

# FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST

June 30, 2022

F



# Franklin Templeton Variable Insurance Products Trust Semiannual Report

## Table of Contents

---

Important Notes to Performance Information. . . . .	i
Franklin Income VIP Fund. . . . .	FI-1
Index Descriptions. . . . .	I-1
Shareholder Information . . . . .	SI-1

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 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 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 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 Income VIP Fund

This semiannual UHSRUW IRU )UDQNOLQ ,QFRPH 9,3 )XQG FRYHUV WKH

# )UDQNOLQ ,QFRPH 9,3 )XQG

## )XQG \*RDO DQG 0DLQ ,QYHVWPHQW

7KH )XQG VHHNV WR PD[LPL]H LQFRPH SURVSHFWV IRU FDSLWDO DSSUHFLDWLRQGLWLRQV WKH )XQG LQYHVWV LQ DQG HTXLW\ VHF\XULWLHV

country have also imposed economic sanctions on Belarus

DQG PD\ LPSRVH VDOFWLRQV RQ RWKHU FRXVLDV VDOFWLRQV RQ RWKHU FRXVLDV 8QG HUQRUPDO PDUNHW RWKHU HFRORPLE FROVHTXH QFHV UHODWHG D GYHUV\ HG SRUWIRORL RI GHEW DV DGGLWLRQDO VDOFWLRQV ERFRWWV RU RU SXUFKDVHU SUHIHUHQFHV RU FIEHUDWWD FRPSDQLHV RU LQGLYLGXDOV PD\ IXUWKHU DQG OLTXLGLW\ RI FHUWDLQ 5XVVDQ VHF\XULW\ VVXHUV LQ RWKHU FRXQWULHV WKDW DU

## )XQG 5LVNV

\$OO LQYHVWPHQWV LQYROYH ULNV LQFOXGLQJ SRVLEOH ORVVRI SULQFLSDO (YHQWV VFK DV WKH VSUHGRSHDQ GLVDVWHUV DQG QDQFLDO SROLWLFDO RU VRFLDO GLVUXSWLRQV PD\ KHLJKWHQ ULNV DQG DGYHUVHO\ DIFHW UHJLRQDO 6WRFN SULFHV AXFWXDWH VRPHWLPHV UDSLGO\ DQG GUDPDWLFDOO\ GXH WR IDFWRUV DIFHWLQJ LQGLYLGXDO FRPSDQLHV VLI PRQWK WRWDO LQGXVWULHV RU VHFWRUV RU JHQHUDO FRGLW\ ROYD\ J K PRU\ \LHOG GHEW VHF\XULWLHV DUH JHQHUDO\ FROVLGHUHG SUHGRPLQWO\ VSHFXODWLYH E\ WKH DSSOLFDEOH UDWLQJ DJHQFHV DV WKHLU LVVXHUV DUH PRUH OLNHO\ WR HQFRXQWHU QDQFLDO GLFXOWLHV EHFDXVH WKH\ PD\ EH PRUH KLJKO\ OHYUDJHG RU EHFDXVH

sanctions related to the invasion

## Performance Overview

Performance Overview

## Portfolio Composition

Portfolio Composition

RI RWKHU FRQVLGHUDWLRQV :KHQ LQYHVWPHQWV ULVH GHEW VHF\XULW\ SULFHV JHQHUDOO\ IDOO 7KH RSRVLWH LV DOVR JHQHUDOO\ WUXH GHEW VHF\XULW\ SULFHV ULVH ZKHQ LQWHUHV UDWHV IDOO &KDQJHV LQ DQ LVVXHU\ QDQFLDO VWUHQJWK RU LQ D VHF\XULW\ RU JRYHUQPHQW FUGLW UDWLQJ PD\ DIFHW VHF\XULW\ YDOXH 7KH )XQG V GLVWULEXWLRQV WR VKDUHQGHUV PD\ GHEOLOH ZKHQ SUHYDLOLQJ LQWHUHV UDWHV IDOO ZKHQ GLYLGHQG LQFRPH IURP LQYHVWPHQWV LQ VWRFNV GHFOLQH ZKHQ WKH )XQG HISHULHQFHV GHIDXOWV RQ GHEW VHF\XULWLHV LW KRQV RU ZKHQ LW UHDOLJHV D ORVV XSRQ WKH VDOH RI D GHEW VHF\XULW\ QYHVWLQJ LQ IRUHLQ VHF\XULWLHV W\SLFDOO\ LQYROYHV PRUH ULNV WKDQ LQYHVWLQJ LQ 86 VHF\XULWLHV LQFOXGLQJ ULNV UHODWHG WR FXUHQF\ HFKDQJH UDWHV DQG SROLFLHV FRXQWU\ RU JRYHUQPHQW VSHFL\ LVVXHV \$HURVDFH HIHQVH

less favorable trading practices or regulation and greater SULFH YRODWLWLW\ 7KH )XQG LV DFWLPHO\ PDQJHG EXW WKHUH LV no guarantee that the manager's investment decisions will SURGXFH WKH GHVLUH UHVXOWV 7KH )XQG\ SURVSHFWV DOVR LQFOXGHV D GHVFULSWLRQ RI WKH PD\ LQYHVWPHQW ULNV

8DSLWDO PDUNHWV LYHU\HG HOHFRPXQLFWRQ 6HU\LFHV

## Other

Other

5XVVD V PLOLWDU\ LQYDVLRQ RI 8NUDLQH LHQ )HEUXDU\ WKH UHVXOWLQJ UHVSQVHV E\ WKH 8QLWV 6WDWHV DQG RWKHU FRXQWULHV DQG WKH SRWHQWLDO IRU ZLGHU FRQLFW FRXOG LQFUHDVH YRODWLWLW\ DQG XQFHUWDLQDO\ FIDUNHWV DQG DGYHUVHO\ DIFHW UHJLRQDO DQG JOREDO HFRORPLHV 7KH 8QLWHG 6WDWHV DQG RWKHU FRXQWULHV FRORPLE FROVHTXH QFHV ranging economic sanctions on Russia and certain Russian LQGLYLGXDOV EDQNLQJ HQWLWLHV DQG FRUSUDW\ ROY DV UHVSQVHV WR LWV LQYDVLRQ RI 8NUDLQH 7KH 8QLWHG 6WDWHV DQG RWKHU VLI PRQWKV HQGHG Concerns surrounding

1. Source: Morningstar.  
2. Source: FactSet. The Fund's Blended Benchmark was calculated internally and was composed of 50% MSCI USA High Dividend Yield Index + 25% Bloomberg Yield Very Liquid Index + 25% Bloomberg U.S. Aggregate Bond Index.  
One cannot invest directly in an index, and an index is not representative of the Fund's portfolio. Please see Index Descriptions following the Fund Summaries.  
The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI).

KLJKHU LQÀDWLRQ JHRSROLWLFDO VWDELOLW\ DQG ULVLQJ LQWHUHVW  
UDWHV SUHVXUHG VWRFN SDUWLFXODUO\ LQ WKH VHFRQG KDOI RI  
WKH SHULRG (OHYDWHG GHPDQG FRPELQHG ZLWK VXSSO\ FKDLQ  
GLVXSWLRQV OHG WR WKH KLJKHVW LQÀDWLRQ VLQFH DQG

---

---

---

---

---

---



7KDQN \RX IRU \RXU SDUWLFLSDWLRQ LQ )UDQNOLQ ,QFRPH 9,3  
)XQG :H ORRN IRUZDUG WR VHUYLQJ \RXU IXWXUH LQYHVWPHQW  
needs.

---

7KH IRUHJRLQJ LQIRUPDWLRQ UHÀHFWV RXU DQDO\VLV RSLQLRQV  
DQG SRUWIROLR KROGLQJV DV RI -XQH WKH HQG RI  
WKH UHSRUWLQJ SHULRG 7KH ZD\ ZH LPSOHPHQW RXU PDLQ  
LQYHVWPHQW VWUDWHJLHV DQG WKH UHVXOWLQJ SRUWIROLR KROGLQJV  
PD\ FKDQJH GHSHQGLQJ RQ IDFWRUV VXFK DV PDUNHW DQG  
HFRQRPLF FRQGLWLRQV 7KHVH RSLQLRQV PD\ QRW EH UHOLHG XSRQ

# Class 1 Fund Expenses

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

## \$FWXDO )XQG ([SHQVHV

The table below provides information about the actual account values and actual expenses in the columns under the heading  
³\$FWXDO´, Q WKHVH FROXPQV WKH )XQG V DFWXDO UHWXUQ ZKLFK LQFOXGHV WK  
WKH H±HFV RI RQJRLQJ &RQWUDFW H[SHQVHV FRQWUDFW DQG VDOHV WKH WLPD WGL  
H[SHQVHV \RX SDLG GXULQJ WKH SHULRG IRU ORZLQJ FRQWUDFW VDOHV DQG H[SHQV  
WKRVLQ WKLV LQFOXGHV WUDWLRQ RQ XWLVXDEFRXQW KDG DQ YDOXH WKHQ  
7KHQ PXOWLSO\ WKH UHWXOW E\ WKH QXPEHU XQGHU WKH KHDGLQJ ³\$FWXDO´  
)XQG /HYHO ([SHQVHV 3DLG 'XULQJ 3HULRG ZHUH, Q WKH WLPD WGL WUDWLRQ WKH HV  
SDLG WKLV SHULRG DW WKH )XQG OHYHO DUH

