

ANNUAL REPORT

# FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST

December 31, 2020



FRANKLIN  
TEMPLETON



# Franklin Templeton Variable Insurance Products Trust Annual Report

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\*Not part of the annual report. Retain for your records

<b>Not FDIC Insured</b>	<b>May Lose Value</b>	<b>No Bank Guarantee</b>
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## Important Notes to Performance Information

Performance data is historical and cannot predict or guarantee future results. Principal value and investment return will fluctuate with market conditions, and you may have a gain or loss when you withdraw your money. Inception dates of the funds may have preceded the effective dates of the subaccounts, contracts or their availability in all states.

When reviewing the index comparisons, please keep in mind that indexes have a number of inherent performance differentials over the funds. First, unlike the funds, which must hold a minimum amount of cash to maintain liquidity, indexes do not have a cash component. Second, the funds are actively managed and, thus, are subject to management fees to cover salaries of securities analysts or portfolio managers in addition to other expenses. Indexes are unmanaged and do not include any commissions or other expenses typically associated with investing in securities. Third, indexes often contain a different mix of securities than the fund to which they are compared. Additionally, please remember that indexes are simply a measure of performance and cannot be invested in directly.

# Franklin Rising Dividends VIP Fund

This annual report for Franklin Rising Dividends VIP Fund covers the fiscal year ended December 31, 2020.

## Class 1 Performance Summary as of December 31, 2020

Average annual total return of Class 1 shares represents the average annual change in value, assuming reinvestment of dividends and capital gains. Average returns smooth out variations in returns, which can be significant; they are not the same as year-by-year results.

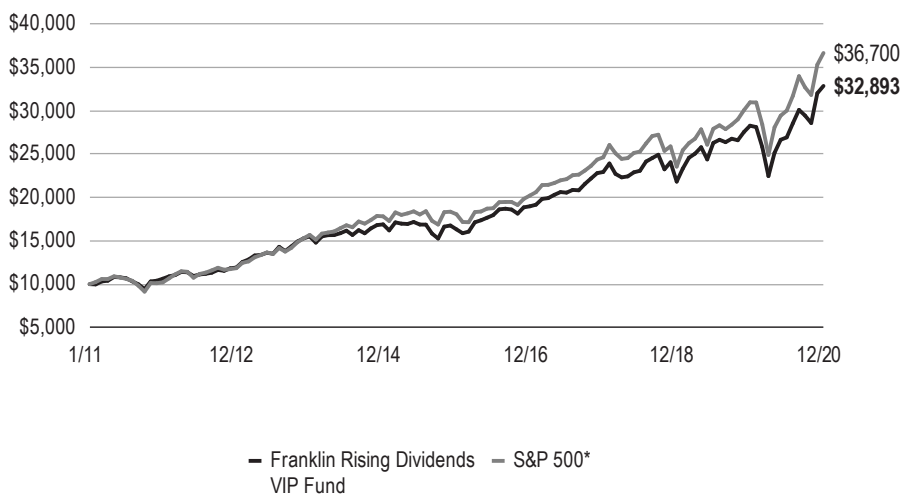
Share Class	Average Annual Total Return
<b>1</b>	
1-Year	+16.23%
5-Year	+15.04%
10-Year	+12.64%

*Performance reflects the Fund's Class 1 operating expenses, but does **not** include any contract fees, expenses or sales charges. If they had been included, performance would be lower. These charges and deductions, particularly for variable life policies, can have a significant effect on contract values and insurance benefits. See the contract prospectus for a complete description of these expenses, including sales charges.*

*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown.*

### Total Return Index Comparison for a Hypothetical \$10,000 Investment (1/1/11–12/31/20)

The graph below shows the change in value of a hypothetical \$10,000 investment in the Fund over the indicated period and includes reinvestment of any income or distributions. The Fund's performance is compared to the performance of the Standard & Poor's® 500 Index (S&P 500®). One cannot invest directly in an index, and an index is not representative of the Fund's portfolio. **Please see Important Notes to Performance Information preceding the Fund Summaries.**



\*Source: Morningstar. Please see Index Descriptions following the Fund Summaries.

# Franklin Rising Dividends VIP Fund

## Fund Goal and Main Investments

The Fund seeks long-term capital appreciation. Preservation of capital, while not a goal, is also an important consideration. Under normal market conditions, the Fund invests at least 80% of its net assets in equity securities of financially sound companies that have paid consistently rising dividends.

## Fund Risks

All investments involve risks, including possible loss of principal. Unexpected events and their aftermaths, such as the spread of deadly diseases; natural, environmental or man-made disasters; financial, political or social disruptions; terrorism and war; and other tragedies or catastrophes, can cause investor fear and panic, which can adversely affect the economies of many companies, sectors, nations, regions and the market in general, in ways that cannot necessarily be foreseen. Companies that have historically paid regular dividends to shareholders may decrease or eliminate dividend payments in the future. Securities issued by smaller and midsize companies may be more volatile in price than those of larger companies, involve substantial risks and should be considered relatively more speculative. To the extent that the Fund focuses on particular countries, regions, industries, sectors or types of investment from time to time, the Fund may be subject to greater risks of adverse developments in such areas of focus than a fund that invests in a wider variety of countries, regions, industries, sectors or investments. Foreign investing carries additional risks such as currency and market volatility and political or social instability, risks that are heightened in developing countries. The Fund is actively managed but there is no guarantee that the manager's investment decisions will produce the desired results. The Fund's prospectus also includes a description of the main investment risks.

## Performance Overview

You can find the Fund's one-year total return in the Performance Summary. In comparison, the Standard & Poor's® 500 Index (S&P 500®) posted a +16.26% total return for the same period.<sup>1</sup> Please note the Fund employs a bottom-up stock selection process, and the managers invest in securities without regard to benchmark comparisons.

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 the Fund Summaries.

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Statement of Investments (SOI).

## Portfolio Composition

12/31/20

	% of Total Net Assets
Health Care Equipment & Supplies	14.4%
Chemicals	10.9%
Industrial Conglomerates	8.6%
Software	8.2%
Semiconductors & Semiconductor Equipment	6.7%
IT Services	6.4%
Specialty Retail	3.8%
Aerospace & Defense	3.3%
Machinery	3.2%
Household Products	3.1%
Pharmaceuticals	3.0%
Textiles, Apparel & Luxury Goods	2.5%
Health Care Providers & Services	2.5%
Multiline Retail	2.4%
Air Freight & Logistics	1.9%
Commercial Services & Supplies	1.9%
Hotels, Restaurants & Leisure	1.7%
Beverages	1.7%
Oil, Gas & Consumable Fuels	1.6%
Food & Staples Retailing	1.6%
Food Products	1.6%
Insurance	1.5%
Building Products	1.4%
Road & Rail	1.4%
Capital Markets	1.2%
Other	2.4%
Short-Term Investments & Other Net Assets	1.1%

## Economic and Market Overview

U.S. equities, as measured by the S&P 500, advanced strongly during the 12 months ended December 31, 2020. Although equities began the year with gains, a sharp selloff began in late February 2020 amid investor fears of a global economic slowdown due to the novel coronavirus (COVID-19) pandemic. Such fears drove many investors to sell equities and buy government bonds, cash equivalents and other investments perceived as safe. Nevertheless, equities began to advance in late March, as monetary and fiscal stimulus drove stocks sharply higher. Following declines in September and October, equities, as measured by the S&P 500, advanced to all-time price highs in December.

Pandemic-related restrictions severely curtailed economic activity, resulting in mass layoffs that drove the unemployment rate to 14.8% in April 2020.<sup>2</sup> The longest U.S. economic expansion in history ended in February, according to the National Bureau of Economic Research, and the country slipped into a deep recession with second-quarter 2020 gross domestic product (GDP) posting a record annualized decline.

In an effort to support the economy, the U.S. Federal Reserve (Fed) lowered the federal funds target rate to a range of 0.00%–0.25% in March 2020. The Fed also enacted quantitative easing measures aimed at ensuring credit flows to borrowers and supporting credit markets with open-ended bond purchasing. Furthermore, the Fed signaled that interest rates would potentially remain low, even if inflation moderately exceeded its 2% target.

