



FRANKLIN
TEMPLETON

Franklin VolSmart Allocation VIP Fund

Financial Statements and Other Important Information

Annual | December 31, 2024

Table of Contents

Financial Highlights and Schedule of Investments	2
Financial Statements	14
Notes to Financial Statements	17
Report of Independent Registered Public Accounting Firm	27
Tax Information	28
Changes In and Disagreements with Accountants	29
Results of Meeting(s) of Shareholders	29
Remuneration Paid to Directors, Officers and Others	29
Board Approval of Management and Subadvisory Agreements	29

Financial Highlights

Franklin VolSmart Allocation VIP Fund

	Year Ended December 31,		
	2024	2023	2022 ^a
Class 1			
Per share operating performance			
(for a share outstanding throughout the year)			
Net asset value, beginning of year	\$12.41	\$12.13	\$13.60
Income from investment operations ^b :			
Net investment income ^{c,d}	0.24	0.25	0.17
Net realized and unrealized gains (losses)	1.21	1.13	(0.18)
Total from investment operations	1.45	1.38	(0.01)
Less distributions from:			
Net investment income	(0.28)	(0.26)	(0.25)
Net realized gains	(0.18)	(0.84)	(1.21)
Total distributions	(0.46)	(1.10)	(1.46)
Net asset value, end of year	\$13.40	\$12.41	\$12.13
Total return ^e	11.80%	11.78%	0.15%
Ratios to average net assets^f			
Expenses before waiver and payments by affiliates ^g	0.89%	0.81%	0.81%
Expenses net of waiver and payments by affiliates ^g	0.65%	0.65% ^h	0.65% ^h
Net investment income	1.81%	2.06%	2.20%
Supplemental data			
Net assets, end of year (000's)	\$5	\$5	\$4
Portfolio turnover rate	34.51%	22.91%	37.75%

^aFor the period May 20, 2022 (effective date) to December 31, 2022.

^bThe 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.

^cBased on average daily shares outstanding.

^dRecognition of net investment income by the Fund is affected by the timing of declaration of dividends by the Underlying Funds and exchange traded funds in which the Fund invests.

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

^fRatios are annualized for periods less than one year.

^gDoes not include expenses of the Underlying Funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds was 0.10% for the year ended December 31, 2024.

^hBenefit of expense reduction rounds to less than 0.01%.

Franklin VolSmart Allocation VIP Fund (continued)

	Year Ended December 31,				
	2024	2023	2022	2021	2020
Class 2					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$12.47	\$12.19	\$15.57	\$14.55	\$12.60
Income from investment operations ^a :					
Net investment income ^{b,c}	0.22	0.25	0.23	0.26	0.24
Net realized and unrealized gains (losses)	1.22	1.13	(2.15)	2.19	1.86
Total from investment operations	1.44	1.38	(1.92)	2.45	2.10
Less distributions from:					
Net investment income	(0.28)	(0.26)	(0.25)	(0.64)	(0.15)
Net realized gains	(0.18)	(0.84)	(1.21)	(0.79)	—
Total distributions	(0.46)	(1.10)	(1.46)	(1.43)	(0.15)
Net asset value, end of year	\$13.45	\$12.47	\$12.19	\$15.57	\$14.55
Total return ^d	11.66%	11.72%	(12.13)%	17.62%	16.85%
Ratios to average net assets					
Expenses before waiver and payments by affiliates ^e	1.11%	0.85%	0.85%	0.88%	0.88%
Expenses net of waiver and payments by affiliates ^e	0.90%	0.65% ^f	0.65% ^f	0.65% ^f	0.65% ^f
Net investment income	1.68%	2.11%	1.71%	1.75%	1.85%
Supplemental data					
Net assets, end of year (000's)	\$167	\$111	\$33	\$48	\$45
Portfolio turnover rate	34.51%	22.91%	37.75%	41.28%	69.19%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cRecognition of net investment income by the Fund is affected by the timing of declaration of dividends by the Underlying Funds and exchange traded funds in which the Fund invests.

^dTotal 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.

^eDoes not include expenses of the Underlying Funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds was 0.10% for the year ended December 31, 2024.

^fBenefit of expense reduction rounds to less than 0.01%.

Franklin VolSmart Allocation VIP Fund (continued)

	Year Ended December 31,				
	2024	2023	2022	2021	2020
Class 5					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$12.43	\$12.15	\$15.52	\$14.52	\$12.59
Income from investment operations ^a :					
Net investment income ^{b,c}	0.22	0.23	0.21	0.23	0.23
Net realized and unrealized gains (losses)	1.22	1.13	(2.14)	2.18	1.86
Total from investment operations	1.44	1.36	(1.93)	2.41	2.09
Less distributions from:					
Net investment income	(0.26)	(0.24)	(0.23)	(0.62)	(0.16)
Net realized gains	(0.18)	(0.84)	(1.21)	(0.79)	—
Total distributions	(0.44)	(1.08)	(1.44)	(1.41)	(0.16)
Net asset value, end of year	\$13.43	\$12.43	\$12.15	\$15.52	\$14.52
Total return ^d	11.68%	11.57%	(12.27)%	17.36%	16.78%
Ratios to average net assets					
Expenses before waiver and payments by affiliates ^e	1.01%	1.00%	1.00%	1.03%	1.03%
Expenses net of waiver and payments by affiliates ^e	0.80%	0.80% ^f	0.80% ^f	0.80% ^f	0.80% ^f
Net investment income	1.66%	1.89%	1.57%	1.57%	1.70%
Supplemental data					
Net assets, end of year (000's)	\$140,399	\$159,621	\$170,682	\$209,784	\$195,818
Portfolio turnover rate	34.51%	22.91%	37.75%	41.28%	69.19%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cRecognition of net investment income by the Fund is affected by the timing of declaration of dividends by the Underlying Funds and exchange traded funds in which the Fund invests.

^dTotal 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.

