



Franklin DynaTech VIP Fund

Financial Statements and Other Important Information

Annual | December 31, 2025

Table of Contents

Financial Highlights and Schedule of Investments	2
Financial Statements	9
Notes to Financial Statements	12
Report of Independent Registered Public Accounting Firm	20
Tax Information	21
Changes In and Disagreements with Accountants	22
Results of Meeting(s) of Shareholders	22
Remuneration Paid to Directors, Officers and Others	22
Board Approval of Management and Subadvisory Agreements	22

Financial Highlights

Franklin DynaTech VIP Fund

	Year Ended December 31,				
	2025	2024	2023	2022	2021
Class 2					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$5.57	\$4.27	\$2.96	\$11.85	\$10.92
Income from investment operations ^a :					
Net investment (loss) ^b	(0.03)	(0.02)	(0.01)	(0.02)	(0.08)
Net realized and unrealized gains (losses)	1.04	1.32	1.32	(4.52)	1.79
Total from investment operations	1.01	1.30	1.31	(4.54)	1.71
Less distributions from:					
Net realized gains	—	—	—	(4.35)	(0.78)
Net asset value, end of year	\$6.58	\$5.57	\$4.27	\$2.96	\$11.85
Total return ^c	18.13%	30.44%	43.77%	(39.96)%	16.14%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.88%	0.87%	0.90%	0.91%	1.03%
Expenses net of waiver and payments by affiliates	0.88% ^d	0.87% ^d	0.89% ^e	0.90% ^e	0.96%
Net investment (loss)	(0.56)%	(0.48)%	(0.41)%	(0.49)%	(0.71)%
Supplemental data					
Net assets, end of year (000's)	\$163,622	\$151,113	\$125,878	\$74,486	\$139,784
Portfolio turnover rate	36.55%	21.64%	22.25%	34.99%	74.97%

^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.

^cTotal 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.

^dBenefit of waiver and payments by affiliates rounds to less than 0.01%.

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

Franklin DynaTech VIP Fund (continued)

	Year Ended December 31,				
	2025	2024	2023	2022	2021
Class 4					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$4.86	\$3.73	\$2.59	\$11.23	\$10.40
Income from investment operations ^a :					
Net investment (loss) ^b	(0.03)	(0.03)	(0.02)	(0.03)	(0.09)
Net realized and unrealized gains (losses)	0.90	1.16	1.16	(4.26)	1.70
Total from investment operations	0.87	1.13	1.14	(4.29)	1.61
Less distributions from:					
Net realized gains	—	—	—	(4.35)	(0.78)
Net asset value, end of year	\$5.73	\$4.86	\$3.73	\$2.59	\$11.23
Total return ^c	17.90%	30.29%	44.02%	(40.20)%	16.09%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.98%	0.97%	1.00%	1.01%	1.13%
Expenses net of waiver and payments by affiliates	0.98% ^d	0.97% ^d	1.00% ^{d,e}	1.00% ^e	1.06%
Net investment (loss)	(0.66)%	(0.58)%	(0.50)%	(0.59)%	(0.81)%
Supplemental data					
Net assets, end of year (000's)	\$26,927	\$27,913	\$25,919	\$20,496	\$36,515
Portfolio turnover rate	36.55%	21.64%	22.25%	34.99%	74.97%

^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.

^cTotal 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.

^dBenefit of waiver and payments by affiliates rounds to less than 0.01%.

