

SEMIANNUAL REPORT

# FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST

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Important Notes to Performance Information. . . . . i  
Franklin Small Cap Value VIP Fund. . . . . FSV

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

UHWXUQ ZLOO ÀXFXDWH 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 DYDLODELWLW\ 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 SRUWIRORL

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 Small Cap Value VIP Fund

This semiannual UHSRUW IRU )UDQNOLQ 6PDOO & Period Ended HXQB )XQG7KRY)KQVG VIOH VHG V  
QHZ LQVXUDQFH FRPSDQ\ VXEDFFRXQWV RQ -XQH ([LVWLQJ LQVXUDQFH F  
IXQGHG DFFRXQW RQ -XQH FDQ FRQWLQXH WR PDNH DGGLWLRQDO SXUFK

## &ODVV 3HUIRUPDQFH-XQHPDU\ DV RI

The Fund's Class 1 Shares posted a -17.26% total return for the six-month period ended June 30, 2022.

3HUIRUPDQFH UHÀHFWV WKH )XQG7KRY &ODVV LRSOXDWDQJ FRQVWUDFW EHWVG RHHV  
FKDUJHV ,I WKH\ KDG EHHQ LQFOXGHG SHUIRUPDQFH ZRXOG EH ORZHU 7KHVH

# )UDQNOLQ 6PDOO &DS 9DOXH 9,3 )XQG

)XQG \*RDO DQG 0DLQ ,QYHVWPHQWV RODWLOLW\ DQG XQFHUWDLQW\ I 7KH )XQG VHHNV ORQJ WHUP WRWDO UHWXUQ 8QGHU QRUPDO DQG JORE PDUNHW FRQGLWLRQV WKH )XQG LQYHVW DW OHDVW DQG RWKHU FRXQWULHV KD DVVHWV LQ LQYHVWPHQWV RI VPDOO FDSLWDOL]DWLRQ FRPSDQLHV ranging economic sanctions on Russia and certain Russian )RU WKLV )XQG VPDOO FDSLWDOL]DWLRQ FRPSDQLHV DUH WKRVH LQGLYLGXDOV EDQNLQJ HOWLWLHV DQG FRU ZLWK PDUNHW FDSLWDOL]DWLRQV QRW HIFHHGLQJ HLWKHU WKH KLJKHVW WR LWV LOYDVLRO RI 8NUDLQH 7KH 8QLWHG PDUNHW FDSLWDOL]DWLRQ LQ 5XVVDLQ WKH 5XVVDLQ DQG PD\ LPSRVH VDOFWLRQV RQ RWKHU FRX PRQWK DYHUDJH RI WKH KLJKHVW PDUNHW FDSLWDOL]DWLRQV LQ 5XVVDLQ DQG PD\ LPSRVH VDOFWLRQV RQ RWKHU FRX WKH 5XVVDLQ DQG WKH OHDVW LQYDVLRO 7KHVH VDOF SXUFKDVH 7KH )XQG JHQHUDOO\ LQYHVWV LQ HTXLWLHV VHEXULWLHV RYHU DQG RWKHU FRPSDQLHV DUH FRUWV RU FRPSDQLHV WKDW WKH )XQG LQYHVW PHHW EHOFLYHV DUH RU SXUFKDVHU SUHMHUHQFHV RU FIEHUDWWD FRPSDQLHV RU LQGLYLGXDOV PD\ IXUWKHU DQG OLTXLGLW\ RI FHUWDLQ 5XVVDLQ VHF XU RI LVVXHUV LQ RWKHU FRXQWULHV WKDW DU

undervalued at the time of purchase and have the potential for capital appreciation.

## )XQG 5LVNV

\$OO LQYHVWPHQWV LQYROYH ULNVN LQFOXGLQJ SRVVLEOH ORVV RI SULQFLSDO (YHQWV VXFK DV WKH VSUHDG RI GHDO\ GLVHDVHV GLVDVWHUV DQG QDQFLDO SROLWLFDO RU VRFLDO GLVUXSWLRQV PD\ KHLJKWHQ ULNVN DQG DGYHUVHO\ D\HFW SHUIRUPDQFH 6HFXULW Net Assets LVVXH E\ VPDOO FDSLWDOL]DWLRQ FRPSDQLHV PD\ EH PRUH YRODWLOH LQ SULFH WKDQ WKRVH RI DUJHU FRPSDQLHV DQG PD\ LQYROYH VXEVWDQWLDO ULNVN 6XFK ULNVN PD\ LQFOXGH JUHDWHU VHQVLWLYLW\ WR HFRQRPLF FRQGLWLRQV OHVV FHUWDLQ JURZWK SURVSHFWV ODFN RI GHSWK RI PDQDJHPHQW DQG IXQGV IRU (OHFWURLF (TXLSPHQW ,QVWUXPHQW &RPSRQHUV SURGXFW OLQHV DQG PDUNHWV \$ YDOXH VWRFN PD\ QW LQFUHDVH JUDGLQJ &RPSDQLHV LVWULEXWRUV LQ SULFH DV DQWLFLSDWHG E\ WKH LQYHVWPHQW PDQDJHU LI RWKHU ODEKLOHU FRPSDQLHV YDOXH DQG ELG &RQVWUXFWLRQ (OJLQHULQJ XS WKH SULFH WKH PDUNHWV IDYRU IDVWHU JURZLQJ FRPSDQLHV (QHU\ (TXLSPHQW 6HU\LFHV 2LO \*DV &RQVXPDEOH )XHOV WGRQRW REFXU RU GR QRW HDQWK &DUH (TXLSPHQW 6XSSOLHV W\SLFDOO\ LQYROYHV PRUH ULNVN WKDQ LQYHVWLQJ LQ 86 VHEXULWLHV &RFRXQLFDWLRQV (TXLSPHQW Software &RFRXQLFDWLRQV (TXLSPHQW Building Products VSHFL\ ULNVXHV OHVV Other\* 6KRUQJ WHUP, QYHVWPHQWV 2WKHU 1HW \$VVHWV

growth and development and limited or less developed or the factors that the investment manager believes will favorable trading practices or regulation and greater price values and locations of the properties it owns and how investment decisions will produce the desired results. The )XQG LQYHVWPHQWV DOVR LQFOXGHV DGHVFULSWLRQ RI WKH PDLQ <RX FDQ QG WKH )XQG LQVL[ PRQWK WRWDO 3HUIRUPDQFH 6XPPDU\ ,Q FRPSDULVRQ WKH PDLQ LQGLYLGXDOV UHWXUQV WRWDO UHWXU WKH UHVXOWLQJ UHVSQVHV E\ WKH 8QGHUQRUPDO DQG RWKHU FRXQWULHV G HPSOR\ D ER FRXQWULHV DQG WKH SRWHQWLDO IRU ZLGHU FRQALFW FRXOG

### Portfolio Composition

Category	% of Total Assets
Insurance	~10%
Software	~10%
Building Products	~10%
Other*	~10%

\*Categories within the Other category are listed in full in the Fund's Schedule of Investments (SOI). SOI can be found later in the report.

### Performance Overview

Performance overview text describing fund returns and metrics.

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

VHOHFWLRQ SURFHVV DQG WKH PDQDJHUV LQYHVV LQ VHFUXULWLHV  
ZLWKRXW UHJDUG WR EHQFKPDUN FRPSDULVRQV

(FRQRPLF DQG ODUNHW 2YHUYLHZ

8 6 HTXLWLHV DV PHDVXUHG E500WKH 6WDQGDUG 3RRU¶V  
,QGH[ SRVWHG D WRWDO UHWXUQ IRU WKH VL[ PRQWKV  
HQGHG -XQH &RQFHUQV VXUURXQGLQJ KLJKHU  
LQÀDWLRQ JHRSROLWLFDO VWDELOLW\ DQG ULVLQJ LQWHUHVW UDWHV  
SUHVXUHG VWRFNV SDUWLFXODU\ LQ WKH VHFRRG KDOI RI WKH  
SHULRG (OHYDWHG GHPDQG FRPELQHG ZLWK VXSSO\ FKDLQ  
GLVUXSWLRQV OHG WR WKH KLJKHVW LQÀDWLRQ VLQFH DQG  
ERUURZLQJ FRVWV LQFUHDVHG IURP KLVWRULFDOO\ ORZ OHYHOV  
5XVVD¶V LQYDVLQJ RI 8NUDLQH LQMHWHG IXUWKHU XQFHUWDLQW\  
LQWR ¿QDQFLDO PDUNHWV SURYRNLQJ VLJQL¿FDQW YRODWLQW\ LQ  
FRPPRGLW\ DQG HTXLW\ SULFHV