^eDoes not include expenses of the Underlying Funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds was 0.10% for the year ended December 31, 2024.

^fBenefit of expense reduction rounds to less than 0.01%.

Schedule of Investments, December 31, 2024

Franklin VolSmart Allocation VIP Fund

	Shares	Value
Common Stocks 64.5%		
Aerospace & Defense 1.3%		
Curtiss-Wright Corp.	172	\$61,038
General Dynamics Corp.	2,100	553,329
Howmet Aerospace, Inc.	1,316	143,931
Lockheed Martin Corp.	570	276,986
RTX Corp.	6,230	720,935
		1,756,219
Air Freight & Logistics 0.3%		
United Parcel Service, Inc., B	3,295	415,499
Automobiles 0.7%		
General Motors Co.	3,931	209,404
^a Tesla, Inc.	1,981	800,007
		1,009,411
Banks 1.5%		
Citigroup, Inc.	7,148	503,148
Citizens Financial Group, Inc.	1,571	68,747
JPMorgan Chase & Co.	6,292	1,508,255
M&T Bank Corp.	281	52,831
		2,132,981
Beverages 0.5%		
Coca-Cola Consolidated, Inc.	39	49,140
PepsiCo, Inc.	4,220	641,693
		690,833
Biotechnology 1.4%		
AbbVie, Inc.	7,420	1,318,534
^a Exelixis, Inc.	1,471	48,984
Gilead Sciences, Inc.	2,192	202,475
^a United Therapeutics Corp.	176	62,100
^a Vertex Pharmaceuticals, Inc.	959	386,189
		2,018,282
Broadline Retail 1.3%		
^a Amazon.com, Inc.	7,606	1,668,680
eBay, Inc.	1,731	107,236
		1,775,916
Building Products 1.4%		
AAON, Inc.	407	47,896
Armstrong World Industries, Inc.	430	60,772
Carlisle Cos., Inc.	1,641	605,266
Johnson Controls International plc.	8,730	689,059
Lennox International, Inc.	144	87,739
Masco Corp.	853	61,902
Owens Corning.	357	60,804
Trane Technologies plc	907	335,001
		1,948,439
Capital Markets 2.3%		
Bank of New York Mellon Corp. (The)	1,262	96,959
Charles Schwab Corp. (The)	7,750	573,578
Evercore, Inc., A	218	60,427
Goldman Sachs Group, Inc. (The)	796	455,806
Houlihan Lokey, Inc., A	286	49,667

Franklin VolSmart Allocation VIP Fund (continued)

	Shares	Value
Common Stocks (continued)		
Capital Markets (continued)		
Interactive Brokers Group, Inc., A	279	\$49,291
Janus Henderson Group plc	1,459	62,051
Jefferies Financial Group, Inc.	899	70,482
Lazard, Inc., A.	944	48,597
Moody's Corp.	652	308,637
Morgan Stanley.	5,470	687,688
Nasdaq, Inc.	9,900	765,369
SEI Investments Co.	651	53,695
		<u>3,282,247</u>
Chemicals 2.0%		
Air Products and Chemicals, Inc.	2,052	595,162
CF Industries Holdings, Inc.	723	61,686
Eastman Chemical Co.	557	50,865
Ecolab, Inc.	2,440	571,741
FMC Corp.	947	46,034
Linde plc.	2,410	1,008,995
LyondellBasell Industries NV, A	1,042	77,389
NewMarket Corp.	94	49,665
Sherwin-Williams Co. (The).	891	302,878
		<u>2,764,415</u>
Commercial Services & Supplies 0.9%		
Cintas Corp.	4,168	761,494
Republic Services, Inc., A	791	159,133
Rollins, Inc.	1,074	49,780
Waste Management, Inc.	1,582	319,232
		<u>1,289,639</u>
Communications Equipment 0.9%		
^a Arista Networks, Inc.	4,266	471,521
Cisco Systems, Inc.	6,544	387,405
^a F5, Inc.	215	54,066
Motorola Solutions, Inc.	686	317,090
		<u>1,230,082</u>
Construction & Engineering 0.1%		
Comfort Systems USA, Inc.	151	64,033
EMCOR Group, Inc.	164	74,440
		<u>138,473</u>
Construction Materials 0.1%		
CRH plc	2,139	197,900
Consumer Finance 0.1%		
Synchrony Financial	1,855	120,575
Consumer Staples Distribution & Retail 2.5%		
Casey's General Stores, Inc.	816	323,323
Costco Wholesale Corp.	956	875,954
Kroger Co. (The).	1,118	68,366
Target Corp.	2,540	343,357
Walmart, Inc.	20,285	1,832,750
		<u>3,443,750</u>
Containers & Packaging 0.1%		
International Paper Co.	1,291	69,481

Franklin VolSmart Allocation VIP Fund (continued)

	Shares	Value
Common Stocks (continued)		
Containers & Packaging (continued)		
Packaging Corp. of America	344	\$77,445
		146,926
Diversified Consumer Services 0.1%		
^a Grand Canyon Education, Inc.	375	61,425
H&R Block, Inc.	857	45,284
		106,709
Diversified Telecommunication Services 0.9%		
AT&T, Inc.	26,129	594,957
Verizon Communications, Inc.	16,527	660,915
		1,255,872
Electric Utilities 0.4%		
Entergy Corp.	1,446	109,636
NextEra Energy, Inc.	6,243	447,560
		557,196
Electrical Equipment 0.5%		
Acuity Brands, Inc.	171	49,954
nVent Electric plc	8,520	580,723
		630,677
Electronic Equipment, Instruments & Components 0.4%		
Amphenol Corp., A	4,569	317,317
Avnet, Inc.	1,034	54,099
Coming, Inc.	2,747	130,537
		501,953
Entertainment 0.1%		
^a Spotify Technology SA	405	181,189
Financial Services 2.1%		
^a Berkshire Hathaway, Inc., B.	1,218	552,095
^a Fiserv, Inc.	958	196,792
Mastercard, Inc., A	1,742	917,285
MGIC Investment Corp.	2,133	50,573
^a Toast, Inc., A.	1,239	45,162
Visa, Inc., A.	3,705	1,170,928
Western Union Co. (The).	4,410	46,746
		2,979,581
Food Products 0.7%		
Ingredion, Inc.	403	55,437
Kellanova	847	68,581
McCormick & Co., Inc.	4,505	343,461
Mondelez International, Inc., A.	8,115	484,709
^a Pilgrim's Pride Corp.	1,169	53,061
		1,005,249
Gas Utilities 0.2%		
Atmos Energy Corp.	361	50,276
MDU Resources Group, Inc.	2,238	40,329
National Fuel Gas Co.	910	55,219
UGI Corp.	2,164	61,090
		206,914