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

Schedule of Investments, December 31, 2025

Franklin DynaTech VIP Fund

	Country	Shares	Value
Common Stocks 98.2%			
Aerospace & Defense 2.8%			
^a Axon Enterprise, Inc.	United States	4,644	\$2,637,467
Elbit Systems Ltd.	Israel	507	292,899
^a Karman Holdings, Inc.	United States	7,678	561,799
^a Kratos Defense & Security Solutions, Inc.	United States	16,177	1,227,996
^a Rocket Lab Corp.	United States	8,661	604,192
			5,324,353
Automobiles 2.7%			
^a Tesla, Inc.	United States	11,650	5,239,238
Biotechnology 4.3%			
^a Alnylam Pharmaceuticals, Inc.	United States	1,485	590,510
^a Arcutis Biotherapeutics, Inc.	United States	2,455	71,293
^a Argenx SE	Netherlands	1,503	1,267,846
^a Ascendis Pharma A/S, ADR	Denmark	6,701	1,428,921
^a BeOne Medicines Ltd., ADR	United States	304	92,358
^a Bridgebio Pharma, Inc.	United States	2,770	211,877
^{a,b} Caris Life Sciences, Inc.	United States	1,931	52,098
^a Insmed, Inc.	United States	6,210	1,080,789
^a Ionis Pharmaceuticals, Inc.	United States	4,683	370,472
^a Krystal Biotech, Inc.	United States	660	162,716
^a Natera, Inc.	United States	10,119	2,318,162
^a PTC Therapeutics, Inc.	United States	985	74,821
^a Revolution Medicines, Inc.	United States	1,324	105,457
^a Rhythm Pharmaceuticals, Inc.	United States	749	80,173
^a Samsung Episholdings Co. Ltd.	South Korea	46	23,726
^a United Therapeutics Corp.	United States	682	332,305
			8,263,524
Broadline Retail 9.4%			
^a Amazon.com, Inc.	United States	60,564	13,979,383
^a MercadoLibre, Inc.	Brazil	1,362	2,743,422
^a Sea Ltd., ADR	Singapore	9,646	1,230,540
			17,953,345
Capital Markets 1.0%			
^{a,b} Bullish, Inc.	United States	300	11,361
^a Robinhood Markets, Inc., A	United States	11,966	1,353,355
Tradeweb Markets, Inc., A	United States	5,075	545,765
			1,910,481
Communications Equipment 0.8%			
^a Arista Networks, Inc.	United States	11,015	1,443,295
Construction & Engineering 0.4%			
^a Legence Corp., A	United States	4,300	185,072
Quanta Services, Inc.	United States	1,475	622,539
			807,611
Consumer Finance 0.0%[†]			
^{a,b} Figure Technology Solutions, Inc., A	United States	1,428	58,320
Electrical Equipment 0.8%			
^a Bloom Energy Corp., A	United States	6,075	527,857
GE Vernova, Inc.	United States	1,392	909,769
^a Nextpower, Inc., A	United States	656	57,144
			1,494,770
Electronic Equipment, Instruments & Components 3.1%			
Amphenol Corp., A	United States	15,095	2,039,938

Franklin DynaTech VIP Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Electronic Equipment, Instruments & Components (continued)			
^a Celestica, Inc.	Canada	12,853	\$3,799,476
			5,839,414
Energy Equipment & Services 0.2%			
Baker Hughes Co., A.	United States	845	38,481
^a Oceaneering International, Inc.	United States	1,724	41,428
TechnipFMC plc	United Kingdom	8,114	361,560
			441,469
Entertainment 2.4%			
^a Netflix, Inc.	United States	29,760	2,790,298
^a ROBLOX Corp., A.	United States	13,412	1,086,774
^a Roku, Inc., A.	United States	1,711	185,626
^a Spotify Technology SA	United States	1,005	583,614
			4,646,312
Financial Services 3.5%			
^a Affirm Holdings, Inc., A	United States	6,690	497,937
Mastercard, Inc., A	United States	6,672	3,808,911
^a Toast, Inc., A.	United States	554	19,673
Visa, Inc., A.	United States	6,878	2,412,183
			6,738,704
Ground Transportation 0.4%			
^a Uber Technologies, Inc.	United States	8,326	680,317
Health Care Equipment & Supplies 1.5%			
^a IDEXX Laboratories, Inc.	United States	654	442,450
^a Intuitive Surgical, Inc.	United States	4,330	2,452,339
^a Kestra Medical Technologies Ltd.	United States	2,288	60,678
			2,955,467
Health Care Providers & Services 1.0%			
^a GeneDx Holdings Corp., A.	United States	3,368	438,042
^a Guardant Health, Inc.	United States	11,705	1,195,549
^a Hinge Health, Inc., A.	United States	3,923	182,223
			1,815,814
Health Care Technology 0.4%			
^a Doximity, Inc., A	United States	878	38,878
^a HeartFlow, Inc.	United States	4,157	121,176
Pro Medicus Ltd.	Australia	3,350	491,992
^a Veeva Systems, Inc., A	United States	690	154,029
			806,075
Hotels, Restaurants & Leisure 2.0%			
Booking Holdings, Inc.	United States	343	1,836,878
^a DoorDash, Inc., A	United States	8,305	1,880,917
			3,717,795
Interactive Media & Services 11.9%			
Alphabet, Inc., A	United States	39,872	12,479,936
Meta Platforms, Inc., A	United States	14,335	9,462,390
^a Reddit, Inc., A.	United States	3,007	691,219
^c Tencent Holdings Ltd.	China	694	53,260
			22,686,805
IT Services 5.0%			
^a Cloudflare, Inc., A	United States	16,655	3,283,533

