

SEMIANNUAL REPORT

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST

June 30, 2022

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Franklin Templeton Variable Insurance Products Trust Semiannual Report

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Not FDIC Insured | May Lose Value | No Bank Guarantee

Important Notes to Performance Information

Performance data is historical and cannot predict or guarantee future results. Principal value and investment

UHWXUQ ZLOO ÀXFWXDWH ZLWK PDUNHW FRQGLWLRQV DQG \RX PD\
KDYH D JDLQ RU ORVV ZKHQ \RX ZLWKGUDZ \RXU PRQH\
,QFHSWLRQ GDWHV RI WKH IXQGV PD\
KDYH SUHFHGHG WKH H†HFWLYH
GDWHV RI WKH VXEDFFRXQV FRQWUDFW RU WKHLU DYDLODELOLW\ LQ DOO
states.

:KHQ UHYLHZLQJ WKH LQGH[FRPSDULVRQV SOHDVH NHHS LQ

mind that indexes have a number of inherent performance

GL†HUHQWLDQV RYHU WKH IXQGV)LUVW XQOLNH WKH IXQGV ZKLFK
PXVW KROG D PLQLXP DPRXQW RI FDVK WR PDLQWDLQ OLTXLGLW\
LQGH[HV GR QRW KDYH D FDVK FRPSRQHQW 6HFRQG WKH IXQGV
DUH DFWLYHO\ PDQDJHG DQG WKXV DUH VXEMHFW WR PDQDJHPHQW
IHHV WR FRYHU VDODULHV RI VHFXULWLHV DQDO\VWV RU SRUWIROR

managers in addition to other expenses. Indexes are

XQPDQDJHG DQG GR QRW LQFOXGH DQ\ FRPPLVLRQV RU RWKHU
H[SHQVHV W\SLFDOO\ DVVRFLDWHG ZLWK LQYHVWLQJ LQ VHFXULWLHV
7KLUG LQGH[HV RIWHQ FRQWDLQ D GL†HUHQW PL[RI VHFXULWLHV
WKDQ WKH IXQG WR ZKLFK WKH\ DUH FRPSDUHG \$GGLWLRQDOO\
SOHDVH UHPHPE003

Franklin Mutual Shares VIP Fund

This semiannual UHSRUW IRU)UDQNOLQ 0XWXD Opeid Duhd - X QH)XQG FRYHUV WKH

& ODVV 3HUIRUPDQFH-XQ PDU\ DV RI

The Fund's Class 1 Shares posted a -12.64% total return for the six-month period ended June 30, 2022.

3HUIRUPDQFH UHÀHFWV WKH)XQG V & ODVV L QSOXGDW DQ FRSQVDFW E WVG RHFV
FKDUJHV ,I WKH\ KDG EHHQ LQFOXGHG SHUIRUPDQFH ZRXOG EH ORZHU 7KHVH
SROLFLHV FDQ KDYH D VLJQLFDQW HúHFW RQ FRQWUDFW YDOXHV DQG LQVXUD
GHVFULSWLRQ RI WKHVH H[SHQVHV LQFOXGLQJ VDOHV FKDUJHV

3HUIRUPDQFH GDWD UHSUHVHQW SDVW SHUIRUPDQFH ZKLFK GRHV QRW JXDUDQ
ZLOO ÁXFWXDWH DQG \RX PD\ KDYH D JDLQ RU ORVV ZKHQ \RX VHOO \RXU VKDU

)UDQNOLQ 0XWXDO 6KDUHV 9,3)XQG

)XQG *RDO DQG 0DLQ ,QYHVWPHQWV

7KH)XQG VHHNV FDSLWDO DSSUHFLDWLRQ ,WV VHFRQGDUI\ JRDO LV
LQFRPH 8QGHU QRUPDO PDUNHW FRQGLWLRQV WKH)XQG LQYHVW
SULPDULO\ LQ HTXLW\ VHFXULWLHV RI 8 6 DQG IRUHLJQ FRPSDQLHV
WKDW ZH EHOLHYH DUH DYDLODEOH DW PDUNHW SULFHV OHVV WKDQ
WKHLU IXQGDPHQWDO YDOXH 7KH HTXLW\ VHFXULWLHV LQ ZKLFK WKH
)XQG LQYHVW DUH SULPDULO\ FRPPRQ VWRFN DQG JHQHUDOO\

(FRQRPLF DQG 0DUNHW 2YHUYLHZ

FRPPRGLW\ LQÀDWLRQ DQG WKH HFRQRP\ 1RQHWKHOHV ZH
EHOLHYH WKH FRPSDQ\ V ÷ QDQFLDO UHVXOWV ZHUH VROLG ZLWK
SUR ÷ WDELOLW\ UHPDLQLQJ VWURQJ GHVSLWH FRPPRGLW\ LQÀDWLRQ DQG
increased investments in electric vehicles.

Johnson Controls International hindered relative returns

Class 1 Fund Expenses

\$ V D Q L Q Y H V W R U L Q D Y D U L D E O H L Q V X U D Q F H F R Q W U D F W & R Q W U D F W W K D W L Q G L

Financial Highlights

Franklin Mutual Shares 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)						

Franklin Mutual Shares 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)						
1HW DVVHW YDOXH E.HJ.LQQLQJ RI SHULRG						
Income from investment operations ^a						
Net investment income ^b				^c 0.40	0.31	0.43
1HW UHDOLJHG DQG XQUHDOLJHG JDLQV ORVVHV						
Total from investment operations		3.17	(1.14)		(1.69)	1.63
/HVV GLVWULEXWLRQV IURP						
Net investment income	—			(0.36)		(0.48)
1HW UHDOLJHG JDLQV	—	—	(0.63)		(0.77)	(0.87)
Total distributions	—		(1.08)			
1HW DVVHW YDOXH .H.QG.RI SHULRG						
Total return ^d						
Ratios to average net assets ^e						
Expenses ^{fgh}						
Expenses - incurred in connection with securities sold short		² ⁱ				²
Net investment income				^c		
Supplemental data						
1HW DVVHWV HQG RI.SHULRG		[¶] V				
Portfolio turnover rate						^M

^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

Franklin Mutual Shares 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)						
1 HW DVVHW YDOXH E.HJ.LQLQJ RI SHULRG						
Income from investment operations ^a						
Net investment income ^b			0.49	0.08	367.90	29867.53
						906 Tmc030

Schedule of Investments (unaudited), June 30, 2022

Franklin Mutual Shares VIP Fund

	Country	Shares	Value
Common Stocks 93.3%			
Auto Components 0.0% †			
□ E, QWHUQDWLRQDO \$XWRPRWLYH &RPS.RQH QWV *URNDJ%QD]LO // &			
Automobiles 1.9%			
□ *HQHUDO 0R.W.R.U.V. &R.	United States		
Banks 6.7%			
%DQN RI \$PHUL.F.D. &R.U.S.	United States		
)LUVW +RUL].R.Q. &R.U.S.	United States		
, 1* *URHS.19.	Netherlands		
:HOOV)DUJR...&R.	United States		
Building Products 1.8%			
Johnson Controls International plc.	United States		