Franklin VolSmart Allocation VIP Fund (continued)

	Shares	Value
Common Stocks (continued)		
Ground Transportation 0.2%		
JB Hunt Transport Services, Inc.	1,485	\$253,430
Ryder System, Inc.	371	58,195
		<hr/> 311,625
Health Care Equipment & Supplies 3.4%		
Abbott Laboratories.	9,760	1,103,954
Becton Dickinson & Co.	2,135	484,368
^a Boston Scientific Corp.	5,295	472,949
^a Globus Medical, Inc., A	627	51,859
^a Intuitive Surgical, Inc.	1,270	662,889
ResMed, Inc.	447	102,224
STERIS plc.	1,500	308,340
Stryker Corp.	4,429	1,594,662
		<hr/> 4,781,245
Health Care Providers & Services 1.6%		
Chemed Corp.	92	48,742
Cigna Group (The)	956	263,990
^a DaVita, Inc.	352	52,642
Encompass Health Corp.	570	52,639
HCA Healthcare, Inc.	792	237,719
Premier, Inc., A	2,394	50,753
Quest Diagnostics, Inc.	346	52,197
^a Tenet Healthcare Corp.	418	52,764
UnitedHealth Group, Inc.	2,809	1,420,961
Universal Health Services, Inc., B	280	50,237
		<hr/> 2,282,644
Health Care REITs 0.0%†		
Omega Healthcare Investors, Inc.	1,362	51,552
Health Care Technology 0.0%†		
^a Doximity, Inc., A	1,023	54,618
Hotel & Resort REITs 0.0%†		
Park Hotels & Resorts, Inc.	3,768	53,016
Hotels, Restaurants & Leisure 1.4%		
Booking Holdings, Inc.	132	655,832
Domino's Pizza, Inc.	136	57,087
Hilton Worldwide Holdings, Inc.	774	191,302
McDonald's Corp.	2,645	766,759
Royal Caribbean Cruises Ltd.	660	152,255
Texas Roadhouse, Inc., A	318	57,377
Travel + Leisure Co.	973	49,088
		<hr/> 1,929,700
Household Durables 0.6%		
DR Horton, Inc.	1,280	178,970
Garmin Ltd.	655	135,100
Lennar Corp., A	984	134,188
Lennar Corp., B	324	42,817
^a NVR, Inc.	14	114,504
PulteGroup, Inc.	947	103,128
Toll Brothers, Inc.	479	60,330
		<hr/> 769,037

Franklin VolSmart Allocation VIP Fund (continued)

	Shares	Value
Common Stocks (continued)		
Household Products 0.9%		
Colgate-Palmolive Co.	4,120	\$374,549
Kimberly-Clark Corp.	902	118,198
Procter & Gamble Co. (The)	4,710	789,632
		1,282,379
Industrial Conglomerates 0.6%		
3M Co.	1,098	141,741
Honeywell International, Inc.	3,315	748,825
		890,566
Insurance 0.7%		
Aon plc, A.	335	120,319
Axis Capital Holdings Ltd.	676	59,907
Cincinnati Financial Corp.	342	49,145
Erie Indemnity Co., A.	842	347,098
Hartford Financial Services Group, Inc. (The)	998	109,181
Lincoln National Corp.	1,712	54,287
Marsh & McLennan Cos., Inc.	955	202,852
Unum Group.	695	50,756
		993,545
Interactive Media & Services 2.4%		
Alphabet, Inc., A	5,635	1,066,705
Alphabet, Inc., C	4,713	897,544
Meta Platforms, Inc., A	2,273	1,330,864
		3,295,113
IT Services 1.4%		
Accenture plc, A	2,995	1,053,611
Amdocs Ltd.	635	54,064
Cognizant Technology Solutions Corp., A.	1,897	145,879
^a GoDaddy, Inc., A.	277	54,672
International Business Machines Corp.	3,177	698,400
		2,006,626
Life Sciences Tools & Services 0.8%		
Danaher Corp.	2,320	532,556
^a Medpace Holdings, Inc.	168	55,815
^a Waters Corp.	140	51,937
West Pharmaceutical Services, Inc.	1,345	440,568
		1,080,876
Machinery 1.5%		
Allison Transmission Holdings, Inc.	580	62,675
Caterpillar, Inc.	1,905	691,058
Cummins, Inc.	478	166,631
Dover Corp.	1,520	285,152
Illinois Tool Works, Inc.	516	130,837
PACCAR, Inc.	2,173	226,035
Parker-Hannifin Corp.	721	458,578
Snap-on, Inc.	147	49,903
		2,070,869
Media 0.1%		
Fox Corp., A	1,313	63,786
Fox Corp., B	1,418	64,859

Franklin VolSmart Allocation VIP Fund (continued)