Franklin DynaTech VIP Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
IT Services (continued)			
^a MongoDB, Inc., A	United States	688	\$288,747
^a Shopify, Inc., A	Canada	34,230	5,511,515
^a Snowflake, Inc., A	United States	1,992	436,965
			9,520,760
Life Sciences Tools & Services 0.4%			
^a Adaptive Biotechnologies Corp.	United States	1,178	19,131
^a Medpace Holdings, Inc.	United States	653	366,757
^{a,d} Samsung Biologics Co. Ltd., 144A, Reg S	South Korea	106	124,463
^a Tempus AI, Inc., A	United States	4,933	291,294
			801,645
Machinery 0.1%			
^a Symbotic, Inc., A	United States	2,604	154,938
Pharmaceuticals 1.8%			
^a Axsome Therapeutics, Inc.	United States	368	67,212
^a Corcept Therapeutics, Inc.	United States	1,164	40,507
Eli Lilly & Co.	United States	1,997	2,146,136
^a Jazz Pharmaceuticals plc	United States	2,355	400,350
^a Ligand Pharmaceuticals, Inc.	United States	2,991	565,508
^a Tarsus Pharmaceuticals, Inc.	United States	1,447	118,480
			3,338,193
Semiconductors & Semiconductor Equipment 24.2%			
Analog Devices, Inc.	United States	1,680	455,616
^a ARM Holdings plc, ADR	United States	1,625	177,629
ASML Holding NV, ADR	Netherlands	657	702,898
Broadcom, Inc.	United States	32,111	11,113,617
^a First Solar, Inc.	United States	301	78,630
KLA Corp.	United States	1,670	2,029,184
Lam Research Corp.	United States	14,050	2,405,079
Monolithic Power Systems, Inc.	United States	1,676	1,519,059
NVIDIA Corp.	United States	115,332	21,509,418
^a SiTime Corp.	United States	142	50,153
Taiwan Semiconductor Manufacturing Co. Ltd., ADR	Taiwan	20,000	6,077,800
			46,119,083
Software 13.8%			
^a AppLovin Corp., A	United States	7,300	4,918,886
^a Cadence Design Systems, Inc.	United States	3,997	1,249,382
^a Circle Internet Group, Inc., A	United States	1,081	85,723
Constellation Software, Inc.	Canada	69	165,966
^a CrowdStrike Holdings, Inc., A	United States	1,402	657,202
^a Figma, Inc., A	United States	539	20,142
^a Guidewire Software, Inc.	United States	1,970	395,990
Intuit, Inc.	United States	1,011	669,707
^a Life360, Inc.	United States	2,677	171,703
Microsoft Corp.	United States	27,264	13,185,416
^a Palantir Technologies, Inc., A	United States	10,675	1,897,481
^a Palo Alto Networks, Inc.	United States	6,645	1,224,009
^a ServiceTitan, Inc., A	United States	5,568	592,992
^a Synopsys, Inc.	United States	1,988	933,803
^a Unity Software, Inc.	United States	1,375	60,734
			26,229,136
Specialty Retail 0.5%			
^a Carvana Co., A	United States	2,314	976,554