Equities began to rebound in late March 2020, benefiting from fiscal and monetary stimulus, a gradual lifting of restrictions and development of COVID-19 vaccines and treatments. Rising retail sales and rebounding economic activity led third-quarter GDP to expand at a record annualized pace, although growth slowed in the fourth quarter. Concerns about possible new restrictions amid rising COVID-19 infection rates and uncertainties about additional fiscal stimulus and the U.S. presidential election drove stocks lower in September and October. Despite signs that the economic recovery was stalling, as the unemployment rate remained relatively high (6.7% at period-end) and consumer spending declined, stocks rallied in November and December, buoyed by the outcome of the U.S. presidential election, the start of COVID-19 vaccination programs and the passage of a new stimulus bill.<sup>2</sup>

## Investment Strategy

We are a research-driven, fundamental investment adviser, pursuing a disciplined value-oriented strategy. As bottom-up investors concentrating primarily on individual securities, we seek fundamentally sound companies that we believe meet our screening criteria, which include consistent, substantial dividend increases; reinvested earnings; and strong balance sheets. We attempt to acquire such stocks at attractive prices, often when they are out of favor with other investors. In following these criteria, we do not necessarily focus on companies whose securities pay a high dividend but rather on companies that consistently raise their dividends.

## Top 10 Holdings

12/31/20

<b>Company Industry, Country</b>	<b>% of Total Net Assets</b>
Microsoft Corp. <i>Software, United States</i>	8.2%
Roper Technologies, Inc. <i>Industrial Conglomerates, United States</i>	4.9%
Accenture plc <i>IT Services, United States</i>	4.0%
Stryker Corp. <i>Health Care Equipment &amp; Supplies, United States</i>	3.9%
Linde plc <i>Chemicals, United Kingdom</i>	3.6%
Texas Instruments, Inc. <i>Semiconductors &amp; Semiconductor Equipment, United States</i>	3.4%
Analog Devices, Inc. <i>Semiconductors &amp; Semiconductor Equipment, United States</i>	3.3%
Air Products and Chemicals, Inc. <i>Chemicals, United States</i>	3.2%
West Pharmaceutical Services, Inc. <i>Health Care Equipment &amp; Supplies, United States</i>	3.0%
Honeywell International, Inc. <i>Industrial Conglomerates, United States</i>	2.9%

## Manager's Discussion

During the 12-month period ended December 31, 2020, some companies that contributed to absolute performance included Microsoft, West Pharmaceutical Services and Albemarle.

Enterprise software firm Microsoft boosted absolute performance based on a strong earnings report and investor optimism that its cloud-based services could benefit as more people work from home during the novel coronavirus (COVID-19) pandemic. The company has seen strength in its commercial cloud services and in sales of Windows software as customers migrated away from Windows 7 in recent quarters. We believe that the trends of helping business customers move to the cloud and providing workers with productivity tools should support what we consider attractive growth over the medium to longer term.

West Pharmaceutical Services supported performance as its business saw strong demand for its products in recent quarters as demand from companies working to create therapeutics to combat COVID-19 was strong. We believe the company boasts a resilient business model and has strong long-term growth prospects even after the short-term impact from COVID-19 passes.

2. Source: Bureau of Labor Statistics.

Lithium producer Albemarle supported returns based on optimism that rising demand for lithium from electric vehicle producers will increase over the medium term as battery costs continue to decline, which could help reduce oversupply. Lithium projects that have been postponed during the current downcycle are also likely to restart over the coming years.

In contrast, some companies that detracted from absolute performance included Raytheon Technologies, Boeing and Occidental Petroleum.

In the industrials sector, aerospace and defense firms Raytheon and Boeing declined amid weakness in the civil aviation market due to the global pandemic. However, the approval of vaccines in late 2020 has raised investor hopes that the civil aviation market will rebound over the course of 2021 and beyond. During the reporting period, United Technologies acquired Raytheon to form Raytheon Technologies, and we exited our position in Boeing amid the broader market's uncertainties surrounding the company's 737 MAX jet.

Occidental Petroleum, an oil and gas exploration and production company, hampered performance as the global pandemic has reduced economic activity and pressured crude oil prices in 2020.

Thank you for your participation in Franklin Rising Dividends VIP Fund. We look forward to continuing to serve your investment needs.

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*The foregoing information reflects our analysis, opinions and portfolio holdings as of December 31, 2020, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.*



## Class 1 Fund Expenses

As an investor in a variable insurance contract (Contract) that indirectly provides for investment in an underlying mutual fund, you can incur transaction and/or ongoing expenses at both the Fund level and the Contract Level: (1) transaction expenses can include sales charges (loads) on purchases, surrender fees, transfer fees and premium taxes; and (2) ongoing expenses can include management fees, distribution and service (12b-1) fees, contract fees, annual maintenance fees, mortality and expense risk fees and other fees and expenses. All mutual funds and Contracts have some types of ongoing expenses. The table below shows Fund-level ongoing expenses and can help you understand these costs and compare them with those of other mutual funds offered through the Contract. The table assumes a \$1,000 investment held for the six months indicated. Please refer to the Fund prospectus for additional information on operating expenses.

### Actual Fund Expenses

The table below provides information about the actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of ongoing Fund expenses but does not include the effect of ongoing Contract expenses, is used to calculate the "Ending Account Value." You can estimate the Fund-level expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then  $\$8,600 \div \$1,000 = 8.6$* ). Then multiply the result by the number under the headings "Actual" and "Fund-Level Expenses Paid During Period" (*if Fund-Level Expenses Paid During Period were \$7.50, then  $8.6 \times \$7.50 = \$64.50$* ). In this illustration, the estimated expenses paid this period at the Fund level are \$64.50.

### Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other mutual funds offered through the Contract. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds offered through the Contract.

*Please note that expenses shown in the table are meant to highlight ongoing costs at the Fund level only and do not reflect any ongoing expenses at the Contract level, or transaction expenses at either the Fund or Contract levels. In addition, while the Fund does not have transaction expenses, if the transaction and ongoing expenses at the Contract level were included, the expenses shown below would be higher. You should consult your Contract prospectus or disclosure document for more information.*

Share Class	Beginning Account Value 7/1/20	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 12/31/20	Fund-Level Expenses Paid During Period 7/1/20–12/31/20 <sup>1, 2</sup>	Ending Account Value 12/31/20	Fund-Level Expenses Paid During Period 7/1/20–12/31/20 <sup>1, 2</sup>	
1	\$1,000	\$1,220.50	\$3.56	\$1,021.93	\$3.24	0.64%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 184/366 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements. Does not include acquired fund fees and expenses

## Financial Highlights

### Franklin Rising Dividends VIP Fund

	Year Ended December 31,				
	2020	2019	2018	2017	2016
<b>Class 1</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$27.90	\$25.75	\$29.21	\$25.51	\$25.26
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup> . . . . .	0.32	0.37	0.39	0.40	0.42
Net realized and unrealized gains (losses) . . . . .	3.76	6.77	(1.65)	4.76	3.45
Total from investment operations . . . . .	4.08	7.14	(1.26)	5.16	3.87
Less distributions from:					
Net investment income . . . . .	(0.41)	(0.45)	(0.44)	(0.48)	(0.44)
Net realized gains . . . . .	(1.40)	(4.54)	(1.76)	(0.98)	(3.18)
Total distributions . . . . .	(1.81)	(4.99)	(2.20)	(1.46)	(3.62)
Net asset value, end of year . . . . .	\$30.17	\$27.90	\$25.75	\$29.21	\$25.51
Total return <sup>c</sup> . . . . .	16.23%	29.58%	(4.84)%	20.85%	16.33%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	0.65%	0.63%	0.62%	0.62%	0.63%
Expenses net of waiver and payments by affiliates <sup>d</sup> . . . . .	0.65% <sup>e</sup>	0.63% <sup>e</sup>	0.62% <sup>e</sup>	0.62% <sup>e</sup>	0.62%
Net investment income . . . . .	1.20%	1.34%	1.38%	1.49%	1.67%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$156,585	\$150,864	\$157,838	\$216,015	\$181,072
Portfolio turnover rate . . . . .	12.83%	7.26% <sup>f</sup>	3.09% <sup>f</sup>	3.36%	6.66%

<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 repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

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

<sup>c</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.

<sup>d</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>e</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

<sup>f</sup>Excludes the value of portfolio securities delivered as a result of a redemption in-kind.

