

# Franklin Allocation VIP Fund



Class 4

Annual Shareholder Report | December 31, 2025

This annual shareholder report contains important information about Franklin Allocation VIP Fund for the period January 1, 2025, to December 31, 2025.

You can find additional information about the Fund at <https://www.franklintempleton.com/regulatory-fund-documents>. You can also request this information by contacting us at (800) 362-6243.

***This report describes changes to the Fund that occurred during the reporting period.***

## WHAT WERE THE FUND COSTS FOR THE LAST YEAR? (based on a hypothetical \$10,000 investment)

Class Name	Costs of a \$10,000 investment	Costs paid as a percentage of a \$10,000 investment*
Class 4 <sup>1</sup>	\$97	0.91%

\* Reflects fee waivers and/or expense reimbursements, without which expenses would have been higher.

<sup>1</sup> Does not reflect expenses incurred from investing through variable annuity or variable life insurance products.

## HOW DID THE FUND PERFORM LAST YEAR AND WHAT AFFECTED ITS PERFORMANCE?

For the twelve months ended December 31, 2025, Class 4 shares of Franklin Allocation VIP Fund returned 12.53%. The Fund compares its performance to the S&P 500 Index, Bloomberg U.S. Aggregate Index, MSCI World ex-U.S. Index-NR and the Linked Allocation VIP Fund Benchmark<sup>†</sup>, which returned 17.88%, 7.30%, 31.85% and 16.33%, respectively, for the same period.

### PERFORMANCE HIGHLIGHTS

#### Top contributors to performance:

- ↑ A modest underweight allocation to fixed income boosted relative returns.
- ↑ Global bonds supported relative results. Many central banks outside the U.S. had more pronounced monetary easing.
- ↑ Investment-grade bonds contributed to relative results, driven by high yields and tight spreads.

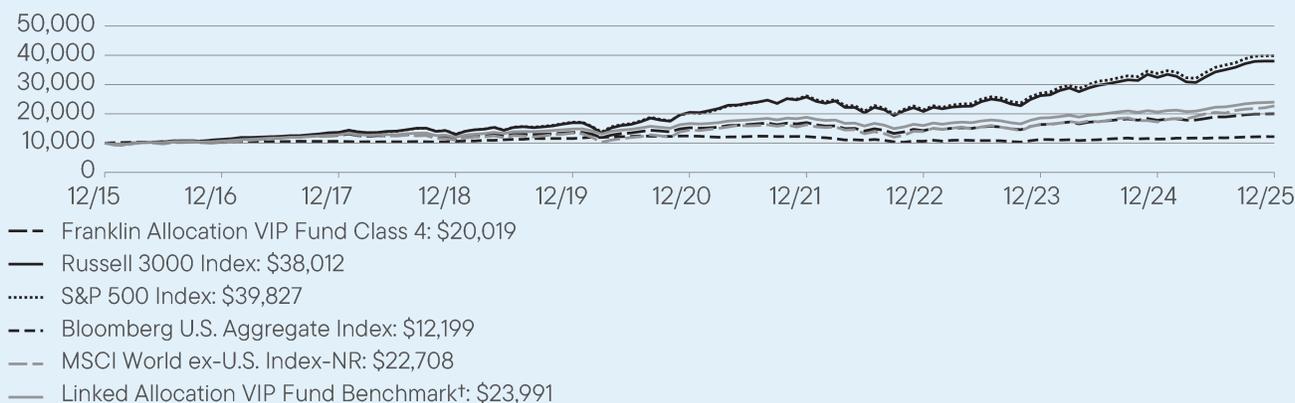
#### Top detractors from performance:

- ↓ Fund selection in equity detracted, although all but one underlying stock fund delivered double-digit gains.
- ↓ A modest underweight allocation to international stocks and U.S. equity overweight curbed relative returns.
- ↓ Exposure to U.S. Treasuries detracted from relative results, although all underlying bond funds posted gains.

## HOW DID THE FUND PERFORM OVER THE LAST 10 YEARS?

The Fund's past performance is not necessarily an indication of how the Fund will perform in the future. The graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares.

### VALUE OF A \$10,000 INVESTMENT – CLASS 4 12/31/2015 – 12/31/2025



### AVERAGE ANNUAL TOTAL RETURNS (%) Period Ended December 31, 2025

	1 Year	5 Year	10 Year
<b>Class 4</b>	12.53	5.59	7.19
<b>Russell 3000 Index</b>	17.15	13.15	14.28
<b>S&amp;P 500 Index</b>	17.88	14.43	14.82
<b>Bloomberg U.S. Aggregate Index</b>	7.30	-0.36	2.01
<b>MSCI World ex-U.S. Index-NR</b>	31.85	9.47	8.55
<b>Linked Allocation VIP Fund Benchmark†</b>	16.33	7.54	9.14

† The Linked Allocation VIP Fund Index is comprised of 50% S&P 500 Index, 33.33% MSCI World ex-US Index- NR, and 16.67% Bloomberg U.S. Aggregate Index from the Fund's inception through April 30, 2019, followed by the performance of a blended index comprised of 40% S&P 500 Index, 40% Bloomberg U.S. Aggregate Index and 20% MSCI World ex-US Index-NR thereafter.