Franklin DynaTech VIP Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Technology Hardware, Storage & Peripherals 3.8%			
Apple, Inc.	United States	26,638	\$7,241,807
Total Common Stocks (Cost \$77,437,764)			187,205,225
Warrants			
Warrants 0.0%			
Software 0.0%			
^{a,e} Constellation Software, Inc., 3/31/40	Canada	341	—
Total Warrants (Cost \$—)			—
Total Long Term Investments (Cost \$77,437,764)			187,205,225
Short Term Investments 1.9%			
Money Market Funds 1.8%			
^{f,g} Franklin Institutional U.S. Government Money Market Fund, 3.681%	United States	3,510,309	3,510,309
Total Money Market Funds (Cost \$3,510,309)			3,510,309
^hInvestments from Cash Collateral Received for Loaned Securities 0.1%			
Money Market Funds 0.1%			
^{f,g} Franklin Institutional U.S. Government Money Market Fund, 3.681%	United States	114,025	114,025
Total Investments from Cash Collateral Received for Loaned Securities (Cost \$114,025)			114,025
Total Short Term Investments (Cost \$3,624,334)			3,624,334
Total Investments (Cost \$81,062,098) 100.1%			\$190,829,559
Other Assets, less Liabilities (0.1%)			(280,807)
Net Assets 100.0%			\$190,548,752

See Abbreviations on page 19.

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

^a Non-income producing.

^b A portion or all of the security is on loan at December 31, 2025. See Note 1(c).

Franklin DynaTech VIP Fund (continued)

^cVariable interest entity (VIE). See Note 6 regarding investments made through a VIE structure. At December 31, 2025, the value of this security was \$53,260, representing 0.0% of net assets.

^dSecurity was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At December 31, 2025, the value of this security was \$124,463, representing 0.1% of net assets.

^eFair valued using significant unobservable inputs. See Note 8 regarding fair value measurements.

^fSee Note 3(e) regarding investments in affiliated management investment companies.

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

^hSee Note 1(c) regarding securities on loan.

Statement of Assets and Liabilities

December 31, 2025

**Franklin
DynaTech VIP
Fund**

Assets:

Investments in securities:

Cost - Unaffiliated issuers	\$77,437,764
Cost - Non-controlled affiliates (Note 3e)	3,624,334
Value - Unaffiliated issuers (Includes securities loaned of \$109,230)	\$187,205,225
Value - Non-controlled affiliates (Note 3e)	3,624,334

Cash	13,650
Foreign currency, at value (cost \$2,829)	2,799

Receivables:

Capital shares sold	18,537
Dividends	30,871

Total assets	190,895,416
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Liabilities:

Payables:

Capital shares redeemed	40,935
Management fees	92,775
Distribution fees	43,321
Professional fees	48,527
Trustees' fees and expenses	21

Payable upon return of securities loaned (Note 1c)	114,025
Accrued expenses and other liabilities	7,060

Total liabilities	346,664
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Net assets, at value	\$190,548,752
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Net assets consist of:

Paid-in capital	\$67,035,633
Total distributable earnings (losses)	123,513,119
Net assets, at value	\$190,548,752

**Franklin
DynaTech VIP
Fund**

Class 2:

Net assets, at value	\$163,621,894
Shares outstanding	24,885,093
Net asset value and maximum offering price per share ^a	\$6.58

Class 4:

Net assets, at value	\$26,926,858
Shares outstanding	4,698,729
Net asset value and maximum offering price per share ^a	\$5.73

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

Statement of Operations

for the year ended December 31, 2025

	Franklin DynaTech VIP Fund
Investment income:	
Dividends: (net of foreign taxes of \$10,663)	
Unaffiliated issuers	\$484,745
Non-controlled affiliates (Note 3e)	70,823
Income from securities loaned:	
Unaffiliated entities (net of fees and rebates)	(9,058)
Non-controlled affiliates (Note 3e)	18,525
Total investment income	<u>565,035</u>
Expenses:	
Management fees (Note 3a)	1,019,165
Distribution fees: (Note 3c)	
Class 2	377,639
Class 4	93,721
Custodian fees	2,499
Reports to shareholders fees	8,049
Professional fees	78,202
Trustees' fees and expenses	2,145
Other	15,788
Total expenses	<u>1,597,208</u>
Expenses waived/paid by affiliates (Note 3e and 3f)	(5,579)
Net expenses	<u>1,591,629</u>
Net investment income (loss)	<u>(1,026,594)</u>
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Investments:	
Unaffiliated issuers	18,907,863
Foreign currency transactions	(1,678)
Net realized gain (loss)	<u>18,906,185</u>
Net change in unrealized appreciation (depreciation) on:	
Investments:	
Unaffiliated issuers	10,492,473
Translation of other assets and liabilities denominated in foreign currencies	62
Net change in unrealized appreciation (depreciation)	<u>10,492,535</u>
Net realized and unrealized gain (loss)	<u>29,398,720</u>
Net increase (decrease) in net assets resulting from operations	<u>\$28,372,126</u>