\*URVV GRPHVWLF SURGXFW JURZWK FRQWUDFWHG LQ WKH ¿UVW TXDUWHU  
RI DPLG ORZHU LQYHVWPHQWV LQ LQYHQWRULHV DQG D JURZLQJ  
WUDGH GH¿FLW 3ULYDWH GRPHVWLF LQYHVWPHQW VORZHG VKDUSO\  
ZKLOH JRYHUQPHQW VSHQGLQJ GHFOLQHG LQ WKH ¿UVW TXDUWHU

Rising prices precipitated a notable decline in consumer  
FRQ¿GHQFH GHVSLWH KLJK VSHQGLQJ OHYHOV

7KH LQÀDWLRQ UDWI ZDV HOHYDWHG GXULQJ WKH VL[ PRQWK SHULRG  
DPLG LQFUHDVHG GHPDQG DQG VXSSO\ FKDLQ ERWWOHQH D000DQG RQWK000J VU003

EX\EDFN DQQRXQFHPHQW D UHGXFWRQ LQ GHEW D SRVLWLYH IUHH  
FDVK ÀRZ RXWORRN DQG DQ LQFUHDVH LQ RLO SULFHV

7KH +DQRYHU ,QVXUDQFH \*URXS QRW SDUW RI WKH LQGH[ D  
SURSHUW\ DQG FDXDOW\ LQVXUHU DOVR RXWSHUIRUPHG 6KDUHV  
ZHUH VXSSRUWHG E\ D IDYRUDEOH FRPPHUFLDO OLQHV SUR¿WDELOLW\  
RXWORRN DV ZHOO DV SHUVRQDO DXWRPRELOH UHVXOWV WKDW ZHUH  
EHWWHU WKDQ H[SHFWHG :KLOH 7KH +DQRYHU¶V SHUVRQDO  
DXWRPRELOH ORVV UDWRV URVH RQ D \HDU RYHU \HDU EDVLV GXH  
WR KLJKHU ORVV VHYHULW\ IRXUWK TXDUWHU XQGHUZULWLQJ  
SUR¿WDELOLW\ ZDV VWLOO DERYH WKH FRPSDUDEOH SHULRG LQ  
ZLWK PDQDJHPHQW FLWLQJ ORZHU IUHTXHQF\ WKDW SHUVLVWHG  
WKURXJK WKH TXDUWHU ,Q FRQMXQFWLRQ ZLWK VWURQJ IRXUWK TXDUWHU  
UHVXOWV PDQDJHPHQW DOVR ODLG RXW D IDYRUDEOH RXWORRN

relative to consensus.

1H[7LHU 2LO¿HOG 6ROXWLRQV DQ RLO¿HOG VHUFLFHV FRPSDQ\  
FRQWULEXWHG WR UHODWLYH UHWXUQV LQ WKH SHULRG GULYHQ E\ VWUHQJWK  
LQ RLO SULFHV DQG LQFUHDVHG DFWLYLW\ OHYHOV LQ 8 6 VKDOH  
GHSRVLWV 7KH FRPSDQ\ KRWHG LWV LQYHVWRU GD\ LQ 0DUFK



## Class 1 Fund Expenses

\$V DQ LQYHVWRU LQ D YDULDEOH LQVXUDQFH FRQWUDFW &RQWUDFW WKDW LQ  
 \RX FDQ LQFXU WUDQVDFWLRQ DQG RU RQJRLQJ H[SHQVHV DW ERWK WKH )XQG  
 FDQ LQFOXGH VDOHV FKDUJHV ORDGV RQ SXUFKDVHV VXUUHQGHU IHHV WUDQ  
 FDQ LQFOXGH PDQDJHPHQW IHHV GLVWULEXWLRQ DQG VHUULFH E IHHV FR  
 H[SHQVH ULVN IHHV DQG RWKHU IHHV DQG H[SHQVHV \$OO PXWXDO IXQGV DQG &  
 WDEOH EHORZ VKRZV )XQG OHYHO RQJRLQJ H[SHQVHV DQG FDQ KHOS \RX XQGHU  
 RWKHU PXWXDO IXQGV R±HUHG WKURXJK WKH &RQWUDFW 7KH WDEOH DVVXPHV  
 3OHDVH UHIHU WR WKH )XQG SURVSHFWXV IRU DGGLWLRQDO LQIRUPDWLRQ RQ R

### \$FWXDO )XQG ([SHQVHV

The table below provides information about the actual account values and actual expenses in the columns under the heading  
 \$FWXDO ' ,Q WKHVH FROXPQV WKH )XQG V DFWXDO UHWXUQ ZKLFK LQFOXGHV V  
 WKH H±HFW RI RQJRLQJ &RQWUDFW H[SHQVHV FRXQWV DQG XMR 'FDQV XODWHV WKLPHV  
 H[SHQVHV \RX SDLG GXULQJ WKH SHULRG XUVROORZLQJ FRXQWV DW OXSW DQG H[SH  
 WKRVH LQ WKLV DQG VWDWHPHQW QWLY DQXH FRFRXQW KDG DQ YDOXH WKH  
 ) 7KHQ PXOWLSO\ WKH UHWXOW E\ WKH QXPEHU XQGHU WKH KHDGLQJ \$FWXDO  
 )XQG /HYHO ([SHQVHV 3DLG 'XULQJ 3HULRG ZHWH,Q WKLV WKH QXVWUDWLRQ WKH  
 SDLG WKLW SHULRG DW WKH )XQG OHYHO DUH

### + \SRWKHWLFDO ([DPSOH IRU &RPSDULVRQ ZLWK 2WKHU

8QGHU WKH KHDGLQJ + \SRWKHWLFDO' LQ WKH WDEOH LQIRUPDWLRQ LV SURYLQ  
 H[SHQVHV EDVHG RQ WKH )XQG V DFWXDO H[SHQVH UDWLR DQG DQ DVVXPHG UD  
 QRW WKH )XQG V DFWXDO UHWXUQ 7KLV LQIRUPDWLRQ PD\ QRW EH XVHG WR HV  
 SDLG IRU WKH SHULRG EXW LW FDQ KHOS \RX FRPSDUH RQJRLQJ FRVWV RI LQYH  
 WKURXJK WKH &RQWUDFW 7R GR VR FRPSDUH WKLW K \SRWKHWLFDO H[DPSOH  
 VKDUHKROGHU UHSRUWV RI RWKHU IXQGV R±HUHG WKURXJK WKH &RQWUDFW  
 3OHDVH QRWH WKDW H[SHQVHV VKRZQ LQ WKH WDEOH DUH PHDQW WR KLJKOLJK  
 DQ\ RQJRLQJ H[SHQVHV DW WKH &RQWUDFW OHYHO RU WUDQVDFWLRQ H[SHQVH  
 WKH )XQG GRHV QRW KDYH WUDQVDFWLRQ H[SHQVHV LI WKH WUDQVDFWLRQ DQ  
 WKH H[SHQVHV VKRZQ EHORZ ZRXOG EH KLJKHU <RX VKRXOG FRQVXOW \RXU &R  
 LQIRUPDWLRQ


**Franklin Small Cap Value VIP Fund**

	Six Months	Year Ended December 31,				
	Ended June 30, 2022 (unaudited)	2021	2020	2019	2018	2017
<b>Class 1</b>						
Per share operating performance (for a share outstanding throughout the period)						
Income from investment operations <sup>a</sup>						
Net investment income <sup>b</sup>	0.06					
Total from investment operations						
Net investment income						
Total distributions						
Total return <sup>e</sup>						
Ratios to average net assets <sup>f</sup>						
Net investment income						
Net investment income						
Supplemental data						
Portfolio turnover rate						

**Franklin Small Cap Value VIP Fund**

	Six Months Ended June 30, 2022 (unaudited)	Year Ended December 31,				
		2021	2020	2019	2018	2017
<b>Class 2</b>						
Per share operating performance (for a share outstanding throughout the period)						
Income from investment operations <sup>a</sup>						
Net investment income <sup>b</sup>	0.04					
Total from investment operations		3.67	0.46	3.40		
Total distributions						
Total return <sup>e</sup>						
Ratios to average net assets <sup>f</sup>						
Net investment income						
Supplemental data						
Portfolio turnover rate						

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and redemptions.

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

<sup>c</sup>Net investment income per share includes approximately \$0.05 per share related to income received in the form of special dividends in connection with certain holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.98%.

<sup>d</sup>Net investment income per share includes approximately \$0.06 per share related to income received in the form of special dividends in connection with certain holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.50%.

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

<sup>f</sup>Ratios are annualized for periods less than one year.

<sup>g</sup>% of net investment income per share derived from special dividends.

<sup>h</sup>% of net investment income per share derived from other sources.

