,056)	
Unaffiliated issuers	\$25,460,412
Non-controlled affiliates (Note 3e)	2,415,823
Income from securities loaned:	
Unaffiliated entities (net of fees and rebates)	3,956
Non-controlled affiliates (Note 3e)	49,858
Other income (Note 1d)	131,650
Total investment income	<u>28,061,699</u>
Expenses:	
Management fees (Note 3a)	7,006,676
Distribution fees: (Note 3c)	
Class 2	1,755,958
Class 4	267,178
Custodian fees	71,888
Reports to shareholders fees	46,145
Professional fees	20,007
Trustees' fees and expenses	10,961
Other	36,432
Total expenses	<u>9,215,245</u>
Expenses waived/paid by affiliates (Note 3e)	<u>(179,821)</u>
Net expenses	9,035,424
Net investment income	<u>19,026,275</u>
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Investments: (net of foreign taxes of \$120,291)	
Unaffiliated issuers	

Statements of Changes in Net Assets

Increase (decrease) in net assets:		
Operations:		
Net investment income	\$19,026,275	\$19,797,856
Net realized gain (loss)	8,717,255	30,402,498
Net change in unrealized appreciation (depreciation)	138,542,572	(126,363,934)
Net increase (decrease) in net assets resulting from operations	166,286,102	(76,163,580)
Distributions to shareholders:		
Class 1	(3,468,679)	(3,306,920)
Class 2	(22,442,150)	(22,029,270)
Class 4	(2,308,315)	(2,305,506)
Total distributions to shareholders	(28,219,144)	(27,641,696)
Capital share transactions: (Note 2)		
Class 1	(4,560,451)	(7,175,125)
Class 2	(93,395,724)	(56,332,575)
Class 4	(10,977,138)	(6,447,529)
Total capital share transactions	(108,933,313)	(69,955,229)
Net increase (decrease) in net assets	29,133,645	(173,760,505)
Net assets:		
Beginning of year	863,260,801	1,037,021,306
End of year	\$892,394,446	\$863,260,801

Notes to Financial Statements

1. Organization and Significant Accounting Policies

Franklin Templeton Variable Insurance Products Trust (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company, consisting of eighteen separate funds. The Trust follows the accounting and reporting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946, Financial Services – Investment Companies (ASC 946) and applies the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP), including, but not limited to, ASC 946. Templeton Foreign VIP Fund

1. Organization and Significant Accounting Policies

(continued)

(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 December 31, 2023, 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.

Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on a specific identification basis. Estimated expenses are accrued daily. Dividend income is 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.

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.

g. 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.

(continued)

2. Shares of Beneficial Interest

At December 31, 2023, there were an unlimited number of shares authorized (without par value). Transactions in the Fund's shares were as follows:

Shares sold	201,994	\$2,748,392	253,851	\$3,273,959
Shares issued in reinvestment of distributions	251,172	3,468,679	269,293	3,306,920
Shares redeemed	(794,039)	(10,777,522)	(1,050,471)	(13,756,004)
Net increase (decrease)	(340,873)	\$(4,560,451)	(527,327)	\$(7,175,125)
Shares sold	2,942,044	\$39,344,521	4,481,562	\$54,164,598
Shares issued in reinvestment of distributions	1,659,922	22,442,150	1,829,648	22,028,963
Shares redeemed	(11,725,832)	(155,182,395)	(10,651,921)	(132,526,136)
Net increase (decrease)	(7,123,866)	\$(93,395,724)	(4,340,711)	\$(56,332,575)
Shares sold	394,031	\$5,343,483	624,717	\$7,436,044
Shares issued in reinvestment of distributions	167,027	2,308,315	187,592	2,305,506
Shares redeemed	(1,372,431)	(18,628,936)	(1,277,852)	(16,189,079)
Net increase (decrease)	(811,373)	\$(10,977,138)	(465,543)	\$(6,447,529)

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:

	Affiliation
Templeton Investment Counsel, LLC (TIC)	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

The Fund pays an investment management fee, calculated daily and paid monthly, to TIC based on the average daily net assets of the Fund as follows:

0.800%	Up to and including \$700 million
0.775%	Over \$700 million, up to and including \$1.2 billion
0.675%	In excess of \$1.2 billion

For the year ended December 31, 2023, the gross effective investment management fee rate was 0.795% of the Fund's average daily net assets.