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

	Year Ended December 31,				
	2020	2019	2018	2017	2016
<b>Class 2</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$26.99	\$25.04	\$28.46	\$24.89	\$24.72
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup> . . . . .	0.24	0.29	0.31	0.33	0.35
Net realized and unrealized gains (losses) . . . . .	3.65	6.57	(1.61)	4.63	3.37
Total from investment operations . . . . .	3.89	6.86	(1.30)	4.96	3.72
Less distributions from:					
Net investment income . . . . .	(0.33)	(0.37)	(0.36)	(0.41)	(0.37)
Net realized gains . . . . .	(1.41)	(4.54)	(1.76)	(0.98)	(3.18)
Total distributions . . . . .	(1.74)	(4.91)	(2.12)	(1.39)	(3.55)
Net asset value, end of year . . . . .	\$29.14	\$26.99	\$25.04	\$28.46	\$24.89
Total return <sup>c</sup> . . . . .	15.97%	29.23%	(5.07)%	20.56%	16.04%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	0.90%	0.88%	0.87%	0.87%	0.88%
Expenses net of waiver and payments by affiliates <sup>d</sup> . . . . .	0.90% <sup>e</sup>	0.88% <sup>e</sup>	0.87% <sup>e</sup>	0.87% <sup>e</sup>	0.87%
Net investment income . . . . .	0.95%	1.09%	1.13%	1.24%	1.42%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$1,365,745	\$1,387,688	\$1,106,334	\$1,640,883	\$1,530,374
Portfolio turnover rate . . . . .	12.83%	7.26% <sup>f</sup>	3.09% <sup>f</sup>	3.36%	6.66%

<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 repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

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

<sup>c</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.

<sup>d</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>e</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

<sup>f</sup>Excludes the value of portfolio securities delivered as a result of a redemption in-kind.

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

	Year Ended December 31,				
	2020	2019	2018	2017	2016
<b>Class 4</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$27.08	\$25.11	\$28.54	\$24.98	\$24.81
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup> . . . . .	0.22	0.26	0.29	0.30	0.32
Net realized and unrealized gains (losses) . . . . .	3.65	6.60	(1.62)	4.65	3.39
Total from investment operations . . . . .	3.87	6.86	(1.33)	4.95	3.71
Less distributions from:					
Net investment income . . . . .	(0.32)	(0.35)	(0.34)	(0.41)	(0.36)
Net realized gains . . . . .	(1.41)	(4.54)	(1.76)	(0.98)	(3.18)
Total distributions . . . . .	(1.73)	(4.89)	(2.10)	(1.39)	(3.54)
Net asset value, end of year . . . . .	\$29.22	\$27.08	\$25.11	\$28.54	\$24.98
Total return <sup>c</sup> . . . . .	15.85%	29.16%	(5.16)%	20.40%	15.93%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	1.00%	0.98%	0.97%	0.97%	0.98%
Expenses net of waiver and payments by affiliates <sup>d</sup> . . . . .	1.00% <sup>e</sup>	0.98% <sup>e</sup>	0.97% <sup>e</sup>	0.97% <sup>e</sup>	0.97%
Net investment income . . . . .	0.85%	0.99%	1.03%	1.14%	1.32%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$51,137	\$46,539	\$32,825	\$36,407	\$28,579
Portfolio turnover rate . . . . .	12.83%	7.26% <sup>f</sup>	3.09% <sup>f</sup>	3.36%	6.66%

<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 repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

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

<sup>c</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.

<sup>d</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>e</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

<sup>f</sup>Excludes the value of portfolio securities delivered as a result of a redemption in-kind.

## Statement of Investments, December 31, 2020

## Franklin Rising Dividends VIP Fund

	Country	Shares	Value
<b>Common Stocks 98.9%</b>			
<b>Aerospace &amp; Defense 3.3%</b>			
General Dynamics Corp. . . . .	United States	115,252	\$17,151,803
Raytheon Technologies Corp. . . . .	United States	494,946	35,393,588
			52,545,391
<b>Air Freight &amp; Logistics 1.9%</b>			
United Parcel Service, Inc., B . . . . .	United States	179,267	30,188,563
<b>Beverages 1.7%</b>			
PepsiCo, Inc. . . . .	United States	182,330	27,039,539
<b>Biotechnology 0.9%</b>			
AbbVie, Inc. . . . .	United States	129,636	13,890,497
<b>Building Products 1.4%</b>			
Johnson Controls International plc. . . . .	United States	482,010	22,456,846
<b>Capital Markets 1.2%</b>			
Nasdaq, Inc. . . . .	United States	116,100	15,411,114
State Street Corp. . . . .	United States	56,141	4,085,942
			19,497,056
<b>Chemicals 10.9%</b>			
Air Products and Chemicals, Inc. . . . .	United States	182,267	49,798,990
Albemarle Corp. . . . .	United States	257,010	37,914,115
Ecolab, Inc. . . . .	United States	120,309	26,030,055
Linde plc. . . . .	United Kingdom	216,332	57,005,645
			170,748,805
<b>Commercial Services &amp; Supplies 1.9%</b>			
Cintas Corp. . . . .	United States	82,072	29,009,169
<b>Electrical Equipment 0.5%</b>			
nVent Electric plc . . . . .	United States	342,626	7,979,760
<b>Food &amp; Staples Retailing 1.6%</b>			
Walmart, Inc. . . . .	United States	175,808	25,342,723
<b>Food Products 1.6%</b>			
McCormick & Co., Inc. . . . .	United States	255,894	24,463,466
<b>Health Care Equipment &amp; Supplies 14.4%</b>			
Abbott Laboratories. . . . .	United States	308,895	33,820,913
Becton Dickinson and Co. . . . .	United States	164,115	41,064,855
Medtronic plc . . . . .	United States	381,254	44,660,094
Stryker Corp. . . . .	United States	248,645	60,927,972
West Pharmaceutical Services, Inc. . . . .	United States	165,001	46,746,433
			227,220,267
<b>Health Care Providers &amp; Services 2.5%</b>			
CVS Health Corp. . . . .	United States	147,093	10,046,452
UnitedHealth Group, Inc. . . . .	United States	80,900	28,370,012
			38,416,464
<b>Hotels, Restaurants &amp; Leisure 1.7%</b>			
McDonald's Corp. . . . .	United States	127,599	27,380,193
<b>Household Products 3.1%</b>			
Colgate-Palmolive Co. . . . .	United States	246,640	21,090,187
Procter & Gamble Co. (The) . . . . .	United States	199,894	27,813,251
			48,903,438
<b>Industrial Conglomerates 8.6%</b>			
Carlisle Cos., Inc. . . . .	United States	78,402	12,244,824

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

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Industrial Conglomerates</b> (continued)			
Honeywell International, Inc. ....	United States	211,075	\$44,895,653
Roper Technologies, Inc. ....	United States	179,683	77,459,544
			134,600,021
<b>Insurance 1.5%</b>			
Aflac, Inc. ....	United States	190,604	8,476,160
Erie Indemnity Co., A. ....	United States	63,970	15,711,032
			24,187,192
<b>IT Services 6.4%</b>			
Accenture plc, A. ....	United States	241,578	63,102,590
Visa, Inc., A. ....	United States	171,062	37,416,391
			100,518,981
<b>Machinery 3.2%</b>			
Donaldson Co., Inc. ....	United States	185,297	10,354,396
Dover Corp. ....	United States	190,188	24,011,235
Pentair plc ....	United States	301,294	15,995,699
			50,361,330
<b>Multiline Retail 2.4%</b>			
Target Corp. ....	United States	217,237	38,348,848
<b>Oil, Gas &amp; Consumable Fuels 1.6%</b>			
Chevron Corp. ....	United States	149,794	12,650,103
EOG Resources, Inc. ....	United States	137,461	6,855,180
Exxon Mobil Corp. ....	United States	143,861	5,929,951
			25,435,234
<b>Pharmaceuticals 3.0%</b>			
Johnson & Johnson ....	United States	192,829	30,347,428
Perrigo Co. plc ....	United States	101,563	4,541,897
Pfizer, Inc. ....	United States	335,415	12,346,626
			47,235,951
<b>Road &amp; Rail 1.4%</b>			
Norfolk Southern Corp. ....	United States	90,647	21,538,634
<b>Semiconductors &amp; Semiconductor Equipment 6.7%</b>			
Analog Devices, Inc. ....	United States	349,219	51,590,123
Texas Instruments, Inc. ....	United States	326,568	53,599,606
			105,189,729
<b>Software 8.2%</b>			
Microsoft Corp. ....	United States	576,928	128,320,326
<b>Specialty Retail 3.8%</b>			
Lowe's Cos., Inc. ....	United States	189,600	30,432,696
Ross Stores, Inc. ....	United States	234,930	28,851,753
			59,284,449
<b>Textiles, Apparel &amp; Luxury Goods 2.5%</b>			
NIKE, Inc., B. ....	United States	280,384	39,665,924
<b>Trading Companies &amp; Distributors 1.0%</b>			
WW Grainger, Inc. ....	United States	38,293	15,636,564
<b>Total Common Stocks (Cost \$629,959,561)</b> .....			<b>1,555,405,360</b>

Franklin Rising Dividends VIP Fund (continued)

Short Term Investments 1.2%

	Country	Shares	Value
<b>Money Market Funds 1.2%</b>			
<sup>a,b</sup> Institutional Fiduciary Trust - Money Market Portfolio, 0% . . . . .	United States	18,135,871	\$18,135,871
<b>Total Money Market Funds (Cost \$18,135,871)</b> . . . . .			<b>18,135,871</b>
<b>Total Short Term Investments (Cost \$18,135,871)</b> . . . . .			<b>18,135,871</b>
<b>Total Investments (Cost \$648,095,432) 100.1%</b> . . . . .			<b>\$1,573,541,231</b>
<b>Other Assets, less Liabilities (0.1%)</b> . . . . .			<b>(74,785)</b>
<b>Net Assets 100.0%</b> . . . . .			<b>\$1,573,466,446</b>

<sup>a</sup> See Note 3(e) regarding investments in affiliated management investment companies.