	Six Months	Year Ended December 31,				
	Ended June 30, 2022 (unaudited)	2021	2020	2019	2018	2017
<b>Class 4</b>						
Per share operating performance (for a share outstanding throughout the SHULRG 1HW DVVHW YDOXH E.HJ.LQQLQJ RI SHULRG						
Income from investment operations <sup>a</sup>						
Net investment income <sup>b</sup> . . . . .	0.03				<sup>c</sup>	<sup>d</sup>
1HW UHDOLJHG DQG XQUHDOLJHG JDLQV <del>0.04</del> DVVHV					3.30	
Total from investment operations . . . . .		3.77	0.47			
/HVV GLVWULEXWLRQV IURP Net investment income . . . . .						
1HW UHDOLJHG JDLQV . . . . .						
Total distributions . . . . .						
1HW DVVHW YDOXH .H.Q.G. RI SHULRG						
Total return <sup>e</sup> . . . . .						
Ratios to average net assets <sup>f</sup>						

Schedule of Investments (unaudited), June 30, 2022

Franklin Small Cap Value VIP Fund

	Country	Shares	Value
<b>Common Stocks 98.3%</b>			
<b>Aerospace &amp; Defense 0.4%</b>			
4 L Q H W L 4 * U.R.X.S. .S.O.F. ....	8 Q L W H G	. L Q J G R P	
<b>Auto Components 0.7%</b>			
<sup>a</sup> \$ G L H Q W . . . . .	8 Q L W H G	6 W D W H V	
/ & , , Q G X V W U L H V . . . . .	8 Q L W H G	6 W D W H V	
<b>Banks 11.3%</b>			
\$ W O D Q W % D Q N L Q J . . . . .	8 Q L W H G	6 W D W H V	
& D P G H Q 1 D W L R Q D O . & R U S . . . . .	8 Q L W H G	6 W D W H V	
& R O X P E L D % D Q N L Q J . 6 \ V . W H P . . . , Q . F . . . . .	8 Q L W H G	6 W D W H V	
) L U V W , Q W D Q F W D W H P . . . , Q . F . . . \$ . . . . .	8 Q L W H G	6 W D W H V	
) L U V W R I / R Q J , V O D . Q . G . & R U S . . . 7 . K H . . . . .	8 Q L W H G	6 W D W H V	
* H U P D Q \$ P H U L F D Q % D . Q . F . R . U . S . . . , Q . F . . . . .	8 Q L W H G	6 W D W H V	
3 H R S O H V % D . Q . F . R . U . S . . . , Q . F . . . . .	8 Q L W H G	6 W D W H V	
SouthState & R.U.S. ....	8 Q L W H G	6 W D W H V	
7 U L B a r c s h a r e s . . . . .	8 Q L W H G	6 W D W H V	
: D V K L Q J W R Q 7 U X V W . % D . Q . F . R . U . S . . . , Q . F . . . . .	8 Q L W H G	6 W D W H V	
<b>Biotechnology 0.5%</b>			
<sup>a</sup> 0 L U X P 3 K D U P D F H X W L F D O V . . . , Q . F . . . . .	8 Q L W H G	6 W D W H V	
<sup>a</sup> 5 K \ W K P 3 K D U P D F H X W L F D O V . . . , Q . F . . . . .	8 Q L W H G	6 W D W H V	
<b>Building Products 3.1%</b>			
\$ S R J H H ( Q W H U S U L V H V . . . , Q . F . . . . .	8 Q L W H G	6 W D W H V	
Insteel , Q G X V W U L H V . . . , Q . F . . . . .	8 Q L W H G	6 W D W H V	
<sup>a</sup> 0 D V R Q L W H , Q W H U Q D W L R Q D O . & R U S . . . . .	8 Q L W H G	6 W D W H V	
8 ) 3 , Q G X V W U L H V . . . , Q . F . . . . .	8 Q L W H G	6 W D W H V	
<b>Chemicals 7.4%</b>			
\$ V K O D Q G * O R E D O . + R O G L Q J V . . . , Q . F . . . . .	8 Q L W H G	6 W D W H V	
\$ Y L H Q W . & R U S . . . . .	8 Q L W H G	6 W D W H V	
<sup>a</sup> ( O H P H Q W L V . . . . .	8 Q L W H G	. L Q J G R P	
0 L Q H U D O V 7 H F K Q R O R J L H V . . . , Q . F . . . . .	8 Q L W H G	6 W D W H V	
<b>Communications Equipment 3.5%</b>			
<sup>a</sup> NetScout 6 \ V W H P V . . . , Q . F . . . . .	8 Q L W H G	6 W D W H V	
<b>Construction &amp; Engineering 4.8%</b>			
<sup>a</sup> * U H D W / D N H V ' U H G J H . . . ' R F N . & R U S . . . . .	8 Q L W H G	6 W D W H V	
Primoris 6 H U Y L F H V . & R U S . . . . .	8 Q L W H G	6 W D W H V	
<sup>a</sup> WillScot 0 R E L O H 0 L Q L + R O G L Q J V . & R U S . . . . .	8 Q L W H G	6 W D W H V	
<b>Construction Materials 1.8%</b>			
<sup>a</sup> 6 X P P L W 0 D W H U L D Q V . . . , Q . F . . . \$ . . . . .	8 Q L W H G	6 W D W H V	
<b>Electric Utilities 0.1%</b>			
, ' \$ & 2 5 3 , Q . F . . . . .	8 Q L W H G	6 W D W H V	
<b>Electrical Equipment 0.4%</b>			
5 H J D O 5 H [ Q R U G . & R U S . . . . .	8 Q L W H G	6 W D W H V	
<b>Electronic Equipment, Instruments &amp; Components 5.7%</b>			
% H Q F K P D U N ( O H F W U R Q L F V . . . , Q . F . . . . .	8 Q L W H G	6 W D W H V	

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

Franklin Small Cap Value VIP Fund (continued)

	Country	Shares	Value
Common Stocks	FRQLWXHG		
Electronic Equipment, Instruments & Components	FRQLWXHG		
& 76 & R.U.S. ....	8QLWHG	6WDWHV	
<sup>a</sup> , , 9, ..Q.F. ....	8QLWHG	6WDWHV	

**Franklin Small Cap Value VIP Fund**

	Country	Shares	Value
<b>Common Stocks</b> FRQWLQXHG			
Machinery 5.0%			
\$VWHF , QGXV.W.U.L.H.V., QF.....	8QLWHG	6WDWHV	
&ROXPEXV 0F.LQQ.R.Q. &R.U.S.....	8QLWHG	6WDWHV	
*UHHQEULHU &R.V., QF...7KH.....	8QLWHG	6WDWHV	
5(9 *URXS., QF.....	8QLWHG	6WDWHV	
7LPNHQ &R...7KH.....	8QLWHG	6WDWHV	
Multi-Utilities 0.3%			
%ODFN +LQO.V. &R.U.S.....	8QLWHG	6WDWHV	

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

Franklin Small Cap Value VIP Fund (continued)

Short Term Investments 1.8%

	Country	Shares	Value
Money Market Funds 1.8%			
E F Q V W L W X W L R Q D O ) L G X F L D U \ 7 U X V W . . 0 . R Q H \ 8 0 0 L W H G W 6 3 1 R D U W H R O L R			
Total Money Market Funds (Cost \$18,017,359)			18,017,359
Total Short Term Investments (Cost \$18,017,359)			18,017,359
Total Investments (Cost \$962,230,375) 100.1%			\$990,111,616
Other Assets, less Liabilities (0.1%)			





FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
FINANCIAL STATEMENTS



# Notes to Financial Statements (unaudited)

## Franklin Small Cap Value VIP Fund

2UJDQLJ DQGRQL; \$DQXWRQULHV  
)UDQNOLQ 7HPSOHWRQ 9DULDEOH ,QVXUDQFH 3URGXFWV 7UXVW  
7UXVW LV UHJLVWHUHG XQGHU WKH ,QYHVWPHQW &RPSDQ\ \$FW RI  
\$FW DV DQ RSHQ HQG PDQDJHPHQW LQYHVWPHQW  
FRPSDQ\ FRQVLVWLQJ RI HLJKWHHQ VHSUDWH IXQGV DQG DSSOLHV  
WKH VSHFLDOLJHG DFFRXQLQJ DQG UHSRUWLQJ JXLGDQFH LQ 8 6  
\*HQHUDOO\J00 6 & '4DL82FV WPH LV2 Tm f003H6 & '4DL82FV D9Q0006