## + \SRWKHWLFDQ ([DPSOH IRU &RPSDULVRQ ZLWK 2WKHU 0X

8QGHU WKH KHDGLQJ ³+ \SRWKHWLFDQ´ LQ WKH WDEOH LQIRUPDWLRQ LV SURYLGHG  
H[SHQVHV EDVHG RQ WKH )XQG V DFWXDO H[SHQVH UDWLR DQG DQ DVVXPHG UDWH  
QRW WKH )XQG V DFWXDO UHWXUQ 7KLV LQIRUPDWLRQ PD\ QRW EH XVHG WR HVW  
SDLG IRU WKH SHULRG EXW LW FDQ KHOS \RX FRPSDUH RQJRLQJ FRVWV RI LQYHV  
WKURXJK WKH &RQWUDFW 7R GR VR FRPSDUH WKLV K\SRWKHWLFDQ H[DPSOH ZL  
VKDUHKROGHU UHSRUWV RI RWKHU IXQGV R±HUG WKURXJK WKH &RQWUDFW  
3OHDVH QRWH WKDW H[SHQVHV VKRZQ LQ WKH WDEOH DUH PHDQV WR KLJKOLJKW  
DQ\ RQJRLQJ H[SHQVHV DW WKH &RQWUDFW OHYHO RU WUDQVDFWLRQ H[SHQVHV D  
WKH )XQG GRHV QRW KDYH WUDQVDFWLRQ H[SHQVHV LI WKH WUDQVDFWLRQ DQG R  
WKH H[SHQVHV VKRZQ EHORZ ZRXOG EH KLJKHU <RX VKRXOG FRQVXOW \RXU &RQW  
LQIRUPDWLRQ

# Financial Highlights

## Franklin Income VIP Fund

a	Six Months Ended June 30, 2022 (unaudited)	Year Ended December 31,				
		2021	2020	2019	2018	2017
<b>Class 1</b>						
Per share operating performance (for a share outstanding throughout the period)						
1HW DVVHW YDOXH E.HJ.LQQLQJ RI SHULRG						
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.30	0.53				
1HW UHDOLJHG DQG XQUHDOLJHG JDLQV ORVVHV	(0.54)			(1.35)		
Total from investment operations . . . . .	(1.31)	0.05				
Less distributions from:						
Net investment income . . . . .						
1HW UHDOLJHG JDLQV . . . . .		—	(0.01)		—	—
Total distributions . . . . .	(1.15)					
1HW DVVHW YDOXH .H.Q.G.RI SHULRG						
Total return <sup>c</sup> . . . . .						
Ratios to average net assets <sup>d</sup>						
([SHQVHV EHIRUH ZDLYHU DQG SD\PHQVV E\						
D^OLDWHV . . . . .						
([SHQVHV QHW RI ZDLYHU						
D^OLDWHV . . . . .						
Net investment income . . . . .						

a	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)						
1HW DVVHW YDOXH E.HJ.LQQLQJ RI SHULRG						
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .						
			0.53			
	1HW UHDOLJHG DQG XQUHDOLJH(164) DLQV ORVVHV		(0.53)		(1.30)	
Total from investment operations . . . . .						
Less distributions from:						
Net investment income . . . . .						
	1HW UHDOLJHG JDLQV . . . . .	—	(0.01)		—	—
Total distributions . . . . .						
		(1.10)		(1.13)		
1HW DVVHW YDOXH .H.Q.G.RI SHULRG						
Total return <sup>c</sup> . . . . .						
Ratios to average net assets <sup>d</sup>						
([SHQVHV EHIRUH ZDLYHU DQG SD\PHQWV E\						
D^OLDWHV. . . . .						
([SHQVHV QHW RI ZDLYHU						
D^OLDWHV. . . . .						
Net investment income . . . . .						
Supplemental data						
1HW DVVHWV HQG RI.SHULRG ¶V						
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 purchases.

**Franklin Income VIP Fund** (continued)

---

---

---

---

---

---

---

---

---

---



## Schedule of Investments (unaudited), June 30, 2022

### Franklin Income VIP Fund

a	a	Country	Shares	a	Value
<b>Common Stocks 32.9%</b>					
<b>Aerospace &amp; Defense 2.0%</b>					
/R FNKHHG	0DUWLQ. & R.U.S.	United States			
5D\WKHRQ	7HFKQRQRJLHV. & R.U.S.	United States			
<b>Air Freight &amp; Logistics 0.9%</b>					
8QLWHG	3DUFHO 6HU.YLFH...Q.F...%	United States			
<b>Banks 2.8%</b>					
%DQN RI	\$PHULFD. & R.U.S.	United States			
&LWLJURX.S.	...Q.F.	United States			
-3ORUJDQ	&KD.VH...&R.	United States			
7UXLVW	)LQD.QFLDO. & R.U.S.	United States			
US Bancorp		United States			
<b>Biotechnology 1.4%</b>					
\$EE9LH	...Q.F.	United States			
\$PJHQ	...Q.F.	United States			
<b>Capital Markets 0.8%</b>					
ORUJDQ	6.W.D.Q.OH\	United States			
<b>Chemicals 1.2%</b>					
\$LU 3URGXFWV	DQG.&KH.P.LFDQV...Q.F...	United States			
%) \$6)	6(	*HUPDQ\			
'LYHUVL	HG 7HOHFRPPXQLFDWLRQ 6HU.YLFHV				
% & (	...Q.F.	Canada			
9HULJRQ	&RPPXQLFDWLRQV...Q.F.	United States			
<b>Electric Utilities 3.5%</b>					
\$PHULFDQ	(OHFWULF. 3RZH.U. & R...Q.F...	United States			
'XNH	(QHJ)\.&R.U.S.	United States			
Edison International		United States			
Exelon Corp.		United States			
Southern Co. (The)		United States			
<b>Energy Equipment &amp; Services 0.1%</b>					
<sup>a</sup> Weatherford International plc.		United States			
<b>Health Care Equipment &amp; Supplies 0.9%</b>					
OHGWURQLF	.SOF.	United States			
<b>Health Care Providers &amp; Services 0.1%</b>					
<sup>a</sup> & +6	&RPPXQLW\ +HDOWK.6\W.W.H.P.V...Q.F.	United States			
<b>Household Products 0.6%</b>					
3URFWHU	*DPEOH.&R...7.KH	United States			

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

Franklin Income VIP Fund (continued)

a	a	Country	Shares	a	Value
<b>Common Stocks (continued)</b>					
Media 0.7%					
	& R P F D V W & R.U.S. . . . \$ . . . . .	United States			
Metals & Mining 0.3%					
	<sup>b</sup> 5 L R 7 L Q W R . S O F . . \$ . ' 5 . . . . .		\$ X V W U D O L D		
Multi-Utilities 2.1%					
	' R P L Q L R Q ( Q H U J A . . , Q F . . . . .	United States			
	6 H P S U D ( Q H U J \ . . . . .	United States			
Oil, Gas & Consumable Fuels 4.2%					
	% 3 S O F . . \$ ' 5 . . . . .	United Kingdom			
	Chevron Corp. . . . .	United States			
	( [ [ R Q 0 R E L Q . & R U S . . . . .	United States			
	6 K H O O S O F . . \$ ' 5 . . . . .	Netherlands			
	7 R W D O ( Q H U J L H V 6 (				

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

Franklin Income VIP Fund (continued)

a	a	Country	Shares	a	Value
Equity-Linked Securities					







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

Franklin Income VIP Fund (continued)



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

Franklin Income VIP Fund (continued)

a	a	Country	Principal Amount *	a	Value
<b>Corporate Bonds (continued)</b>					
Health Care Providers & Services (continued)					
°	+ 6 & RPPXQLW\ +HDOWK 6\ VWHPV , QF		FRQWLQXHG		
	6HQLRU 6HFXUHG 1RWH ....\$.....	United States			
	6HQLRU 6HFXUHG 1RWH ...\$.....	United States			
	6HQLRU 6HFXUHG 1RWH .\$......	United States			
	&96 +HDOWK &RUS				
	6HQLRU %RQG .....	United States			
	6HQLRU 1RWH .....	United States			
°	'D9LWD , QF				
	6HQLRU %RQG \$ .....	United States			
	6HQLRU 1RWH \$ .....	United States			
	+ & \$ , Senior Secured Note	United States			

Franklin Income VIP Fund (continued)

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

Franklin Income VIP Fund (continued)

a	a	Country	Principal Amount *	a	Value
<b>Corporate Bonds (continued)</b>					
Technology Hardware, Storage & Peripherals 0.3%					
+ 3	Senior Bond 5.5	United States			
Tobacco 0.6%					
% \$ 7	& D S L W Debt & Note S	United Kingdom			
Trading Companies & Distributors 0.8%					
8 Q L W H G	5 H Q W D O V 1 R S e W K B e P H U L F D , Q F	United States			
° : ( 6 & 2	' L V W U L E X e b i r Q , Q F \$	United States			

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

Franklin Income VIP Fund (continued)

	Country	Shares	Value
<b>Escrows and Litigation Trusts 0.3%</b>			
<sup>d</sup> & KHVDSHDNH (QHJ\ & RUS (V.F.U.R.Z. \$.F.F.R.X.Q.U.M.ted States			
Total Escrows and Litigation Trusts (Cost \$9,500,000)			8,976,550
Total Long Term Investments (Cost \$3,139,826,330)			3,134,823,579
<b>Short Term Investments 1.0%</b>			
<b>Money Market Funds 0.6%</b>			
<sup>n</sup> QVWLWXWLRQDO ) LGXFLDU\ 7UXVW ..0.RQH.U.ted States W 3RUWIROLR			
Total Money Market Funds (Cost \$19,514,420)			19,514,420
<b>Investments from Cash Collateral Received for Loaned Securities 0.4%</b>			
<b>Money Market Funds 0.3%</b>			
<sup>n</sup> QVWLWXWLRQDO ) LGXFLDU\ 7UXVW ..0.RQH.U.ted States W 3RUWIROLR			
		Principal Amount	
<b>Repurchase Agreements 0.1%</b>			
<sup>n</sup> -RLQW 5HSXUFKDVH \$JUHHPHQW - 3 0RUJDQ 6HFXULWLHV // & 0DWXULW\ 9DOXH & ROODWHUDOLJHG E\ 8 6 7UHDVXU\ 1RWHV YDOXHG DW			
Total Investments from Cash Collateral Received for Loaned Securities (Cost \$10,875,008)			10,875,008
Total Short Term Investments (Cost \$30,389,428)			30,389,428
Total Investments (Cost \$3,170,215,758) 100.1%			\$3,165,213,007
Other Assets, less Liabilities (0.1%)			(2,490,798)
Net Assets 100.0%			\$3,162,722,209

See Abbreviations on page 33.