	Shares	Value
Common Stocks (continued)		
Media (continued)		
Omnicom Group, Inc.	542	\$46,634
		<u>175,279</u>
Metals & Mining 0.1%		
Royal Gold, Inc.	385	50,762
Southern Copper Corp.	544	49,575
Steel Dynamics, Inc.	631	71,978
		<u>172,315</u>
Multi-Utilities 0.1%		
Public Service Enterprise Group, Inc.	1,575	133,072
Office REITs 0.1%		
Cousins Properties, Inc.	1,918	58,768
Highwoods Properties, Inc.	1,699	51,955
Kilroy Realty Corp.	1,520	61,484
		<u>172,207</u>
Oil, Gas & Consumable Fuels 1.1%		
APA Corp.	2,007	46,342
Chevron Corp.	3,095	448,280
Civitas Resources, Inc.	913	41,879
Devon Energy Corp.	1,697	55,543
DT Midstream, Inc.	672	66,817
EOG Resources, Inc.	2,937	360,017
Exxon Mobil Corp.	3,001	322,818
Targa Resources Corp.	367	65,509
Texas Pacific Land Corp.	71	78,523
Viper Energy, Inc., A	1,144	56,136
		<u>1,541,864</u>
Passenger Airlines 0.1%		
Delta Air Lines, Inc.	2,017	122,028
^a United Airlines Holdings, Inc.	636	61,756
		<u>183,784</u>
Personal Care Products 0.0%[†]		
^a BellRing Brands, Inc.	693	52,211
Pharmaceuticals 1.6%		
Bristol-Myers Squibb Co.	4,019	227,315
Eli Lilly & Co.	794	612,968
Johnson & Johnson	9,590	1,386,906
Organon & Co.	3,531	52,682
		<u>2,279,871</u>
Professional Services 0.3%		
Automatic Data Processing, Inc.	695	203,447
^a CACI International, Inc., A	111	44,851
Genpact Ltd.	1,384	59,443
Leidos Holdings, Inc.	580	83,555
SS&C Technologies Holdings, Inc.	726	55,016
		<u>446,312</u>
Residential REITs 0.1%		
AvalonBay Communities, Inc.	363	79,849

Franklin VolSmart Allocation VIP Fund (continued)

	Shares	Value
Common Stocks (continued)		
Residential REITs (continued)		
Essex Property Trust, Inc.	213	\$60,799
		<u>140,648</u>
Retail REITs 0.3%		
Agree Realty Corp.	738	51,992
NNN REIT, Inc.	1,148	46,896
Realty Income Corp.	2,176	116,220
Simon Property Group, Inc.	1,403	241,611
		<u>456,719</u>
Semiconductors & Semiconductor Equipment 6.8%		
Analog Devices, Inc.	3,880	824,345
Applied Materials, Inc.	3,510	570,831
Broadcom, Inc.	10,627	2,463,764
NVIDIA Corp.	25,009	3,358,459
QUALCOMM, Inc.	4,138	635,679
Skyworks Solutions, Inc.	672	59,593
Texas Instruments, Inc.	8,543	1,601,898
		<u>9,514,569</u>
Software 6.7%		
^a DocuSign, Inc., A	678	60,979
^a Fair Isaac Corp.	70	139,365
^a Fortinet, Inc.	1,337	126,320
^a Guidewire Software, Inc.	273	46,023
Microsoft Corp.	14,940	6,297,210
Oracle Corp.	8,571	1,428,272
^a Palantir Technologies, Inc., A	3,418	258,503
Pegasystems, Inc.	575	53,590
Roper Technologies, Inc.	2,005	1,042,299
		<u>9,452,561</u>
Specialized REITs 0.3%		
Gaming and Leisure Properties, Inc.	1,044	50,279
Iron Mountain, Inc.	984	103,428
Public Storage	602	180,263
VICI Properties, Inc., A	2,793	81,584
		<u>415,554</u>
Specialty Retail 2.4%		
Best Buy Co., Inc.	735	63,063
Dick's Sporting Goods, Inc.	277	63,389
Home Depot, Inc. (The)	1,861	723,910
Lowe's Cos., Inc.	3,778	932,410
Murphy USA, Inc.	103	51,680
^a O'Reilly Automotive, Inc.	100	118,580
Ross Stores, Inc.	4,545	687,522
TJX Cos., Inc. (The)	4,476	540,746
Tractor Supply Co.	1,470	77,998
Williams-Sonoma, Inc.	647	119,812
		<u>3,379,110</u>
Technology Hardware, Storage & Peripherals 3.9%		
Apple, Inc.	20,383	5,104,311
Hewlett Packard Enterprise Co.	5,039	107,583
HP, Inc.	4,126	134,631

Franklin VolSmart Allocation VIP Fund (continued)

	Shares	Value
Common Stocks (continued)		
Technology Hardware, Storage & Peripherals (continued)		
NetApp, Inc.	1,018	\$118,169
		5,464,694
Textiles, Apparel & Luxury Goods 0.3%		
Carter's, Inc.	1,049	56,845
NIKE, Inc., B.	2,490	188,418
Ralph Lauren Corp., A.	240	55,435
Tapestry, Inc.	853	55,727
		356,425
Tobacco 0.7%		
Altria Group, Inc.	8,643	451,942
Philip Morris International, Inc.	4,810	578,884
		1,030,826
Trading Companies & Distributors 0.9%		
Fastenal Co.	2,521	181,285
United Rentals, Inc.	252	177,519
WW Grainger, Inc.	858	904,375
		1,263,179
Wireless Telecommunication Services 0.3%		
T-Mobile US, Inc.	1,582	349,195
Total Common Stocks (Cost \$50,016,132)		90,620,733
Investments In Underlying Funds and Exchange Traded Funds		
32.0%		
Domestic Fixed Income 24.2%		
^b Franklin U.S. Core Bond ETF	1,084,725	22,876,850
^b Putnam Core Bond Fund, Class R6.	1,382,688	11,185,947
		34,062,797
Domestic Hybrid 7.8%		
^b Franklin Income VIP Fund, Class 1	726,614	10,986,407
Total Investments In Underlying Funds and Exchange Traded Funds (Cost \$50,219,263)		45,049,204
Total Long Term Investments (Cost \$100,235,395)		135,669,937
Short Term Investments 3.6%		
Money Market Funds 3.6%		
^{b,c} Institutional Fiduciary Trust - Money Market Portfolio, 4.183%	4,998,049	4,998,049
Total Money Market Funds (Cost \$4,998,049)		4,998,049
Total Short Term Investments (Cost \$4,998,049)		4,998,049
Total Investments (Cost \$105,233,444) 100.1%		\$140,667,986
Other Assets, less Liabilities (0.1)%		(97,585)
Net Assets 100.0%		\$140,570,401

Franklin VolSmart Allocation VIP Fund (continued)

[†]Rounds to less than 0.1% of net assets.