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

## Statement of Assets and Liabilities

December 31, 2020

	<b>Franklin Rising Dividends VIP Fund</b>
<hr/>	
<b>Assets:</b>	
Investments in securities:	
Cost - Unaffiliated issuers . . . . .	\$629,959,561
Cost - Non-controlled affiliates (Note 3e) . . . . .	18,135,871
	<hr/>
Value - Unaffiliated issuers . . . . .	\$1,555,405,360
Value - Non-controlled affiliates (Note 3e) . . . . .	18,135,871
<b>Receivables:</b>	
Investment securities sold . . . . .	45,237
Capital shares sold . . . . .	389,623
Dividends . . . . .	1,309,909
<b>Other assets</b> . . . . .	192
	<hr/>
<b>Total assets</b> . . . . .	<b>1,575,286,192</b>
<b>Liabilities:</b>	
<b>Payables:</b>	
Capital shares redeemed . . . . .	564,201
Management fees . . . . .	814,471
Distribution fees . . . . .	300,271
<b>Accrued expenses and other liabilities</b> . . . . .	140,803
	<hr/>
<b>Total liabilities</b> . . . . .	<b>1,819,746</b>
	<hr/>
<b>Net assets, at value</b> . . . . .	<b>\$1,573,466,446</b>
<b>Net assets consist of:</b>	
Paid-in capital . . . . .	\$582,414,212
Total distributable earnings (losses) . . . . .	991,052,234
	<hr/>
<b>Net assets, at value</b> . . . . .	<b>\$1,573,466,446</b>
	<hr/>
	<b>Franklin Rising Dividends VIP Fund</b>
<hr/>	
<b>Class 1:</b>	
Net assets, at value . . . . .	\$156,585,034
Shares outstanding . . . . .	5,189,274
	<hr/>
Net asset value and maximum offering price per share . . . . .	\$30.17
<b>Class 2:</b>	
Net assets, at value . . . . .	\$1,365,744,647
Shares outstanding . . . . .	46,864,497
	<hr/>
Net asset value and maximum offering price per share . . . . .	\$29.14
<b>Class 4:</b>	
Net assets, at value . . . . .	\$51,136,765
Shares outstanding . . . . .	1,750,180
	<hr/>
Net asset value and maximum offering price per share . . . . .	\$29.22



## Statement of Operations

December 31, 2020

**Franklin Rising  
Dividends VIP  
Fund**

Investment income:	
Dividends:	
Unaffiliated issuers . . . . .	\$25,971,074
Non-controlled affiliates (Note 3e) . . . . .	38,591
Total investment income . . . . .	<u>26,009,665</u>
Expenses:	
Management fees (Note 3a) . . . . .	8,931,578
Distribution fees: (Note 3c)	
Class 2 . . . . .	3,066,004
Class 4 . . . . .	155,636
Custodian fees (Note 4) . . . . .	7,698
Reports to shareholders . . . . .	135,654
Professional fees . . . . .	59,881
Trustees' fees and expenses . . . . .	8,240
Other . . . . .	39,751
Total expenses . . . . .	<u>12,404,442</u>
Expense reductions (Note 4) . . . . .	(3,121)
Expenses waived/paid by affiliates (Note 3e) . . . . .	<u>(53,425)</u>
Net expenses . . . . .	<u>12,347,896</u>
Net investment income . . . . .	<u>13,661,769</u>
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Investments:	
Unaffiliated issuers . . . . .	<u>54,763,744</u>
Net change in unrealized appreciation (depreciation) on:	
Investments:	
Unaffiliated issuers . . . . .	<u>120,578,165</u>
Net realized and unrealized gain (loss) . . . . .	<u>175,341,909</u>
Net increase (decrease) in net assets resulting from operations . . . . .	<u>\$189,003,678</u>

## Statements of Changes in Net Assets

	<b>Franklin Rising Dividends VIP Fund</b>	
	<b>Year Ended December 31, 2020</b>	<b>Year Ended December 31, 2019</b>
Increase (decrease) in net assets:		
Operations:		
Net investment income . . . . .	\$13,661,769	\$17,322,041
Net realized gain (loss) . . . . .	54,763,744	82,812,044
Net change in unrealized appreciation (depreciation) . . . . .	120,578,165	279,796,675
Net increase (decrease) in net assets resulting from operations . . . . .	189,003,678	379,930,760
Distributions to shareholders:		
Class 1 . . . . .	(9,363,148)	(28,799,833)
Class 2 . . . . .	(76,921,977)	(227,983,493)
Class 4 . . . . .	(2,888,656)	(6,300,776)
Total distributions to shareholders . . . . .	(89,173,781)	(263,084,102)
Capital share transactions: (Note 2)		
Class 1 . . . . .	(6,915,276)	(21,678,109)
Class 2 . . . . .	(105,113,819)	182,626,753
Class 4 . . . . .	574,344	10,299,225
Total capital share transactions . . . . .	(111,454,751)	171,247,869
Net increase (decrease) in net assets . . . . .	(11,624,854)	288,094,527
Net assets:		
Beginning of year . . . . .	1,585,091,300	1,296,996,773
End of year . . . . .	\$1,573,466,446	\$1,585,091,300

# Notes to Financial Statements

## Franklin Rising Dividends VIP Fund

### 1. Organization and Significant Accounting Policies

Franklin Templeton Variable Insurance Products Trust (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company, consisting of eighteen separate funds and applies the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP). Franklin Rising Dividends VIP Fund (Fund) is included in this report. Shares of the Fund are generally sold only to insurance company separate accounts to fund the benefits of variable life insurance policies or variable annuity contracts. The Fund offers three classes of shares: Class 1, Class 2 and Class 4. Each class of shares may differ by its distribution fees, voting rights on matters affecting a single class and its exchange privilege.

The following summarizes the Fund's significant accounting policies.

#### a. Financial Instrument Valuation

The Fund's investments in financial instruments are carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Fund calculates the net asset value (NAV) per share each business day as of 4 p.m. Eastern time or the regularly scheduled close of the New York Stock Exchange (NYSE), whichever is earlier. Under compliance policies and procedures approved by the Trust's Board of Trustees (the Board), the Fund's administrator has responsibility for oversight of valuation, including leading the cross-functional Valuation Committee (VC). The Fund may utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

Equity securities listed on an exchange or on the NASDAQ National Market System are valued at the last quoted sale price or the official closing price of the day, respectively. Foreign equity securities are valued as of the close of trading on the foreign stock exchange on which the security is primarily traded, or as of 4 p.m. Eastern time. The value is then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at 4 p.m. Eastern time on the day that the value of the security is determined. Over-the-counter (OTC) securities are valued within the range of the most recent quoted bid and ask prices. Securities that trade in multiple markets or on multiple exchanges are valued

according to the broadest and most representative market. Certain equity securities are valued based upon fundamental characteristics or relationships to similar securities.

Investments in open-end mutual funds are valued at the closing NAV.

The Fund has procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the Fund primarily employs a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, book values, and other relevant information for the investment to determine the fair value of the investment. An income-based valuation approach may also be used in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

Trading in securities on foreign securities stock exchanges and OTC markets may be completed before 4 p.m. Eastern time. In addition, trading in certain foreign markets may not take place on every Fund's business day. Events can occur between the time at which trading in a foreign security is completed and 4 p.m. Eastern time that might call into question the reliability of the value of a portfolio security held by the Fund. As a result, differences may arise between the value of the Fund's portfolio securities as determined at the foreign market close and the latest indications of value at 4 p.m. Eastern time. In order to minimize the potential for these differences, an independent pricing service may be used to adjust the value of the Fund's portfolio securities to the latest indications of fair value at 4 p.m. Eastern time.