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

†Rounds to less than 0.1% of net assets.

<sup>a</sup>Non-income producing.

<sup>b</sup>A portion or all of the security is on loan at June 30, 2022. See Note 1(f).

<sup>c</sup>See Note 1(e) regarding equity-linked securities.

<sup>d</sup>Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from WR TXDOL; HG LQVWLWXWLRQDO EX\HUV RU LQ D SXEOLF RIIHULQJ UHJLVWHUHG XQGHU WH DQ HIIHFWLYH UHJLVWUDWLRQ VWDWHPHQW; OHG SXUVXDQW WR WKH 6HFXULWLHV \$FW RI securities was \$1,260,444,040, representing 39.9% of net assets.

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

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

<sup>g</sup>See Note 1(d) regarding index-linked notes.

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

Franklin Income VIP Fund (continued)

<sup>h</sup>Security pays variable interest based on the distributions of the strategy index and proceeds earned from related equity derivatives. The equity derivatives represents the combined rate at period end. Cash payment at maturity or upon early redemption is based on the performance of the strategy index.

<sup>i</sup>6HH 1RWH J UHJDUGLQJ VHQLRU ÀRDWLQJ UDWH LQWHUHVWV

<sup>j</sup>7KH FRXSRQ UDWH VKRZQ UHSUHVHQWV WKH UDWH WLO\ O\ S\ M\ Y\ R\ G\ H\ Q\ G\ FDSV RU ÀRRUV LI DSV

<sup>k</sup>6HH 1RWH H UHJDUGLQJ LQYHVWPHQWV LQ DI¿OLDWHG PDQDJPHQW LQYHVWPHQW FRPSDQ

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

<sup>m</sup>See Note 1(f) regarding securities on loan.

<sup>n</sup>See Note 1(c) regarding joint repurchase agreement.



# Statement of Assets and Liabilities

June 30, 2022 (unaudited)

	Franklin Income VIP Fund
<hr/>	
\$ V V H W V	
Investments in securities:	
& R V W 8 Q D ^ O L D . W . H . G . L . V . V . X . H . U . V . . . . .	
& R V W 1 R Q F R Q W U R O O H . G . D ^ O . L D . W . H . V . . 1 . R . W . H . . H . . . . .	
& R V W 8 Q D ^ O L D W H G U H S X U . F . K . D . V . H . . D . J . U . H . H . P . H . Q . W . V . . . . .	
9 D O X H 8 Q D ^ O L D W H G L V V X H U V , Q F O X G H . V . V . H . F . X . U . L . W . L . H . V . . O . R . D . Q . H . G . R I	
9 D O X H 1 R Q F R Q W U R O O H . G . D ^ O . L D . W . H . V . . 1 . R . W . H . . H . . . . .	
9 D O X H 8 Q D ^ O L D W H G U H S X U . F . K . D . V . H . . D . J . U . H . H . P . H . Q . W . V . . . . .	
Cash . . . . .	
Receivables:	
Capital shares sold . . . . .	
Dividends and interest . . . . .	
European Union tax reclaims (Note 1h) . . . . .	
Total assets . . . . .	
Liabilities:	
3 D \ D E O H V	
Investment securities purchased . . . . .	
Capital shares redeemed . . . . .	
0 D Q D J H P H Q . W . I . H . H . V . . . . .	
Distribution fees . . . . .	
7 U X V W H H V I H H V . D . Q . G . H [ S . H . Q . V . H . V . . . . .	410
3 D \ D E O H X S R Q U H W X U Q R I M H F . X . U . L . W . L . H . V . . O . R . D . Q . H . G . . 1 R W H . . . . .	
\$ F F U X H G H [ S . H . Q . V . H . V . D . Q . G . R W K H . U . Q L D E L Q L W . L . H . V . . . . .	
Total liabilities . . . . .	
1 H W D V V H W V . . D W . Y . D O X H . . . . .	
Net assets consist of:	
3 D L G L Q . F . D . S . L . W . D . O . . . . .	
Total distributable earnings (losses) . . . . .	
1 H W D V V H W V . . D W . Y . D O X H . . . . .	
<hr/>	
	Franklin Income VIP Fund
Class 1:	
1 H W D V V H W V . . D W . Y . D O X H . . . . .	
Shares outstanding . . . . .	
1 H W D V V H W Y D O X H D Q G P D [ L P X P . R † H U L Q . J . S U L F H . S H U . V K D U H . . . . .	
Class 2:	
1 H W D V V H W V . . D W . Y . D O X H . . . . .	
Shares outstanding . . . . .	
1 H W D V V H W Y D O X H D Q G P D [ L P X P . R † H U L Q . J . S U L F H . S H U . V K D U H . . . . .	
Class 4:	
1 H W D V V H W V . . D W . Y . D O X H . . . . .	
Shares outstanding . . . . .	
1 H W D V V H W Y D O X H D Q G P D [ L P X P . R † H U L Q . J . S U L F H . S H U . V K D U H . . . . .	

## Statement of Operations

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

## Statements of Changes in Net Assets

	Franklin Income VIP Fund	
	Six Months Ended June 30, 2022 (unaudited)	Year Ended December 31, 2021
Increase (decrease) in net assets:		
Operations:		
Net investment income . . . . .		
1 HW UHDOLJHG . J D L Q . . O R V V . . . . .		
1 HW FKDQJH LQ XQUHDOLJHG D.S.S.U.H.F.LDWLRQ . . G.H.S.U.H.F.LDWLRQ		
Net increase (decrease) in net assets resulting from operations . . . . .		
Distributions to shareholders:		
Class 1 . . . . .		
& O D V V . . . . .		
Class 4 . . . . .		
Total distributions to shareholders . . . . .		
Capital share transactions: (Note )		
Class 1 . . . . .		
& O D V V . . . . .		
Class 4 . . . . .		
Total capital share transactions . . . . .		
Net increase (decrease) in net assets . . . . .		
Net assets:		
Beginning of period . . . . .		
End of period . . . . .		

# Notes to Financial Statements (unaudited)

## Franklin Income VIP Fund

2UJDQLJDWLRQ DQG 6LJQL¿FDQW \$FFRXQWLQJ 3ROLFLHV  
)UDQNOLQ 7HPSOHWRQ 9DULDEOHUQVWUDQFH 3URGXFWV 7UXVW  
LV UHJLVWHUHG XQGHU WKH ,QYHVWPHQW &RPSDQ\ \$FW RI  
\$FW DV DQ RSHQ HGG PDQDJHPHQW LQYHVWPHQW  
FRPSDQ\ FRQVLVWHUHQW UHJLVWHUHG DQG DSSOLHV  
WKH VSHFLDOLJHG DFFRXQWLQJ DQG UHSRUWLQJ JXLGDQFH LQ 8 6  
\*HQHUDOO\ \$FFHSWHG \$FFRXQWLQJ 3ULQFLSOHV 8 6 \*\$\$3  
)UDQNOLQ ,QFRPH 9,3 )XQG )XQG LV LQFOXGHG LQ WKLV UHSRUW G LQFO0000S0QY

Franklin Income VIP Fund (continued)

RFFXU EHWZHHQ WKH WLPH DW ZKLFK WUDGLQJ LQ D IRUHLJQ VHFUXLW\ is completed and 4 p.m. Eastern time that might call into TXHVWLRQ WKH UHOLDELOLW\ RI WKH YDOXH RI D SRUWIROLR VHFUXLW\ KHOG E\ WKH )XQG \$V D UHVXOW GL†HUHQFHV PD\ DULVH EHWZHHQ WKH YDOXH RI WKH )XQG V SRUWIROLR VHFUXLWLHV DV GHWHUPLQHG DW WKH IRUHLJQ PDUNHW FORVH DQG WKH ODWHVW LQGLFDWLRQV RI YDOXH DW S P (DVWHUQ WLPH ,Q RUGHU WR PLQLPLJH WKH SRWHQWLDO IRU WKHVH GL†HUHQFHV DQ LQGSHQGHW SULFLQJ VHU\LFH PD\ EH XVHG WR DGMXVW WKH YDOXH RI WKH )XQG V SRUWIROLR VHFUXLWLHV WR WKH ODWHVW LQGLFDWLRQV RI IDLU YDOXH DW S P (DVWHUQ WLPH \$W -XQH FHUWDLQ VHFUXLWLHV PD\ KDYH EHHQ IDLU YDOXHGXVLQJ WKHVH SURFHGXUHV LQ ZKLFK FDVH WKH VHFUXLWLHV ZHUH FDWHJRULJHG DV /HYHO LQSXW ZLWKLQ WKH IDLU YDOXH KLHUDUFK\ UHIHUUHG WR DV ³PDUNHW OHYHO IDLU YDOXH´ 6HH WKH )DLU 9DOXH OHDVXUHPHQWV QRWH IRU PRUH LQIRUPDWLRQ

:KHQ WKH ODVW GD\ RI WKH UHSRUWLQJ SHULRG LV D QRQ EXVLQHV GD\ FHUWDLQ IRUHLJQ PDUNHWV PD\ EH RSHQ RQ WKRVH GD\ WKDW WKH )XQG V 1\$9 LV QRW FDOFXODWHG ZKLFK FRXOG UHVXOW LQ GL†HUHQFHV EHWZHHQ WKH YDOXH RI WKH )XQG V SRUWIROLR VHFUXLWLHV RQ WKH ODVW EXVLQHV GD\ DQG WKH ODVW FDOHQGDU GD\ RI WKH UHSRUWLQJ SHULRG \$Q\ VHFUXLW\ YDOXDWLRQ FKDQJHV GXH WR DQ RSHQ IRUHLJQ PDUNHW DUH DGMXVWHG DQG UHÀHFWHG E\ WKH )XQG IRU ¼QDQFLDO UHSRUWLQJ SXUSRVHV

b. Foreign Currency Translation



Franklin Income VIP Fund (continued)

WD[DEOH LQFRPH DQG QHW UHDOL]HG JDLQV WR UHOLHYH LW IURP  
IHGHUDO LQFRPH DQG QHW UHDOL]HG JDLQV WR UHOLHYH LW IURP  
provision for U.S. federal income taxes is required.