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRU
SCHEDULE OF INVESTMENTS (UNAUDITED)

Franklin Mutual Shares VIP Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Health Care Providers & Services (continued)			
+ X P D Q D . . . , Q.F.	United States		
Household Durables 2.1%			
' 5 + R U W R.Q . . . , Q.F.	United States		
Insurance 5.4%			
(Y H U H V W 5 H * U R X S . / W G	United States		
+ D U W I R U G) L Q D Q F L D O 6 H U Y L F H V . * U R X S , Q	United States		
Willis Towers Watson plc	United States		
Internet & Direct Marketing Retail 1.2%			
H % D \ . . . , Q.F.	United States		
IT Services 7.1%			
% U H D G) L Q D Q F L D O . + R O G L Q J V . . . , Q.F.	United States		
& R J Q L] D Q W 7 H F K Q R O R J \ . 6 R O X W L R Q V . & R U S	United States		
^b) L V H U Y . . . , Q.F.	United States		
* O R E D O 3 D \ P H . Q . W . V . . . , Q.F.	United States		
Machinery 1.6%			
3 D U N H U + D Q Q L . Q . & R . U . S	United States		
Media 4.7%			
^b & K D U W H U & R P P X Q L F . D . W . L . R . Q . V . . . , Q.F. . . . \$	United States		
& R P F D V W & R . U . S \$	United States		
^b / R \ D O W \ 9 H Q W . X U H . V . . . , Q.F.	United States		
Oil, Gas & Consumable Fuels 4.7%			
BP plc	United Kingdom		
: L O O L D P V & R V , Q.F. . . . 7 K H	United States		
Pharmaceuticals 7.8%			
^b (O D Q F R \$ Q L P D O . + H D . O . W . K . . . , Q.F.	United States		
(O L / L O O \ . . . & R	United States		
0 H U F N & R , Q.F.	United States		
1 R Y D U W L V . \$ * . . \$ ' 5	6 Z L W] H U O D Q G		
Professional Services 1.8%			
. % 5 . . . , Q.F.	United States		
Real Estate Management & Development 1.0%			
^b & % 5 (* U R X S . . . , Q.F. . . . \$	United States		
Software 3.5%			
^b \$ Y D \ D + R O G L Q J V . . & R . U . S	United States	116	
1 R U W R Q / L I . H . R . F . N	United States		
Oracle Corp.	United States		
Specialty Retail 0.0%			
^b E : D \ Q H 6 H U Y L F H V / H J D F \ . . . , Q.F.	United States		—

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST
SCHEDULE OF INVESTMENTS (UNAUDITED)

Franklin Mutual Shares VIP Fund (continued)

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRU
 SCHEDULE OF INVESTMENTS (UNAUDITED)

Franklin Mutual Shares VIP Fund (continued)

	Country	Principal Amount *	Value
°Senior Floating Rate Interests 1.5%			
f			

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST
SCHEDULE OF INVESTMENTS (UNAUDITED)

Franklin Mutual Shares VIP Fund (continued)

^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
WR TXDOL ¿ HG LQVWLWXWLRQDO EX\HUV RU LQ D SXEOLF RIIHULQJ UHJLVWHUHG XQG HU WKH
DQ HIIHFWLYH UHJLVWUDWLRQ VWDWHPHQW ¿ OHG SXUVXDQW WR WKH 6HFXULWLHV \$FW RI

Statement of Assets and Liabilities

June 30, 2022 (unaudited)

Franklin Mutual
 Shares VIP
 Fund

<p>\$ V V H W V</p> <p>, Q Y H V W P H Q W V L Q V H F X U L W L H V</p> <p>& R V W 8 Q D ^ O L D . W . H . G . L V V . X . H U V</p> <p>9 D O X H 8 Q D ^ O L D . W . H . G . L V V . X . H U V</p> <p>Cash</p> <p>5 H F H L Y D E O H V</p> <p>Investment securities sold</p> <p>Capital shares sold</p> <p>' L Y L G H Q G V D Q G . L Q W H U . H . V . W</p> <p>European Union tax reclaims (Note 1g)</p> <p>' H S R V L W V Z L W K E U R N H U V I R U</p> <p>) X W X U H V F R Q . W . U . D . F . W . V</p> <p>8 Q U H D O L] H G D S S U H F L D W L R Q R Q 2 7 & . I R U . Z D U G . H [F K D . Q . J . H . F R Q . W . U . D . F . W . V</p> <p>Other assets</p> <p>Total assets</p> <hr/> <p>/ L D E L O L W L H V</p> <p>3 D \ D E O H V</p> <p>Investment securities purchased</p> <p>Capital shares redeemed</p> <p>0 D Q D J H P H Q . W . I . H . H . V</p> <p>' L V W U L E X W L R Q . I . H . H . V</p> <p>7 U X 8 . 4 1 0 L 7 0 0 8 1 6 1 . 4 3 8 7 4 2 2 . 7 0 7 8 T m [(. w 7)] T J / G S 4 g s / 6 8 6 8 . 4 4 0 7 7 7 7 7 7 7 7 7 4</p>	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
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Statement of Operations

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

Statements of Changes in Net Assets

	Franklin Mutual Shares VIP Fund	
	Six Months Ended June 30, 2022 (unaudited)	Year Ended December 31, 2021
Net investment income		
Net increase (decrease) in net assets resulting from operations		
Class 1 & OD.V.	—	—
Class 4J / Span		

Franklin Mutual Shares VIP Fund (continued)

7HUPLQDWLRQ HYHQWV DSSOLFDEOH WR WKH FRXQWHUSDUW\ LQFOXGH
FHUWDLQ GHWHULRUDWLRQV LQ WKH FUHGLW TXDOLW\ RI WKH FRXQWHUSDUW\
7HUPLQDWLRQ HYHQWV DSSOLFDEOH WR WKH)XQG LQFOXGH IDLOXUH
RI WKH)XQG WR PDLQWDLQ FHUWDLQ QHW DVVHW OHYHOV DQG RU OLPLW

the decline in net assets over various periods of time. In

WKH HYHQW RI GHIDXOW RU HDUO\ WHUPLQDWLRQ WKH ,6'\$ PDVWHU
DJUHHPHQW JLYHV WKH QRQ GHIDXOWLQJ SDUW\ WKH ULJKW WR QHW
DQG FORVH RXW DOO WUDQVDFWLRQV WUDGHG ZKHWKHU RU QRW DULVLQJ
XQGHU WKH ,6'\$ DJUHHPHQW WR RQH QHW DPRXQW SD\DEOH E\
RQH FRXQWHUSDUW\ WR WKH RWKHU +RZHYHU DEVHQW DQ HYHQW
RI GHIDXOW RU HDUO\ WHUPLQDWLRQ 27& GHULYDWLYH DVVHWV
DQG OLDELWLHV DUH SUHVHQWHG JURVV DQG QRW R±VHW LQ WKH
6WDWHPHQW RI \$VVHWV DQG /LDELWLHV (DUO\ WHUPLQDWLRQ E\ WKH
FRXQWHUSDUW\ PD\ UHVXOW LQ DQ LPPHGLDW SD\PHQW E\ WKH
)XQG RI DQ\ QHW OLDELWLW\ RZHG WR WKDW FRXQWHUSDUW\ XQGHU
WKH ,6'\$ DJUHHPHQW \$W -XQH WKH)XQG KDG 27&
GHULYDWLYHV LQ D QHW OLDELWLW\ SRVLWLRQ RI DQG WKH

