

June 30, 2022



FRANKLIN  
TEMPLETON





## Important Notes to Performance Information

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

UHWXUQ ZLOO ÀXFWXDWH ZLWK PDUNHW FRQGLWLRQV DQG \RX PD\  
KDYH D JDLQ RU ORVV ZKHQ \RX ZLWKGUDZ \RXU PRQH\  
,QFHSWLRQ GDWHV RI WKH IXQGV PD\  
KDYH SUHFHGHG WKH H†HFWLYH  
GDWHV RI WKH VXEDFFRXQV FRQWUDFWV 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 Rising Dividends VIP Fund

This semiannual UHSRUW IRU )UDQNOLQ 5LVLQJ 'LpLGHG \XQ, B )XQG FRYHUV WKH

## &ODVV 3HUIRUPDQFH-XQHPDU\ DV RI

The Fund's Class 2 Shares posted a -17.68% total return for the six-month period ended June 30, 2022.

3HUIRUPDQFH UHÀHFWV WKH )XQG TV &ODVV LQFOXGHV DQ FRSQVDFW EHWVG RHHV  
FKDUJHV ,I WKH\ KDG EHHQ LQFOXGHG SHUIRUPDQFH ZRXOG EH ORZHU 7KHVH  
SROLFLHV FDQ KDYH D VLJQL¿FDQW HúHFW RQ FRQWUDFW YDOXHV DQG LQVXUD  
GHVFULSWLRQ RI WKHVH H[SHQVHV LQFOXGLQJ VDOHV FKDUJHV

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

)UDQNOLQ 5LVLQJ 'LYLGHQGV 9,3 )XQG

)XQG \*RDO DQG 0DLQ ,QYHVWPHQWV

7KH )XQG VHHNV ORQJ WHUP FDSLWDO DSSUHFLDWLRQ  
3UHVHUYDWLRQ RI FDSLWDO ZKLOH QRW D JRDO LV DOVR DQ LPSRUWDQW  
FRQVLGHUDWLRQ 8QGHU QRUPDO PDUNHW FRQGLWLRQV WKH )XQG  
LQYHVWV DW OHDVW RI LWV QHW DVVHWV LQ HTXLW\ VHFXULWLHV  
PRVW\ FRPPRQ VWRFNV RI ¿QDQFLDOO\ VRXQG FRPSDQLHV WKDW  
KDYH SDLG FRQVLVWHQWO\ ULVLQJ GLYLGHQGV

)XQG 5LVNV

\$OO LQYHVWPHQWV LQYROYH ULNV LQFOXGLQJ SRVVLEOH ORVV RI  
SULQFLSDO (YHQWV VXFK DV WKH VSUHDG RI GHDGO\ GLVHVVHV  
GLVDVWHUV DQG ¿QDQFLDO SROLWLFDO RU VRFLDO GLVUXSWLRQV  
PD\ KHLJKWHQ ULNV DQG DGYHUVHO\ D¿HFW SHUIRUPDQFH  
\*URZWK VWRFN SULFHV UH¿HFW SURMHFWLRQV RI IXWXUH HDUQLQJV RU  
UHYHQXHV DQG FDQ IDOO GUDPDWLFDOO\ LI WKH FRPSDQ\ IDLOV WR  
PHHW WKRVH SURMHFWLRQV 9DOXH VWRFNV PD\ QRW LQFUHDVH LQ  
YDOXH DV DQWLFSLSDWHG E\ WKH )XQG RU PD\ GHFOLQH HYHQ IXUWKHU  
LI RWKHU LQYHVWRUV IDLO WR UHFRJQLJH WKH FRPSDQ\¶V YDOXH RU  
IDYRU LQYHVWLQJ LQ IDVWHU JURZLQJ FRPSDQLHV &RPSDQLHV  
WKDW KD LQ [(WKJ ... Tm[(YD0005LVNV)0000005LVNV)000 RYD001 100 RY V W00QJ\000V Y00Y D 0000U G