Statements of Changes in Net Assets

	Franklin DynaTech VIP Fund	
	Year Ended December 31, 2025	Year Ended December 31, 2024
Increase (decrease) in net assets:		
Operations:		
Net investment income (loss)	\$(1,026,594)	\$(847,558)
Net realized gain (loss)	18,906,185	14,620,212
Net change in unrealized appreciation (depreciation)	10,492,535	30,637,724
Net increase (decrease) in net assets resulting from operations	28,372,126	44,410,378
Capital share transactions: (Note 2)		
Class 2	(11,396,177)	(11,898,394)
Class 4	(5,453,137)	(5,283,171)
Total capital share transactions	(16,849,314)	(17,181,565)
Net increase (decrease) in net assets	11,522,812	27,228,813
Net assets:		
Beginning of year	179,025,940	151,797,127
End of year	\$190,548,752	\$179,025,940

Notes to Financial Statements

Franklin DynaTech 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 seventeen 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 DynaTech 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 two classes of shares: 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 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.

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, 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. At December 31, 2025, certain securities may have been fair valued using these procedures, in which case the securities were categorized as Level 2 within the fair value hierarchy (referred to as "market level fair value"). See the Fair Value Measurements note for more information.

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

(continued)

a. Financial Instrument Valuation (continued)

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. Securities Lending

The Fund participates in an agency based securities lending program to earn additional income. The Fund receives collateral in the form of cash and/or U.S. Government and Agency securities against the loaned securities in an amount equal to at least 102% of the fair value of the loaned securities. Collateral is maintained over the life of the loan in an amount not less than 100% of the fair value of loaned securities, as determined at the close of Fund business each day; any additional collateral required due to changes in security values is delivered to the Fund on the next business day. Any cash collateral received is deposited into a joint cash account with other funds and is used to invest in a money market fund managed by Franklin Advisers, Inc., an affiliate of the Fund. The Fund may receive income from the investment of cash collateral, in addition to lending fees paid by the borrower. Income from securities loaned, net of fees paid to the securities lending agent and/or third-party vendor, is reported separately in the Statement of Operations. The Fund bears the market risk with respect to any cash collateral investment, securities loaned, and the risk that the agent may default on its obligations to the Fund. If the borrower defaults on its obligation to return the securities loaned, the Fund has the right to repurchase the securities in the open market using the collateral received. The securities lending agent has agreed to indemnify the Fund in the event of default by a third party borrower. Securities on loan outstanding at period end, if any, are listed in the Fund's Schedule of Investments.

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 DynaTech 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, 2025, 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). The Fund's federal and state income and federal excise tax returns for the prior three fiscal years are subject to examination by the Internal Revenue Service and state departments of revenue.

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. 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.

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.

Franklin DynaTech VIP Fund (continued)

2. Shares of Beneficial Interest

At December 31, 2025, there were an unlimited number of shares authorized (without par value). Transactions in the Fund's shares were as follows:

	Year Ended December 31, 2025		Year Ended December 31, 2024	
	Shares	Amount	Shares	Amount
Class 2 Shares:				
Shares sold	6,242,885	\$36,016,399	3,531,381	\$17,710,587
Shares redeemed	(8,493,589)	(47,412,576)	(5,870,267)	(29,608,981)
Net increase (decrease)	(2,250,704)	\$(11,396,177)	(2,338,886)	\$(11,898,394)
Class 4 Shares:				
Shares sold	392,139	\$1,901,451	457,236	\$2,010,540
Shares redeemed	(1,438,632)	(7,354,588)	(1,661,255)	(7,293,711)
Net increase (decrease)	(1,046,493)	\$(5,453,137)	(1,204,019)	\$(5,283,171)

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:

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 based on the average daily net assets of the Fund as follows:

Annualized Fee Rate	Net Assets
0.630%	Up to and including \$100 million
0.500%	Over \$100 million, up to and including \$250 million
0.450%	Over \$250 million, up to and including \$7.5 billion
0.440%	Over \$7.5 billion, up to and including \$10 billion
0.430%	Over \$10 billion, up to and including \$12.5 billion
0.420%	Over \$12.5 billion, up to and including \$15 billion
0.400%	In excess of \$15 billion

For the year ended December 31, 2025, the gross effective investment management fee rate was 0.573% 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.