aggregate value of collateral pledged for such contracts was

&ROODWHUDO UHTXLUHPHQWV GL±HU E\ W\SH RI GHULYDWLYH
&ROODWHUDO RU LQLWLDO PDUJLQ UHTXLUHPHQWV DUH VHW E\ WKH
EURNHU RU H[FKDQJH FOHDULQJ KRXVH IRU H[FKDQJH WUDGHG
DQG FHQWUDOO\ FOHDUH GHULYDWLYHV ,QLWLDO PDUJLQ GHSRVLWHG LV

held at the exchange and can be in the form of cash and/or

VHFXULWLHV)RU 27& GHULYDWLYHV WUDGHG XQGHU DQ ,6'\$ PDVWHU
DJUHHPHQW SRVLWLRQ RI FROODWHUDO LV UHTXLUH E\ HLWKHU WKH
)XQG RU WKH DSSOLFDEOH FRXQWHUSDUW\ LI WKH WRWDO QHW H[SRVUH
RI DOO 27& GHULYDWLYHV ZLWK WKH DSSOLFDEOH FRXQWHUSDUW\
H[FHHGV WKH PLQLXP WUDQVIHU DPRXQW ZKLFK W\SLFDOO\
UDQJHV IURP WR DQG FDQ YDU\ GHSHQGLQJ
RQ WKH FRXQWHUSDUW\ DVVHWV W\SH RI FROODWHUDO\
FROODWHUDO LV GHWHUPLQHG DW WKH FORVH RI)XQG EXVLQHVV HDFK
GD\ DQG DQ\ DGGLWLRQDO FROODWHUDO UHTXLUH GXH WR FDKQJHV
LQ GHULYDWLYH YDOXHV PD\ EH GHOLYHUHG E\ WKH)XQG RU WKH
FRXQWHUSDUW\ WKH QH[W EXVLQHVV GD\ RU ZLWKLQ D IHZ EXVLQHVV
GD\ &ROODWHUDO SOHGJHG DQG RU UHFHLYHG E\ WKH)XQG IRU
27& GHULYDWLYHV LI DQ\ LV KHOG LQ VHJUHJDWHG DFFRXQWV ZLWK
WKH)XQG V FXVWRGLDQ FRXQWHUSDUW\ EURNHU DQG FDQ EH LQ
WKH IRUP RI FDVK DQG RU VHFXULWLHV 8QUHVWULFWHG FDVK PD\

Franklin Mutual Shares VIP Fund (continued)

e. Securities Lending

7KH)XQG SDUWLFLSDWHV LQ DQ DJHQF\ EDVHG VHFXULWLHV OHQGLQJ
SURJUDP WR HDUQ DGGLWLRQDO LQFRPH 7KH)XQG UHFHLYHV
FROODWHUDO LQ WKH IRUP RI FDVK DQG RU 8 6 *RYHUQPHQW
DQG \$JHQF\ VHFXULWLHV DJDLQVW WKH ORDQHG VHFXULWLHV LQ DQ

Franklin Mutual Shares VIP Fund (continued)

h. Security Transactions, Investment Income,
Expenses and Distributions

premium and accretion of discount on debt securities are recorded at the dividend date except for certain dividends from securities dividend is recorded as soon as the information is received E\ WKH)XQG 'LVWULEXWDEW RDUH WKH H[GLYLGHQG GDWH 'LVWULEXWDEW DFFRUGLQJ WR LQFRPH WD[UHJXODWLRQV WD[EDVLV GL±HU IURP HDUQLQJV UHFRUGHG LQ 3HUPDQHQW GL±HUHQFHV DUH UHFODVVLHG DFFRXQWV WR UHÀHFW WKHLU WD[FKDUDFWHU have no impact on net assets or the results of operations. 7HPSRUDU\ GL±HUHQFHV DUH QRW UHFODVVLHG reverse in subsequent periods.

FRPELQHG QXPEHU RI VKDUHKROGHUV RI WKH H[SHQVHV DUH FKDUJHG GLUHFWO\ WR WKH expense.

5HDOLJHG DQG XQUHDOLJHG JDLQV DQG ORVV 6HFXULW\ WUDQVDFWLRQV DUH DFFRXQWHG 5HDOLJHG JDLQV DQG ORVVHV RQ VHFGLWULF GHWHUPLQHG RQ D VSHFL¿F LGHQWL¿F DQG HVWLPDWHG H[SHQVHV DUH DFFRXQWHG GL±HUHQFHV LQ FODVV VSHFL¿F H[SHQVHV LQFOXGHG LQ LQWHUHVW LQFRPH UHFRUGHG DV DQ DGMXVWPHQW WR LQWHUHVW LQFRPH 'LYLGHQG LQFRPH FDSLWDO JDLQ GLVWULEXWLRQV DUH UHFRUGHG RQ DIVIDEND DATE EXCEPT FOR CERTAIN DIVIDENDS FROM SECURITIES 8 6 *\$\$\$ UHTXLUHV PDQDJPHQW WR PDNH H ZKHUH WKH GLYLGHQG UDWL LV QRW DYDLXPVLRQ WKDW FDFW WKH UHSRUWHG DIVIDEND IS RECORDED AS SOON AS THE INFORMATION IS RECEIVED DQG OLDELOLWLHV DW WKH GDWH RI WKH ¿Q E\ WKH)XQG 'LVWULEXWDEW RDUH WKH H[GLYLGHQG GDWH 'LVWULEXWDEW DFFRUGLQJ WR LQFRPH WD[UHJXODWLRQV WD[EDVLV GL±HU IURP HDUQLQJV UHFRUGHG LQ 3HUPDQHQW GL±HUHQFHV DUH UHFODVVLHG DFFRXQWV WR UHÀHFW WKHLU WD[FKDUDFWHU arising out of the performance of their duties to the Trust. \$GGLWLRQDOO\ LQ WKH QRUPDO FRXUVH RI EHKDOI RI WKH)XQG H[SHQVHV LQWR FRQWUD SURYLGHUV WKDW FRQWDLQ JHQHUDO LQGHYHQVLYH DULVLRQV DUH DFFRUGLQJ WR LQFRPH WD[UHJXODWLRQV WKH UDWL LV QRW DYDLXPVLRQ WKDW FDFW WKH UHSRUWHG DIVIDEND IS RECORDED AS SOON AS THE INFORMATION IS RECEIVED DQG OLDELOLWLHV DW WKH GDWH RI WKH ¿Q E\ WKH)XQG 'LVWULEXWDEW RDUH WKH H[GLYLGHQG GDWH 'LVWULEXWDEW DFFRUGLQJ WR LQFRPH WD[UHJXODWLRQV WD[EDVLV GL±HU IURP HDUQLQJV UHFRUGHG LQ 3HUPDQHQW GL±HUHQFHV DUH UHFODVVLHG DFFRXQWV WR UHÀHFW WKHLU WD[FKDUDFWHU