When the last day of the reporting period is a non-business day, certain foreign markets may be open on those days that the Fund's NAV is not calculated, which could result in differences between the value of the Fund's portfolio securities on the last business day and the last calendar day of the reporting period. Any security valuation changes due to an open foreign market are adjusted and reflected by the Fund for financial reporting purposes.

## Franklin Rising Dividends VIP Fund (continued)

### 1. Organization and Significant Accounting Policies

(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 against U.S. dollars on the date of valuation. The Fund may enter into foreign currency exchange contracts to facilitate transactions denominated in a foreign currency. Purchases and sales of securities, income and expense items denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date. Portfolio securities and assets and liabilities denominated in foreign currencies contain risks that those currencies will decline in value relative to the U.S. dollar. Occasionally, events may impact the availability or reliability of foreign exchange rates used to convert the U.S. dollar equivalent value. If such an event occurs, the foreign exchange rate will be valued at fair value using procedures established and approved by the Board.

The Fund does not separately report the effect of changes in foreign exchange rates from changes in market prices on securities held. Such changes are included in net realized and unrealized gain or loss from investments in the Statement of Operations.

Realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the recorded amounts of dividends, interest, and foreign withholding taxes and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains 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.

#### c. Income and Deferred Taxes

It is the Fund's policy to qualify as a regulated investment company under the Internal Revenue Code. The Fund intends to distribute to shareholders substantially all of its taxable income and net realized gains to relieve it from federal income and if applicable, excise taxes. As a result, no provision for U.S. federal income taxes is required.

The Fund may be subject to foreign taxation related to income received, capital gains on the sale of securities and certain foreign currency transactions in the foreign jurisdictions in which it invests. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Fund invests. When a capital gain tax is determined to apply, the Fund records an estimated deferred tax liability in an amount that would be payable if the securities were disposed of on the valuation date.

The Fund may recognize an income tax liability related to its uncertain tax positions under U.S. GAAP when the uncertain tax position has a less than 50% probability that it will be sustained upon examination by the tax authorities based on its technical merits. As of December 31, 2020, the Fund has determined that no tax liability is required in its financial statements related to uncertain tax positions for any open tax years (or expected to be taken in future tax years). Open tax years are those that remain subject to examination and are based on the statute of limitations in each jurisdiction in which the Fund invests.

#### d. Security Transactions, Investment Income, Expenses and Distributions

Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on a specific identification basis. Estimated expenses are accrued daily. Dividend income is recorded on the ex-dividend date except for certain dividends from securities where the dividend rate is not available. In such cases, the dividend is recorded as soon as the information is received by the Fund. Distributions to shareholders are recorded on the ex-dividend date. Distributable earnings are determined according to income tax regulations (tax basis) and may differ from earnings recorded in accordance with U.S. GAAP. These differences may be permanent or temporary. Permanent differences are reclassified among capital accounts to reflect their tax character. These reclassifications have no impact on net assets or the results of operations. Temporary differences are not reclassified, as they may reverse in subsequent periods.

Common expenses incurred by the Trust are allocated among the Funds based on the ratio of net assets of each Fund to the combined net assets of the Trust or based on the ratio of number of shareholders of each Fund to the

**Franklin Rising Dividends VIP Fund** (continued)**1. Organization and Significant Accounting Policies**

(continued)

**d. Security Transactions, Investment Income, Expenses and Distributions** (continued)

combined number of shareholders of the Trust. Fund specific expenses are charged directly to the Fund that incurred the expense.

Realized and unrealized gains and losses and net investment income, excluding class specific expenses, are allocated daily to each class of shares based upon the relative proportion of net assets of each class. Differences in per share distributions by class are generally due to differences in class specific expenses.

**e. Accounting Estimates**

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

**f. Guarantees and Indemnifications**

Under the Trust's organizational documents, its officers and trustees are indemnified by the Trust against certain liabilities arising out of the performance of their duties to the Trust. Additionally, in the normal course of business, the Trust, on behalf of the Fund, enters into contracts with service providers that contain general indemnification clauses. The Trust's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred. Currently, the Trust expects the risk of loss to be remote.

**2. Shares of Beneficial Interest**

At December 31, 2020, there were an unlimited number of shares authorized (without par value). Transactions in the Fund's shares were as follows:

	Year Ended December 31, 2020		Year Ended December 31, 2019	
	Shares	Amount	Shares	Amount
<b>Class 1 Shares:</b>				
Shares sold	144,545	\$3,628,818	238,379	\$6,420,546
Shares issued in reinvestment of distributions	386,747	9,363,148	1,132,514	28,799,833
Shares redeemed	(749,651)	(19,907,242)	(2,092,688)	(56,898,488)
Net increase (decrease)	(218,359)	\$(6,915,276)	(721,795)	\$(21,678,109)
<b>Class 2 Shares:</b>				
Shares sold	6,981,462	\$173,231,502	7,298,801	\$200,248,939
Shares issued in reinvestment of distributions	3,284,457	76,921,977	9,252,577	227,983,493
Shares redeemed in-kind (Note 9)	—	—	(897,175)	(22,646,135)
Shares redeemed	(14,809,098)	(355,267,298)	(8,430,854)	(222,959,544)
Net increase (decrease)	(4,543,179)	\$(105,113,819)	7,223,349	\$182,626,753
<b>Class 4 Shares:</b>				
Shares sold	261,260	\$6,613,767	415,831	\$10,934,186
Shares issued in reinvestment of distributions	122,974	2,888,656	254,783	6,300,776
Shares redeemed	(352,750)	(8,928,079)	(258,933)	(6,935,737)
Net increase (decrease)	31,484	\$574,344	411,681	\$10,299,225

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

**3. Transactions with Affiliates**

Franklin Resources, Inc. is the holding company for various subsidiaries that together are referred to as Franklin Templeton. Certain officers and trustees of the Fund are also officers and/or directors of the following subsidiaries:

<b>Subsidiary</b>	<b>Affiliation</b>
Franklin Advisers, Inc. (Advisers)	Investment manager
Franklin Templeton Services, LLC (FT Services)	Administrative manager
Franklin Templeton Distributors, Inc. (Distributors)	Principal underwriter
Franklin Templeton Investor Services, LLC (Investor Services)	Transfer agent

**a. Management Fees**

The Fund pays an investment management fee to Advisers based on the average daily net assets of the Fund as follows:

<b>Annualized Fee Rate</b>	<b>Net Assets</b>
0.750%	Up to and including \$500 million
0.625%	Over \$500 million, up to and including \$1 billion
0.500%	Over \$1 billion, up to and including \$5 billion
0.490%	In excess of \$5 billion

For the year ended December 31, 2020, the gross effective investment management fee rate was 0.633% of the Fund's average daily net assets.

**b. Administrative Fees**

Under an agreement with Advisers, FT Services provides administrative services to the Fund. The fee is paid by Advisers based on the Fund's average daily net assets, and is not an additional expense of the Fund.

**c. Distribution Fees**

The Board has adopted distribution plans for Class 2 and Class 4 shares pursuant to Rule 12b-1 under the 1940 Act. Under the Fund's compensation distribution plans, the Fund pays Distributors for costs incurred in connection with the servicing, sale and distribution of the Fund's shares up to 0.35% per year of its average daily net assets of each class. The Board has agreed to limit the current rate to 0.25% per year for Class 2. The plan year, for purposes of monitoring compliance with the maximum annual plan rates, is February 1 through January 31.

**d. Transfer Agent Fees**

Investor Services, under terms of an agreement, performs shareholder servicing for the Fund and is not paid by the Fund for the services.

**e. Investments in Affiliated Management Investment Companies**

The Fund invests in one or more affiliated management investment companies for purposes other than exercising a controlling influence over the management or policies. Management fees paid by the Fund are waived on assets invested in the affiliated management investment companies, as noted in the Statement of Operations, in an amount not to exceed the management and administrative fees paid directly or indirectly by each affiliate. During the year ended December 31, 2020, the Fund held investments in affiliated management investment companies as follows:

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

**3. Transactions with Affiliates** (continued)

**e. Investments in Affiliated Management Investment Companies** (continued)

	Value at Beginning of Year	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Year	Number of Shares Held at End of Year	Investment Income
<b>Franklin Rising Dividends VIP Fund</b>								
<b>Non-Controlled Affiliates</b>								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 0% . . . . .	\$17,735,928	\$238,058,320	\$(237,658,377)	\$—	\$—	\$18,135,871	18,135,871	\$38,591
<b>Total Affiliated Securities . . . . .</b>	<b>\$17,735,928</b>	<b>\$238,058,320</b>	<b>\$(237,658,377)</b>	<b>\$—</b>	<b>\$—</b>	<b>\$18,135,871</b>		<b>\$38,591</b>

**4. Expense Offset Arrangement**

The Fund has entered into an arrangement with its custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Fund's custodian expenses. During the year ended December 31, 2020, the custodian fees were reduced as noted in the Statement of Operations.