^aNon-income producing.

^bSee Note 3(e) regarding investments in FT Underlying Funds.

^cThe rate shown is the annualized seven-day effective yield at period end.

At December 31, 2024, the Fund had the following total return swap contracts outstanding. See Note 1(c).

Total Return Swap Contracts

Underlying Instruments	Financing Rate	Payment Frequency	Counter- party	Maturity Date	Notional Value*	Value/ Unrealized Appreciation (Depreciation)
OTC Swap Contracts						
Long						
Dynamic VIX Backwardation (BEFSDVB1 Index) . .	—	Monthly	BZWS	2/25/25	4,000,000	\$(229,194)
Total Return Swap Contracts						\$(229,194)

*In U.S. dollars unless otherwise indicated.

See Note 6 regarding other derivative information.

See Abbreviations on page 26.

Statement of Assets and Liabilities

December 31, 2024

	Franklin VolSmart Allocation VIP Fund
Assets:	
Investments in securities:	
Cost - Unaffiliated issuers	\$50,016,132
Cost - Non-controlled affiliates (Note 3e)	55,217,312
Value - Unaffiliated issuers	\$90,620,733
Value - Non-controlled affiliates (Note 3e)	50,047,253
Cash	991
Receivables:	
Investment securities sold	26,738
Capital shares sold	43,488
Dividends	82,798
Deposits with brokers for:	
OTC derivative contracts	210,000
Total assets	141,032,001
Liabilities:	
Payables:	
Capital shares redeemed	81,640
Management fees	72,332
Distribution fees	18,343
Professional fees	53,930
Trustees' fees and expenses	85
Unrealized depreciation on OTC swap contracts	229,194
Accrued expenses and other liabilities	6,076
Total liabilities	461,600
Net assets, at value	\$140,570,401
Net assets consist of:	
Paid-in capital	\$86,895,003
Total distributable earnings (losses)	53,675,398
Net assets, at value	\$140,570,401
	Franklin VolSmart Allocation VIP Fund
Class 1:	
Net assets, at value	\$4,928
Shares outstanding	368
Net asset value and maximum offering price per share ^a	\$13.40
Class 2:	
Net assets, at value	\$166,659
Shares outstanding	12,393
Net asset value and maximum offering price per share ^a	\$13.45
Class 5:	
Net assets, at value	\$140,398,814
Shares outstanding	10,455,511
Net asset value and maximum offering price per share ^a	\$13.43

^aNet asset value per share may not recalculate due to rounding.

Statement of Operations

for the year ended December 31, 2024

**Franklin
VolSmart
Allocation VIP
Fund**

Investment income:	
Dividends: (net of foreign taxes of \$33)	
Unaffiliated issuers	\$1,467,491
Non-controlled affiliates (Note 3e)	2,317,382
Interest:	
Unaffiliated issuers	176
Total investment income.	3,785,049
Expenses:	
Management fees (Note 3a).	1,232,944
Distribution fees: (Note 3c)	
Class 2	438
Class 5	230,907
Reports to shareholders fees	4,452
Professional fees	87,156
Trustees' fees and expenses	1,895
Other.	5,219
Total expenses	1,563,011
Expenses waived/paid by affiliates (Note 3e and 3f)	(329,886)
Net expenses	1,233,125
Net investment income	2,551,924
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Investments:	
Unaffiliated issuers	20,337,266
Non-controlled affiliates (Note 3e)	(3,111,784)
Futures contracts	(96,998)
Swap contracts	(416,048)
Capital gain distributions from Underlying Funds:	
Non-controlled affiliates (Note 3e)	50,017
Net realized gain (loss)	16,762,453
Net change in unrealized appreciation (depreciation) on:	
Investments:	
Unaffiliated issuers	(3,920,064)
Non-controlled affiliates (Note 3e)	2,219,470
Swap contracts	(228,208)
Net change in unrealized appreciation (depreciation).	(1,928,802)
Net realized and unrealized gain (loss)	14,833,651
Net increase (decrease) in net assets resulting from operations	\$17,385,575

Statements of Changes in Net Assets

	Franklin VolSmart Allocation VIP Fund	
	Year Ended December 31, 2024	Year Ended December 31, 2023
Increase (decrease) in net assets:		
Operations:		
Net investment income	\$2,551,924	\$3,086,551
Net realized gain (loss)	16,762,453	3,708,615
Net change in unrealized appreciation (depreciation)	(1,928,802)	11,025,811
Net increase (decrease) in net assets resulting from operations	17,385,575	17,820,977
Distributions to shareholders:		
Class 1	(169)	(402)
Class 2	(7,620)	(2,944)
Class 5	(5,130,477)	(14,013,933)
Total distributions to shareholders	(5,138,266)	(14,017,279)
Capital share transactions: (Note 2)		
Class 2	39,281	74,884
Class 5	(31,452,078)	(14,862,425)
Total capital share transactions	(31,412,797)	(14,787,541)
Net increase (decrease) in net assets	(19,165,488)	(10,983,843)
Net assets:		
Beginning of year	159,735,889	170,719,732
End of year	\$140,570,401	\$159,735,889

Notes to Financial Statements

Franklin VolSmart Allocation 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. The Trust follows the accounting and reporting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946, Financial Services – Investment Companies (ASC 946) and applies the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP), including, but not limited to, ASC 946. Franklin VolSmart Allocation VIP Fund (Fund) is included in this report. The Fund invests a large percentage of its assets in mutual funds (Underlying Funds) and exchange traded funds (ETFs), including affiliated funds managed by Franklin Templeton (FT Underlying Funds). 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. At December 31, 2024, 98.0% of the Fund's shares were held through one insurance company. Investment activities of these insurance company separate accounts could have a material impact on the Fund. The Fund offers three classes of shares: Class 1, Class 2 and Class 5. Each class of shares may differ by its distribution fees, voting rights on matters affecting a single class and its exchange privilege.