(continued)

For tax purposes, capital losses may be carried over to offset future capital gains.

At December 31, 2023, the capital loss carryforwards were as follows:

Capital loss carryforwards not subject to expiration:

Long term	<u>11,954,387</u>
-----------------	-------------------

During the year ended December 31, 2023, the Fund utilized \$5,610,633 of capital loss carryforwards.

The tax character of distributions paid during the years ended December 31, 2023 and 2022, was as follows:

Distributions paid from:

Ordinary income	<u>\$28,219,144</u>	<u>\$27,641,696</u>
-----------------------	---------------------	---------------------

At December 31, 2023, the cost of investments, net unrealized appreciation (depreciation) and undistributed ordinary income for income tax purposes were as follows:

Cost of investments	<u>\$718,351,366</u>
Unrealized appreciation	\$238,247,559
Unrealized depreciation	<u>(67,157,282)</u>
Net unrealized appreciation (depreciation)	<u>\$171,090,277</u>
Distributable earnings:	
Undistributed ordinary income	<u>\$19,452,831</u>

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

Purchases and sales of investments (excluding short term securities) for the year ended December 31, 2023, aggregated \$124,131,502 and \$278,606,909, respectively

(continued)

(continued)				
(continued)				
Investments in Securities:				
Common Stocks:				
Semiconductors & Semiconductor Equipment	\$16,781,799	\$59,618,238	\$—	\$76,400,037
Technology Hardware, Storage & Peripherals	—	49,845,400	—	49,845,400
Short Term Investments	68,636,979	—	—	68,636,979
Total Investments in Securities	<u>\$148,655,616</u>	<u>\$740,786,027^a</u>	<u>\$—</u>	<u>\$889,441,643</u>

^a Includes foreign securities valued at \$740,786,027, 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.

Report of Independent Registered Public Accounting Firm

Tax Information (unaudited)

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

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

The Fund hereby reports the following amount, or if subsequently determined to be different, the maximum allowable amount, for the fiscal year ended December 31, 2023:

Income Eligible for Dividends Received Deduction (DRD)	§854(b)(1)(A)	\$40,519
--	---------------	----------

Under Section 853 of the Internal Revenue Code, the Fund intends to elect to pass through to its shareholders the following amounts, or amounts as finally determined, of foreign taxes paid and foreign source income earned by the Fund during the fiscal year ended December 31, 2023:

Foreign Taxes Paid	\$1,867,186
Foreign Source Income Earned	\$17,287,186

Board Members and Officers

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

Independent Board Members

One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 1988	118	Bar-S Foods (meat packing company) (1981-2010).
Director of various companies; and				

Independent Board Members (continued)

One Franklin Parkway San Mateo, CA 94403-1906	Lead Independent Trustee	Trustee since 2005 and Lead Independent Trustee since 2019	118	Hess Corporation (exploration of oil and gas) (1993-present), Santander Holdings USA (holding company) (2019-present); and Santander Consumer USA Holdings, Inc. (consumer finance) (2016-2023); Canadian National Railway (railroad) (2001-2021), White Mountains Insurance Group, Ltd. (holding company) (2004-2021), RTI International Metals, Inc. (manufacture and distribution of titanium) (1999-2015) and H.J. Heinz Company (processed foods and allied products) (1994-2013).
--	--------------------------------	---	-----	---

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

One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2009	118	Boeing Capital Corporation (aircraft financing) (2006-2010).
--	---------	------------	-----	--

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

One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2007	118	Graham Holdings Company (education and media organization) (2011-2021); The Southern Company (energy company) (2014-2020; previously 2010-2012) and Cbeyond, Inc. (business communications provider) (2010-2012).
--	---------	------------	-----	---

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

Trustee

Since 2021

109



Shareholder Information

Proxy Voting Policies and Procedures

The Trust's investment manager has established Proxy Voting Policies and Procedures (Policies) that the Trust uses to determine how to vote proxies relating to portfolio securities. Shareholders may view the Trust's complete Policies online at franklintempleton.com. 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.

This page is intentionally left blank

This page is intentionally left blank

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.

Templeton Investment Counsel, LLC Franklin Templeton Services, LLC

Franklin
Distributors, LLC