6KDUHV RI %HQH¿FLDO ,QWHUHVW

Franklin Mutual Shares VIP Fund (continued)

	Six Months Ended June 30, 2022		Year Ended December 31, 2021	
	Shares	Amount	Shares	Amount
Class 2 Shares:				
Shares sold				
Shares issued in reinvestment of distributions				

Franklin Mutual Shares VIP Fund (continued)

5. Income Taxes

\$ W -XQH WKH FRVW RI LQYHVWPHQWV DQG QHW XQUHDOLJHG DSSUHFLDW
 IROORZV

Cost of investments	_____
8 QUHDOLJHG DSSUHFLDWLRQ.....	_____
8 QUHDOLJHG GHSUHFLDWLRQ.....	_____
1HW XQUHDOLJHG DSSUHFLDWLRQ..GHSUHFLDWLRQ.....	_____

'L±HUHQFHV EHWZHHQ LQFRPH DQG RU FDSLWDO JDLQV DV GHWHUPLQHG RQ D E
 WUHDWPHQWV RI IRUHLJQ FXUUHQF\ WUDQVDFWLRQV GHIDXOWHG ERQGV ZDVK
 shareholder redemptions.

6. Investment Transactions

3XUFKDVHV DQG VDOHV RI LQYHVWPHQWV H[FOXGLQJ VKRUW WHUP VHFULWLVH
 DJJUHJDWHG DQG UHVSFWLYHO\

7. Defaulted Securities

7KH)XQG PD\ SXUFKDVH WKH SUH GHIDXOW RU GHIDXOWHG GHEW RI GLVWUHV
 WURXEOHG DQG FRXOG EH RU DUH DOUHDG\ LQYRGLDWHG DQG VQDFLDOHOGUHLWKU & RW
 WKHVH VHFULWLVHV LQFOXGH WKH SRVLELOLW\ WKDW WKH EDQNUXSWF\ RU RW
 GLWULEXWLRQV LQ UHVWUXFWXULQJ DUH OHVV WKDQ DQWLFLSDWHG HLWKHU
)XQG ,I LW EHFRRPHV SUREDEOH WKDW WKH LQFRPH RQ GHEW VHFULWLVHV LQF
 WKH)XQG GLVFRQWLQXHV DFFUXLQJ LQFRPH DQG UHFRJQLJHV DQ DGMXVWPHQW

\$ W -XQH WKH)XQG GLG QRW KROG DQ\ GLVWUHVHG FRPSDQ\ VHFULWLVH
 discontinued.

8. Geopolitical Risk

2Q)HEUXDU\ 5XVVLD HQJDJHG LQ PLOLWDU\ DFWLRQV LQ WKH SRWHWED
 ;QDQFLDO XQFHUWDLQW\ VXUURXQGLQJ 5XVVLD DQG 8NUDLQH PD\ LQFUHDVH PD
 VHFULWLVHV LQ WKHVH FRXQWULHV DQG PD\ DOVR FDXVH XQFHUWDLQW\ IRU WK
 XOWLPDWH IDOORXW DQG ORQJ WHUP LPSTDFW\ KROG ZLWKLQ VFRYHLOQW DWRHQRWV
 YDOXDWLRQV DQG OLTXLGLW\ DQG ZLOO WDNH DQ\ SRWHQWLDO DFWLRQV QHHG

9. Novel Coronavirus Pandemic

7KH JOREDO RXWEUHDN RI WKH QRYHO FRURQDYLFXW & GHOYHU WHRQZDFW & RQ , P
 VHFWRUV QDWLRQV UHJLRQV DQG WKHFRQWUROV LQ JHQHUDO

Franklin Mutual Shares VIP Fund (continued)

10. Restricted Securities

Franklin Mutual Shares VIP Fund (continued)

)RU WKH SHULRG HQGHG -XQH

WKH H†HFW RI GHULYDWLYH FRQWUDFWV L

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 2 ESG/(Loss) for
---	-------------------------------------	---	-------------------------------------	-----------------------------------

Franklin Mutual Shares VIP Fund (continued)

- /HYHO ± RWKHU VLJQL¿FDQW REVHUYDEOH LQSXWV LQFOXGLQJ TXRWHG SUL
SUHSD\PHQW VSHHG FUHGLW ULVN HWF
- /HYHO ± VLJQL¿FDQW XQREVHUYDEOH LQSXWV LQFOXGLQJ WKH)XQG V RZQ I
¿QDQFLDO LQVWUXPHQWV

7KH LQSXW OHYHOV DUH 000EVH[(¿QDQFLDO LDO H00PHSU V000QFL000O 70DQF000J 0QG0YDW

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST
NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

Franklin Mutual Shares VIP Fund (continued)

Abbreviations

Counterparty

BOFA	% D Q N R I \$ P H U L F D & R U S
HSBK	+ 6 % & % D Q N S O F
SSBT	6 W D W H 6 W U H H W % D Q N D Q G 7 U X V W & R
UBSW	8 % 6 \$ *

Currency

EUR	Euro
GBP	British Pound
USD	8 Q L W H G 6 W D W H V ' R O O D U

Index Descriptions

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST
INDEX DESCRIPTIONS

MSCI All Country World Index (ACWI) ex USA Index-NR

LV D IUHH ÀRDW DGMXVWHG PDUNHW FDSLWDOL]DWLRQ ZHLJKWHG LQGH[
GHVLJQHG WR PHDVXUH WKH HTXLW\ PDUNHW SHUIRUPDQFH RI
JOREDO GHYHORSHG DQG HPHUJLQJ PDUNHWV H[FOXGLQJ WKH 8 6

MSCI Emerging Markets (EM) Index-NR LV D IUHH ÀRDW

DGMXVWHG PDUNHW FDSLWDOL]DWLRQ ZHLJKWHG LQGH[GHVLJQHG WR
PHDVXUH WKH HTXLW\ PDUNHW SHUIRUPDQFH RI JOREDO HPHUJLQJ
PDUNHWV