The accounting policies of the Underlying Funds are outlined in their respective shareholder reports. A copy of the Underlying Funds' shareholder reports is available on the U.S. Securities and Exchange Commission (SEC) website at sec.gov. The Underlying Funds' shareholder reports are not covered by this report.

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 Board has designated the Fund's investment manager as the valuation designee and has responsibility for oversight of valuation. The investment manager is assisted by the Fund's administrator in performing this responsibility, 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.

Investments in the Underlying Funds are valued at their closing NAV each trading day.

Equity securities, exchange traded funds, and derivative financial instruments 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.

Certain derivative financial instruments trade in the OTC market. The Fund's pricing services use various techniques including industry standard option pricing models and proprietary discounted cash flow models to determine the fair value of those instruments. The Fund's net benefit or obligation under the derivative contract, as measured by the fair value of the contract, is included in net assets.

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, 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

Franklin VolSmart Allocation VIP Fund (continued)

1. Organization and Significant Accounting Policies

(continued)

a. Financial Instrument Valuation (continued)

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.

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. Derivative Financial Instruments

The Fund invested in derivative financial instruments in order to manage risk or gain exposure to various other investments or markets. Derivatives are financial contracts based on an underlying or notional amount, require no initial investment or an initial net investment that is smaller than would normally be required to have a similar response to changes in market factors, and require or permit net settlement. Derivatives contain various risks including the potential inability of the counterparty to fulfill their obligations under the terms of the contract, the potential for an illiquid secondary market, and/or the potential for market movements which expose the Fund to gains or losses in excess of the amounts shown in the Statement of Assets and Liabilities. Realized gain and loss and unrealized appreciation and depreciation on these contracts for the period are included in the Statement of Operations.

Derivative counterparty credit risk is managed through a formal evaluation of the creditworthiness of all potential counterparties. The Fund attempts to reduce its exposure to counterparty credit risk on OTC derivatives, whenever possible, by entering into International Swaps and Derivatives Association (ISDA) master agreements with certain counterparties. These agreements contain various provisions, including but not limited to collateral requirements, events of default, or early termination.

Franklin VolSmart Allocation VIP Fund (continued)**1. Organization and Significant Accounting Policies**
(continued)**c. Derivative Financial Instruments** (continued)

Termination events applicable to the counterparty include certain deteriorations in the credit quality of the counterparty. Termination events applicable to the Fund include failure of the Fund to maintain certain net asset levels and/or limit the decline in net assets over various periods of time. In the event of default or early termination, the ISDA master agreement gives the non-defaulting party the right to net and close-out all transactions traded, whether or not arising under the ISDA agreement, to one net amount payable by one counterparty to the other. However, absent an event of default or early termination, OTC derivative assets and liabilities are presented gross and not offset in the Statement of Assets and Liabilities. Early termination by the counterparty may result in an immediate payment by the Fund of any net liability owed to that counterparty under the ISDA agreement. At December 31, 2024, the Fund had OTC derivatives in a net liability position of \$229,194 and the aggregate value of collateral pledged for such contracts was \$210,000.

Collateral requirements differ by type of derivative. Collateral or initial margin requirements are set by the broker or exchange clearing house for exchange traded and centrally cleared derivatives. Initial margin deposited is held at the exchange and can be in the form of cash and/or securities. For OTC derivatives traded under an ISDA master agreement, posting of collateral is required by either the Fund or the applicable counterparty if the total net exposure of all OTC derivatives with the applicable counterparty exceeds the minimum transfer amount, which typically ranges from \$100,000 to \$250,000, and can vary depending on the counterparty and the type of agreement. Generally, collateral is determined at the close of Fund business each day and any additional collateral required due to changes in derivative values may be delivered by the Fund or the counterparty the next business day, or within a few business days. Collateral pledged and/or received by the Fund for OTC derivatives, if any, is held in segregated accounts with the Fund's custodian/counterparty broker and can be in the form of cash and/or securities. Unrestricted cash may be invested according to the Fund's investment objectives. To the extent that the amounts due to the Fund from its counterparties are not subject to collateralization or are not fully collateralized, the Fund bears the risk of loss from counterparty non-performance.

The Fund entered into exchange traded futures contracts primarily to manage and/or gain exposure to equity price risk. A futures contract is an agreement between the Fund and a counterparty to buy or sell an asset at a specified price on a future date. Required initial margins are pledged by the Fund, and the daily change in fair value is accounted for as a variation margin payable or receivable in the Statement of Assets and Liabilities. Futures contracts outstanding at period end, if any, are listed in the Fund's Schedule of Investments.

The Fund entered into OTC total return swap contracts primarily to manage and/or gain exposure to credit risk of an underlying instrument such as a stock, bond, index or basket of securities or indices. A total return swap is an agreement between the Fund and a counterparty to exchange a return linked to an underlying instrument for a floating or fixed rate payment, both based upon a notional amount. Over the term of the contract, contractually required payments to be paid or received are accrued daily and recorded as unrealized appreciation or depreciation until the payments are made, at which time they are recognized as realized gain or loss. Total return swap contracts outstanding at period end, if any, are listed in the Fund's Schedule of Investments.

See Note 6 regarding other derivative information.

d. 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.