**5. Income Taxes**

The tax character of distributions paid during the years ended December 31, 2020 and 2019, was as follows:

	2020	2019
Distributions paid from:		
Ordinary income . . . . .	\$20,921,386	\$20,051,545
Long term capital gain . . . . .	68,252,395	243,032,557
	<u>\$89,173,781</u>	<u>\$263,084,102</u>

At December 31, 2020, the cost of investments, net unrealized appreciation (depreciation), undistributed ordinary income and undistributed long term capital gains for income tax purposes were as follows:

Cost of investments . . . . .	<u>\$650,711,000</u>
Unrealized appreciation . . . . .	\$948,700,201
Unrealized depreciation . . . . .	(25,869,969)
Net unrealized appreciation (depreciation) . . . . .	<u>\$922,830,232</u>
Distributable earnings:	
Undistributed ordinary income . . . . .	\$15,693,513
Undistributed long term capital gains . . . . .	\$52,528,490
Total distributable earnings . . . . .	<u>\$68,222,003</u>

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatment of corporate actions.



## Franklin Rising Dividends VIP Fund (continued)

### 6. Investment Transactions

Purchases and sales of investments (excluding short term securities) for the year ended December 31, 2020, aggregated \$178,373,456 and \$362,182,387, respectively.

### 7. Novel Coronavirus Pandemic

The global outbreak of the novel coronavirus disease, known as COVID-19, has caused adverse effects on many companies, sectors, nations, regions and the markets in general, and may continue for an unpredictable duration. The effects of this pandemic may materially impact the value and performance of the Fund, its ability to buy and sell fund investments at appropriate valuations and its ability to achieve its investment objectives.

### 8. Credit Facility

The Fund, together with other U.S. registered and foreign investment funds (collectively, Borrowers), managed by Franklin Templeton, are borrowers in a joint syndicated senior unsecured credit facility totaling \$2 billion (Global Credit Facility) which matured on February 5, 2021. This Global Credit Facility provides a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests. Effective February 5, 2021, the Borrowers renewed the Global Credit Facility for a one year term, maturing February 4, 2022, for a total of \$2.675 billion.

Under the terms of the Global Credit Facility, the Fund shall, in addition to interest charged on any borrowings made by the Fund and other costs incurred by the Fund, pay its share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon its relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee of 0.15% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses in the Statement of Operations. During the year ended December 31, 2020, the Fund did not use the Global Credit Facility.

### 9. Redemption In-Kind

During the year ended December 31, 2019, the Fund realized \$10,655,992 of net gains resulting from redemptions in-kind in which a shareholder redeemed fund shares for cash and securities held by the Fund. Because such gains are not taxable to the Fund and are not distributed to remaining shareholders, they are reclassified from accumulated net realized gains to paid-in capital.

### 10. Fair Value Measurements

The Fund follows a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Fund's own market assumptions (unobservable inputs). These inputs are used in determining the value of the Fund's financial instruments and are summarized in the following fair value hierarchy:

- Level 1 – quoted prices in active markets for identical financial instruments
- Level 2 – other significant observable inputs (including quoted prices for similar financial instruments, interest rates, prepayment speed, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining the fair value of financial instruments)

The input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level.



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

**10. Fair Value Measurements** (continued)

At December 31, 2020, all of the Fund's investments in financial instruments carried at fair value were valued using Level 1 inputs. For detailed categories, see the accompanying Statement of Investments.

**11. New Accounting Pronouncements**

In March 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2020-04, Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting. The amendments in the ASU provides optional temporary financial reporting relief from the effect of certain types of contract modifications due to the planned discontinuation of [the London Interbank Offered Rate (LIBOR) and other interbank-offered based reference rates as of the end of 2021. The ASU is effective for certain reference rate-related contract modifications that occur during the period March 12, 2020 through December 31, 2022. Management has reviewed the requirements and believes the adoption of this ASU will not have a material impact on the financial statements.

**12. Subsequent Events**

The Fund has evaluated subsequent events through the issuance of the financial statements and determined that no events have occurred that require disclosure other than those already disclosed in the financial statements.

## Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Franklin Templeton Variable Insurance Products Trust and Shareholders of Franklin Rising Dividends VIP Fund

### ***Opinion on the Financial Statements***

We have audited the accompanying statement of assets and liabilities, including the statement of investments, of Franklin Rising Dividends VIP Fund (one of the funds constituting Franklin Templeton Variable Insurance Products Trust, referred to hereafter as the “Fund”) as of December 31, 2020, the related statement of operations for the year ended December 31, 2020, the statement of changes in net assets for each of the two years in the period ended December 31, 2020, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2020 (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2020, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2020 and the financial highlights for each of the five years in the period ended December 31, 2020 in conformity with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2020 by correspondence with the custodian and transfer agent. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

San Francisco, California

February 19, 2021

We have served as the auditor of one or more investment companies in the Franklin Templeton Group of Funds since 1948.

## Tax Information (unaudited)

### **Franklin Rising Dividends VIP Fund**

Under Section 852(b)(3)(C) of the Internal Revenue Code, the Fund hereby reports the maximum amount allowable but no less than \$68,252,395 as a long term capital gain dividend for the fiscal year ended December 31, 2020.

Under Section 854(b)(1)(A) of the Internal Revenue Code, the Fund hereby reports 100% of the ordinary income dividends as income qualifying for the dividends received deduction for the fiscal year ended December 31, 2020.

## Index Descriptions

The indexes are unmanaged and include reinvestment of any income or distributions. They do not reflect any fees, expenses or sales charges. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio. Net Returns (NR) include income net of tax withholding when dividends are paid.

For Russell Indexes: Frank Russell Company is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Frank Russell Company.

See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

**Bloomberg Barclays 1-3 Month U.S. Treasury Bill Index** measures the performance of U.S. Treasury bills that have a remaining maturity of greater than or equal to one month and less than three months.

**Bloomberg Barclays U.S. Aggregate Bond Index** measures the performance of the U.S. investment-grade, fixed-rate, taxable bond market with index components for government and corporate, mortgage pass-through and asset-backed securities. All issues included are SEC registered, taxable, dollar denominated and nonconvertible, must have at least one year to final maturity and must be rated investment grade (Baa3/ BBB-/BBB- or higher) using the middle rating of Moody's, Standard & Poor's and Fitch, respectively.

**Bloomberg Barclays U.S. Corporate Bond Index** measures the investment grade, fixed-rate, taxable corporate bond market. It includes U.S. dollar-denominated securities publicly issued by U.S. and non-U.S. industrial, utility and financial issuers.

**Bloomberg Barclays U.S. Corporate High Yield Bond Index** measures the U.S. dollar-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and Standard & Poor's is Ba1/BB+/BB+ or below.

**Bloomberg Barclays U.S. Corporate Investment Grade Index** is a broad-based benchmark that measures the investment-grade, fixed-rate, taxable corporate bond market.

**Bloomberg Barclays U.S. Government Index - Intermediate Index** is the intermediate component of the Barclays U.S. Government Index, which includes public obligations of the U.S. Treasury with at least one year to

final maturity and publicly issued debt of U.S. government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. government.

**Bloomberg Barclays U.S. High Yield Very Liquid Index** is a component of the U.S. Corporate High Yield Index that is designed to track a more liquid component of the U.S. dollar-denominated, high-yield fixed-rate corporate bond market.

**Bloomberg Barclays U.S. Treasury Index** measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury with at least one year until final maturity.

**FTSE® EPRA®/NAREIT® Developed Index** is a free float-adjusted index designed to measure the performance of publicly traded real estate securities in the North American, European and Asian real estate markets.

**FTSE World Government Bond Index** measures the performance of investment-grade world government bond markets.

**J.P. Morgan (JPM) Global Government Bond Index (GGBI)** tracks total returns for liquid, fixed-rate, domestic government bonds with maturities greater than one year issued by developed countries globally.

**Lipper Multi-Sector Income Funds Classification Average** is calculated by averaging the total returns of all funds within the Lipper Multi-Sector Income Funds Classification in the Lipper Open-End underlying funds universe. Lipper Multi-Sector Income Funds are defined as funds that seek current income by allocation of assets among different fixed income securities sectors (not primarily in one sector except for defensive purposes), including U.S. and foreign governments, with a significant portion rated below investment grade. For the 12-month period ended 12/31/20, there were 351 funds in this category. Lipper calculations do not include contract fees, expenses or sales charges, and may have been different if such charges had been considered.