Franklin Small Cap Value VIP Fund FRQWLQXHG

c. Income and Deferred Taxes

,WLNKXQG V SROLF\ WR TXDOLI\ DV D UHJX  
FRPSDQ\ XQGHU WKH ,QWHUQH QG GHYHQXH  
LQWHQGV WR GLVWULEXWH WR VKDUHKRO  
RI WKH UHSRUWLQJ SHULRG \$Q\ VHF\ ULW\ YDOXDWLQ\ FKDQJHV GXH  
WR DQ RSHQ IRUHLJQ PDUNHW DUH DGMXVWHG DQG UHAHFWHG E\ WKH  
)XQG IRU QDQFLDO UHSRUWLQJ SXUSRVHV

b. Foreign Currency Translation

Portfolio securities and other assets and liabilities

GHQRPLQDWHG LQ IRUHLJQ FXUUHQFLHV DUH WUDQVODWHG LQWR 8 6

dollars based on the exchange rate of such currencies

DJDLQVW 8 6 GROODUV RQ WKH GDWH RI YDOXDWLQ\ 7KH )XQG PD\  
HQWHU LQWR IRUHLJQ FXUUHQF\ H[FKDQJH FRQWUDFWV WR IDFLOLWDWH  
WUDQVDFWLRQV GHQRPLQDWHG LQ D IRUHLJQ FXUUHQF\ 3XUFKDVHV  
DQG VDOHV RI VHF\ULWLHV LQFRPH DQG H[SHQVH LWHPV

GHQRPLQDWHG LQ IRUHLJQ FXUUHQFLHV DUH WUDQVODWHG LQWR 8 6

GROODUV DW WKH H[FKDQJH UDWH LQ H±HFW RQ WKH WUDQVDFWLRQ GDWH

Portfolio securities and assets and liabilities denominated

LQ IRUHLJQ FXUUHQFLHV FRQWDLQ ULNVV WKDW WKRWH FXUUHQFLHV ZLOO  
GHFOLQH LQ YDOXH UHODWLYH WR WKH 8 6 GROODU 2FFDVLQRDOO\  
HYHQWV PD\ LPSDFW WKH DYDLODELOLW\ RU UHOLDELOLW\ RI IRUHLJQ  
H[FKDQJH UDWHV XVHG WR FRQYHUW WKH 8 6 GROODU HTXLYDOHQW  
YDOXH ,I VXFK DQ HYHQW RFFXUV WKH IRUHLJQ H[FKDQJH UDWH

will be valued at fair value using procedures established and

DSSURYHG E\ WKH %RDUG

7KH )XQG GRHV QRW VHSUDUDWHO\ UHSRUW WKH H±HFW RI FKDQJHV

LQ IRUHLJQ H[FKDQJH UDWHV IURP FKDQJHV LQ PDUNHW SULFHV

on securities held. Such changes are included in net

UHDOL]HG DQG XQUHDOL]HG JDLQ RU ORVV IURP LQYHVWPHQWV LQ WKH

Statement of Operations.

5HDOL]HG IRUHLJQ H[FKDQJH JDLQV RU ORVVHV DULVH IURP VDOHV

RI IRUHLJQ FXUUHQFLHV FXUUHQF\ JDLQV RU ORVVHV UHDOL]HG

between the trade and settlement dates on securities

WUDQVDFWLRQV DQG WKH GL±HUHQFH EHWZHHQ WKH UHFRUGH

DPRXQWV RI GLYLGHQGV LQWHUHVW DQG IRUHLJQ ZLWKKROGLQJ

WD[HV DQG WKH 8 6 GROODU HTXLYDOHQW RI WKH DPRXQWV DFWXDOO\  
UHFHLYHG RU SDLG 1HW XQUHDOL]HG IRUHLJQ H[FKDQJH JDLQV

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.

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UHODWLYH SURSRUWLRQ RI QHW DVVHWV RI  
LQ SHU VKDUH GLVWULEXWLRQV E\ FODVV DU  
GL†HUHQFHV LQ FODVV VSHFL¿F H[SHQVHV

e. Accounting Estimates

3HUPDQHGW GL†HUHQFHV DUH UHFODVVL¿HG DPRQJ FDSLWDO  
DFFRXQWV WR UHÀFW WKHLU WD[ FKDUDFWHU 7KHVH UHFODVVL¿FDWLRQV

have no impact on net assets or the results of operations.

7HPSRUDU\ GL†HUHQFHV DUH QRW UHFODVVL¿HG DV WKH\ PD\  
reverse in subsequent periods.

&RPPRQ H[SHQVHV LQFXUUHG E\ WKH 7UXVW DUH DOORFDWHG  
DPRQJ WKH )XQGV EDVHG RQ WKH UDWLR RI QHW DVVHWV RI HDFK  
)XQG WR WKH FRPELQHG QHW DVVHWV RI WKH 7UXVW RU EDVHG RQ  
WKH UDWLR RI QXPEHU RI VKDUHKROGHUV RI HDFK )XQG WR WKH  
FRPELQHG QXPEHU RI VKDUHKROGHUV RI WKH 7UXVW )XQG VSHFL¿F  
H[SHQVHV DUH FKDUJHG GLUHFWO\ WR WKH )XQG WKDW LQFXUUHG WKH  
expense.

5HDOL]HG DQG XQUHDOL]HG JDLQV DQG ORVVHV DQG QHW  
LQYHVWPHQW LQFRPH H[FOXGLQJ FODVV VSHFL¿F H[SHQVHV  
DUH DOORFDWHG GDLO\ WR HDFK FODVV RI VKDUHV EDVHG XSRQ WKH

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DUH ZDLYHG RQ DVVHWV LQYHVWHG LQ WKH D^OLDWHG PDQDJHPHQW LQYHVWPHQW  
 DQ DPRXQW QRW WR H[FHHG WKH PDQDJHPHQW DQG DGPLQLVWUDWLYH IHHV SDLG  
 HQGHG -XQH WKH )XQG KHOG LQYHVWPHQWV LQ D^OLDWHG PDQDJHPHQW LQ

Value at Beginning of Period	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation



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### 7. Geopolitical Risk

2Q )HEUXDU\ 5XVVLD HQJJDJHG LQ PLOLWDU\ DFWLKHQFXLQJ HXKM SRØHWHEDO  
¿QDQFLDO XQFHUWDLQW\ VXUURXQGLQJ 5XVVLD DQG 8NUDLQH PD\ LQFUHDVH PD  
VHFXULWLHV LQ WKH VH FRXQWULHV DQG PD\ DOVR FDXVH XQFHUWDLQW\ IRU WK  
XOWLPDWH IDOORXW DQG ORQJ WHUP LPSDFW) KURP ZLWV FRQYHLOXW DWRHDO VWVNG  
YDOXDWLRQV DQG OLTXLGLW\ DQG ZLOO WDNH DQ\ SRWHQWLDO DFWLRQV QHHG

### 8. Novel Coronavirus Pandemic

7KH JOREDO RXWEUHDN RI WKH QRYHO FRURQDYLUXV GLVHUVH NQRZQ DV &29,'  
VHFWRUV QDWLRQV UHJLRQV DQG WKH PDUNHWV LQ JHQHURDO HQGHPD RFVQWV  
SDQGHPLF PD\ PDWHULDOO\ LPSDFW WKH YDOXH D DQGLWV HWR UFXD DQGH RMHVOHI XQGG  
DSSURSULDWH YDOX DFLQW DWRD QF KLVWPHQW REMHFWLYHV

### 9. Credit Facility

7KH )XQG WRJHWKHU ZLWK RWKHU 8 6 UHJLVWHUHG %RQRZHUHV JQPDQYHVPHQV  
7HPSOHWURQ DUH ERUURZHUV LQ D MRLQW V\QGLFDWHG VHQLRU XQVHFXUHG FUI  
ZKLFK PDWXUH V RQ )HEUXDU\ 7KLV \*OREDO &UHGLW )DFLOLW\ SURYLGHV  
HPHUUHQF\ SXUSRVHV LQFOXGLQJ WKH DELOLW\ WR PHHW IXWXUH XQDQWLFLSD

8QGHU WKH WHUPV RI WKH \*OREDO &UHGLW )DFLOLW\ WKH )XQG VKDOO LQ DGG  
)XQG DQG RWKHU FRVWV LQFXUUHG E\ WKH )XQG SD\ LWV VKDUH RI IHHV DQG H  
DQG PDLQWHQDQFH RI WKH \*OREDO &UHGLW )DFLOLW\ EDVHG XSRQ LWV UHODW  
LQFOXGLQJ DQ DQXDO FRPPLWPHQW IHH RI EDVHG XSRQ WKHHV XQXVHVGD\$RU  
UHÀHFWHG LQ RWKHU H[SHQVHV LQ WKH 6WDWPHQW RI 2SH)XQGLRQ QXULQVHV  
\*OREDO &UHGLW )DFLOLW\