Franklin DynaTech VIP Fund (continued)

3. Transactions with Affiliates (continued)

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. 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 affiliated fund's outstanding shares or has the power to exercise control over management or policies of such fund. The Fund does not invest for purposes of 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, if applicable, paid directly or indirectly by each affiliate. During the year ended December 31, 2025, the Fund held investments in affiliated management investment companies 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	Investment Income
Franklin DynaTech VIP Fund								
Non-Controlled Affiliates								
								Dividends
Franklin Institutional U.S. Government Money Market Fund, 3.681%	\$114,911	\$40,341,999	\$(36,946,601)	\$—	\$—	\$3,510,309	3,510,309	\$70,823
Non-Controlled Affiliates								
								Income from securities loaned
Franklin Institutional U.S. Government Money Market Fund, 3.681%	\$436,190	\$14,492,613	\$(14,814,778)	\$—	\$—	\$114,025	114,025	\$18,525
Total Affiliated Securities . . .	\$551,101	\$54,834,612	\$(51,761,379)	\$—	\$—	\$3,624,334		\$89,348

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 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 0.71%, based on the average net assets of each class until April 30, 2026. Total expenses waived or paid are not subject to recapture subsequent to the Fund's fiscal year end.

Franklin DynaTech VIP Fund (continued)**4. Income Taxes**

For tax purposes, capital losses may be carried over to offset future capital gains. During the year ended December 31, 2025, the Fund utilized \$4,172,717 of capital loss carryforwards.

At December 31, 2025, the cost of investments, net unrealized appreciation (depreciation) and undistributed long term capital gains for income tax purposes were as follows:

Cost of investments	\$82,027,343
Unrealized appreciation	\$110,048,873
Unrealized depreciation	(1,246,657)
Net unrealized appreciation (depreciation)	\$108,802,216
Distributable earnings:	
Undistributed long term capital gains	14,710,865

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 net operating losses.

5. Investment Transactions

Purchases and sales of investments (excluding short term securities) for the year ended December 31, 2025, aggregated \$64,936,467 and \$86,138,462, respectively.

At December 31, 2025, in connection with securities lending transactions, the Fund loaned equity investments and received \$114,025 of cash collateral. The gross amount of recognized liability for such transactions is included in payable upon return of securities loaned in the Statement of Assets and Liabilities. The agreements can be terminated at any time.

6. Concentration of Risk

Certain investments in Chinese companies are made through a special structure known as a VIE. In a VIE structure, foreign investors, such as the Fund, will only own stock in a shell company rather than directly in the VIE, which must be owned by Chinese nationals (and/or Chinese companies) to obtain the licenses and/or assets required to operate in a restricted or prohibited sector in China. The value of the shell company is derived from its ability to consolidate the VIE into its financials pursuant to contractual arrangements that allow the shell company to exert a degree of control over, and obtain economic benefits arising from, the VIE without formal legal ownership. While VIEs are a longstanding industry practice and are well known by Chinese officials and regulators, the structure historically has not been formally recognized under Chinese law and it is uncertain whether Chinese officials or regulators will withdraw their implicit acceptance of the structure. It is also uncertain whether the contractual arrangements, which may be subject to conflicts of interest between the legal owners of the VIE and foreign investors, would be enforced by Chinese courts or arbitration bodies. Prohibitions of these structures by the Chinese government, or the inability to enforce such contracts, from which the shell company derives its value, would likely cause the VIE-structured holding(s) to suffer significant, detrimental, and possibly permanent losses, and in turn, adversely affect the Fund's returns and net asset value.