**Lipper VIP General U.S. Government Funds Classification Average** is an equally weighted average calculation of performance figures for all funds within the Lipper General U.S. Government Funds classification in the Lipper VIP underlying funds universe. Lipper General U.S. Government Funds invest primarily in U.S. government and agency issues. For the 12-month period ended 12/31/20,

there were 24 funds in this category. Lipper calculations do not include contract fees, expenses or sales charges, and may have been different if such charges had been considered.

**MSCI All Country Asia Index** is a free float-adjusted, market capitalization-weighted index designed to measure equity market performance in developed and emerging markets in Asia.

**MSCI All Country World Index (ACWI)** is a free float-adjusted, market capitalization-weighted index designed to measure equity market performance in global developed and emerging markets.

**MSCI All Country World Index (ACWI) ex USA Index** is a free float-adjusted, market capitalization-weighted index designed to measure equity market performance in global developed and emerging markets, excluding the U.S.

**MSCI Europe Index** is a free float-adjusted market capitalization-weighted index designed to measure the equity market performance of developed markets in Europe.

**MSCI Europe, Australasia, Far East (EAFE) Index** is a free float-adjusted market capitalization-weighted index designed to measure the equity market performance of developed markets, excluding the U.S. and Canada.

**MSCI Emerging Markets (EM) Index (and MSCI Emerging Markets (EM) Index-NR)** is a free float-adjusted, market capitalization-weighted index designed to measure equity market performance in global emerging markets.

**MSCI USA High Dividend Yield Index** is based on the MSCI USA Index, its parent index, and includes large- and mid-capitalization stocks. The index is designed to reflect the performance of equities in the parent index (excluding real estate investment trusts) with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent.

**MSCI World ex USA Index-NR** is a free float-adjusted, market capitalization-weighted index designed to measure equity market performance in global developed markets, excluding the U.S.

**MSCI World Index** is a free float-adjusted, market capitalization-weighted index designed to measure equity market performance in global developed markets.

**MSCI World Value Index-NR** is a free float-adjusted, market capitalization-weighted index designed to measure performance of securities exhibiting overall value style characteristics in global developed markets.

**Russell 1000® Growth Index** is market capitalization weighted and measures performance of those Russell 1000® Index companies with relatively higher price-to-book ratios and higher forecasted growth values.

**Russell 1000® Index** is market capitalization weighted and measures performance of the largest companies in the Russell 3000® Index, which represents the majority of the U.S. market's total capitalization.

**Russell 1000® Value Index** is market capitalization weighted and measures performance of those Russell 1000® Index companies with relatively lower price-to-book ratios and lower forecasted growth values.

**Russell 2000® Index** is market capitalization weighted and measures performance of the 2,000 smallest companies in the Russell 3000® Index, which represent a small amount of the total market capitalization of the Russell 3000® Index.

**Russell 2000® Value Index** is market capitalization weighted and measures performance of those Russell 2000® Index companies with relatively lower price-to-book ratios and lower forecasted growth values.

**Russell 2500™ Index** is market capitalization weighted and measures performance of the smallest companies in the Russell 3000® Index, which represent a modest amount of the Russell 3000® Index's total market capitalization.

**Russell 3000® Index** is market capitalization weighted and represents the majority of the U.S. market's total capitalization.

**Russell 3000® Growth Index** is market capitalization weighted and measures performance of those Russell 3000® Index companies with relatively higher price-to-book ratios and higher forecasted growth values.

**Russell Midcap® Growth Index** is market capitalization weighted and measures performance of those Russell Midcap® Index companies with relatively higher price-to-book ratios and higher forecasted growth values.

**Russell Midcap® Index** is market capitalization weighted and measures performance of the smallest companies in the Russell 1000® Index, which represents a modest amount of the Russell 1000® Index's total market capitalization.

**Standard & Poor's® 500 Index (S&P 500®)** is a market capitalization-weighted index of 500 stocks designed to measure total U.S. equity market performance.

## Board Members and Officers

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

### Independent Board Members

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
<b>Harris J. Ashton (1932)</b> One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 1988	125	Bar-S Foods (meat packing company) (1981-2010).
<b>Principal Occupation During at Least the Past 5 Years:</b> Director of various companies; and <b>formerly</b> , Director, RBC Holdings, Inc. (bank holding company) (until 2002); and President, Chief Executive Officer and Chairman of the Board, General Host Corporation (nursery and craft centers) (until 1998).				
<b>Terrence J. Checki (1945)</b> One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2017	106	Hess Corporation (exploration of oil and gas) (2014-present).
<b>Principal Occupation During at Least the Past 5 Years:</b> Member of the Council on Foreign Relations (1996-present); Member of the National Committee on U.S.-China Relations (1999-present); member of the board of trustees of the Economic Club of New York (2013-present); member of the board of trustees of the Foreign Policy Association (2005-present); member of the board of directors of Council of the Americas (2007-present) and the Tallberg Foundation (2018-present); and <b>formerly</b> , Executive Vice President of the Federal Reserve Bank of New York and Head of its Emerging Markets and Internal Affairs Group and Member of Management Committee (1995-2014); and Visiting Fellow at the Council on Foreign Relations (2014).				
<b>Mary C. Choksi (1950)</b> One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2014	125	Omnicom Group Inc. (advertising and marketing communications services) (2011-present) and White Mountains Insurance Group, Ltd. (holding company) (2017-present); and <b>formerly</b> , Avis Budget Group Inc. (car rental) (2007-May 2020).
<b>Principal Occupation During at Least the Past 5 Years:</b> Director of various companies; and <b>formerly</b> , Founder and Senior Advisor, Strategic Investment Group (investment management group) (2015-2017); Founding Partner and Senior Managing Director, Strategic Investment Group (1987-2015); Founding Partner and Managing Director, Emerging Markets Management LLC (investment management firm) (1987-2011); and Loan Officer/Senior Loan Officer/Senior Pension Investment Officer, World Bank Group (international financial institution) (1977-1987).				

## Independent Board Members (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
<b>Edith E. Holiday (1952)</b> One Franklin Parkway San Mateo, CA 94403-1906	Lead Independent Trustee	Trustee since 2005 and Lead Independent Trustee since 2019	125	Hess Corporation (exploration of oil and gas) (1993-present), Canadian National Railway (railroad) (2001-present), White Mountains Insurance Group, Ltd. (holding company) (2004-present), Santander Consumer USA Holdings, Inc. (consumer finance) (2016-present); Santander Holdings USA (holding company) (2019-present); and <b>formerly</b> , RTI International Metals, Inc. (manufacture and distribution of titanium) (1999-2015) and H.J. Heinz Company (processed foods and allied products) (1994-2013).

**Principal Occupation During at Least the Past 5 Years:**

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

<b>J. Michael Luttig (1954)</b> One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2009	125	Boeing Capital Corporation (aircraft financing) (2006-2010).
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**Principal Occupation During at Least the Past 5 Years:**

Private investor; and **formerly**, Counselor and Senior Advisor to the Chairman, CEO, and Board of Directors, of The Boeing Company (aerospace company), and member of the Executive Council (May 2019-January 1, 2020); Executive Vice President, General Counsel and member of the Executive Council, The Boeing Company (2006-2019); and Federal Appeals Court Judge, United States Court of Appeals for the Fourth Circuit (1991-2006).

<b>Larry D. Thompson (1945)</b> One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2007	125	Graham Holdings Company (education and media organization) (2011-present); and <b>formerly</b> , The Southern Company (energy company) (2014-May 2020; previously 2010-2012), Cbeyond, Inc. (business communications provider) (2010-2012).
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**Principal Occupation During at Least the Past 5 Years:**