UDWHV SUHVXUHG VWRFNV SDUWLFXODUO\ LQ WKH VHFRQG KDOI RI  
WKH SHULRG (OHYDWHG GHPDQG FRPELQHG ZLWK VXSSO\ FKDLQ  
GLVUXSWLRQV OHG WR WKH KLJKHVW LQADWLRQ VLQFH DQG  
ERUURZLQJ FRVWV LQFUHDVHG IURP KLVWRULFDOO\ ORZ OHYHOV  
5XVVLD\ V LQYDVLQJ RI 8NUDLQH LQMHHFWHG IXUWKHU XQFHUWDLQW\  
LQWR QDQFLDO PDUNHWV SURYRNLQJ VLJQLQ\ FDQW YRODWLQW\ LQ  
FRPPRGLW\ DQG HTXLW\ SULFHV

\*URVV GRPHVWLF SURGXFW JURZWK FRQWUDFWHG LQ WKH QUVW TXDUWHU  
RI DPLG ORZHU LQYHVWPHQWV LQ LQYHQWRULHV DQG D JURZLQJ  
WUDGH GH\ FLW 3ULYDWH GRPHVWLF LQYHVWPHQW VORZHG VKDUSO\  
ZKLOH JRYHUQPHQW VSHQGLQJ GHFOLQHG LQ WKH QUVW TXDUWHU  
Rising prices precipitated a notable decline in consumer  
FRQ\GHQFH GHVSLWH KLJK VSHQGLQJ OHYHOV

7KH LQADWLRQ UDWH ZDV HOHYDWHG GXULQJ WKH VL\ PRQWK SHULRG  
DPLG LQFUHDVHG GHPDQG DQG VXSSO\ FKDLQ ERWWOHQHFNV

U.S. consumer spending on goods remained strong during

WKH QUVW KDOI RI WKH SHULRG DGGLQJ WR SUHVXUH RQ WKH SULFHV  
RI PDQ\ SURGXFWV (QHUV\ FRVWV DOVR URVH DV RLO SULFHV  
LQFUHDVHG VLJQLQ\ FDQWO\ GULYHQ E1 \OID'm[(.\)72.5(ni5DVHG GULF 8G )]TJ9PDQG TJS

+HDOWK &DUH (TXLSPHQW 6XSSOLHV 8QLWHG  
6WDWHV

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\*OREDO ,7 VHUYLFHV JLDQW \$FFHQWXUH GHWUDFWHG GXULQJ WKH  
SHULRG GHFOLQLQJ VWHDGLO\ DIWHU SRVWLQJ D UHFRUG KLJK LQ  
'HFHPEHU DV WHFKQRORJ\ VWRFNV ZHUH SUHVXUHG E\  
VHYHUDO PDFURHFRQRPLF FRQFHUQV 7KH FRPSDQ\ UHSRUWHG  
EHWWHU WKDQ H[SHFWHG HDUQLQJV GXULQJ WKH SHULRG DQG ERRVWHG  
JXLGDQFH ZKLFK KHOSHG UHYHUVH WKH GHFOLQH IRU D WLPH -XQH

earnings showed the impact of suspending operations in

5XVVD ZKLOH D VWUHQJWKHQLQJ 8 6 GROODU RQ WKH ,UHODQG  
EDVHG FRPSDQ\ V QRQ 8 6 HDUQLQJV GURYH D ORZHU WKDQ

expected revenue estimate that disappointed investors.

7DUJHW ZDV DQ DEVROXWH GHWUDFWRU DV VKDUHV GHFOLQHG VKDUSO\  
GXULQJ WKH ODWWHU SDUW RI WKH VL[ PRQWK SHULRG 7KH UHWDLOHU  
DQQRXQFHG TXDUWHUO\ UHVXOWV LQ 0D\ ZKLFK FDPH LQ ZHOO  
EHORZ DQDO\VWV IRUHFVWV DV SUR¿WV GURSSHG WR URXJKO\ KDOI



## Class 2 Fund Expenses



**Franklin Rising Dividends VIP Fund** (continued)

	Six Months Ended June 30, 2022 (unaudited)	Year Ended December 31,				
		2021	2020	2019	2018	2017

**Class 2**

Per share operating performance  
(for a share outstanding throughout the  
period)

1HW DVVHW YDOXH E.HJ.LQQLQJ RI SHULRG

Income from investment operations<sup>a</sup>

Net investment income<sup>b</sup>Net invest 8 0 0 8 184.776 560.875171Tm [(Net invest.....n << /AGS45n.6/CS 57s/TT2 1 Tf n /C2\_1 1 Tf 8 0 0 8 245.528 56054.4331