7KH )XQG PD\ EH VXEMHFW WR IRUHLJQ WD[DWLRQ UHODWHG WR  
LQFRPH UHFHLYHG FDSLWDO JDLQV RQ WKH VDOH RI VHFXULWLHV  
DQG FHUWDLQ IRUHLJQ FXUUHQF\ WUDQVDFWLRQV LQ WKH IRUHLJQ  
MXULVGLFWLRQV LQ ZKLFK LW LQYHVWV )RUHLJQ WD[HV LI DQ\ DUH  
recorded based on the tax regulations and rates that exist  
LQ WKH IRUHLJQ PDUNHWV LQ ZKLFK WKH )XQG LQYHVWV :KHQ D  
FDSLWDO JDLQ WD[ LV GHWHUPLQHG WR DSSO\ WKH )XQG UHFRUGV DQ

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

Franklin Income VIP Fund (continued)

N \*XDUDQWHHV DQG ,QGHPQL¿FDWLRQV



Franklin Income VIP Fund (continued)

a. Management Fees

7KH )XQG SD\ V DQ LQYHVWPHQW PDQDJHPHQW IHH FDOFXODWHG GDLO\ DQG SDI

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

Franklin Income VIP Fund (continued)

	Value at Beginning of Period	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Period	Number of Shares Held at End of Period	Investment Income
Franklin Income VIP Fund								
1 RQ & RQWUROOHG \$IÀOLDWHV								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 0.895%	\$56,779,626	\$709,493,981	\$(746,759,187)	\$—	\$—	\$19,514,420	19,514,420	\$36,044
1 RQ & RQWUROOHG \$IÀOLDWHV								Income from securities loaned
Institutional Fiduciary Trust - Money Market Portfolio, 0.895%	\$20,527,000	\$107,084,000	\$(118,824,000)	\$—	\$—	\$8,787,000	8,787,000	\$7,314
7 RWDO \$IÀOLDWHG \$7,106,526 \$816,577,981 \$(865,583,187)						\$28,301,420		\$43,358

([SHQVH 2†VHW \$UUDQJHPHQW  
 7KH)XQGDV HQWHUHG LQWR DQ DUUDQJHPHQW ZLWK LWV FXVWRGLDQ ZKHUHE\ FUGH  
 DUH XVHG WR UHGXFH D SRUWLRQ RI WKH )XQG V FXVWRGLDQ H[SHQVHV 'XULQJ W  
 were reduced as noted in the Statement of Operations.

5. Income Taxes

\$W -XQH WKH FRVW RI LQYHVWPHQWV DQG QHW XQUHDOLJHG DSSUHFLDWLR  
 follows:

Cost of investments .....	_____
8 QUHDOLJHG D.S.S.U.H.F.L.D.W.L.R.Q.....	_____
8 QUHDOLJHG G.H.S.U.H.F.L.D.W.L.R.Q.....	_____
1 HW XQUHDOLJHG DSSUHFLDWLRQ..G.H.S.U.H.F.L.D.W.L.R.Q.....	_____

Franklin Income VIP Fund (continued)

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

Franklin Income VIP Fund (continued)

	Level 1	Level 2	Level 3	Total
Franklin Income VIP Fund				
Assets:				
Investments in Securities:				
&RPPRQ 6:WRFNV				
\$HURVSDFH .HJHQVH.....		—	—	
\$LU )UHLJKW ..R.JLV.W.LF.V...		—	—	
%DQ.N.V.....		—	—	
%LRWHFKQRO.R.J\.....		—	—	
&DSLWDO.DUN.H.W.V.....		—	—	
Chemicals .....				
'LYHUVL ;HG 7HOHFRPPXQLF.DWLRQ 6HUYLEFHV		—	—	
Electric Utilities .....				
(QHUV\ (TXLSPHQW...6HUYLEFHV		—	—	
+HDOWK &DUH (TXLSPHQW...6XSSOLHV		—	—	
+HDOWK &DUH 3URYLGH.U.V.. 6HUYLEFHV		—	—	
+RXVHKROG 3.URGX.FWV.....		—	—	

Franklin Income VIP Fund (continued)

12. New Accounting Pronouncements

,Q 0DUFK WKH )LQDQFLDO \$FFRXQWLQJ 6WDQGDUGV %RDUG )\$6% LVVXHG \$  
5HIHUHQFH 5DWH 5HIRUP 7RSLF ± )DFLOLWDWLRQ RI WKH (‡HFWV RI 5HIH  
-DQXDU\ WKH )\$6% LVVXHG \$68 1R ZLWK IXUWKHU DPHQGPHQWV WR 7  
SURYLGH RSWLRQDO WHPSRUDU\ DDFXQWLQJ RULHQWDWLRQV WKH H‡HFW  
PRGL‡FDWLRQV GXH WR WKH SODQQHG GLVFRQWLQXDWLRQ RI WKH /,%25 DQG RY  
HGG RI IRU FHUWDLQ /,%25 VHWWLRQV DUIR H‡HFWV DPHQGHUWDLQ U  
FRWUDFW PRGL‡FDWLRQV WKDW RFFXU GXULQJ WKH SHULRG 0DUFK WKU  
WKH UHTXLUHPHQWV DQG EHOLHYHV WKH DGRSWLRQ RI WKHVH \$68V ZLOO QRW K  
,QXQH WKH )\$6% LVVXHG \$68 1R )DLU 9DOXH 0HDVXUHPHQW 7RSLF  
6HFXULWLHV 6XEMHFW WR &RQWUDFWXDO 6DOH 5HVWULFWLRQV 7KH DPHQGPHQ  
VDOH RI DQ HTXLW\ VHFUXLW\ LV QRW FRQVLGHUHG SDUW RI WKH XQLW RI DFFR

# Index Descriptions

The indexes are unmanaged and include reinvestment of

DQ\ LQFRPH RU GLVWULEXWLRQV 7KH\ GR QRW UHÀHFW DQ\ IHHV  
H[SHQVHV RU VDOHV FKDUJHV 2QH FDQQRW LQYHVW GLUHFWO\ LQ  
DQ LQGH[ DQG DQ LQGH[ LV QRW UHSUHVHQWDWLYH RI WKH )XQG\

portfolio. Net Returns (NR) include income net of tax withholding when dividends are paid.

)RU 5XVVHOO ,QGH[HV )UDQN 5XVVHOO &RPSDQ\ LV WKH VRXUFH  
DQG RZQHU RI WKH WUDGHPDUNV VHU\LFH PDUNV DQG FRS\ULJKWV  
related to the Russell Indexes. Russell® LV D WUDGHPDUN RI  
)UDQN 5XVVHOO &RPSDQ\

6HH ZZZ IUDQNOLQWHPSOHWRQGDWDVVRXUFHV FRP IRU DGGLWLRQDO  
data provider information.

Bloomberg 1-3 Month U.S. Treasury Bill Index measures

WKH SHUIRUPDQFH RI 8 6 7UHDVXU\ ELOOV WKDW KDYH D UHPDLQLQJ  
PDWXULW\ RI JUHDWHU WKDQ RU HTXDO WR RQH PRQWK DQG OHVV WKDQ  
WKUHH PRQWKV 7UHDVXULHV LI KHOG WR PDWXULW\ R±HU D ¿[HG UDW  
RI UHWXUQ DQG D ¿[HG SULQFLSDO YDOXH WKHLU LQWHUHVW SD\PHQWV  
and principal are guaranteed.

Bloomberg U.S. Aggregate Bond Index measures

WKH HS BQGR KQDIDQQEHOOR IEWVHDLVQOORVWVPMQEO HUIDGWH POF RQDQDm9 0 0 9D0m9 0 0 9H0[ 0 SD V V  
G M Q R W L O D E W 9 D m 9 E Q H U G H U G W H F O O D [ D E B O M L B R Q G P O G N F R P O R P B R U O F L H O P O F R \ O O G W O m 9 0 0 9

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
INDEX DESCRIPTIONS

MSCI All Country World Index (ACWI) ex USA Index-NR Russell 2000® Index LV PDUNHW FDSLWDOL]DWLRQ Z  
LV D IUHH ÀRDW DGMXVWHG PDUNHW FDSLWDOL]DWLRQ ZHLJKWHG LQGH[ G HVLJQHG WR PHDVXUH WKH HTXLW\ PDUNHW SHUIRUPDQFH RI GHYHORSHG DQG HPHUJLQJ P  
GHVLIJQHG WR PHDVXUH WKH HTXLW\ PDUNHW SHUIRUPDQFH RI GHYHORSHG DQG HPHUJLQJ P  
JOREDORU\ FKHUJLQJ P  
the Russell 3000® Index.