### 10. Fair Value Measurements

7KH )XQG IROORZV D IDLU YDOXH KLHUDUFK\ WKDW GLVWLQJXLVKHV EHWZHHQ P  
REVHUYDEOH LQSXWV DQG WKH )XQG V RZQ PDUNHWV D VQSWLROV XQREVHUY  
YDOXH RI WKH DQGLWV LQVWUXPHQWV DQG DUH VXPPDULJHG LQ WKH IROORZLQJ

- /HYHO ± TXRWHG SULFHV LQ DFWLYH PDUNHWV IRU LGHQWLFDO ¿QDQFLDO ¿QDQFLDO
- /HYHO ± RWKHU VLJQL¿FDQW REVHUYDEOH LQSXWV LQFOXGLQJ TXRWHG S  
SUHSD\PHQW VSHHG FUHGLW ULVN HWF
- /HYHO ± VLJQL¿FDQW XQREVHUYDEOH LQSXWV LQFOXGLQJ WKH )XQG V RZ  
¿QDQFLDO LQVWUXPHQWV

7KH LQSXW OHYHOV DUH QRW QHFHVVDULO\ DQ LQGLFDWLRQ RI WKH ULVN RU OL  
\$ VXPPDU\ RI LQSXWV XVHG DV RI -XQH DVVHWV DQ DQGLWV HWR UFXD DQGH RMHVOHI XQGG  
LV D

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12. Subsequent Events

7KH )XQG KDV HYDOXDWHG VXEVTXHGW HYDQWL DW URXDW HPKH QVVXDQG FHHWHW  
have occurred that require disclosure.

# Index Descriptions

The indexes are unmanaged and include reinvestment of

DQ\ LQFRPH RU GLVWULEXWLRQV 7KHL Q RW Q RW L Q M A H P W G D Q W I H H R P S R Q H Q W R I W  
 H[SHQVHV RU VDOHV FKDUJHV 2QH FD QYH W Q D P H G W W Q G L H J H F Z M O F K L Q Q F O X G H V 8 6  
 DQ LQGH[ DQG DQ LQGH[ LV QRW UHSU J H V G Q U D D M L Y C R R L Q D K H 8 6 Q G T V V H D V X U L H V D G  
 SRUWIROLR 1HW 5HWXUQV 15 LQFOXGH E L C F M R R H Q V H W H F I X W D V L H V L V V X H G E \ 8 6  
 withholding when dividends are paid.

)RU 5XVVHOO ,QGH[HV )UDQN 5XVVHOO &RPSDQ\ LV WKH VRXUFH  
 DQG RZQHU RI WKH WUDGHPDUNV V H U B r o n e r g U S S u b H i g h Y e l d C e r t i f i c a t e I n d e x K W s a  
 related to the Russell Indexes. Russell® LV D WUDGHPD U F R S R Q H Q W R I W K H 8 6 & R U S R U D W H + L J K  
 )UDQN 5XVVHOO &RPSDQ\

6HH ZZZ IUDQNOLQWHP SOHWRQGDWDV R X U F H V F R P I R U D G G L W L R Q D O  
 data provider information.

Bloomberg 1-3 Month U.S. Treasury Bill Index measures  
 WKH SHUIRUPDQFH RI 8 6 7UHDVXU\ E L O Q Y W K D W K P Y H D Y H P S D L O Q J U H G G L H O D  
 PDWXULW\ RI JUHDWHU WKDQ RU HTXD Q W R R Q H P R Q W K D Q G Q E U L G D G M X V W D E C  
 WKUHH PRQWKV 7UHDVXULHV LI KHOG W R P D W X U L W \ R + H U D ; [ H G U D W H  
 RI UHWXUQ DQG D ; [ H G S U L Q F L S D O Y D O X H W K H L U L Q W H U H V W S D \ P H Q W V  
 and principal are guaranteed.

Bloomberg U.S. Aggregate Bond Index measures  
 WKH SHUIRUPDQFH RI WKH LQYHVWPHQ W J U D S E W o r l d G o v e r n m e n t B o n d I n d e x D i e a s t  
 GHQRPLQDWHG ; [ H G U D W H W D [ D E O H E R Q G P D U N H W , W L Q F O X G S H I V I R 8 6 P Q Q D R U G I H C R P D W D W E R F D O F X U U  
 LQFOXGHV 7UHDVXULHV JRYHUQPHQW U H O D W H G D Q G F R U S R U D W H  
 VHFUXULWLHV PRUWJDJH EDFNHG VHFUXULWLHV DJHQF\ ; [ H G  
 UDWH DQG K \ E U L G D G M X V W D E O H U D W H F T B E R P P R A T I O N A R E S D e v e l o p e d I n d e x J K W D I U H H A R D W  
 DVVHW EDFNHG VHFUXULWLHV DQG FRP D C U F L D W H E R U Q G I D J G H E D I F N O H G W R P H D V X U H  
 VHFUXULWLHV DJHQF\ DQG QRQDJHQF\ S X E O L F O \ W U D G H G U H D O H V W D W H V H F X U L  
 and principal are guaranteed.

Bloomberg U.S. Corporate Bond Index measures the  
 SHUIRUPDQFH RI WKH LQYHVWPHQW J U D S E W o r l d G o v e r n m e n t B o n d I n d e x D i e a s t  
 FRUSRUDWH ERQG PDUNHW , W L Q F O X G S H I V I R 8 6 P Q Q D R U G I H C R P D W D W E R F D O F X U U  
 VHFUXULWLHV SXEOLFO\ LVVXHG E \ 8 6 V R Q G U C H L Q 8 6 B R Q Q G X D Q G U L D O W D W H G L Q 8 6  
 XWLWLW\ DQG ; Q D Q F L D O L V V X H U V

Bloomberg U.S. Corporate High Yield Bond Index  
 PHDVXUH WKH SHUIRUPDQFH RI WKH 8 6 R Y H G U R O P H D U W G H F O R P L Q D W K P D W X U L W L H V J  
 KLJK \LHOG ; [ H G U D W H F R U S R U D W H E R Q G P D U N H W , W L Q F O X G S H I V I R 8 6 P Q Q D R U G I H C R P D W D W E R F D O F X U U  
 FODVVL ; H G D V K L J K \ L H O G L I W K H P L G G O H U D W L Q J R I 0 R R G \ ( V ) L W F K  
 DQG 6WDQGDUG 3 R R U \ V L V % D % % M S C I A l l C o u n t r y A s i a I n d e x N R  
 IURP LVVXHUV ZLWK DQ HPHUJLQJ PDUNHWV (0 FRXQWU\ RI ULVN  
 EDVHG RQ %ORRPEHUJ (0 FRXQWU\ GH ; Q L W L R Q D U H H [ F O X G H G

Bloomberg U.S. Government - Intermediate Index

RU JRYHUQPHQW VSRQVRUHG HQWLWLHV  
 JXDUDQWHHG E \ W K H 8 6 J R Y H U Q P H Q W

Bloomberg U.S. High Yield Cert Index

FRUSRUDWH + L J K  
 GHVLJQHG WR WUDFN D PRUH OLTXLG FRP  
 GHQRPLQDWHG KLJK \LHOG ; [ H G U D W H F

Bloomberg U.S. Mortgage-Backed Securities (MBS)

Index WUDFNV WKH SHUIRUPDQFH RI ; [ H G U  
 EDFNHG SDVV WKURXJK VHFUXULWLHV JXDU  
 10 \$ K D W K P Y H D Y H P S D L O Q J U H G G L H O D  
 ( + H F W L P H X Q H W R R Q W K D Q G Q E U L G D G M X V W D E C  
 were removed from the index.

Bloomberg U.S. Treasury Index measures the

SHUIRUPDQFH RI 8 6 G R O O D U G H Q R P L Q D W  
 G H E W L V V X H G E \ W K H 8 6 7 U H D V X U \ Z L W K  
 ; Q D Q F L D O L V V X H U V L I K H O G W  
 E R Q G P D U N H W , W L Q F O X G S H I V I R 8 6 P Q Q D R U G I H C R P D W D W E R F D O F X U U  
 and principal are guaranteed.