**Franklin Rising Dividends VIP Fund** (continued)

	Six Months Ended June 30, 2022 (unaudited)	Year Ended December 31,				
		2021	2020	2019	2018	2017
<b>Class 4</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
Net realized and unrealized gains (losses) . . . . .						
Total from investment operations . . . . .						
/HVV GLVWULEXWLRQV IURP						
Net investment income . . . . .				(0.35)		
Net realized gains . . . . .						
Total distributions . . . . .						
1HW DVVHW YDOXH .H.Q.G.RI SHULRG						
Total return <sup>c</sup> . . . . .						
Ratios to average net assets <sup>d</sup>						
Expenses <sup>H</sup> ! . . . . .						
Net investment income . . . . .			0.85%			
Supplemental data						
1HW DVVHWV HQG RI.S.HJ.LRG ¶V						
Portfolio turnover rate . . . . .				g		g

<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

Schedule of Investments (unaudited), June 30, 2022

Franklin Rising Dividends VIP Fund

	Country	Shares	Value
<b>Common Stocks 98.5%</b>			
<b>Aerospace &amp; Defense 4.4%</b>			
* H Q H U D O ' \ Q D P L F V . & R U S . . . . .	United States		
5 D \ W K H R Q 7 H F K Q R Q R J L H V . & R U S . . . . .	United States		
<b>Air Freight &amp; Logistics 2.3%</b>			
8 Q L W H G 3 D U F H O 6 H U Y L F H . . . , Q F . . . % . . . . .	United States		
<b>Banks 1.2%</b>			
- 3 0 R U J D Q & K D V H . . . & R . . . . .	United States		
<b>Beverages 2.0%</b>			
3 H S V L & R . . . , Q F . . . . .	United States		
<b>Biotechnology 1.7%</b>			
\$ E E 9 L H . . . , Q F . . . . .	United States		
<b>Building Products 2.5%</b>			
& D U O L V O H . & R V . . . , Q F . . . . .	United States		
Johnson Controls International plc. . . . .	United States		
<b>Capital Markets 1.2%</b>			
1 D V G D T . . . , Q F . . . . .	United States	6 415.9635 Tm [0 8 75.6 514.1974 Tm 034 6	

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

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

**Franklin Rising Dividends VIP Fund** (continued)

	Country	Shares	Value
Common Stocks (continued)			

# Statement of Assets and Liabilities

June 30, 2022 (unaudited)

	Franklin Rising Dividends VIP Fund
\$ V V H W V	
, Q Y H V W P H Q W V L Q V H F X U L W L H V	
& R V W 8 Q D ^ O L D . W . H . G . L . V . V . X . H . U . V . . . . .	4 591.7238 Tm2n0 38
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	_____
	_____







# Notes to Financial Statements (unaudited)

Franklin Rising Dividends VIP Fund

Franklin Rising Dividends VIP Fund (continued)

b. Foreign Currency Translation

Portfolio securities and other assets and liabilities  
denominated in foreign currencies are translated into U.S.  
dollars based on the exchange rate of such currencies

DJDLQVW 8 6 G R O O D U V R Q W K H G D W H R I Y D O X D W L R Q 7 K H ) X Q G P D \\  
H Q W H U L Q W R I R U H L J Q F X U U H Q F \ H [ F K D Q J H F R Q W U D F W V W R I D F L O L W D W H  
W U D Q V D F W L R Q V G H Q R P L Q D W H G L Q D I R U H L J Q F X U U H Q F \ 3 X U F K D V H V  
D Q G V D O H V R I V H F X U L W L H V L Q F R P H D Q G H [ S H Q V H L W H P V

denominated in foreign currencies are translated into U.S.

G R O O D U V D W W K H H [ F K D Q J H U D W H L Q H ‡ H F W R Q W K H W U D Q V D F W L R Q G D W H

Portfolio securities and assets and liabilities denominated

Portfoli000 I000 Portfoli0W U@L WY00L WQ00R G W U&00Q WG00G W21 0 0 9Tspan << /ActualText <feff00a0>>> BDC1 36 480.210.591

Franklin Rising Dividends VIP Fund (continued)

FRPELQHG QXPEHU RI VKDUHKROGHUV RI WKH 7UXVW )XQG VSHFL¿F  
H[SHQVHV DUH FKDUJHG GLUHFWO\ WR WKH )XQG WKDW LQFXUUHG WKH  
expense.