Franklin VolSmart Allocation VIP Fund (continued)

1. Organization and Significant Accounting Policies

(continued)

d. Income and Deferred Taxes (continued)

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, 2024, 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.

e. 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. Interest income (including interest income from payment-in-kind securities, if any) and 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 combined number of shareholders of the Trust. Fund specific expenses are charged directly to the Fund that incurred the expense.

The Fund indirectly bears its proportionate share of expenses from the Underlying Funds and ETFs. Since the Underlying Funds and ETFs have varied expense levels and the Fund may own different proportions of the Underlying Funds and ETFs at different times, the amount of expenses incurred indirectly by the Fund will vary.

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.

f. 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.

g. 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, 2024, there were an unlimited number of shares authorized (without par value). During the year ended December 31, 2024 and the year ended December 31, 2023, there were no transactions of the Fund's Class 1 shares. Transactions in the Fund's Class 2 and Class 5 shares were as follows:

Franklin VolSmart Allocation VIP Fund (continued)

2. Shares of Beneficial Interest (continued)

	Year Ended December 31, 2024		Year Ended December 31, 2023	
	Shares	Amount	Shares	Amount
Class 2 Shares:				
Shares sold	16,683	\$212,735	6,182	\$74,924
Shares issued in reinvestment of distributions	490	6,384	—	—
Shares redeemed	(13,654)	(179,838)	(3)	(40)
Net increase (decrease)	3,519	\$39,281	6,179	\$74,884
Class 5 Shares:				
Shares sold	468,170	\$6,114,023	707,720	\$8,518,306
Shares issued in reinvestment of distributions	394,652	5,130,477	1,184,610	14,013,933
Shares redeemed	(3,246,808)	(42,696,578)	(3,103,202)	(37,394,664)
Net increase (decrease)	(2,383,986)	\$(31,452,078)	(1,210,872)	\$(14,862,425)

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, directors, and/or trustees of certain of the Underlying Funds and of the following subsidiaries:

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

a. Management Fees

The Fund pays an investment management fee, calculated daily and paid monthly, to Advisers of 0.80% per year of the average daily net assets of the Fund.

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 5 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% and 0.15% per year of its average daily net assets of Class 2 and Class 5, respectively. 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.

Franklin VolSmart Allocation VIP Fund (continued)

3. Transactions with Affiliates (continued)

e. Investments in FT Underlying Funds

The Fund invests in Underlying Funds which are managed by affiliates of the Fund's administrative manager, Franklin Templeton Services, LLC. As defined in the 1940 Act, an investment is deemed to be a "Controlled Affiliate" of a fund when a fund owns, either directly or indirectly, 25% or more of the Underlying Fund's outstanding shares or has the power to exercise control over management or policies of such Underlying Fund. The Fund does not invest in Underlying Funds for the purpose of exercising a controlling influence over the management or policies. Management fees paid by the Fund are waived on assets invested in the Underlying Funds, as noted in the Statement of Operations, in an amount not to exceed the management and administrative fees paid directly or indirectly by the Underlying Funds.

Investments in Underlying Funds for the year ended December 31, 2024, were as follows:

	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	Dividend Income
Franklin VolSmart Allocation VIP Fund								
Non-Controlled Affiliates								
Franklin Income VIP Fund, Class 1	\$12,043,626	\$689,965	\$(1,978,000)	\$(143,586)	\$374,402	\$10,986,407	726,614	\$689,964 ^a
Franklin U.S. Core Bond ETF . . .	24,391,684	—	(936,691)	(187,029)	(391,114)	22,876,850	1,084,725	955,871
Institutional Fiduciary Trust - Money Market Portfolio, 4.183%	2,608,818	47,591,498	(45,202,267)	—	—	4,998,049	4,998,049	162,879
Putnam Core Bond Fund, Class R6	—	11,666,905	(150,000)	(1,823)	(329,135)	11,185,947	1,382,688	136,905
Western Asset Core Plus Bond Fund, Class IS	11,707,211	397,368	(11,890,550)	(2,779,346)	2,565,317	—	—	421,780
Total Affiliated Securities	\$50,751,339	\$60,345,736	\$(60,157,508)	\$(3,111,784)	\$2,219,470	\$50,047,253		\$2,367,399

^aDividend income includes capital gain distributions received, if any, from underlying funds, and are presented in corresponding line item in the Statement of Operations.

f. Waiver and Expense Reimbursements

Advisers has contractually agreed in advance to waive or limit its fees and to assume as its own expense certain expenses otherwise payable by the Fund so that the operating expenses (excluding interest expense, distribution fees, acquired fund fees and expenses and certain non-routine expenses or costs, including those relating to litigation, indemnification, reorganizations, and liquidations) for each class of the Fund do not exceed 0.65% based on the average net assets of each class until April 30, 2025. Total expenses waived or paid are not subject to recapture subsequent to the Fund's fiscal year end.

4. Income Taxes

The tax character of distributions paid during the years ended December 31, 2024 and 2023, was as follows:

	2024	2023
Distributions paid from:		
Ordinary income	\$3,000,698	\$3,075,035
Long term capital gain	2,137,568	10,942,244
	\$5,138,266	\$14,017,279

Franklin VolSmart Allocation VIP Fund (continued)

4. Income Taxes (continued)

At December 31, 2024, 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	\$105,331,045
Unrealized appreciation	\$41,243,038
Unrealized depreciation	(6,135,291)
Net unrealized appreciation (depreciation)	\$35,107,747
Distributable earnings:	
Undistributed ordinary income	\$2,995,474
Undistributed long term capital gains	15,572,179
Total distributable earnings	\$18,567,653

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatments of wash sales and derivative financial instruments.

5. Investment Transactions

Purchases and sales of investments (excluding short term securities) for the year ended December 31, 2024, aggregated \$51,951,303 and \$89,117,125, respectively.