Bloomberg U.S. Treasury Inflation-Protected Securities (TIPS)

SHUIRUPDQFH RI 8 6 G R O O D U G H Q R P L Q D W  
 ( X U R S H D Q D Q G \$ V L D Q U H D O H V W D W H P D U

J.P. Morgan (JPM) Global Government Bond Index

measures the  
 S H I V I R 8 6 P Q Q D R U G I H C R P D W D W E R F D O F X U U

J.P. Morgan (JPM) Global Government Bond Index (GGBI)

WUDFNV WRWDO UHWXUQV IRU OLTXL  
 8 6 R Y H G U R O P H D U W G H F O R P L Q D W K P D W X U L W L H V J  
 E R Q G P D U N H W , W L Q F O X G S H I V I R 8 6 P Q Q D R U G I H C R P D W D W E R F D O F X U U  
 H F R X Q W \ H L H V J O R E D  
 M S C I A l l C o u n t r y A s i a I n d e x N R

MSCI All Country Asia Index, NR

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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

# Shareholder Information

%RDUG \$SSURYDO RI ,QYHVWPHQWV //& &  
 0DQDJHPPHQW \$JUHHPPHQWV RQ EHKDOI RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG  
 VXE DGYLVRU\ DJUHHPHQW EHWZHHQ )\$9 DQ D<sup>^</sup>OLDWH RI )\$9 RQ EHKDOI RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG  
 0DQDJHPPHQW &RPSDQ\ //& :\$0& DQ D<sup>^</sup>OLDWH RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG  
 VXE DGYLVRU\ DJUHHPHQW EHWZHHQ )\$9 DQ D<sup>^</sup>OLDWH RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG  
 0DQDJHPPHQW &RPSDQ\ /LPLWHG :\$0&/ DQ D<sup>^</sup>OLDWH RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG  
 )\$9 RQ EHKDOI RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG  
 LQYHVWPHQW PDQDJHPPHQW DJUHHPHQW EHWZHHQ )\$9 DQ D<sup>^</sup>OLDWH RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG  
 7UXVW RQ EHKDOI RI )UDQNOLQ \*OREDO 5.0% DQ D<sup>^</sup>OLDWH RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG  
 WKH LQYHVWPHQW PDQDJHPPHQW DJUHHPHQW EHWZHHQ )\$9 DQ D<sup>^</sup>OLDWH RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG  
 0XWXDO \$GYLVHUV //& )0\$ DQG WKH 7UXVW RQ EHKDOI RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG  
 HDFK RI )UDQNOLQ 0XWXDO \*OREDO 'LVFRPH 9,3 )XQG DQ D<sup>^</sup>OLDWH RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG  
 0XWXDO 6KDUHV 9,3 )XQG DQG )UDQNOLQ \$OORFDWLRQ 9,3 )XQG  
 )XQG [ WKH LQYHVWPHQW PDQDJHPPHQW DJUHHPHQW EHWZHHQ )\$9 DQ D<sup>^</sup>OLDWH RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG  
 7HPSOHWRQ \$VVHW 0DQDJHPPHQW /WG 7.0% DQ D<sup>^</sup>OLDWH RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG  
 RQ EHKDOI RI 7HPSOHWRQ 'HYHORSRJ 0DQDJHPPHQW EHWZHHQ )\$9 DQ D<sup>^</sup>OLDWH RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG  
 WKH LQYHVWPHQW VXE DGYLVRU\ DJUHHPHQW EHWZHHQ )\$9 DQ D<sup>^</sup>OLDWH RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG  
 DQG )UDQNOLQ 7HPSOHWRQ ,0L HVWPHQW EHWZHHQ )\$9 DQ D<sup>^</sup>OLDWH RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG

\$W DQ LQ SHUVRQ PHHWLQJ KHOG RQ \$SULO 0HHWLQJ WKH %RDUG RI 7UXVWHHV %RDUG RI )UDQNOLQ 7HPSOHWRQ 9DULDEOH ,QVXUDQFH 3URGXFWV 7UXVW 7UXVW LQFOXGLQJ D PDMRULW\ RI WKH WUXVWHHV ZKR DUH QRW 3LQWHUHVWHG SHUVRQV DV GH¿QH LQ WKH ,QYHVWPHQW &RPSDQ\ \$FW RI ,QGHSHQGHQW 7UXVWHHV UHYLHZHG DQG DSSURYHG 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 'AQD7HFK \*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 7HPSOHWRQ \*OREDO %RQG 9,3 )XQG LL WKH LQYHVWPHQW VXE DGYLVRU\ DJUHHPHQW EHWZHHQ )\$9 DQG )UDQNOLQ 7HPSOHWRQ ,QVLWXWLRQDO //& )7,/ DQ D<sup>^</sup>OLDWH RI )\$9 RQ EHKDOI RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG )\$9 DQ D<sup>^</sup>OLDWH RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG LLL WKH LQYHVWPHQW VXE DGYLVRU\ DJUHHPHQW EHWZHHQ )\$9 DQG 7HPSOHWRQ \*OREDO \$GYLVRU\ /LPLWHG 7\*\$ / DQ D<sup>^</sup>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<sup>^</sup>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\ PRQLWRUH

)UDQNOLQ ,QFRPH 7,3 )XQG¶V XQGHUSHUIRUPDQFH 8QLYHUVH IRU  
WKH )XQG LQFOXGHG WKH )XQG DQG DOO ÀH[LEOH SRUWIROLR IXQGV  
XQGHUO\LQJ 9,3V 7KH %RDUG QRWHG WKDW WKH )XQG¶V DQXDO]HG  
LQFRPH UHWXUQ IRU WKH RQH WKUHH ¿YH DQG \HDU SHULRGV  
ZDV DERYH WKH PHGLDQ RI LWV 3HUIRUPDQFH 8QLYHUVH 7KH  
%RDUG DOVR QRWHG WKDW WKH )XQG¶V DQXDO]HG WRWDO UHWXUQ  
IRU WKH RQH DQG \HDU SHULRGV ZDV DERYH WKH PHGLDQ RI  
LWV 3HUIRUPDQFH 8QLYHUVH EXW IRU WKH WKUHH DQG ¿YH \HDU  
SHULRGV ZDV EHORZ WKH PHGLDQ RI LWV 3HUIRUPDQFH 8QLYHUVH  
7KH %RDUG FRQVLGHUHG WKH LQFRPH UHODWHG DWWULEXWHV RI  
WKH )XQG VXFK DV D IXQGV¶V LQYHVWPHQW REMHFWLYH DQG RU  
LQYHVWPHQW VWUDWHJ\ DQG WKDW WKH HYDOXDWLRQ RI WKH )XQG¶V  
performance relative to its peers on an income return basis  
ZDV DSSURSULDWH JLYHQ WKH )XQG¶V LQFRPH UHODWHG DWWULEXWHV  
and investor expectations. The Board concluded that the  
)XQG¶V SHUIRUPDQFH ZDV VDWLVIDFWRU\

)UDQNOLQ 6WUDWHJLF ,QFRPH 9,3 )XQG DQG )UDQNOLQ 8 6  
\*RYHUQPHQW 6HFXULWLV 3HUIRUPDQFH  
8QLYHUVH IRU WKH )UDQNOLQ 6WUDWHJLF ,QFRPH 9,3 )XQG  
LQFOXGHG WKH )XQG DQG DOO PXOWL VHFWRU LQFRPH IXQGV  
XQGHUO\LQJ 9,3V 7KH 3HUIRUPDQFH 8QLYHUVH IRU WKH )UDQNOLQ  
8 6 \*RYHUQPHQW 6HFXULWLHV 9,3 )XQG LQFOXGHG WKH )XQG  
DQG DOO LQWHUPHGLDWH 86 JRYHUQPHQW IXQGV XQGHUO\LQJ 9,3V  
7KH %RDUG QRWHG WKDW HDFK )XQG¶V DQXDO]HG LQFRPH UHWXUQ  
IRU WKH RQH WKUHH ¿YH DQG Z0QW IXQUO(QH 8VE00 ¿YH WKH ))TJ9 0 0 22379401.807



FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
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)UDQNOLQ \*URZWK DQG , QFHR BHH U, BU X D Q F H  
8QLYHUVH IRU WKH )XQG LQFOXGHG WKH )XQG DQG DOO HTXLW\  
LQFRPH IXQGV XQGHUO\LQJ 9,3V 7KH %RDUG QRWHG WKDW WKH  
)XQG¶V DQXDO L]HG LQFRPH UHWXUQ DQG DQXDO L]HG WRWDO UHWXUQ  
IRU WKH RQH WKUHH ¿YH DQG \H DU SHULRGV ZHUH DERYH WKH  
PHGLDQV RI LWV 3HUIRUPDQFH 8QLYHUVH 7KH %RDUG FRQFOXGHG  
WKDW WKH )XQG¶V SHUIRUPDQFH ZDV VDWLVIDFWRU\