MSCI Europe Index-NR LV D IUHH ÀRDW DGMXVWHG PDUNHW

FDSLWDOL]DWLRQ ZHLJKWHG LQGH[GHVLJQHG WR PHDVXUH OJKGKH 0000WTXLW\ TJ9

Shareholder Information

%RDUG \$SSURYDO RI ,QYHVWPHQWV //& & ,
 0DQDJHPPHQW \$JUHHPPHQWV RQ EHKDOI RI)UDQNOLQ \$OORFDWLRQ 9,3
 VXE DGYLVRU\ DJUHHPHQW EHWZHHQ)\$9 D
 0DQDJHPPHQW &RPSDQ\ //& :\$0& DQ D`OL
 EHKDOI RI)UDQNOLQ \$OORFDWLRQ 9,3)XQ
 VXE DGYLVRU\ DJUHHPHQW EHWZHHQ)\$9 D
 0DQDJHPPHQW &RPSDQ\ /LPLWHG :\$0&/ DQ
)\$9 RQ EHKDOI RI)UDQNOLQ \$OORFDWLRQ
 LQYHVWPHQW PDQDJHPPHQW DJUHHPHQW E
 7UXVW RQ EHKDOI RI)UDQNOLQ *OREDO 5
 WKH LQYHVWPHQW PDQDJHPPHQW DJUHHPH
 0XWXDO \$GYLVHUV //&)0\$ DQG WKH 7UX
 HDFK RI)UDQNOLQ 0XWXDO *OREDO 'LVFR
 0XWXDO 6KDUHV 9,3)XQG DQG)UDQNOLQ
)XQG [WKH LQYHVWPHQW PDQDJHPPHQW
 7HPSOHW RQ \$VVHW 0DQDJHPPHQW /WG 7\$0
 RQ EHKDOI RI 7HPSOHW RQ 'HYHORSQJ 0D
 WKH LQYHVWPHQW VXE DGYLVRU\ DJUHHPH
 DQG)UDQNOLQ 7HPSOHW RQ ,QYHVWPHQW
)7,0/ RQ EHKDOI RI 7HPSOHW RQ 'HYHORS
)XQG [LL WKH LQYHVWPHQW PDQDJHPPHQW
 7HPSOHW RQ ,QYHVWPHQW &RXQVHO //& 7
 RQ EHKDOI RI 7HPSOHW RQ)RUHLJQ 9,3)XQ
 LQYHVWPHQW PDQDJHPPHQW DJUHHPHQW E
 WKH 7UXVW RQ EHKDOI RI 7HPSOHW RQ *U
 0DQDJHPPHQW \$JUHHPPHQW IRU DQ DGGLWL
)UDQNOLQ 7HPSOHW RQ 9DULDEOH
 The Independent Trustees received advice from and met
 LQFOXGLQJ D PDMRULW RI
 VHS DUDWHO) ZLWK D QGHSHQGHQW 7UXVWH
 ZKHWHU SHUVRQV D V GHYORJ
 \$JUHHPPHQW \$OWKRXJK 00W LQXDWLRQ RI
 WKH FRQWLQXDQFH RI WKH
 LQYHVWPHQW PDQDJHPPHQW DJUHHPHQW EHWZHHQ)UDQNOLQ
 \$GYLVHUV ,QF)\$9 DQG WKH 7UXVW RQ EHKDOI RI HDFK RI
)UDQNOLQ \$OORFDWLRQ 9,3)XQG)UDQNOLQ `QD7HFK *URZWK
 9,3)XQG)UDQNOLQ *URZWK DQG ,QFRPH 9,3)XQG)UDQNOLQ
 ,QFRPH 9,3)XQG)UDQNOLQ /DUJH &DS *URZWK 9,3)XQG
)UDQNOLQ 5LVLQJ 'LYLGHQGV 9,3)XQG)UDQNOLQ 6PDOO 0LG
 &DS *URZWK 9,3)XQG)UDQNOLQ 6WUDWHJLF ,QFRPH 9,3)XQG
)UDQNOLQ 8 6 *RYHUQPHQW 6HFXULWLHV 9,3)XQG)UDQNOLQ
 9RO6PDUW \$OORFDWLRQ 9,3)XQG DQG 7HPSOHW RQ *OREDO %RQG
 9,3)XQG LL WKH LQYHVWPHQW VXE DGYLVRU\ DJUHHPHQW
 EHWZHHQ)\$9 DQG)UDQNOLQ 7HPSOHW RQ ,QVWLWXWLRQDO //&
)7,/ DQ D`OLDWH RI)\$9 RQ EHKDOI RI)UDQNOLQ \$OORFDWLRQ 9,3
)XQG LLL WKH LQYHVWPHQW VXE DGYLVRU\ DJUHHPHQW EHWZHHQ
)\$9 DQG 7HPSOHW RQ *OREDO \$GYLVHUV /LPLWHG 7*\$ / DQ
 D`OLDWH RI)\$9 RQ EHKDOI RI)UDQNOLQ \$OORFDWLRQ 9,3)XQG LY
 WKH LQYHVWPHQW VXE DGYLVRU\ DJUHHPHQW EHWZHHQ)\$9 DQG
 %UDQG\ZLQH *OREDO ,QYHVWPHQW 0DQDJHPPHQW //& %*,0
 DQ D`OLDWH RI)\$9 RQ EHKDOI RI)UDQNOLQ \$OORFDWLRQ 9,3)XQG
 Y WKH LQYHVWPHQW VXE DGYLVRU\ DJUHHPHQW EHWZHHQ)\$9

0DQDJHPPHQW WKHQ GLVFXVVHG ZLWK WKH %RDUG WKH DFWLRQV WKDW
DUH EHLQJ WDNHQ LQ DQ H†RUW WR DGGUHVV WKH VRXUFHV RI WKH
)XQG†V XQGHUSHUIRUPDQFH LQFOXGLQJ HQKDQFHPPHQWV PDGH WR
WKH)XQG†V LQYHVWPHQW VWUDWHJLHV 7KH %RDUG FRQFOXGHG WKDW
WKH)XQG†V 0DQDJHPPHQW \$JUHHPHQW VKRXOG EH FRQWLQXHG
IRU DQ DGGLWLRQDO RQH \HDU SHULRG DQG PDQDJHPPHQW†V H†RUWV
VKRXOG FRQWLQXH WR EH FORVHO\ PRQLWRUHG

)UDQNOLQ , QFR The Performance Universe for

WVWV)3320\30\PHG6800\W6\62\X\106800\G\1000\94526036264(LVWV RQD;B DQ;G81V76820Q00.6(531

XQGHUO\LQJ 9,3V 7KH %RDUG QRWHG WKDW WKH)XQG†V DQQXDOLJHG

LQFRPH UHWXUQ IRU WKH RQH WKUHH ¿YH DQG \HDU SHULRGV

PHQ31600MG

)UDQNOLQ /DUJH &DS *The Zerkman)XQG
8QLYHUVH IRU WKH)UDQNOLQ /DUJH &DS *URZWK 9,3)XQG
LQFOXGHG WKH)XQG DQG DOO PXOWL FDS JURZWK IXQGV XQGHUO\LQJ
9,3V 7KH %RDUG QRWHG WKDW WKH)XQG V DQQXDOLJHG WRWDO