MSCI Emerging Markets (EM) Index-NR LV D IUHH ÀRDW DGMXVWHG PDUNHW FDSLWDOL]DWLRQ ZHLJKWHG LQGH[ G HVLJQHG WR PHDVXUH WKH HTXLW\ PDUNHW SHUIRUPDQFH RI GHYHORSHG DQG HPHUJLQJ P  
DGMXVWHG PDUNHW FDSLWDOL]DWLRQ ZHLJKWHG LQGH[ G HVLJQHG WR PHDVXUH WKH HTXLW\ PDUNHW SHUIRUPDQFH RI GHYHORSHG DQG HPHUJLQJ P  
PHDVXUH WKH HTXLW\ PDUNHW SHUIRUPDQFH RI GHYHORSHG DQG HPHUJLQJ P  
PDUNHWV FRPSDQLHV ZLWK UHODWLYHO\ ORZHU SULFH

MSCI Europe Index-NR LV D IUHH ÀRDW DGMXVWHG PDUNHW FDSLWDOL]DWLRQ ZHLJKWHG LQGH[ G HVLJQHG WR PHDVXUH WKH HTXLW\ PDUNHW SHUIRUPDQFH RI GHYHORSHG DQG HPHUJLQJ P  
FDSLWDOL]DWLRQ ZHLJKWHG LQGH[ G HVLJQHG WR PHDVXUH WKH HTXLW\ PDUNHW SHUIRUPDQFH RI GHYHORSHG DQG HPHUJLQJ P  
PDUNHW SHUIRUPDQFH RI GHYHORSHG DQG HPHUJLQJ P  
lower forecasted growth rates.

MSCI USA High Dividend Yield Index is based on the 06&, 86\$, QGH[ LWV SDUHQW LQGH[ DQG PHDVXUH WKH HTXLW\ PDUNHW SHUIRUPDQFH RI GHYHORSHG DQG HPHUJLQJ P  
PLG FDSLWDOL]DWLRQ VWRFN 7KH LQGH[ LV G HVLJQHG WR PHDVXUH WKH HTXLW\ PDUNHW SHUIRUPDQFH RI GHYHORSHG DQG HPHUJLQJ P  
performance of equities in the parent index (excluding real estate investment trusts) with higher dividend income and TXDOLW\ FKDUDFWHULVWLFV WKDQ DYHORSHG DQG HPHUJLQJ P  
both sustainable and persistent. WRWDO FDSLWDOL]DWLRQ

MSCI USA Index is designed to measure the performance of those Russell 8 6 PDUNHW :LWK FRQVWLWXHQWV LQGH[ LV G HVLJQHG WR PHDVXUH WKH HTXLW\ PDUNHW SHUIRUPDQFH RI GHYHORSHG DQG HPHUJLQJ P  
RI WKH ODUJH DQG PLG FDSLWDOL]DWLRQ ZHLJKWHG LQGH[ G HVLJQHG WR PHDVXUH WKH HTXLW\ PDUNHW SHUIRUPDQFH RI GHYHORSHG DQG HPHUJLQJ P  
8 6 PDUNHW :LWK FRQVWLWXHQWV LQGH[ LV G HVLJQHG WR PHDVXUH WKH HTXLW\ PDUNHW SHUIRUPDQFH RI GHYHORSHG DQG HPHUJLQJ P  
DSSUR[LPDWHO\ RI WKH IUHH ÀRDW DGMXVWHG PDUNHW FDSLWDOL]DWLRQ ZHLJKWHG LQGH[ G HVLJQHG WR PHDVXUH WKH HTXLW\ PDUNHW SHUIRUPDQFH RI GHYHORSHG DQG HPHUJLQJ P  
FDSLWDOL]DWLRQ LQ WKH 8 6

MSCI World ex USA Index-NR LV D IUHH ÀRDW DGMXVWHG PDUNHW FDSLWDOL]DWLRQ ZHLJKWHG LQGH[ G HVLJQHG WR PHDVXUH WKH HTXLW\ PDUNHW SHUIRUPDQFH RI GHYHORSHG DQG HPHUJLQJ P  
PDUNHW FDSLWDOL]DWLRQ ZHLJKWHG LQGH[ G HVLJQHG WR PHDVXUH WKH HTXLW\ PDUNHW SHUIRUPDQFH RI GHYHORSHG DQG HPHUJLQJ P  
WKH HTXLW\ PDUNHW SHUIRUPDQFH RI GHYHORSHG DQG HPHUJLQJ P  
excluding the U.S. WRWDO PDUNHW FDSLWDOL]DWLRQ

MSCI World Value Index-NR LV D IUHH ÀRDW DGMXVWHG PDUNHW FDSLWDOL]DWLRQ ZHLJKWHG LQGH[ G HVLJQHG WR PHDVXUH WKH HTXLW\ PDUNHW SHUIRUPDQFH RI GHYHORSHG DQG HPHUJLQJ P  
PDUNHW FDSLWDOL]DWLRQ ZHLJKWHG LQGH[ G HVLJQHG WR PHDVXUH WKH HTXLW\ PDUNHW SHUIRUPDQFH RI GHYHORSHG DQG HPHUJLQJ P  
WKH SHUIRUPDQFH RI VWRFN H[KLELW\ PDUNHW SHUIRUPDQFH RI GHYHORSHG DQG HPHUJLQJ P  
FKDUDFWHULVWLFV LQ JOREDORU\ FKHUJLQJ P

Russell 1000® Growth Index LV PDUNHW FDSLWDOL]DWLRQ ZHLJKWHG LQGH[ G HVLJQHG WR PHDVXUH WKH HTXLW\ PDUNHW SHUIRUPDQFH RI GHYHORSHG DQG HPHUJLQJ P  
weighted and measures the performance of those Russell 1000® ,QGH[ FRPSDQLHV ZLWK UHODWLYHO\ KLJKHU SULFH WR ERRN  
ratios and higher forecasted growth rates.

Russell 1000® Index LV PDUNHW FDSLWDOL]DWLRQ ZHLJKWHG LQGH[ G HVLJQHG WR PHDVXUH WKH HTXLW\ PDUNHW SHUIRUPDQFH RI GHYHORSHG DQG HPHUJLQJ P  
DQG PHDVXUH WKH HTXLW\ PDUNHW SHUIRUPDQFH RI WKH DSSUR[LPDWHO\ ODUJHVW FRPSDQLHV LQGH[ LV G HVLJQHG WR PHDVXUH WKH HTXLW\ PDUNHW SHUIRUPDQFH RI GHYHORSHG DQG HPHUJLQJ P  
ZKLFK UHSUHVHQW WKH PDMRULW\ RI WKH 8 6 PDUNHWV WRWDO FDSLWDOL]DWLRQ

Russell 1000® Value Index LV PDUNHW FDSLWDOL]DWLRQ ZHLJKWHG LQGH[ G HVLJQHG WR PHDVXUH WKH HTXLW\ PDUNHW SHUIRUPDQFH RI GHYHORSHG DQG HPHUJLQJ P  
and measures the performance of those Russell 1000® Index FRPSDQLHV ZLWK UHODWLYHO\ ORZHU SULFH WR ERRN UDWRV DQG  
lower forecasted growth rates.

# Shareholder Information

%RDUG \$SSURYDO RI ,QYHVWPHQW %ULGJH ,QYHVWPHQWV //& & ,  
 0DQDJHPPHQW \$JUHHPPHQWV RQ EHKDOI RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG  
 VXE DGYLVRU\ DJUHHPPHQW EHWZHHQ )\$9 DQ D^OLDWH RI )\$9 RQ EHKDOI RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG  
 0DQDJHPPHQW &RPSDQ\ //& :\$0& DQ D^OLDWH RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG  
 VXE DGYLVRU\ DJUHHPPHQW EHWZHHQ )\$9 DQ D^OLDWH RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG  
 0DQDJHPPHQW &RPSDQ\ /LPLWHG :\$0&/ DQ D^OLDWH RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG  
 )\$9 RQ EHKDOI RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG  
 LQYHVWPHQW PDQDJHPPHQW DJUHHPPHQW EHWZHHQ )\$9 DQ D^OLDWH RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG  
 7UXVW RQ EHKDOI RI )UDQNOLQ \*OREDO 5% RQ EHKDOI RI )UDQNOLQ \*OREDO 5%  
 WKH LQYHVWPHQW PDQDJHPPHQW DJUHHPPHQW EHWZHHQ )\$9 DQ D^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 DQG )UDQNOLQ \$OORFDWLRQ 9,3 )XQG  
 )XQG [ WKH LQYHVWPHQW PDQDJHPPHQW DJUHHPPHQW EHWZHHQ )\$9 DQ D^OLDWH RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG  
 7HPSOHWRQ \$VVHW 0DQDJHPPHQW /WG 7% RQ EHKDOI RI 7HPSOHWRQ 'HYHORSLQJ 0DQDJHPPHQW  
 WKH LQYHVWPHQW VXE DGYLVRU\ DJUHHPPHQW EHWZHHQ )\$9 DQ D^OLDWH RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG  
 DQG )UDQNOLQ 7HPSOHWRQ ,0L HVWPHQWV