)UDQNOLQ \QD7HFK 9.3 )XQG )UDQNOLQ 0XWXDO 6KDUHV 9,3  
)XQG 7HPSOHWRQ )RUHLJQ 9,3 )XQG DQG 7HPSOHWRQ \*URZWK  
9,3 )XQG KH 3HUIRUPDQFH 8QLYHUVH IRU WKH )UDQNOLQ  
\QD7HFK 9,3 )XQG LQFOXGHG WKH )XQG DQG DOO ODUJH FDS  
JURZWK IXQGV XQGHUO\LQJ 9,3V 7KH 3HUIRUPDQFH 8QLYHUVH IRU  
WKH )UDQNOLQ 0XWXDO 6KDUHV 9,3 )XQG LQFOXGHG WKH )XQG DQG  
DOO PXOWL FDS YDOXH IXQGV XQGHUO\LQJ 9,3V 7KH 3HUIRUPDQFH  
8QLYHUVH IRU WKH 7HPSOHWRQ )RUHLJQ 9,3 )XQG LQFOXGHG WKH  
)XQG DQG DOO LQWHUQDWLRQDO PXOWL FDS YDOXH IXQGV XQGHUO\LQJ  
9,3V 7KH 3HUIRUPDQFH 8QLYHUVH IRU WKH 7HPSOHWRQ \*URZWK  
9,3 )XQG LQFOXGHG WKH )XQG DQG DOO JORED O PXOWL FDS YDOXH  
IXQGV XQGHUO\LQJ 9,3V 7KH %RDUG QRWHG WKDW HDFK )XQG¶V  
DQXDO L]HG WRWDO UHWXUQ IRU WKH RQH WKUHH ¿YH DQG \H DU

periods was below the median of its respective Performance

8QLYHUVH 7KH %RDUG IXUWKHU QRWHG WKDW H¿HFWLYH 0D\  
WKH )UDQNOLQ \QD7HFK 9,3 )XQG FDKQJHG LWV QDPH  
LQYHVWPHQW VWUDWHJ\ DQG SULPDU\ EHQFKPDUN WR DOLJQ ZLWK  
WKH )UDQNOLQ \QD7HFK )XQG DQG WKDW LW ZRXOG QHGH PRUH  
WLPH WR DVVHVW WKH LPSOLF DWLRQ RI WKHVH FDKQJHV RQ )XQG  
performance.

7KH %RDUG DOVR QRWHG PDQDJH PHQW¶V H[SODQDWRQ WKDW WKH  
)UDQNOLQ 0XWXDO 6KDUHV 9,3 )XQG¶V XQGHUSHUIRUPDQFH LQ  
ZDV PDWHULDO DQG FRQLQXHV WR DGYHUVHO\ LPSDFW WKH  
)XQG¶V UDQNLQJ RYHU ORQJHU WHUP SHULRGV 0DQDJH PHQW  
UHPLQGHG WKH %RDUG RI WKH SULPDU\ IDFWRUV WKDW LPSDFWHG WKH  
SHUIRUPDQFH LQFOXGLQJ DPRQJ IDFWRUV H[SRVXUH WR  
QRQ 86 HTXLWLHV DQG VWRFN VHOHFWLRQ 0DQDJH PHQW H[SODLQHG  
WKDW WKH )XQG KDV D PRUH YDOXH RULHQWHG WLOW DQG XQGHUZHLJKW  
SRVLWRQ LQ 86 VHFULWLHV DV FRPSDUHG WR LWV 3HUIRUPDQFH  
8QLYHUVH ERWK RI ZKLFK GHUODFWHG IURP WKH )XQG¶V UHODWLYH

performance during a period of historic and sustained

RXWSHUIRUPDQFH RI JURZWK RYHU YDOXH 0DQDJH PHQW IXUWKHU  
H[SODLQHG WKDW NH\ GHUODFWRUV IURP WKH )XQG¶V WKUHH \H DU  
SHUIRUPDQFH LQFOXGHG WKH )XQG¶V VWRFN VHOHFWLRQ LQ WKH  
¿QDQFLDOV DQG LQGXVWULDOV VHFWRUV DQG WKH )XQG¶V XQGHUZHLJKW  
SRVLWRQ LQ WKH LQGXVWULDOV VHFWRU 0DQDJH PHQW UHYLHZHG ZLWK  
WKH %RDUG RQJRLQJ HQKDQFH PHQWV WR WKH )XQG¶V LQYHVWPHQW  
WHDP DQG SURFHVHV LQ DQ H¿RUW WR LPSURYH SHUIRUPDQFH

)UDQNOLQ /DUJH &DS \*URIZHW & HU 3R)XQGG FHLWV 3HUIRUPDQFH 8QLYHUVH 7KH %RD  
8QLYHUVH IRU WKH )UDQNOLQ /DUJH &DS \*URIZHW & HU 3R)XQGG FHLWV 3HUIRUPDQFH 8QLYHUVH 7KH %RD  
LQFOXGHG WKH )XQG DQG DOO PXOWL FDSLRGRZWKV DQVHXWKHURHGDDQ RI LWV  
9,3V 7KH %RDUG QRWHG WKDW WKH )XQGVIRDQWKBQLYHGHDRWSDHULRG ZDV EHOR  
UHWXUQ IRU WKH RQH WKUHH DQG ;YHUIRUPDQFH 8QLYHUVH 7KH %RDUG FRQ  
WKH PHGLDQ RI LWV 3HUIRUPDQFH 8QLYHUVH 7KH %RDUG FRQFOXGHG WKDW WKH )XQGVIRDQWKBQLYHGHDRWSDHULRG ZDV EHORZ  
SHULRG ZDV EHORZ WKH PHGLDQ RI LWV 3HUIRUPDQFH 8QLYHUVH  
7KH %RDUG FRQFOXGHG WKDW WKH )XQGVIRDQWKBQLYHGHDRWSDHULRG ZDV EHORZ WKH PHGLDQ RI LWV 3HUIRUPDQFH 8QLYHUVH  
VDWLVIDFWRU

7HPSOHWRQ 'HYHORSLQJ 0DUNHWV 9,3V XQGG DQG )XQGG DQDQXDDOLJHG WRWDO U  
6PDOO &DS 9DOXH 7KH 3XQGG RUPDQFH 8QLYHUVH SHULRGV ZDV EHORZ WKH PHGLDQ  
IRU WKH 7HPSOHWRQ 'HYHORSLQJ 0DUNHWV 9,3V XQGG DQG )XQGG DQDQXDDOLJHG WRWDO U  
WKH )XQG DQG DOO HPHUJLQJ PDUNHWV 9,3V XQGG DQG )XQGG DQDQXDDOLJHG WRWDO U  
7KH 3HUIRUPDQFH 8QLYHUVH IRU WKH )UDQNOLQ 0XWXDO \*ORED 7KFRYHU\ 9,3V XQGG DQG )XQGG DQDQXDDOLJHG WRWDO U  
9DOXH 9,3 )XQG LQFOXGHG WKH )XQG DQDQXDDOLJHG WRWDO U  
IXQGV XQGHUOLQJ 9,3V 7KH %RDUG QRWHG WKDW HDFK )XQGV  
DQDQXDDOLJHG WRWDO UHWXUQ IRU WKH )UDQNOLQ 0XWXDO \*ORED 7KFRYHU\ 9,3V XQGG DQG )XQGG DQDQXDDOLJHG WRWDO U  
periods was above the median of its respective Performance The Board reviewed and considered information regarding  
8QLYHUVH EXW IRU WKH RQH \HDU SHULRG ZDV EHORZ WKH PHGLDQ HISHQVH UD  
RI LWV UHVSHFWLYH 3HUIRUPDQFH 8QLYHUVH SHULRGV ZDV EHORZ WKH PHGLDQ HISHQVH UD  
DQDQXDDOLJHG WRWDO UHWXUQ IRU WKH )UDQNOLQ 0XWXDO \*ORED 7KFRYHU\ 9,3V XQGG DQG )XQGG DQDQXDDOLJHG WRWDO U  
9,3 )XQG H[FHHGHG 7KH %RDUG FRQFOXGHG WKDW HDFK )XQGV  
)XQGV SHUIRUPDQFH ZDV VDWLVIDFWRU

)UDQNOLQ 0XWXDO \*ORED 7KFRYHU\ 9,3V XQGG DQG )XQGG DQDQXDDOLJHG WRWDO U  
3HUIRUPDQFH 8QLYHUVH IRU WKH )XQGVIRDQWKBQLYHGHDRWSDHULRG ZDV EHORZ WKH PHGLDQ RI LWV 3HUIRUPDQFH 8QLYHUVH  
DQG DOO JORED 0XOWL FDS YDOXH IXQGVIRDQWKBQLYHGHDRWSDHULRG ZDV EHORZ WKH PHGLDQ RI LWV 3HUIRUPDQFH 8QLYHUVH  
%RDUG QRWHG WKDW WKH )XQGVIRDQWKBQLYHGHDRWSDHULRG ZDV EHORZ WKH PHGLDQ RI LWV 3HUIRUPDQFH 8QLYHUVH  
RQH WKUHH DQG \HDU SHULRGV ZDV EHORZ WKH PHGLDQ RI LWV 3HUIRUPDQFH 8QLYHUVH  
LWV 3HUIRUPDQFH 8QLYHUVH EXW IRU 0DUNHWV 9,3V XQGG DQG )XQGG DQDQXDDOLJHG WRWDO U  
EHORZ WKH PHGLDQ RI LWV 3HUIRUPDQFH 8QLYHUVH EXW IRU 0DUNHWV 9,3V XQGG DQG )XQGG DQDQXDDOLJHG WRWDO U  
FRQFOXGHG WKDW WKH )XQGVIRDQWKBQLYHGHDRWSDHULRG ZDV EHORZ WKH PHGLDQ RI LWV 3HUIRUPDQFH 8QLYHUVH EXW IRU 0DUNHWV 9,3V XQGG DQG )XQGG DQDQXDDOLJHG WRWDO U