6. Other Derivative Information

At December 31, 2024, investments in derivative contracts are reflected in the Statement of Assets and Liabilities as follows:

Derivative Contracts Not Accounted for as Hedging Instruments	Asset Derivatives		Liability Derivatives	
	Statement of Assets and Liabilities Location	Fair Value	Statement of Assets and Liabilities Location	Fair Value
Franklin VolSmart Allocation VIP Fund				
Equity contracts				
	Unrealized appreciation on OTC swap contracts	\$—	Unrealized depreciation on OTC swap contracts	\$229,194
Total		\$—		\$229,194

Franklin VolSmart Allocation VIP Fund (continued)

6. Other Derivative Information (continued)

For the year ended December 31, 2024, the effect of derivative contracts in the Statement of Operations was as follows:

Derivative Contracts Not Accounted for as Hedging Instruments	Statement of Operations Location	Net Realized Gain (Loss) for the Year	Statement of Operations Location	Net Change in Unrealized Appreciation (Depreciation) for the Year
Franklin VolSmart Allocation VIP Fund				
	Net realized gain (loss) from:		Net change in unrealized appreciation (depreciation) on:	
Equity contracts				
	Futures contracts	\$(96,998)	Futures contracts	\$—
	Swap contracts	(416,048)	Swap contracts	(228,208)
Total		<u>\$(513,046)</u>		<u>\$(228,208)</u>

For the year ended December 31, 2024, the average month end notional amount of swap contracts represented \$4,000,000.

See Note 1(c) regarding derivative financial instruments.

7. 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 \$2.675 billion (Global Credit Facility) which matured on January 31, 2025. 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 January 31, 2025, the Borrowers renewed the Global Credit Facility for a one-year term, maturing January 30, 2026, for a total of \$2.995 billion.

Under the terms of the Global Credit Facility, the Fund may, 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, 2024, the Fund did not use the Global Credit Facility.

8. 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)

Franklin VolSmart Allocation VIP Fund (continued)**8. Fair Value Measurements** (continued)

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

A summary of inputs used as of December 31, 2024, in valuing the Fund's assets and liabilities carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
Franklin VolSmart Allocation VIP Fund				
Assets:				
Investments in Securities: ^a				
Common Stocks	\$90,620,733	\$—	\$—	\$90,620,733
Investments in Underlying Funds and Exchange Traded Funds	45,049,204	—	—	45,049,204
Short Term Investments	4,998,049	—	—	4,998,049
Total Investments in Securities	\$140,667,986	\$—	\$—	\$140,667,986
Liabilities:				
Other Financial Instruments:				
Swap Contracts	\$—	\$229,194	\$—	\$229,194
Total Other Financial Instruments	\$—	\$229,194	\$—	\$229,194

^aFor detailed categories, see the accompanying Schedule of Investments.

9. Operating Segments

The Fund has adopted the FASB Accounting Standards Update (ASU) 2023-07, *Segment Reporting (Topic 280) - Improvements to Reportable Segment Disclosures*. The update is limited to disclosure requirements and does not impact the Fund's financial position or results of operations.

The Fund operates as a single operating segment, which is an investment portfolio. The Fund's Investment manager serves as the Chief Operating Decision Maker (CODM), evaluating fund-wide results and performance under a unified investment strategy. The CODM uses these measures to assess fund performance and allocate resources effectively. Internal reporting provided to the CODM aligns with the accounting policies and measurement principles used in the financial statements.

For information regarding segment assets, segment profit or loss, and significant expenses, refer to the Statement of Assets and Liabilities and the Statement of Operations, along with the related notes to the financial statements. The Schedule of Investments provides details of the Fund's investments that generate returns such as interest, dividends, and realized and unrealized gains or losses. Performance metrics, including portfolio turnover and expense ratios, are disclosed in the Financial Highlights.

10. 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.

Franklin VolSmart Allocation VIP Fund (continued)

Abbreviations

Counterparty

BZWS Barclays Bank plc

Selected Portfolio

ETF Exchange-Traded Fund

REIT Real Estate Investment Trust

VIX Market Volatility Index

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Franklin Templeton Variable Insurance Products Trust and Shareholders of Franklin VolSmart Allocation VIP Fund

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Franklin VolSmart Allocation VIP Fund (one of the funds constituting Franklin Templeton Variable Insurance Products Trust, referred to hereafter as the "Fund") as of December 31, 2024, the related statement of operations for the year ended December 31, 2024, the statements of changes in net assets for each of the two years in the period ended December 31, 2024, including the related notes, and the financial highlights for each of the periods indicated therein (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, 2024, 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, 2024 and the financial highlights for each of the periods indicated therein 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, 2024 by correspondence with the custodian, transfer agents and broker. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP
San Francisco, California
February 20, 2025

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 VoISmart Allocation VIP Fund

By mid-February, tax information related to a shareholder's proportionate share of distributions paid during the preceding calendar year will be received, if applicable. Please also refer to www.franklintempleton.com for per share tax information related to any distributions paid during the preceding calendar year. Shareholders are advised to consult with their tax advisors for further information on the treatment of these amounts on their tax returns.

The following tax information for the Fund is required to be furnished to shareholders with respect to income earned and distributions paid during its fiscal year.

The Fund hereby reports the following amounts, or if subsequently determined to be different, the maximum allowable amounts, for the fiscal year ended December 31, 2024:

	Pursuant to:	Amount Reported
Long-Term Capital Gain Dividends Distributed	§852(b)(3)(C)	\$2,137,568
Income Eligible for Dividends Received Deduction (DRD)	§854(b)(1)(A)	\$1,412,559

Changes In and Disagreements with Accountants

For the period covered by this report

Not applicable.

Results of Meeting(s) of Shareholders

For the period covered by this report

Not applicable.

Remuneration Paid to Directors, Officers and Others

For the period covered by this report

Refer to the financial statements included herein.

Board Approval of Management and Subadvisory Agreements

For the period covered by this report

Not applicable.



**FRANKLIN
TEMPLETON**