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST
SHAREHOLDER INFORMATION

([SHQVH *URXS IRU WKH)UDQNOLQ \$OORFDWLRQ 9,3)XQG DQG LQFOXGHG ([SHQVH *URXS
WKH)XQG DQG RWKHU PL[HG DVVHWWV WDVVWV *OREDO DMWLRQ HURZWK)XQG LQFOXG
IXQGV XQGHUO\LQJ 9,3V 7KH ([SHQVH RWKHU IRU WKH PUKDONLOFDS YDOXH IXQG XQG
*URZWK DQG ,QFRPH 9,3)XQG LQFOXGHG RVEIDH)XQG DQG FDS FRUH IXQGV XQGHUO\LQJ
RWKHU HTXLW\ LQFRPH IXQGV XQGHUO\LQJ 9,3V 7KH ([SHQVH RWKHU IRU WKH PUKDONLOFDS
*URXS IRU WKH)UDQNOLQ ,QFRPH 9,3)XQG DQG LQFOXGHG (XQGHUO\LQJ 9,3V 7KH ([SHQVH
DQG RWKHU AH[LEOH SRUWIROLR IXQGV XQG DQG LQFOXGHG (XQGHUO\LQJ 9,3V 7KH ([SHQVH
([SHQVH *URXS IRU WKH)UDQNOLQ 6PDUJH & DS 9,3)XQG DQG LQFOXGHG (XQGHUO\LQJ 9,3V
LQFOXGHG WKH)XQG DQG HLJKW RWKHU IRU WKH PUKDONLOFDS YDOXH IXQG XQG
XQGHUO\LQJ 9,3V 7KH ([SHQVH *URXS IRU WKH PUKDONLOFDS YDOXH IXQG XQG
*OREDO %RQG 9,3)XQG LQFOXGHG WKH)XQG DQG LQFOXGHG (XQGHUO\LQJ 9,3V 7KH ([SHQVH
LQFRPH IXQGV XQGHUO\LQJ 9,3V 7KH ([SHQVH RWKHU IRU WKH PUKDONLOFDS YDOXH IXQG XQG
)UDQNOLQ \QD7HFK 9,3)XQG LQFOXGHG (XQGHUO\LQJ 9,3V 7KH ([SHQVH RWKHU IRU WKH
RWKHU ODUJH FDS JURZWK IXQGV XQGHUO\LQJ 9,3V 7KH ([SHQVH RWKHU IRU WKH PUKDONLOFDS
*URXS IRU WKH)UDQNOLQ 5LVLQJ 'LYLGHG (XQGHUO\LQJ 9,3V 7KH ([SHQVH RWKHU IRU WKH
WKH)XQG DQG RWKHU ODUJH FDS FRUHWXU IRU WKH PUKDONLOFDS YDOXH IXQG XQG
9,3V 7KH ([SHQVH *URXS IRU WKH)UDQNOLQ 6PDUJH & DS 9,3)XQG DQG LQFOXGHG
*URZWK 9,3)XQG LQFOXGHG WKH)XQG DQG LQFOXGHG (XQGHUO\LQJ 9,3V 7KH ([SHQVH
JURZWK IXQGV XQGHUO\LQJ 9,3V 7KH ([SHQVH RWKHU IRU WKH PUKDONLOFDS YDOXH IXQG XQG
0DQDJPHQW 5DWH DQG DFWXDO WRWDO IRU WKH PUKDONLOFDS YDOXH IXQG XQG
)XQG ZHUH EHORZ WKH PHGLDQ RI LWV ODUJH FDS JURZWK IXQGV XQGHUO\LQJ 9,3V 7KH ([SHQVH
*URXS 7KH %RDUG DOVR QRWHG WKDVAH [LEOH SRUWIROLR IXQGV XQGHUO\LQJ 9,3V 7KH ([SHQVH
9,3)XQG)UDQNOLQ \QD7HFK 9,3)XQG DQG LQFOXGHG (XQGHUO\LQJ 9,3V 7KH ([SHQVH
DQG ,QFRPH 9,3)XQG DQG LQFOXGHG (XQGHUO\LQJ 9,3V 7KH ([SHQVH RWKHU IRU WKH
fee waiver from management. The Board further noted that LQFOXGHG WKH)XQG DQG LQFH
WKH)UDQNOLQ \$OORFDWLRQ 9,3)XQG DQG LQFOXGHG (XQGHUO\LQJ 9,3V 7KH ([SHQVH RWKHU IRU WKH
)\$9 RXW RI WKH PDQDJPHQW IHH)\$9 DFWXDO WRWDO IRU WKH PUKDONLOFDS YDOXH IXQG XQG
DQG WKDW WKH DOORFDWLRQ RI WKH DOORFDWLRQ RI WKH DOORFDWLRQ RI WKH DOORFDWLRQ RI WKH
VXE DGYLVHU UHAFHWG WKH VHUULFHV SURYLGHG E\ HDFK WR WKH
)XQG \$IWHU FRQVLGHUDWLRQ RI WKH DERYH WKH %RDUG DOVR QRWHG WKDVAH [LEOH SRUWIROLR IXQGV
WKDW WKH 0DQDJPHQW 5DWH FKDUJHG WR HDFK %RDUG DOVR QRWHG WKDVAH [LEOH SRUWIROLR IXQGV
VXE DGYLVHU IHH SDLG WR HDFK VXE DGYLVHU RI WKH)UDQNOLQ
\$OORFDWLRQ 9,3)XQG DUH UHDFWLRQDEOH
)UDQNOLQ 86 *RYHUQPHQW HFXULWDO IRU WKH PUKDONLOFDS YDOXH IXQG XQG DQG LQFOXGHG
([SHQVH *URXS IRU WKH)XQG LQFOXGHG (XQGHUO\LQJ 9,3V 7KH ([SHQVH RWKHU IRU WKH PUKDONLOFDS
LQWHUPHGLDWH 86 JRYHUQPHQW IXQGV XQGHUO\LQJ 9,3V 7KH ([SHQVH RWKHU IRU WKH PUKDONLOFDS
LQADWLRQ SURWHFWHG ERQG IXQGV XQGHUO\LQJ 9,3V 7KH ([SHQVH RWKHU IRU WKH PUKDONLOFDS
QRWHG WKDW WKH 0DQDJPHQW 5DWH 9,3V 7KH ([SHQVH RWKHU IRU WKH PUKDONLOFDS YDOXH IXQG XQG
PHGLDQ RI LWV ([SHQVH *URXS DQG WKH %RDUG DOVR QRWHG WKDVAH [LEOH SRUWIROLR IXQGV XQG
UDWLR IRU WKH)XQG ZDV VOLJKWO\ DERYH DWK W R W G O D H [S H Q V H U D W L R Z H U H O H V V
([SHQVH *URXS 7KH %RDUG FRQFOXGHG WKDVAH [LEOH SRUWIROLR IXQGV XQGHUO\LQJ 9,3V 7KH ([SHQVH
5DWH FKDUJHG WR WKH)XQG LV UHDFWLRQDEOH VSHFW WR HDFK RI WKH 7HPSOHWLRQ
)UDQNOLQ *OREDO 5HDO (VWDWH 9,3)XQG DQG LQFOXGHG (XQGHUO\LQJ 9,3V 7KH ([SHQVH RWKHU IRU WKH
*OREDO 'LVFRYHU\ 9,3)XQG)UDQNOLQ (XQGHUO\LQJ 9,3V 7KH ([SHQVH RWKHU IRU WKH PUKDONLOFDS
)XQG 7HPSOHWLRQ 'HYHORSLOJ 0DUNH IXQGV XQGHUO\LQJ 9,3V 7KH ([SHQVH RWKHU IRU WKH PUKDONLOFDS
*URZWK 9,3)XQG 7HPSOHWLRQ)RUHLJQ 83)XQG DQG LQFOXGHG (XQGHUO\LQJ 9,3V 7KH ([SHQVH RWKHU IRU WKH
/DUJH & DS *URZWK 9,3)XQG)UDQNOLQ (XQGHUO\LQJ 9,3V 7KH ([SHQVH RWKHU IRU WKH PUKDONLOFDS
9,3)XQG DQG)UDQNOLQ 6WUDWHV HFXULWDO IRU WKH PUKDONLOFDS YDOXH IXQG XQG
([SHQVH *URXS IRU WKH)UDQNOLQ *OREDO 5HDO (VWDWH 9,3)XQG DQG LQFOXGHG (XQGHUO\LQJ 9,3V
)XQG LQFOXGHG WKH)XQG DQG VHYHQ RWKHU JOREDO UHDO HVWDWH