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 \$2.995 billion (Global Credit Facility) which matured on January 30, 2026. This Global Credit Facility provides a source of funds to the Borrowers for temporary

Franklin DynaTech VIP Fund (continued)

7. Credit Facility (continued)

and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests. Effective January 30, 2026, the Borrowers renewed the Global Credit Facility for a one-year term, maturing January 29, 2027, 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, 2025, 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)

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, 2025, in valuing the Fund's assets carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
Franklin DynaTech VIP Fund				
Assets:				
Investments in Securities: ^a				
Common Stocks:				
Aerospace & Defense	\$5,324,353	\$—	\$—	\$5,324,353
Automobiles	5,239,238	—	—	5,239,238
Biotechnology	6,995,678	1,267,846	—	8,263,524
Broadline Retail	17,953,345	—	—	17,953,345
Capital Markets	1,910,481	—	—	1,910,481
Communications Equipment	1,443,295	—	—	1,443,295
Construction & Engineering	807,611	—	—	807,611
Consumer Finance	58,320	—	—	58,320
Electrical Equipment	1,494,770	—	—	1,494,770
Electronic Equipment, Instruments & Components	5,839,414	—	—	5,839,414
Energy Equipment & Services	441,469	—	—	441,469
Entertainment	4,646,312	—	—	4,646,312
Financial Services	6,738,704	—	—	6,738,704
Ground Transportation	680,317	—	—	680,317
Health Care Equipment & Supplies	2,955,467	—	—	2,955,467
Health Care Providers & Services	1,815,814	—	—	1,815,814
Health Care Technology	314,083	491,992	—	806,075
Hotels, Restaurants & Leisure	3,717,795	—	—	3,717,795
Interactive Media & Services	22,633,545	53,260	—	22,686,805

Franklin DynaTech VIP Fund (continued)

8. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
Franklin DynaTech VIP Fund (continued)				
Assets: (continued)				
Investments in Securities: ^a (continued)				
Common Stocks: (continued)				
IT Services	\$9,520,760	\$—	\$—	\$9,520,760
Life Sciences Tools & Services	677,182	124,463	—	801,645
Machinery	154,938	—	—	154,938
Pharmaceuticals	3,338,193	—	—	3,338,193
Semiconductors & Semiconductor Equipment	46,119,083	—	—	46,119,083
Software	26,229,136	—	—	26,229,136
Specialty Retail	976,554	—	—	976,554
Technology Hardware, Storage & Peripherals	7,241,807	—	—	7,241,807
Warrants	—	—	— ^b	—
Short Term Investments	3,624,334	—	—	3,624,334
Total Investments in Securities	\$188,891,998	\$1,937,561 ^c	\$—	\$190,829,559

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

^bIncludes financial instruments determined to have no value.

^cIncludes foreign securities valued at \$1,937,561, which were categorized as Level 2 as a result of the application of market level fair value procedures. See the Financial Instrument Valuation note for more information.

A reconciliation of assets in which Level 3 inputs are used in determining fair value is presented when there are significant Level 3 assets and/or liabilities at the beginning and/or end of the year.

9. Operating Segments

The Fund operates as a single operating segment, which is an investment portfolio. The portfolio managers assigned to the Fund within the Fund's Investment manager serve as the Chief Operating Decision Maker ("CODM") and are responsible for evaluating the Fund's operating results and allocating resources in accordance with the Fund's investment strategy. 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.

Abbreviations

Selected Portfolio

ADR American Depositary Receipt

Report of Independent Registered Public Accounting Firm

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

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Franklin DynaTech VIP Fund (one of the funds constituting Franklin Templeton Variable Insurance Products Trust, referred to hereafter as the "Fund") as of December 31, 2025, the related statement of operations for the year ended December 31, 2025, the statements of changes in net assets for each of the two years in the period ended December 31, 2025, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2025 (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, 2025, 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, 2025 and the financial highlights for each of the five years in the period ended December 31, 2025 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, 2025 by correspondence with the custodian, transfer agent and broker. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP
San Francisco, California
February 19, 2026

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 DynaTech 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 amount, or if subsequently determined to be different, the maximum allowable amount, for the fiscal year ended December 31, 2025:

	Pursuant to:	Amount Reported
Income Eligible for Dividends Received Deduction (DRD)	§854(b)(1)(A)	\$435,077

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. Remuneration to officers is paid by the Fund's investment manager according to the terms of the agreement.

Board Approval of Management and Subadvisory Agreements

For the period covered by this report

Not applicable.

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