Realized and unrealized gains and losses and net

LQYHVWPHQW LQFRPH H[FOXGLQJ FODVV VSHFL¿F H[SHQVHV  
DUH DOORFDWHG GDLO\ WR HDFK FODVV RI VKDUHV EDVHG XSRQ WKH  
UHODWLYH SURSRUWLRQ RI QHW DVVHWV RI HDFK FODVV 'L†HUHQFHV

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

Franklin Rising Dividends VIP Fund (continued)

7UDQVDFZLVKROLDWHV

)UDQNOLQ 5HVRXUFHV ,QF LV WKH KROGLQJ FRPSDQ\ IRU YDULRXVPSXPHWLSQDULHV  
 &HUWDLQ R^FHUV DQG WUXVWHHV RI WKH )XQG DUH DOVR R^FHUV DQG RU GLUHFWRU

Subsidiary	\$^OLDWLRQ
)UDQNOLQ \$GYLVHUV ,QF \$GYLVHUV	Investment manager
)UDQNOLQ 7HPSOHWRQ 6HUylFHV //& )7 \$GPHYDQWUDWLYH PDQDJHU	
)UDQNOLQ 'LVWULEXWRUV //& 'LVWULEXWRUV	Principal underwriter
)UDQNOLQ 7HPSOHWRQ ,QYHVWRU 6HUylFHV	Transfer agent, QYHVWRU 6HUylFHV

a. Management Fees

7KH )XQG SD\ DQ LQYHVWPHQW PDQDJHPHQW IHWRF\$GPHYDQWUDWLYH PDQDJHU DQG DQKIS DLYH  
 DVVHWV RI WKH )XQG DV IROORZV

Annualized Fee Rate	Net Assets
	8S WR DQG LQFOXGLQJ PLOOLRQ
	2YHU PLOOLRQ XS WR DQG LQFOXGLQJ ELOOLRQ
0.500%	2YHU ELOOLRQ XS WR DQG LQFOXGLQJ ELOOLRQ
	,Q H[FHVVRV RI ELOOLRQ

)RU WKH SHULRG HQGHG -XQH WKH DQXDO]HG JURVV H±HRW WKHLQYHVWPHQW  
 )XQG V DGHU DJHQHW DVVHWV

b. >m [( )]TJ EMC 9.503 62istrative 78.1(m [[( \000¶)17.6( .1033 800HUDLOOL IOL FWZD3UDWH Z3 D m [( )0b>>>

Franklin Rising Dividends VIP Fund (continued)

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Franklin Rising Dividends VIP Fund (continued)

8. Novel Coronavirus Pandemic

7KH JOREDO RXWEUHDN RI WKH QRYHO FRUR QDY LDXW BG VHCYHHU WQR 7 Q FDW & 2Q , PDQ  
VHFWRUV QDWLRQV UHJLRQV DQG PDKHFRIRUNBDSW HG LFWQDEWDFQ 7KH H±HFWV RI W  
SDQGHPLF PD\ PDWHULDOO\ LPSDFW WKHQYDDEHODQG SRUEFUDQGFWHDIOWKQG LQYH  
DSSURSULDWH YLDDKDOVVQWLDQ 6KLVWPHHQW REMHFWLYHV

9. Credit Facility

7KH )XQG WRJHWKHU ZLWK RWKHU 8 6 UHJLVWHUHG% RQGRZWHV JQPDQDHYV PHQW DQ  
7HPSOHWRQ DUH ERUURZHUV LQ D MRLQW V\QGLFDWHG VHQLRU XQVHFXUHG FUHG  
ZKLFK PDWXUHV RQ )HEUXDU\ 7KLV \*OREDO &UHGLW )DFLOLW\ SURYLGHV D V  
HPHUJHQF\ SXUSRVHV LQFOXGLQJ WKH DELOLW\ WR PHHW IXWXUH XQDQWLFLSDWH