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
 Franklin Allocation VIP Fund  
 Franklin DynaTech VIP Fund  
 Franklin Global Real Estate VIP Fund  
 Franklin Growth and Income VIP Fund  
 Franklin Income VIP Fund  
 Franklin Large Cap Growth VIP Fund  
 Franklin Mutual Global Discovery VIP Fund  
 Franklin Mutual Shares VIP Fund  
 Franklin Rising Dividends VIP Fund  
 Franklin Small Cap Value VIP Fund  
 Franklin Small-Mid Cap Growth VIP Fund  
 Franklin Strategic Income VIP Fund  
 Franklin U.S. Government Securities VIP Fund  
 Franklin VolSmart Allocation VIP Fund  
 Templeton Developing Markets VIP Fund  
 Templeton Foreign VIP Fund  
 Templeton Global Bond VIP Fund  
 Templeton Growth VIP Fund  
 HDFK D )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 ,QGHSHQGHHQ 7UXVWHHV UHYLHZHG DQG DSSURYHG WKH FRQWLQXDQFH RI WKH LQYHVWPHQW PDQDJHPPHQW DJUHHPPHQW EHWZHHQ )UDQNOLQ \$GYLVHUV ,QF )\$9 DQG WKH 7UXVW RQ EHKDOI RI HDFK RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG )UDQNOLQ 'LQD7HFK \*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\ DJUHHPPHQW EHWZHHQ )\$9 DQG )UDQNOLQ 7HPSOHWRQ ,QVWLWXWLRQDO //& )7,/ DQ D^OLDWH RI )\$9 RQ EHKDOI RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG LLL WKH LQYHVWPHQW VXE DGYLVRU\ DJUHHPPHQW EHWZHHQ )\$9 DQG 7HPSOHWRQ \*OREDO \$GYLVRU\ /LPLWHG 7\*\$/ DQ D^OLDWH RI )\$9 RQ EHKDOI RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG LY WKH LQYHVWPHQW VXE DGYLVRU\ DJUHHPPHQW 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\ DJUHHPPHQW EHWZHHQ )\$9



FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
SHAREHOLDER INFORMATION

with management to request additional information that the Independent Trustees reviewed and considered at the 0HHWLQJ 7KH %RDUG UHYLHZHG DQG ERCSMLGMRHGWKQ7RIDPKB\ RI IXQGV 7KH %R factors it deemed relevant in approving the continuance of ;QDQFLDO SRVLWLRQ RI )UDQNOLQ 5HVRXUF HDFK 0DQDJHPPHQW \$JUHHPPHQW LQFOXGLDQJ H[WHUJHQW SRVWHQW LQVHG LWV 03 IDV0XW V00HPH L WKH QDWXUH H[WHQW DQG TXDOLW\ RI WKH VHUULFHV SURYLGHG E\ HDFK 0DQDJHU LL WKH LQYHVWPHQW SHUIRUPDQFH RI HDFK )XQG LLL WKH FRVWV RI WKH VHUULFHV SURYLGHG DQG SUR;WV UHDOLJHG E\ HDFK 0DQDJHU DQG LWV D^OLDWHV IURP WKH UHODWLRQVKLS ZLWK HDFK )XQG LY WKH H[WHQW WR ZKLFK HFRQRPLHV RI VFDOH DUH UHDOLJHG DV HDFK )XQG JURZV DQG Y ZKHWKHU IHH OHYHOV UHÀHFW WKHVH HFRQRPLHV RI VFDOH IRU WKH EHQH;W RI )XQG LQYHVWRUV

,Q DSSURYLQJ WKH FRQWLQXDQFH RI HDFK 0DQDJHPPHQW \$JUHHPPHQW WKH %RDUG LQFOXGLQJ D PDMRULW\ RI WKH ,QGSHQGHQW 7UXVWHHV GHWHUPLQH WKDW WKH WHUPV RI HDFK 0DQDJHPPHQW \$JUHHPPHQW DUH IDLU DQG UHDVRQDEOH DQG WKDW WKH FRQWLQXDQFH RI VXFK 0DQDJHPPHQW \$JUHHPPHQW LV LQ WKH EHVW LQWHUHVW RI WKH DSSOLFDEOH )XQG DQG LWV VKDUHKROGHUV :KLOH DWWHQWLRQ ZDV JLYHQ WR DOO LQIRUPDWLRQ IXUQLVKHG WKH IROORZLQJ GLVFXVVHV VRPH SULPDU\ IDFWRUV UHOHYDQW WR WKH Board's determination.

Nature, Extent and Quality of Services

The Board reviewed and considered information regarding WKH QDWXUH H[WHQW DQG TXDOLW\ RI LQYHVWPHQW PDQDJHPPHQW VHUULFHV SURYLGHG E\ HDFK 0DQDJHU DQG LWV D^OLDWHV WR WKH )XQGV DQG WKHLU VKDUHKROGHUV 7KLV LQIRUPDWLRQ LQFOXGHG DPRQJ RWKHU WKLQJV WKH TXDOL;FDWLRQV EDFNJURXQG DQG experience of the senior management and investment SHUVRQQHO RI HDFK 0DQDJHU DV ZHOO DV LQIRUPDWLRQ RQ VXFHVVLQJ SODQQLQJ ZKHUH DSSURSULDWH WKH VWUXFWXUH RI LQYHVWPHQW SHUVRQQHO FRPSHQVDWLRQ RYHUVLJKW RI WKLUG SDUW\ VHUULFH SURYLGHUV LQYHVWPHQW SHUIRUPDQFH UHSRUWV DQG UHODWHG ;QDQFLDO LQIRUPDWLRQ IRU HDFK )XQG UHSRUWV RQ H[SHQVHV DQG VKDUHKROGHU VHUULFHV OHJDO DQG FRPSOLDQFH PDWWHUV ULVN FRWUROV SULFLQJ DQG RWKHU VHUULFHV SURYLGHG E\ HDFK 0DQDJHU DQG LWV D^OLDWHV DQG PDQDJHPPHQW IHHV FKDUJHG E\ HDFK 0DQDJHU DQG LWV D^OLDWHV WR 86 IXQGV DQG RWKHU DFFRXQWV LQFOXGLQJ PDQDJHPPHQWV H[SODQDWLRQ RI GL;HUHQFHV DPRQJ DFFRXQWV ZKHUH UHOHYDQW 7KH %RDUG DOVR UHYLHZHG DQG FRQVLGHUH DQ DQXDO UHSRUW RQ SD\PHQWV PDGH E\ )UDQNOLQ 7HPSOHW RQ )7 RU WKH )XQGV WR ;QDQFLDO LQWHUPHGLDULHV DV ZHOO DV D PHPRUDQGXP UHODWLQJ WR WKLUG SDUW\ VHUULFLQJ DUUDQJHPPHQWV ZKLFK LQFOXGHG GLVFXVVLRQ RI WKH FKDQJLQJ GLVWULEXWLRQ ODQGVFDSH IRU WKH )XQGV 7KH %RDUG DFNQRZOHGJHG WKH RQJRLQJ LQWHJUDWLRQ RI WKH /HJJ 0DVRQ IDPLO\ RI IXQGV LQWR WKH )7 IDPLO\ RI IXQGV DQG GHYHORSLQJ strategies to address areas of heightened concern in the PXWXDO IXQG LQG XVWU\ LQFOXGLQJ YDULRXV UHJXODWRU\ LQLWLDWLYHV and recent geopolitical concerns.





)UDQNOLQ /DUJH &DS \*URZHWK 9,3 )XQG Performance Universe. The Board also noted that  
8QLYHUVH IRU WKH )UDQNOLQ /DUJH &DS \*URZHWK 9,3 )XQG FRPH UHWXUQ IRU WKH  
LQFOXGHG WKH )XQG DQG DOO PXOWL FDSLRGRZVDKVIDGEBVHXWGHURHGDDQ RI LWV  
9,3V 7KH %RDUG QRWHG WKDW WKH )XQG V RDUG QKBO LYHGHDRWSHULRG ZDV EHOR  
UHWXUQ IRU WKH RQH WKUHH DQG ;YHUIRUPDQFH 8QLYHUVH IRU WKH %RDUG FRQ  
WKH PHGLDQ RI LWV 3HUIRUPDQFH 8QLYHUVH IRU WKH %RDUG FRQ

period was below the median of its Performance Universe.  
7KH %RDUG FRQFOXGHG WKDW WKH )XQG V RDUG QKBO LYHGHDRWSHULRG ZDV  
VDWLVIDFWRU\

7HPSOHWRQ 'HYHORSLQJ 0DUNHWV 9,3 )XQG  
6PDOO &DS 9DOXH 9,3 )XQG 3HUIRUPDQFH 8QLYHUVH IRU WKH )XQG LQ  
IRU WKH 7HPSOHWRQ 'HYHORSLQJ 0DUNHWV 9,3 )XQG V RDUG QKBO LYHGHDRWSHULRG ZDV EHORZ WKH PHGLDQ  
WKH )XQG DQG DOO HPHUJLQJ PDUNHWV 9,3 )XQG V RDUG QKBO LYHGHDRWSHULRG ZDV EHORZ WKH PHGLDQ  
7KH 3HUIRUPDQFH 8QLYHUVH IRU WKH )UDQNOLQ 6PDOO &DS  
9DOXH 9,3 )XQG LQFOXGHG WKH )XQG DQG DOO VPDOO FDS YDOXH  
IXQGV XQGHUO\LQJ 9,3V 7KH %RDUG QRWHG WKDW HDFK )XQG V  
DQXDDOLJHG WRWDO UHWXUQ IRU WKH WKUHH ;YH DQG \HDU

periods was above the median of its respective Performance  
8QLYHUVH EXW IRU WKH RQH \HDU SHULRG ZDV EHORZ WKH PHGLDQ  
RI LWV UHVSHFWLYH 3HUIRUPDQFH 8QLYHUVH QRWLQJ WKH RQH \HDU  
DQXDDOLJHG WRWDO UHWXUQ IRU WKH )UDQNOLQ 6PDOO &DS 9DOXH  
9,3 )XQG H[FHHGHG 7KH %RDUG FRQFOXGHG WKDW HDFK  
)XQG V SHUIRUPDQFH ZDV VDWLVIDFWRU\