discussed with management the expenses of both of these WKH)XQGV DV ZHOO DV WKH QHHG WR LP
)XQGV DQG PDQDJPHQW DJUHHG WR LPHSDUFDWLRQV DUEODFHWLRQDWRU\ DQG FRP
WKH 0DQDJPHQW 5DWH IRU WKH 7HP Resulting from recent US Securities and Exchange
DQG LPSOHPHQW DQ H[SHQVH FDS RQ WKIPZHVSRQWRQG *RZWK UHJXODWRU\ UH
9,3)XQGIV DFWXDO WRWDO H[SHQVH UDWLR RI H[HFWLYH 0D\
7KH %RDUG DOVR QRWHG WKDW WKH)XQGV DQG PDQDJPHQW DUEODFHWLRQDWRU\ DQG FRP
\$OORFDWLRQ 9,3)XQGIV DFWXDO WRWDO H[SHQVH UDWLR UHAFHWHG D
fee waiver from management. The Board further noted that IXQG RSHUDWLRQV LQFOXGLQJ UHYHQXHV
WKH 7HPSOHWRRQ 'HYHORSLQJ 0DUNHWV 9,3)XQGV VHUYLFWV SRWHQWLDQ EHQH¿WV
LV SDLG E\ 7\$0/ RXW RI WKH PDQDJPHQW IHH W\$0/ UHFKDQFV PHQWV QHFHVVLW
IURP WKH)XQG DQG WKDW WKH DOORFDWLRQV WRVPHV EHWZHHQ
7\$0/ DQG WKH VXE DGYLEVHU UHAFHWHG WKH VHUYLFWV SRWHQWLDQ EHQH¿WV
HDFK WR WKH)XQG \$IWHU FRQVLGHUWLRQV WKH DERDUG FRFOXGHG WKDW
FRQFOXGHG WKDW WKH 0DQDJPHQW 5DWH IRU WKH 7HP IHH W\$0/ UHFKDQFV PHQWV QHFHVVLW
DQG WKH VXE DGYLEVHU\ IHH SDLG WR WKH 7HP IHH W\$0/ UHFKDQFV PHQWV QHFHVVLW
0DUNHWV 9,3)XQGIV VXE DGYLEVHU DUEODFHWLRQDWRU\ VHUYLFWV SURYLGHG WR

3UR¿WDELOLW\

The Board reviewed and considered information regarding
WKH SUR¿WV UHDO]HG E\ HDFK 0DQDJPHQW DUEODFHWLRQDWRU\ HFRQRPLHV R
FRQQHFWLRQ ZLWK WKH RSHUDWLRQV RYHUVLQV DUEODFHWLRQDWRU\ DQG ZKHWK
WKH %RDUG FRQVLGHUHG WKH)XQG SUR¿WDELOLW\ DUEODFHWLRQDWRU\ UHAFHWV D
DGGUHVHVH WKH RYHUDOO SUR¿WDELOLW\ EHWZHHQ WKH VHUYLFWV SRWHQWLDQ EHQH¿WV :LWK
DV ZHOO DV LWV SUR¿WV LQ SURYLGLQJ DUEODFHWLRQDWRU\ VHUYLFWV SURYLGHG WR
and other services to each of the individual funds during
WKH PRQWK SHULRG HGGHG 6HSWHPEHU EHLQJ WKH
PRVW UHFHQW ¿VFDO \HDU HGG IRU)5, 7KH %RDUG QRWHG WKDW
DOWKRJK PDQDJPHQW FRQLQXDOO\ PDNHV UH¿QPHQWV WR LWV
PHWKRGRORJLHV XVHG LQ FDOFXODWLQJ SUR¿WDELOLW\ LQ UHVSQVH
WR RUJDQL]DWLRQDO DQG SURGXFW UHODWHG FKDQJHV WKH RYHUDOO
PHWKRGRORJ\ KDV UHPDLQHG FRQLVWHQW ZLWK WKDW XVHG LQ WKH
)XQGV SUR¿WDELOLW\ UHSRUW SUHVHQQDWLRQV IURP SULRU \HUV
7KH %RDUG DOVR QRWHG WKDW 3ULFHZDWHUKRXVH&RRSHUV //3
DXGLWRU WR)5, DQG FHUWDLQ)7 IXQGV KDV EHHQ HQJDJHG WR
SHULRGLFDOO\ UHYLHZ DQG DVVHVH WKH DOORFDWLRQV PHWKRGRORJLHV
WR EH XVHG VROHO\ E\ WKH)XQGV %RDUG ZLWK UHVSFW WR WKH
SUR¿WDELOLW\ DQDO\VLV

Economies of Scale

The Board reviewed and considered the extent to which
HDFK 0DQDJPHQW DUEODFHWLRQDWRU\ HFRQRPLHV R
RYHUVLQV DUEODFHWLRQDWRU\ DQG ZKHWK
DUEODFHWLRQDWRU\ UHAFHWV D
:LWK
DUEODFHWLRQDWRU\ VHUYLFWV SURYLGHG WR