8QGHU WKH WHUPV RI WKH \*OREDO &UHGLW )DFLOLW\ WKH )XQG VKDOO LQ DGGLW  
)XQG DQG RWKHU FRVWV LQFXUUHG E\ WKH )XQG SD\ LWV VKDUH RI IHHV DQG H[SH  
DQG PDLQWHQDQFH RI WKH \*OREDO &UHGLW )DFLOLW\ EDVHG XSRQ LWV UHODWLY  
LQFOXGLQJ DQ DQQXDO FRPPLWPHQW IHH RI EDVHG XSRQ WKHHV XQXVHVGD\$RUWL  
UHÀHFWHG LQ RWKHU H[SHQVHV LQ WKH 6WDWPHQW RI 2SHJXQGLRQG QRULQVWVWKH  
\*OREDO &UHGLW )DFLOLW\

10. Fair Value Measurements

7KH )XQG IROORZV D IDLU YDOXH KLHUDUFK\ WKDW GLVWLQJXLVKHV EHWZHHQ PDU  
REVHUYDEOH LQSXWV DQG WKH )XQG V RZQ PDUWKHHV LQSR\$WLRQV XQRELVHGYDVE  
YDOXH RI WKHQYDDEHODQ LQVWUXPHQWV DQG DUH VXPPDULJHG LQ WKH IROORZLQJ IDL

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

7KH LQSXW OHYHOV DUH QRW QHFHVVDULO\ DQ LQGLFDWLRQ RI WKH ULVN RU OLTX  
\$W -XQH DOO RI WKH )XQG V LQYHVWPHQWV LQ ¿QDQFLDO LQVWUXPHQWV F  
)RU GHWDLOHG FDWHJRULHV VHH WKH DFFRPSDQ\ LQJ 6FKHG XOH RI ,QYHVWPHQWV

11. New Accounting Pronouncements

,QXQH WKH )LQDQFLDO \$FFRXQWLQJ 6WDQGDUGV %RDUG )\$% LVVXH \$FFRX  
)DLU 9DOXH OHDVXUHPHQW 7RSLF ± )DLU 9DOXH OHDVXUHPHQW RI (TXLW\ 6HF  
7KH DPHQGPHQWV LQ WKH \$68 FODUL\ WKDW D FRQWUDFWXDO UHVWULFWLRQ RQ V  
XQLW RI DFFRXQW RI WKH HTXLW\ VHFUXLW\ DQG WKHUHIRWKH \$68 XQGHQRWVEMFR  
IRU LQWHULP DQG DQQXDO UHSRUWLQJ SHULRGV EHJLQQLQJ DIWHU 'HFHPEHU  
FXUUHQWO\ HYDOXDWLQJ WKH LPSDFW LI DQ\ RI DSSO\LQJ WKLV \$68



Franklin Rising Dividends VIP Fund (continued)

12. Subsequent Events

7KH )XQG KDV HYDOXDWHG VXEVTXHGW HJGDFL DOK UVRDWH HPKIQ WV VXDQ FGH WIHV  
have occurred that require disclosure.

## Index Descriptions

The indexes are unmanaged and include reinvestment of **Bloomberg U.S. Government - Intermediate Index** DQ\ LQFRPH RU GLVWULEXWLRQV 7KH is 6 Intermediate High Yield Bond Index 11/19/00 On 9/0/ TJ/C2\_01 Tf 9 0 H[SHQVHV RU VDOHV FKDUJHV 2QH FDQQRW LQYHVW GLUHFWO\ LQ DQ LQGH[ DQG DQ LQGH[ LV QRW UHSUHVHQQWDWLYH 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 VHUYLEFH PDUNV DQG FRS\ULJKWV related to the Russell Indexes. Russell® LV D WUDGHPDUN RI )UDQN 5XVVHOO &RPSDQ\

6HH ZZZ IUDQNOLQWHPSOHWRQGDWDVRXUFHV 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 UDWH RI UHWXUQ DQG D \[HG SULQFLSDO YDOXH WKHLU LQWHUHVW SD\PHQWV and principal are guaranteed.