Performance does not reflect expenses incurred from investing through variable annuity or variable life insurance products, which if reflected, would reduce performance of the Fund.

Fund performance figures may reflect fee waivers and/or expense reimbursements, without which the performance would have been lower.

Effective May 1, 2019, the Fund adopted its current investment strategy.

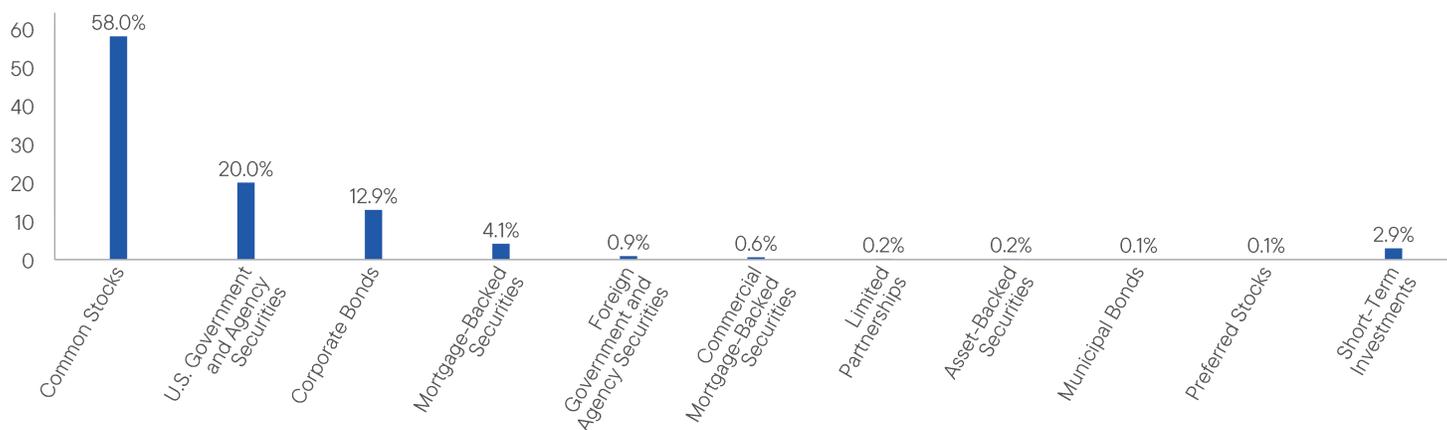
Important data provider notices and terms available at [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com).

### KEY FUND STATISTICS (as of December 31, 2025)

<b>Total Net Assets</b>	\$551,910,843
<b>Total Number of Portfolio Holdings (excludes derivatives, except purchased options, if any)</b>	1,058
<b>Total Management Fee Paid</b>	\$2,760,263
<b>Portfolio Turnover Rate</b>	41.77%

## WHAT DID THE FUND INVEST IN? (as of December 31, 2025)

### Portfolio Composition\* (% of Total Investments)



\* Does not include derivatives, except purchased options, if any.

### HOW HAS THE FUND CHANGED?

Effective May 1, 2025, the Fund's principal investment strategies were revised to reflect that its equity and fixed income investments typically will not vary by more than 10% from the stated allocations and to replace the Western Asset Core Bond Strategy sleeve of the Fund with the Putnam Core Bond Strategy sleeve.

In addition, effective January 31, 2025, Berkeley Bellknap was added as a portfolio manager of the Fund and effective March 31, 2025, Wylie Tollette retired and stepped down as portfolio manager of the Fund.

This is a summary of certain changes to the Fund since January 1, 2025. For more complete information, you may review the Fund's current prospectus and any applicable supplements and the Fund's next prospectus, which we expect to be available by May 1, 2026, at <https://www.franklintempleton.com/regulatory-fund-documents> or upon request at (800) 362-6243 or [prospectus.us.franklintempleton@fisglobal.com](mailto:prospectus.us.franklintempleton@fisglobal.com).



### WHERE CAN I FIND ADDITIONAL INFORMATION ABOUT THE FUND?

Additional information is available on <https://www.franklintempleton.com/regulatory-fund-documents>, including its:

- prospectus
- proxy voting information
- financial information
- holdings
- tax information