7KH %RDUG QRWHG PDQDJPHQWIV EHOLHI WKDW FRVWV LQFXUHHG
LQ HVWDEOLVKLQJ WKH LQIUDVWUXFWXUH QHFHVVDU\ IRU WKH W\SH
RI PXWDO IXQG RSHUDWLRQV FRQGXFWHG E\ HDFK 0DQDJPHQW
DQG LWV D^OLDWHV PD\ QRW EH IXOO\ UHAFHWHG LQ WKH H[SHQVHV
DOORFDWHG WR HDFK)XQG LQ GHWHUPLQLQJ LWV SUR¿WDELOLW\ DV
ZHOO DV WKH IDFV WKDW WKH OHYHO RI SUR¿WV WR D FHUWDLQ H[WHQW
UHAFHWHG RSHUDWLRQDO FRVW VDYLQJV DQG H^FLHQFLHV LQLWLDWHG
E\ PDQDJPHQW \$V SDUW RI WKLV HYDOXDWLRQ WKH %RDUG
FRQVLGHUHG PDQDJPHQWIV RXWVRXUFLQJ RI FHUWDLQ RSHUDWLRQV
ZKLFK H¿RUW KDV UHTXLHG FRQLGHUDEOH XS IURQW H[SHQGLWXUHV
E\ WKH 0DQDJPHQW EXW RYHU WKH ORQJ UXQ LV H[SHFWHG WR UHVXOW
LQ JUHDWHU H^FLHQFLHV 7KH %RDUG DOVR QRWHG PDQDJPHQWIV
expenditures in improving shareholder services provided to

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST
SHAREHOLDER INFORMATION

WR WKH H[WHQW HFRQRPLHV RI VFDOH PD\ EH UHDOLJHG E\ HDFK
0DQDJHU DQG LWV D^OLDWHV HDFK)XQG¶V PDQDJHPHQW IHH
VWUXFWXUH SURYLGHG D VKDULQJ RI EHQH¿WV ZLWK WKH)XQG DQG LWV
VKDUHKROGHUV DV WKH)XQG JURZV

Conclusion

%DVHG RQ LWV UHYLHZ FRQVLGHUDWLRQ DQG HYDOXDWLRQ RI DOO
IDFWRUV LW EHOLHYHG UHOHYDQW LQFOXGLQJ WKH DERYH GHVFULEHG
IDFWRUV DQG FRQFOXVLRQV WKH %RDUG XQDQLPRXVO\ DSSURYHG
WKH FRQWLQXDWLRQ RI HDFK 0DQDJHPHQW \$JUHHPHQW IRU DQ
DGGLWLRQDO RQH \HDU SHULRG

/LTXLGLW\ 5LVN 0DQDJHPHQW 3URJUDP

(DFK)XQG KDV DGRSWHG DQG LPSOHPHQWHG D ZULWWHQ /LTXLGLW\
5LVN 0DQDJHPHQW 3URJUDP WKH ³/503' DV UHTXLUHG E\
5XOH H XQGHU WKH ,QYHVWPHQW &RPSDQ\ \$FW RI
WKH ³/LTXLGLW\ 5XOH' 7KH /503 LV GHVLJQHG WR DVVHVV DQG
PDQDJH HDFK)XQG¶V OLTXLGLW\ ULVN ZKLFK LV GH¿QH DV WKH
ULVN WKDW WKH)XQG FRXOG QRW PHHW UHTXHVWV WR UHGHP VKDUH
LVVXH E\ WKH)XQG ZLWKRXW VLJQL¿FDQW GLOXWLRQ RI UHPDLQLQJ
LQYHVWRUV¶ LQWHUHVW LQ WKH)XQG ,Q DFFRUGDQFH ZLWK WKH
/LTXLGLW\ 5XOH WKH /503 LQFOXGHV SROLFLHV DQG SURFHGXUHV
WKDW SURYLGH IRU DVVHVVPHQW PDQDJHPHQW DQG UHYLHZ
QR OHVV IUHTXHQWO\ WKDQ DQXDOO\ RI HDFK)XQG¶V OLTXLGLW\

SUR[\ YRWLQJ UHFRUGV DUH DOVR PDGH DYDLODEOH RQOLQH DW
IUDQNOLQWHPHWRQ FRP DQG SRVWHG RQ WKH 8 6 6HFXULWLHV DQG
([FKDQJH &RPPLVLRQ¶V ZHEVLWH DW VHF JRY DQG UHÀHFW WKH
PRVW UHFHQW PRQWK SHULRG HQGHG -XQH

4XDUWHUO\ 6FKHGXOH RI ,QYHVWPHQWV

7KH 7UXVW ¿OHV D FRPSOHWH VFKHGXOH RI LQYHVWPHQWV ZLWK
WKH 8 6 6HFXULWLHV DQG ([FKDQJH &RPPLVLRQ IRU WKH ¿UVW
DQG WKLUG TXDUWHUV IRU HDFK ¿VFDO \HDU DV DQ H[KLELW WR LWV
UHSRUW RQ)RUP 1 3257 6KDUHKROGHUV PD\ YLHZ WKH ¿OHG
)RUP 1 3257 E\ YLVLWLQJ WKH &RPPLVLRQ¶V ZHEVLWH DW VHF
JRY 7KH ¿OHG IRUP PD\ DOVR EH YLHZHG DQG FRSLHG DW WKH
&RPPLVLRQ¶V 3XEOLF 5HIHUHQFH 5RRP LQ :DVKLQJWRQ '&

Information regarding the operations of the Public Reference

5RRP PD\ EH REWDLQHG E\ FDOOLQJ 6(&

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)UDQNOLQ 7HPSOHWRQ 9DULDEOH ,QVXUDQFH 3URGXFWV 7UXVW)79,3 VKDUHV DU
RQO\ WR LQVXUDQFH FRPSDQ\ VHSDUDWH DFFRXQWV 6HSDUDWH \$FFRXQW WR
FRQWUDFWV FHUWDLQ TXDOLHG SODQV DQG RWKHU PXWXDO IXQGV IXQGV

\$XWKRULJHG IRU GLVWULEXWLRQ WR LQYHVWRUV LQ 6HSDUDWH \$FFRXQWV RQO\ ZK
DSSOLFDEOH FRQWUDFW ZKLFK LQFOXGHV WKH 6HSDUDWH \$FFRXQW DQG WKH)79,
LQYHVWPHQW JRDOV ULNVV FKDUJHV DQG SURSRWHQWV FRQWUDLQYHVWLRQV DQG RWKH
FDUHIXOO\ EHIRUH LQYHVWLQJ

7R KHOS HQVXUH ZH SURYLGH \RX ZLWK TXDOLW\ VHUYLFH DOO FDOOV WR DQG IUR



Semiannual Report
Franklin Templeton Variable Insurance Products Trust

Investment Managers	Fund Administrator	Distributor
)UDQNOLQ \$GYLVHUV)UDQNOLQ 7HPSOHWRQ 6HUYLFHV //&)		
)UDQNOLQ 0XWXDO \$GYLVHUV //&		'LVWULEXWRUV //&
)UDQNOLQ 7HPSOHWRQ ,QVWLWXWLRQDO //&		
7HPSOHWRQ \$VVHW 0DQDJHPHQW /WG		
7HPSOHWRQ *OREDO \$GYLVHUV /LPLWHG		
7HPSOHWRQ ,QYHVWPHQW &RXQVHO //&		