**Bloomberg U.S. Aggregate Bond Index** measures

WKH SHUIRUPDQFH RI WKH LQYHVWPHQW JUDGH 8 6 GROODU GHQRPLQDWHG \[HG UDWH WD[DEOH ERQG PDUNHW 7KH LQGH[ LQFOXGHV 7UHDVXULHV JRYHUQPHQW UHODWHG DQG FRUSRUDWH VHFUXLWLHV PRUWJDJH EDFNHG VHFUXLWLHV DJHQF\ \[HG UDWH DQG K\EULG DGMXVWDEOH UDWH PRUWJDJH SDVV WKURXJKV DVVHW EDFNHG VHFUXLWLHV DQG FRPPHUFLO PRUWJDJH EDFNHG VHFUXLWLHV DJHQF\ DQG QRQDJHQF\

**Bloomberg U.S. Corporate Bond Index** measures the

SHUIRUPDQFH RI WKH LQYHVWPHQW JUDGH \[HG UDWH WD[DEOH FRUSRUDWH ERQG PDUNHW ,W LQFOXGHV 8 6 GROODU GHQRPLQDWHG VHFUXLWLHV SXEOLFO\ LVVXH E\ 8 6 DQG QRQ 8 6 LQGXVWULDO XWLWLW\ DQG \QDQFLDO LVVXHUV

**Bloomberg U.S. Corporate High Yield Bond Index**

PHDVXUHV WKH SHUIRUPDQFH RI WKH 8 6 GROODU GHQRPLQDWHG KLJK \LHOG \[HG UDWH FRUSRUDWH ERQG PDUNHW 6HFXLWLHV DUH FODVVL\HG DV KLJK \LHOG LI WKH PLGGOH UDWLQJ RI ORRG\ )LWFK DQG 6WDQGDUG 3RRU\ LV %D %% %% RU EHZ %RQGV IURP LVVXHUV ZLWK DQ HPHUJLQJ PDUNHWV (0 FRXQW\ RI ULVN EDVHG RQ %ORRPEHUJ (0 FRXQW\ GH\QLWLRQ DUH H[FOXGHG

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
INDEX DESCRIPTIONS

# Shareholder Information

%RDUG \$SSURYDO RI ,QYHVWPHQW %ULGJH ,QYHVWPHQWV //& & ,  
 0DQDJHPPHQW \$JUHHPPHQWV RQ EHKDOI RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG  
 VXE DGYLVRU\ DJUHHPHQW 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  
 EHKDOI RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG VXE DGYLVRU\ DJUHHPHQW 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 DJUHHPHQW E  
 7UXVW RQ EHKDOI RI )UDQNOLQ \*OREDO 5 WKH LQYHVWPHQW PDQDJHPPHQW DJUHHPHQW  
 0XWXDO \$GYLVHUV //& )0\$ DQG WKH 7UXVW RQ EHKDOI RI )UDQNOLQ \*OREDO 'LVFR  
 HDFK RI )UDQNOLQ 0XWXDO 6KDUHV 9,3 )XQG DQG )UDQNOLQ )XQG [ WKH LQYHVWPHQW PDQDJHPPHQW  
 7HPSOHW RQ \$VVHW 0DQDJHPPHQW /WG 7\$ RQ EHKDOI RI 7HPSOHW RQ 'HYHORSLQJ 0DQDJHPPHQW  
 WKH LQYHVWPHQW VXE DGYLVRU\ DJUHHPHQW DQG )UDQNOLQ 7HPSOHW RQ ,0L HVWPHQW

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 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 7HPSOHW RQ 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 '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 9R06PDUW \$OORFDWLRQ 9,3 )XQG DQG 7HPSOHW RQ \*OREDO %RQG 9,3 )XQG LL WKH LQYHVWPHQW VXE DGYLVRU\ DJUHHPHQW EHWZHHQ )\$9 DQG )UDQNOLQ 7HPSOHW RQ ,QVWLWXWLRQDO //& )7,/ DQ D^OLDWH RI )\$9 RQ EHKDOI RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG LLL WKH LQYHVWPHQW VXE DGYLVRU\ DJUHHPHQW EHWZHHQ )\$9 DQG 7HPSOHW RQ \*OREDO \$GYLVRU\ /LPLWHG 7\*\$/ DQ D^OLDWH RI )\$9 RQ EHKDOI RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG LY WKH LQYHVWPHQW VXE DGYLVRU\ DJUHHPHQW EHWZHHQ )\$9 DQG %UDQG\ZLQH \*OREDO ,QYHVWPHQW 0DQDJHPPHQW //& %\*,0 DQ D^OLDWH RI )\$9 RQ EHKDOI RI )UDQNOLQ \$OORFDWLRQ 9,3 )XQG Y WKH LQYHVWPHQW VXE DGYLVRU\ DJUHHPHQW EHWZHHQ )\$9