)UDQNOLQ 0XWXDO \*OREDO 7KWFYHU\ 9,3 )XQG  
3HUIRUPDQFH 8QLYHUVH IRU WKH )XQG LQFOXGHG WKH )XQG  
DQG DOO JOREDO PXOWL FDS YDOXH IXQGV XQGHUO\LQJ 9,3V 7KH  
%RDUG QRWHG WKDW WKH )XQG V DQXDDOLJHG WRWDO UHWXUQ IRU WKH  
RQH WKUHH DQG \HDU SHULRGV ZDV DERYH WKH PHGLDQ RI  
LWV 3HUIRUPDQFH 8QLYHUVH EXW IRU WKH ;YH \HDU SHULRG ZDV  
below the median of its Performance Universe. The Board  
FRQFOXGHG WKDW WKH )XQG V SHUIRUPDQFH ZDV VDWLVIDFWRU\

)UDQNOLQ 5LVLQJ 'LYLGHG 3HUIRUPDQFH  
8QLYHUVH IRU WKH )XQG LQFOXGHG WKH )XQG DQG DOO ODUJH FDS  
FRUH IXQGV XQGHUO\LQJ 9,3V 7KH %RDUG QRWHG WKDW WKH )XQG V  
DQXDDOLJHG 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 )XQG V ;YH DQG \HDU DQXDDOLJHG  
WRWDO UHWXUQV ZHUH DQG UHVSHFWLYHO\  
7KH %RDUG FRQFOXGHG WKDW WKH )XQG V SHUIRUPDQFH ZDV  
VDWLVIDFWRU\

)UDQNOLQ 9RO6PDUW \$ORRFBMURRUPDQFH  
8QLYHUVH IRU WKH )XQG LQFOXGHG WKH )XQG DQG DOO AH[LEOH  
SRUWIROLR IXQGV XQGHUO\LQJ 9,3V 7KH %RDUG QRWHG WKDW WKH  
)XQG LQFHSWHG RQ \$SULO DQG KDV EHHQ LQ RSHUDWLRQ  
IRU OHVV WKDQ \HUV 7KH %RDUG IXUWKHU QRWHG WKDW LWV  
DQXDDOLJHG WRWDO UHWXUQ IRU WKH RQH WKUHH DQG ;YH \HDU  
SHULRGV ZDV DERYH WKH PHGLDQ DQG LQ WKH ;UVV TXLQWLOH EHVW



discussed with management the expenses of both of these

)XQGV DQG PDQDJPHQW DJUHHG WR LPHSDM FDCCV WDLR QDQDFWHLRQDQW RU\ DQG FRP  
WKH 0DQDJPHQW 5DWH IRU WKH 7HP Resulting from recent US Securities and Exchange  
DQG LPSOHPHQW DQ H[SHQVH FDS RQ WKIPZHVSLRQWRCG \*RZKWK UHJXODWRU\ UH  
9,3 )XQGIV DFWXDO WRWDO H[SHQVH UDWLR RI H[HFWLYH 0D\

7KH %RDUG DOVR QRWHG WKDW WRWDO H[SHQVH UDWLR UHAFHWHG BLKW GHUL  
\$OORFDWLRQ 9,3 )XQGIV DFWXDO WRWDO H[SHQVH UDWLR UHAFHWHG BLKW GHUL  
fee waiver from management. The Board further noted that

WKH 7HPSOHW RQ 'HYHORS LQJ 0DUNHWV 9,3 )XQGIV DFWXDO WRWDO H[SHQVH UDWLR UHAFHWHG BLKW GHUL  
LV SDLG E\ 7\$0/ RXW RI WKH PDQDJPHQW IHH W\$0/ UHFHFWLRQV QHFHVVLWD  
IURP WKH )XQG DQG WKDW WKH DOORFDWLRQ RYHUWHU UHAFHWHG BLKW GHUL  
7\$0/ DQG WKH VXE DG YLVHU UHAFHWHG BLKW GHUL IHH W\$0/ UHFHFWLRQV QHFHVVLWD  
HDFK WR WKH )XQG \$IWHU FRQVLGHUWLRQV WKH DFWXDO WRWDO H[SHQVH UDWLR UHAFHWHG BLKW GHUL  
FRQFOXGHG WKDW WKH 0DQDJPHQW 5DWH IRU WKH 7HP Resulting from recent US Securities and Exchange  
DQG WKH VXE DG YLVRU\ IHH SDLG WR WKIPZHVSLRQWRCG \*RZKWK UHJXODWRU\ UH  
0DUNHWV 9,3 )XQGIV VXE DG YLVHU DUHQDQNOELQJ \$OORFDWLRQ 9,3 )XQG DQG

3UR¿WDELOLW\

The Board reviewed and considered information regarding

WKH SUR¿WV UHDO L]HG E\ HDFK 0DQDJPHQW 5DWH IRU WKH 7HP Resulting from recent US Securities and Exchange  
FRQQHFWRQ ZLWK WKH RSHUDWLRQV RYHUWHU UHAFHWHG BLKW GHUL IHH W\$0/ UHFHFWLRQV QHFHVVLWD  
WKH %RDUG FRQVLGHUWLRQV WKH )XQG SUR¿WDELOLW\ IHH W\$0/ UHFHFWLRQV QHFHVVLWD  
DGGUHV VHV WKH RYHUWHU UHAFHWHG BLKW GHUL IHH W\$0/ UHFHFWLRQV QHFHVVLWD  
DV ZHOO DV LWV SUR¿WV LQ SURYLGLQJ HFRQRPLHV RYHUWHU UHAFHWHG BLKW GHUL IHH W\$0/ UHFHFWLRQV QHFHVVLWD  
and other services to each of the individual funds during

WKH PRQWK SHULRG HGGHG 6HSWHPHQW WKH )UDQNOELQJ \$OORFDWLRQ 9,3 )XQG DQG  
PRVW UHFHQW ¿VFDO \HDU HGG IRU )5, \$OORFDWLRQ 9,3 )XQG DQG  
DOWKR XJK PDQDJPHQW FRQWLQXDOO\ PDNHV UH¿QHPHQWV WR LWV  
PHWKRGRORJLHV XVHG LQ FDOFXODWLRQV SUR¿WDELOLW\ LQ UHVSQRVH  
WR RUJDQL]DWLRQDO DQG SURGXFW UHODWHG FKDQJHV WKH RYHUWHU UHAFHWHG BLKW GHUL IHH W\$0/ UHFHFWLRQV QHFHVVLWD  
PHWKRGRORJ\ KDV UHPDLQH G FRQVLVWHQW ZLWK WKDW XVHG LQ WKH  
)XQGV SUR¿WDELOLW\ UHSRUW SUHVHQWDWLRQV IURP SULRU \HUV  
7KH %RDUG DOVR QRWHG WKDW 3ULFH ZDWHUKRXVH & RRS HUV //3  
DXGLWRU WR )5, DQG FHUWDLQ )7 IXQGV KDV EHHQ HQJDJHG WR  
SHULRGLFDOO\ UHYLHZ DQG DVVHVW WKH DOORFDWLRQV PHWKRGRORJLHV  
WR EH XVHG VROHO\ E\ WKH )XQGV %RDUG ZLWK UHVSFW WR WKH  
SUR¿WDELOLW\ DQDO\VLV

The Board noted management's belief that costs incurred

LQ HVWDEOLVKLQJ WKH LQIUDVWUXFWXUH QHFHVVDU\ IRU WKH W\SH  
RI PXWXDO IXQG RSHUDWLRQV FRQGXFWHG E\ HDFK 0DQDJPHQW 5DWH IRU WKH 7HP Resulting from recent US Securities and Exchange  
DQG LWV D^OLDWHV PD\ QRW EH IXOO\ UHAFHWHG LQ WKH H[SHQVH  
DOORFDWHG WR HDFK )XQG LQ GHWHUPLQLQJ LWV SUR¿WDELOLW\ DV  
ZHOO DV WKH IDFW 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  
FRQVLGHUWLRQV PDQDJPHQW RXWVRXUFHQV RI FHUWDLQ RSHUDWLRQV  
ZKLFK H¿RUW KDV UHTXLHG FRQVLGHUDEOH XS IURQW H[SHQGLWXUH  
E\ WKH 0DQDJPHQW EXW RYHU WKH ORQJ UXQ LV H[SHFWHG WR UHVXOW  
LQ JUHDWHU H^FLHQFLHV 7KH %RDUG DOVR QRWHG PDQDJPHQW

expenditures in improving shareholder services provided to

WKH )XQGV DV ZHOO DV WKH QHHG WR LP  
PHSDM FDCCV WDLR QDQDFWHLRQDQW RU\ DQG FRP  
Resulting from recent US Securities and Exchange  
WKIPZHVSLRQWRCG \*RZKWK UHJXODWRU\ UH

The Board also considered the extent to which each  
0DQDJPHQW 5DWH IRU WKH 7HP Resulting from recent US Securities and Exchange  
IXQG RSHUDWLRQV LQFOXGLQJ UHYHQXHV

DJH QW VHU YLV FHV SRWHQWLDO EHQH¿WV  
DQG VYWHV UHFHFWLRQV QHFHVVLWD  
as well as increased leverage with service providers and  
counterparties. Based upon its consideration of all these  
IDFWLWV WKH DFWXDO WRWDO H[SHQVH UDWLR UHAFHWHG BLKW GHUL  
F\HFK 0DQDJPHQW 5DWH IRU WKH 7HP Resulting from recent US Securities and Exchange  
WKF\HFK 0DQDJPHQW 5DWH IRU WKH 7HP Resulting from recent US Securities and Exchange  
VHU YLV FHV SURYLGHG WR