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



## Interested Board Members and Officers

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
<b>**Gregory E. Johnson (1961)</b> One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2013	136	None
<b>Principal Occupation During at Least the Past 5 Years:</b> Executive Chairman, Chairman of the Board and Director, Franklin Resources, Inc.; officer and/or director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of 39 of the investment companies in Franklin Templeton; Vice Chairman, Investment Company Institute; and <b>formerly</b> , Chief Executive Officer (2013-2020) and President (1994-2015), Franklin Resources, Inc.				
<b>**Rupert H. Johnson, Jr. (1940)</b> One Franklin Parkway San Mateo, CA 94403-1906	Chairman of the Board and Trustee	Chairman of the Board since 2013 and Trustee since 1988	125	None
<b>Principal Occupation During at Least the Past 5 Years:</b> Director (Vice Chairman), Franklin Resources, Inc.; Director, Franklin Advisers, Inc.; and officer and/or director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of 37 of the investment companies in Franklin Templeton.				
<b>Alison E. Baur (1964)</b> One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2012	Not Applicable	Not Applicable
<b>Principal Occupation During at Least the Past 5 Years:</b> Deputy General Counsel, Franklin Templeton; and officer of some of the other subsidiaries of Franklin Resources, Inc. and of 41 of the investment companies in Franklin Templeton.				
<b>Breda M. Beckerle (1958)</b> 280 Park Avenue New York, NY 10017	Chief Compliance Officer	Since October 2020	Not Applicable	Not Applicable
<b>Principal Occupation During at Least the Past 5 Years:</b> Chief Compliance Officer, Fiduciary Investment Management International, Inc., Franklin Advisers, Inc., Franklin Advisory Services, LLC, Franklin Mutual Advisers, LLC, Franklin Templeton Institutional, LLC; and officer of 41 of the investment companies in Franklin Templeton.				
<b>Steven J. Gray (1955)</b> One Franklin Parkway San Mateo, CA 94403-1906	Vice President and Co-Secretary	Vice President since 2009 and Co-Secretary since 2019	Not Applicable	Not Applicable
<b>Principal Occupation During at Least the Past 5 Years:</b> Senior Associate General Counsel, Franklin Templeton; Vice President, Franklin Templeton Distributors, Inc. and FASA, LLC; and officer of 41 of the investment companies in Franklin Templeton.				
<b>Matthew T. Hinkle (1971)</b> One Franklin Parkway San Mateo, CA 94403-1906	Chief Executive Officer – Finance and Administration	Since 2017	Not Applicable	Not Applicable
<b>Principal Occupation During at Least the Past 5 Years:</b> Senior Vice President, Franklin Templeton Services, LLC; officer of 41 of the investment companies in Franklin Templeton; and <b>formerly</b> , Vice President, Global Tax (2012-April 2017) and Treasurer/Assistant Treasurer, Franklin Templeton (2009-2017).				



## Interested Board Members and Officers (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
<b>Robert G. Kubilis (1973)</b> 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Chief Financial Officer, Chief Accounting Officer and Treasurer	Since December 2020	Not Applicable	Not Applicable

**Principal Occupation During at Least the Past 5 Years:**

Treasurer, U.S. Fund Administration & Reporting and officer of 39 of the investment companies in Franklin Templeton.

<b>Robert Lim (1948)</b> One Franklin Parkway San Mateo, CA 94403-1906	Vice President – AML Compliance	Since 2016	Not Applicable	Not Applicable
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**Principal Occupation During at Least the Past 5 Years:**

Vice President, Franklin Templeton Companies, LLC; Chief Compliance Officer, Franklin Templeton Distributors, Inc. and Franklin Templeton Investor Services, LLC; and officer of 41 of the investment companies in Franklin Templeton.

<b>Edward D. Perks (1970)</b> One Franklin Parkway San Mateo, CA 94403-1906	President and Chief Executive Officer – Investment Management	Since 2018	Not Applicable	Not Applicable
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**Principal Occupation During at Least the Past 5 Years:**

President and Director, Franklin Advisers, Inc.; and officer of eight of the investment companies in Franklin Templeton (since December 2018).

<b>Navid J. Tofigh (1972)</b> One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2015	Not Applicable	Not Applicable
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**Principal Occupation During at Least the Past 5 Years:**

Associate General Counsel and officer of 41 of the investment companies in Franklin Templeton.

<b>Craig S. Tyle (1960)</b> One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2005	Not Applicable	Not Applicable
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**Principal Occupation During at Least the Past 5 Years:**

General Counsel and Executive Vice President, Franklin Resources, Inc.; and officer of some of the other subsidiaries of Franklin Resources, Inc. and of 41 of the investment companies in Franklin Templeton.

<b>Lori A. Weber (1964)</b> 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Vice President and Co-Secretary	Vice President since 2011 and Co-Secretary since 2019	Not Applicable	Not Applicable
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**Principal Occupation During at Least the Past 5 Years:**

Senior Associate General Counsel, Franklin Templeton; Assistant Secretary, Franklin Resources, Inc.; Vice President and Secretary, Templeton Investment Counsel, LLC; and officer of 41 of the investment companies in Franklin Templeton.

\*We base the number of portfolios on each separate series of the U.S. registered investment companies within the Franklin Templeton fund complex. These portfolios have a common investment manager or affiliated investment managers.

\*\*Gregory E. Johnson is considered to be an interested person of the Fund under the federal securities laws due to his position as an officer and director of Franklin Resources, Inc. (Resources), which is the parent company of the Fund's investment manager and distributor. Rupert H. Johnson, Jr. is considered to be an interested person of the Fund under the federal securities laws due to his position as an officer and director and major shareholder of Resources.

Note 1: Rupert H. Johnson, Jr. is the uncle of Gregory E. Johnson.

Note 2: Officer information is current as of the date of this report. It is possible that after this date, information about officers may change.

The Sarbanes-Oxley Act of 2002 and Rules adopted by the Securities and Exchange Commission require the Fund to disclose whether the Fund's Audit Committee includes at least one member who is an audit committee financial expert within the meaning of such Act and Rules. The Fund's Board has determined that there is at least one such financial expert on the Audit Committee and has designated Mary C. Choksi as its audit committee financial expert. The Board believes that Ms. Choksi qualifies as such an expert in view of her extensive business background and experience. She served as a director of Avis Budget Group, Inc. (2007-May 2020) and formerly, Founder and Senior Advisor, Strategic Investment Group (1987 to 2017). Ms. Choksi has been a Member of the Fund's

## Interested Board Members and Officers (continued)

Audit Committee since 2014. As a result of such background and experience, the Board believes that Ms. Choksi has acquired an understanding of generally accepted accounting principles and financial statements, the general application of such principles in connection with the accounting estimates, accruals and reserves, and analyzing and evaluating financial statements that present a breadth and level of complexity of accounting issues generally comparable to those of the Fund, as well as an understanding of internal controls and procedures for financial reporting and an understanding of audit committee functions. Ms. Choksi is an independent Board member as that term is defined under the relevant Securities and Exchange Commission Rules and Releases.

The Statement of Additional Information (SAI) includes additional information about the board members and is available, without charge, upon request. Shareholders may call (800) DIAL BEN/342-5236 to request the SAI.

## Shareholder Information

### Proxy Voting Policies and Procedures

The Trust's investment manager has established Proxy Voting Policies and Procedures (Policies) that the Trust uses to determine how to vote proxies relating to portfolio securities. Shareholders may view the Trust's complete Policies online at [franklintempleton.com](http://franklintempleton.com). Alternatively, shareholders may request copies of the Policies free of charge by calling the Proxy Group collect at (954) 527-7678 or by sending a written request to: Franklin Templeton Companies, LLC, 300 S.E. 2nd Street, Fort Lauderdale, FL 33301, Attention: Proxy Group. Copies of the Trust's proxy voting records are also made available online at [franklintempleton.com](http://franklintempleton.com) and posted on the U.S. Securities and Exchange Commission's website at [sec.gov](http://sec.gov) and reflect the most recent 12-month period ended June 30.

### Quarterly Statement of Investments

The Trust files a complete statement of investments with the U.S. Securities and Exchange Commission for the first and third quarters for each fiscal year as an exhibit to its report on Form N-PORT. Shareholders may view the filed Form N-PORT by visiting the Commission's website at [sec.gov](http://sec.gov). The filed form may also be viewed and copied at the Commission's Public Reference Room in Washington, DC. Information regarding the operations of the Public Reference Room may be obtained by calling (800) SEC-0330.

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Franklin Templeton Variable Insurance Products Trust (FTVIP) shares are not offered to the public; they are offered and sold only to: (1) insurance company separate accounts (Separate Account) to serve as the underlying investment vehicle for variable contracts; (2) certain qualified plans; and (3) other mutual funds (funds of funds).

Authorized for distribution to investors in Separate Accounts only when accompanied or preceded by the current prospectus for the applicable contract, which includes the Separate Account and the FTVIP prospectuses. Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. The prospectus contains this and other information; please read it carefully before investing.

To help ensure we provide you with quality service, all calls to and from our service areas are monitored and/or recorded.



**FRANKLIN  
TEMPLETON**

**Annual Report  
Franklin Templeton Variable Insurance Products Trust**

**Investment Managers**  
Franklin Advisers, Inc.  
Franklin Mutual Advisers,  
LLC  
Franklin Templeton  
Institutional, LLC  
Templeton Asset  
Management Ltd.  
Templeton Global Advisors  
Limited  
Templeton Investment  
Counsel, LLC

**Fund Administrator**  
Franklin Templeton Services, LLC

**Distributor**  
Franklin Templeton  
Distributors, Inc.