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with management to request additional information that the Independent Trustees reviewed and considered at the 0HHWLQJ 7KH %RDUG UHYLHZHG DQG factors it deemed relevant in approving the continuance of HDFK 0DQDJHPPHQW \$JUHHPPHQW LQFOXGLQJ WKH QDWXUH H[WHQVHG DQG TXDOLW\ WKH QDWXUH H[WHQVHG DQG TXDOLW\ E\ HDFK 0DQDJHU LL WKH LQYHVWPHQW H[WHQVHG DQG TXDOLW\ HDFK )XQG LLL WKH FRVWV RI WKH SURV\WV UHDOLJHG E\ HDFK 0DQDJHU WKH UHODWLRQVKLS ZLWK HDFK )XQG V\HWLW\ HFRQRPLHV RI VFDOH DUH UHDOLJHG ZKHWKHU IHH OHYHOV UHÀHFW WKHVFHQW EHQH¿W RI )XQG LQYHVWRUV

7KH %RDUG DOVR UHYLHZHG DQG FRQVLGHUHG SURYLGHG WR )XQG VKDUHKROGHUV RI LQYH ERQGLDGLDURHGHG 7RIDP\ RI IXQGV 7KH %R ¿QDQFLDO SRVLWLRQ RI )UDQNOLQ 5HVRXUFH LQFOXGLQJ HXW\ SRUHQWV LQVWHG LWRV FRPPLWPHQW V\HWLW\ WKH UHODWLRQVKLS ZLWK HDFK 0DQDJHU WKH UHODWLRQVKLS ZLWK HDFK )XQG V\HWLW\ HFRQRPLHV RI VFDOH DUH UHDOLJHG ZKHWKHU IHH OHYHOV UHÀHFW WKHVFHQW EHQH¿W RI )XQG LQYHVWRUV

, Q DSSURYLQJ WKH FRQWLQXDQFH RI \$JUHHPPHQW WKH %RDUG LQFOXGLQJ ,QGSHQGHW 7UXVWHHV GHWHUPLQHQW 0DQDJHPPHQW DUH IDLU DQGHUWKH FRQWLQXDQFH RI VXFK 0DQDJHPPHQW LV LQ WKH EHVW LQWHUHVWV RI WKH DSSOLFDEOH :KLOH DWWHQWLRQ ZDV JLYHQ WR DOO IROORZLQJ GLVFXVVHV VRRP SULPDU\ %RDUGV GHWHUPLQDWLRQ

7KH %RDUG DOVR UHYLHZHG DQG FRQVLGHUHG SURYLGHG WR )XQG VKDUHKROGHUV RI LQYH ERQGLDGLDURHGHG 7RIDP\ RI IXQGV 7KH %R ¿QDQFLDO SRVLWLRQ RI )UDQNOLQ 5HVRXUFH LQFOXGLQJ HXW\ SRUHQWV LQVWHG LWRV FRPPLWPHQW V\HWLW\ WKH UHODWLRQVKLS ZLWK HDFK 0DQDJHU WKH UHODWLRQVKLS ZLWK HDFK )XQG V\HWLW\ HFRQRPLHV RI VFDOH DUH UHDOLJHG ZKHWKHU IHH OHYHOV UHÀHFW WKHVFHQW EHQH¿W RI )XQG LQYHVWRUV