Economies of Scale

The Board reviewed and considered the extent to which

HDFK 0DQDJPHQW 5DWH IRU WKH 7HP Resulting from recent US Securities and Exchange  
DV HFK )XQG SUR¿WDELOLW\ IHH W\$0/ UHFHFWLRQV QHFHVVLWD  
SUR¿WDELOLW\ IHH W\$0/ UHFHFWLRQV QHFHVVLWD  
IHH W\$0/ UHFHFWLRQV QHFHVVLWD  
HFRQRPLHV RYHUWHU UHAFHWHG BLKW GHUL IHH W\$0/ UHFHFWLRQV QHFHVVLWD  
DOWKR XJK PDQDJPHQW FRQWLQXDOO\ PDNHV UH¿QHPHQWV WR LWV  
PHWKRGRORJLHV XVHG LQ FDOFXODWLRQV SUR¿WDELOLW\ LQ UHVSQRVH  
WR RUJDQL]DWLRQDO DQG SURGXFW UHODWHG FKDQJHV WKH RYHUWHU UHAFHWHG BLKW GHUL IHH W\$0/ UHFHFWLRQV QHFHVVLWD  
PHWKRGRORJ\ KDV UHPDLQH G FRQVLVWHQW ZLWK WKDW XVHG LQ WKH  
)XQGV SUR¿WDELOLW\ UHSRUW SUHVHQWDWLRQV IURP SULRU \HUV  
7KH %RDUG DOVR QRWHG WKDW 3ULFH ZDWHUKRXVH & RRS HUV //3  
DXGLWRU WR )5, DQG FHUWDLQ )7 IXQGV KDV EHHQ HQJDJHG WR  
SHULRGLFDOO\ UHYLHZ DQG DVVHVW WKH DOORFDWLRQV PHWKRGRORJLHV  
WR EH XVHG VROHO\ E\ WKH )XQGV %RDUG ZLWK UHVSFW WR WKH  
SUR¿WDELOLW\ DQDO\VLV

WKH )UDQNOELQJ \$OORFDWLRQ 9,3 )XQG DQG  
\$OORFDWLRQ 9,3 )XQG DQG  
DOWKR XJK PDQDJPHQW FRQWLQXDOO\ PDNHV UH¿QHPHQWV WR LWV  
PHWKRGRORJLHV XVHG LQ FDOFXODWLRQV SUR¿WDELOLW\ LQ UHVSQRVH  
WR RUJDQL]DWLRQDO DQG SURGXFW UHODWHG FKDQJHV WKH RYHUWHU UHAFHWHG BLKW GHUL IHH W\$0/ UHFHFWLRQV QHFHVVLWD  
PHWKRGRORJ\ KDV UHPDLQH G FRQVLVWHQW ZLWK WKDW XVHG LQ WKH  
)XQGV SUR¿WDELOLW\ UHSRUW SUHVHQWDWLRQV IURP SULRU \HUV  
7KH %RDUG DOVR QRWHG WKDW 3ULFH ZDWHUKRXVH & RRS HUV //3  
DXGLWRU WR )5, DQG FHUWDLQ )7 IXQGV KDV EHHQ HQJDJHG WR  
SHULRGLFDOO\ UHYLHZ DQG DVVHVW WKH DOORFDWLRQV PHWKRGRORJLHV  
WR EH XVHG VROHO\ E\ WKH )XQGV %RDUG ZLWK UHVSFW WR WKH  
SUR¿WDELOLW\ DQDO\VLV

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
SHAREHOLDER INFORMATION

WR WKH H[WHQW HFRQRPLHV RI VFDON, PYNHVPWHQDOLSHGJEWHHDK 9DOXDWLRQ &RP  
0DQDJHU DQG LWV D'OLDWHV HDFK )XQGDJPHPHQW 3URJXFW 6WUDWH  
VWUXFWXUH SURYLGHG D VKDULQJ RI EHQH;WV ZLWK WKH )XQG DQG LWV  
VKDUHKROGHUV DV WKH )XQG JURZV ,Q DVVHVVLQJ DQG PDQDJLQJ HDFK )XQG V C  
,/ & FRQVLGHUV DV UHOHYDQW D YDULHW\ R

Conclusion

WKH )XQG V LQYHVWPHQW VWUDWH\ DQG W  
%DVHG RQ LWV UHYLHZ FRQVLGHUDWLRQV DQG H R D Q Y D W L P H R W D G X U L Q J E R W K Q R  
IDFWRUV LW EHOLHYHG UHOHYDQW L Q R O X G H Q D W K H D E R M H V H V F R Q S H W L R Q V L W V  
IDFWRUV DQG FRQFOXVLRQV WKH %R D U G K A B Z L S R K M E F D S S Q R Y B G G L W V F D V K K R C  
WKH FRQWLQXDWLRQ RI HDFK 0DQDJHPHQW WKH S J U X H Q L Q W R K W F H V L Q F O X G L Q J W K H ) X  
D G G L W L R Q D O R Q H \ H D U S H U L R G I D F L O L W \ D Q G O L Q H R I F U H G L W & O D V V L ; F D V  
K R O G L Q J V L Q W K H I R X U O L T X L G L W \ F D W H J R U

/LTXLGLW\ 5LVN 0DQDJPHQW 3URJUDP

(DFK )XQG KDV DGRSWHG DQG LPSOHPHQWHG D ZULWWHQ /LTXLGLW\  
5LVN 0DQDJPHQW 3URJUDP WKH <sup>3</sup>/503' DV UHTXLUHG E\  
5XOH H XQGHU WKH ,QYHVWPHQW &RPSDQ\ \$FW RI  
WKH <sup>3</sup>/LTXLGLW\ 5XOH' 7KH /503 LV GHVLJQHG WR DVVHVV DQG  
PDQDJH HDFK )XQG V O L T X L G L W \ U L V N Z K L F K L V G H ; Q H G D V W K H  
ULVN WKDW WKH )XQG FRXOG QRW PHHW UHTXHVWV WR UHGHP VKDUH  
LVVXH E\ WKH )XQG ZLWKRXW VLJQL;FDQW GLOXWLRQ RI UHPDLQLQJ  
LQYHVWRUV V L Q W H U H V W V L Q W K H ) X Q G , Q D F F R U G D Q F H Z L W K W K H  
/LTXLGLW\ 5XOH WKH /503 LQFOXGHV SROLFLHV DQG SURFHGXUHV  
WKDW SURYLGH IRU DVVHVWPHQW PDQDJPHQW DQG UHYLHZ  
QR OHVV IUHTXHQWO\ WKDQ DQXDOO\ RI HDFK )XQG V O L T X L G L W \  
ULVN FODVVL;FDWLRQ RI HDFK )XQG V S R U W I R O L R K R O G L Q J V L Q W R  
RQH RI IRXU O L T X L G L W \ F D W H J R U L H V + L J K O \ / L T X L G O R G H U D W H O \  
/ L T X L G / H V V / L T X L G D Q G , O O L T X L G I R U ) X Q G V W K D W G R Q R W  
SULPDULO\ KROG DVVHWV WKDW DUH +LJKO\ /LTXLG HVWDEOLVKLQJ  
DQG PDLQWDLQLQJ D PLQLXP SHUFHQWDJH RI WKH )XQG V Q H W  
DVVHWV LQ +LJKO\ /LTXLG LQYHVWPHQWV FDOOHG D <sup>3</sup>+LJKO\ /LTXLG  
,QYHVWPHQW 0LQLXP' RU <sup>3</sup>+/,0' DQG S U R K L E L W L Q J W K H  
)XQG V D F T X L V L W L R Q R I , O O L T X L G L Q Y H V W P H Q W V W K D W Z R X O G U H V X O W L Q  
WKH )XQG KROGLQJ PRUH WKDQ RI LWV QHW DVVHWV LQ ,OOLTXLG  
DVVHWV 7KH /503 DOVR UHTXLUHV UHSRUWLQJ WR WKH 6HFXULWLHV  
DQG ([FKDQJH &RPLVLRQ <sup>3</sup>6(&' RQ D QRQ SXEOLF EDVLV  
DQG WR WKH %R D U G L I W K H ) X Q G V K R O G L Q J V R I , O O L T X L G D V V H W V  
H[FHHG RI WKH )XQG V Q H W D V V H W V ) X Q G V Z L W K + / , 0 V  
P X V W K D Y H S U R F H G X U H V I R U D G G U H V V L Q J + / , 0 V K R U W I D O O V  
L Q F O X G L Q J U H S R U W L Q J W R W K H % R D U G D Q G Z L W K U H V S H F W W R + / , 0  
shortfalls lasting more than seven consecutive calendar  
GD\ V U H S R U W L Q J W R W K H 6 ( & R Q D Q R Q S X E O L F E D V L V

7KH 'LUHFWRU RI /LTXLGLW\ 5LVN ZLWKLQ WKH ,QYHVWPHQW  
5LVN 0DQDJPHQW \*URXS WKH <sup>3</sup>,50\*' LV WKH DSSRLQWHG  
\$GPLQLVWUDWRU RI WKH /503 7KH ,50\* PDLQWDLQV WKH  
,QYHVWPHQW /LTXLGLW\ &RPLWVHH WKH <sup>3</sup>,/&' WR SURYLGH

oversight and administration of policies and procedures

JRYHUQLQJ O L T X L G L W \ U L V N P D Q D J H P H Q W I R U ) U D Q N O L Q 7 H P S O H W R Q  
D Q G / H J J 0 D V R Q S U R G X F W V D Q G S R U W I R O L R V 7 K H , / & L Q F O X G H V  
U H S U H V H Q W D W L Y H V I U R P ) U D Q N O L Q 7 H P S O H W R Q V 5 L V N 7 U D G L Q J  
\* O R E D O & R P S O L D Q F H / H J D O , Q Y H V W P H Q W & R P S O L D Q F H

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(&



This page is intentionally left blank

This page is intentionally left blank

This page is intentionally left blank

)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 FRQWUDLOVHWWLRQ 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 //&		