)UDQNOLQ 5LVLQJ 'LYLGHG 3HUIRUPDQFH  
8QLYHUVH IRU WKH )XQG LQFOXGHG WKH )XQG DQG DOO ODUJH FDS  
FRUH IXQGV XQGHUOLQJ 9,3V 7KH %RDUG QRWHG WKDW WKH )XQGVIRDQWKBQLYHGHDRWSDHULRG ZDV EHORZ WKH PHGLDQ RI LWV 3HUIRUPDQFH 8QLYHUVH  
DQDQXDDOLJHG WRWDO UHWXUQ IRU WKH RQH DQG WKUHH \HDU SHULRGV  
ZDV DERYH WKH PHGLDQ RI LWV 3HUIRUPDQFH 8QLYHUVH EXW IRU  
WKH ;YH DQG \HDU SHULRGV ZDV EHORZ WKH PHGLDQ RI LWV  
3HUIRUPDQFH 8QLYHUVH 7KH %RDUG IXUWKHU QRWHG WKDW ZKLOH  
EHORZ WKH PHGLDQ WKH )XQGVIRDQWKBQLYHGHDRWSDHULRG ZDV EHORZ WKH PHGLDQ RI LWV 3HUIRUPDQFH 8QLYHUVH  
WRWDO UHWXUQV ZHUH DQG UHVSHFWLYHO\  
7KH %RDUG FRQFOXGHG WKDW WKH )XQGVIRDQWKBQLYHGHDRWSDHULRG ZDV  
VDWLVIDFWRU

)UDQNOLQ 9R06PDUW \$ORRFBMURRUPDQFH  
8QLYHUVH IRU WKH )XQG LQFOXGHG WKH )XQG DQG DOO AHLEOH  
SRUWIROLR IXQGV XQGHUOLQJ 9,3V 7KH %RDUG QRWHG WKDW WKH )XQGVIRDQWKBQLYHGHDRWSDHULRG ZDV EHORZ WKH PHGLDQ RI LWV 3HUIRUPDQFH 8QLYHUVH  
)XQG LQFHSHWG RQ \$SULO DQG KDV EHHQ LQ RSHUDWLRQ  
IRU OHVV WKDQ \HUV 7KH %RDUG IXUWKHU QRWHG WKDW LWV  
DQDQXDDOLJHG WRWDO UHWXUQ IRU WKH RQH WKUHH DQG ;YH \HDU  
SHULRGV ZDV DERYH WKH PHGLDQ DQG LQ WKH ;UVV TXLQWLOH EHVW

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([SHQVH \*URXS IRU WKH )UDQNOLQ \$OORFDWLRQ 9,3 )XQG LQFOXGHG  
WKH )XQG DQG RWKHU PL[HG DVVHW WDUJHW DOORFDWLRQ JURZWK  
IXQGV XQGHUO\LQJ 9,3V 7KH ([SHQVH \*URXS IRU WKH )UDQNOLQ  
\*URZWK DQG ,QFRPH 9,3 )XQG LQFOXGHG WKH )XQG DQG  
RWKHU HTXLW\ LQFRPH IXQGV XQGHUO\LQJ 9,3V 7KH ([SHQVH  
\*URXS IRU WKH )UDQNOLQ ,QFRPH 9,3 )XQG LQFOXGHG WKH )XQG  
DQG RWKHU ÀH[LEOH SRUWIROLR IXQGV XQGHUO\LQJ 9,3V 7KH  
([SHQVH \*URXS IRU WKH )UDQNOLQ 6PDOO &DS 9DOXH 9,3 )XQG  
LQFOXGHG WKH )XQG DQG HLJKW RWKHU VPDOO FDS YDOXH IXQGV  
XQGHUO\LQJ 9,3V 7KH ([SHQVH \*URXS IRU WKH 7HPSOHWRRQ  
\*OREDO %RQG 9,3 )XQG LQFOXGHG WKH )XQG DQG RWKHU JOREDO  
LQFRPH IXQGV XQGHUO\LQJ 9,3V 7KH ([SHQVH \*URXS IRU WKH  
)UDQNOLQ \QD7HFK 9,3 )XQG LQFOXGHG WKH )XQG DQG  
RWKHU ODUJH FDS JURZWK IXQGV XQGHUO\LQJ 9,3V 7KH ([SHQVH  
\*URXS IRU WKH )UDQNOLQ 5LVLQJ 'LYLGHQGV 9,3 )XQG LQFOXGHG  
WKH )XQG DQG RWKHU ODUJH FDS FRUH IXQGV XQGHUO\LQJ  
9,3V 7KH ([SHQVH \*URXS IRU WKH )UDQNOLQ 6PDOO 0LG &DS  
0&DZWK 9,3 )XQG LQFOXGHG WKH )XQG DQG RWKHU PLG FDS  
JURZWK IXQGV XQGHUO\LQJ 9,3V 7KH %RDUG Q03

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discussed with management the expenses of both of these

)XQGV DQG PDQDJHPPHQW DJUHHG WR LPSOHPHQW D UHGXFWRQ LQ  
WKH 0DQDJHPPHQW 5DWH IRU WKH 7HPSOHWQR )RUHLJQ 9,3 )XQG  
DQG LPSOHPHQW DQ H[SHQVH FDS RQ WKH 7HPSOHWQR \*URZWK  
9,3 )XQG¶V DFWXDO WRWDO H[SHQVH UDWR RI H¶HFWLYH 0D\  
7KH %RDUG DOVR QRWHG WKDW WKH )UDQNOLQ 9RO6PDUW  
\$OORFDWRQ 9,3 )XQG¶V DFWXDO WRWDO H[SHQVH UDWR UHÀHFWHG D  
fee waiver from management. The Board further noted that  
WKH 7HPSOHWQR 'HYHORSLQJ 0DUNHWV 9,3 )XQG¶V VXE DGYLVHU  
LV SDLG E\ 7\$0/ RXW RI WKH PDQDJHPPHQW IHH 7\$0/ UHFHLYHV  
IURP WKH )XQG DQG WKDW WKH DOORFDWRQ RI WKH IHH EHWZHHQ  
7\$0/ DQG WKH VXE DGYLVHU UHÀHFWHG WKH VHUFLFHV SURYLGHG E\  
HDFK WR WKH )XQG \$IWHU FRQVLGHUDWRQ RI WKH DERYH WKH %RDUG  
FRQFOXGHG WKDW WKH 0DQDJHPPHQW 5DWH FKDUJHG WR HDFK )XQG  
DQG WKH VXE DGYLVHU IHH SDLG WR WKH 7HPSOHWQR 'HYHORSLQJ  
0DUNHWV 9,3 )XQG¶V VXE DGYLVHU DUH UHVRQDEOH

3UR¿WDELOLW\

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WR WKH H[WHQW HFRQRPLHV RI VFDOH PD\ EH UHDOL]HG E\ HDFK

SUR[\ YRWLQJ UHFRUGV DUH DOVR PDGH DYDLODEOH RQOLQH DW  
IUDQNOLQWHP SOHWRQ FRP DQG SRVWHG RQ WKH 8 6 6HFXULWLHV DQG  
([FKDQJH &RPPLVVLRQ¶V ZHEVLWH DW VHF JRY DQG UHÅHFW 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 &RPPLVVLRQ 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 &RPPLVVLRQ¶V ZHEVLWH DW VHF  
JRY 7KH ¿OHG IRUP PD\ DOVR EH YLHZHG DQG FRSLHG DW WKH  
&RPPLVVLRQ¶V 3XEOLF 5HIHUHQFH 5RRP LQ :DVKLQJWRQ '&

Information regarding the operations of the Public Reference

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



)UDQNOLQ 7HPSOHWQR 9DULDEOH ,QVXUDQFH 3URGXFWV 7UXVW )79,3 VKDUHV DU  
RQO\ WR LQVXUDQFH FRPSDQ\ VHSUDUWH 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 ULNV FKDUJHV DQG SURSRWHQWV FRQWUDLQYHVWLRQ DQG RWKH  
FDUHIXOO\ EHIRUH LQYHVWLQJ

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



Semiannual Report  
Franklin Templeton Variable Insurance Products Trust

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