Nature, Extent and Quality of Services

The Board reviewed and considered information regarding WKH QDWXUH H[WHQVHG DQG TXDOLW\ VHU\LFHV SURYLGHG E\ HDFK 0DQDJHU )XQGV DQG WKHLU VKDUHKROGHUV DPRQJ RWKHU WKLQJV WKH TXDOLW\ SHUVRQQHO RI HDFK 0DQDJHU DV ZHOORPHQW successions where appropriate; the structure of LQYHVWPHQW SHUVRQQHO FRPSHQVDWLRQV SDUW\ VHU\LFH SURYLGHUV LQYHVWPHQW DQG UHODWLG ¿QDQFLDO LQIRUPDWLRQV expenses and shareholder services; legal and compliance PDWWHUV ULVN FRQWUROV SULFLQJ E\ HDFK 0DQDJHU DQG LWV DOLDWHV FKDUJHG E\ HDFK 0DQDJHU DQG LWV DQG RWKHU DFFRXQWV LQFOXGLQJ RI GL¿HUHQFHV DPRQJ DFFRXQWV DOVR UHYLHZHG DQG FRQVLGHUHG PDGH E\ )UDQNOLQ 7HPSOHWRQ )7 LQWHUJUDWLRQV DV ZHOORPHQW SDUW\ VHU\LFHQJ DUUDQJHPPHQW WKH FKDQJLQJ GLVWULEXWLRQ ODQGVDFNQRZOHGJHG WKH RQJRLQJ LQWHJUDWLRQ IDPLO\ RI IXQGV LQWR WKH )7 IDPLO\ RI IXQGV DQG GHYHORSLQJ strategies to address areas of heightened concern in the PXWXDO IXQG LQGXVWU\ LQFOXGLQJ YDULRXV UHJXODWRU\ LQLWLDWLYHV and recent geopolitical concerns.

The Board reviewed and considered information regarding WKH QDWXUH H[WHQVHG DQG TXDOLW\ VHU\LFHV SURYLGHG E\ HDFK 0DQDJHU )XQGV DQG WKHLU VKDUHKROGHUV DPRQJ RWKHU WKLQJV WKH TXDOLW\ SHUVRQQHO RI HDFK 0DQDJHU DV ZHOORPHQW successions where appropriate; the structure of LQYHVWPHQW SHUVRQQHO FRPSHQVDWLRQV SDUW\ VHU\LFH SURYLGHUV LQYHVWPHQW DQG UHODWLG ¿QDQFLDO LQIRUPDWLRQV expenses and shareholder services; legal and compliance PDWWHUV ULVN FRQWUROV SULFLQJ E\ HDFK 0DQDJHU DQG LWV DOLDWHV FKDUJHG E\ HDFK 0DQDJHU DQG LWV DQG RWKHU DFFRXQWV LQFOXGLQJ RI GL¿HUHQFHV DPRQJ DFFRXQWV DOVR UHYLHZHG DQG FRQVLGHUHG PDGH E\ )UDQNOLQ 7HPSOHWRQ )7 LQWHUJUDWLRQV DV ZHOORPHQW SDUW\ VHU\LFHQJ DUUDQJHPPHQW WKH FKDQJLQJ GLVWULEXWLRQ ODQGVDFNQRZOHGJHG WKH RQJRLQJ LQWHJUDWLRQ IDPLO\ RI IXQGV LQWR WKH )7 IDPLO\ RI IXQGV DQG GHYHORSLQJ strategies to address areas of heightened concern in the PXWXDO IXQG LQGXVWU\ LQFOXGLQJ YDULRXV UHJXODWRU\ LQLWLDWLYHV and recent geopolitical concerns.



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)UDQNOLQ \*URZWK DQG ,QFRPH 9,3 )XQG

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)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 WK  
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  
DQXDOJHG 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  
DQXDOJHG 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 \*ORED 7K WFRYHU\ 9,3 )XQG  
3HUIRUPDQFH 8QLYHUVH IRU WKH )XQG LQFOXGHG WKH )XQG  
DQG DOO JORED 0XOWL FDS YDOXH IXQGV XQGHUO\LQJ 9,3V 7KH  
%RDUG QRWHG WKDW WKH )XQG V DQXDOJHG 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  
DQXDOJHG 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 DQXDOJHG  
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  
DQXDOJHG WRWDO UHWXUQ IRU WKH RQH WKUHH DQG ;YH \HDU  
SHULRGV ZDV DERYH WKH PHGLDQ DQG LQ WKH ;UVV TXLQWLOH EHVW







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WR WKH H[WHQW HFRQRPLHV RI VFDOH PD\ EH UHDOLJHG 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(&

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

\$XWKRULJHG IRU GLVWULEXWLRQ WR LQYHVWRUV LQ 6HSDUDWH \$FFRXQWV RQO\ ZK  
DSSOLFDEOH FRQWUDFW ZKLFK LQFOXGHV WKH 6HSDUDWH \$FFRXQW DQG WKH )79,  
LQYHVWPHQW JRDOV ULNV FKDUJHV DQG SURSRFHQWV FRQWUDLQYHVWLRQ 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 //&		