

This annual shareholder report contains important information about Franklin Allocation VIP Fund for the period January 1, 2024, to December 31, 2024.

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.

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 ¹	\$95	0.91%

* Reflects fee waivers and/or expense reimbursements, without which expenses would have been higher.
¹ 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, 2024, Class 4 shares of Franklin Allocation VIP Fund returned 8.89%. The Fund compares its performance to the S&P 500 Index, the Bloomberg U.S. Aggregate Index, the MSCI World ex-U.S. Index-NR and the Linked Allocation VIP Fund Benchmark[†] which returned 25.02%, 1.25%, 4.70% and 11.09%, respectively, for the same period.

PERFORMANCE HIGHLIGHTS

Top contributors to performance:

- ↑ Franklin U.S. Core Equity Strategy helped offset underperformance in the U.S. equity sleeve. The strategy benefited from its growth bias, driven in part by high exposure to the momentum and quality factors, which performed well, helping the strategy beat the S&P 500 Index.
- ↑ Cross-asset allocation contributed on a relative basis, driven by the portfolio's overweight exposure to equities, which outperformed fixed income during the period. An overweight allocation to U.S. stocks also added value, as the U.S. market broadly outperformed other developed markets.

Top detractors from performance:

- ↓ Selection in the U.S. equity sleeve was a key driver of relative underperformance, driven in part by the ClearBridge Large Cap Growth Strategy, which trailed its growth benchmark as the "Magnificent Seven" stocks—many of which are underweight in the strategy relative to the index—led markets higher.
- ↓ Templeton Foreign Strategy, the only equity strategy to post a negative return, weighed on relative results due to stock selection within the strategy.
- ↓ Within fixed income, the Brandywine Global Opportunity Bond Fund posted the weakest absolute return of all holdings. The U.S. dollar's strength was a headwind, as currency and interest rates exposure weighed on returns.

Use of derivatives and the impact on performance:

The Fund utilized future contracts, predominately for the S&P 500 Index and 10-year U.S. Treasury bonds, to implement tactical views regarding equity vs. fixed income markets. The sleeve was a substantial contributor during the period, given a relative overweight to equities.

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 12/31/2014 – 12/31/2024



AVERAGE ANNUAL TOTAL RETURNS (%) Period Ended December 31, 2024

	1 Year	5 Year	10 Year
Class 4	8.89	5.45	5.25
Russell 3000 Index	23.81	13.86	12.54
S&P 500 Index	25.02	14.52	13.10
Bloomberg U.S. Aggregate Index	1.25	-0.33	1.35
MSCI World ex-U.S. Index-NR	4.70	5.10	5.26
Linked Allocation VIP Fund Benchmark†	11.09	6.84	7.59

† 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.

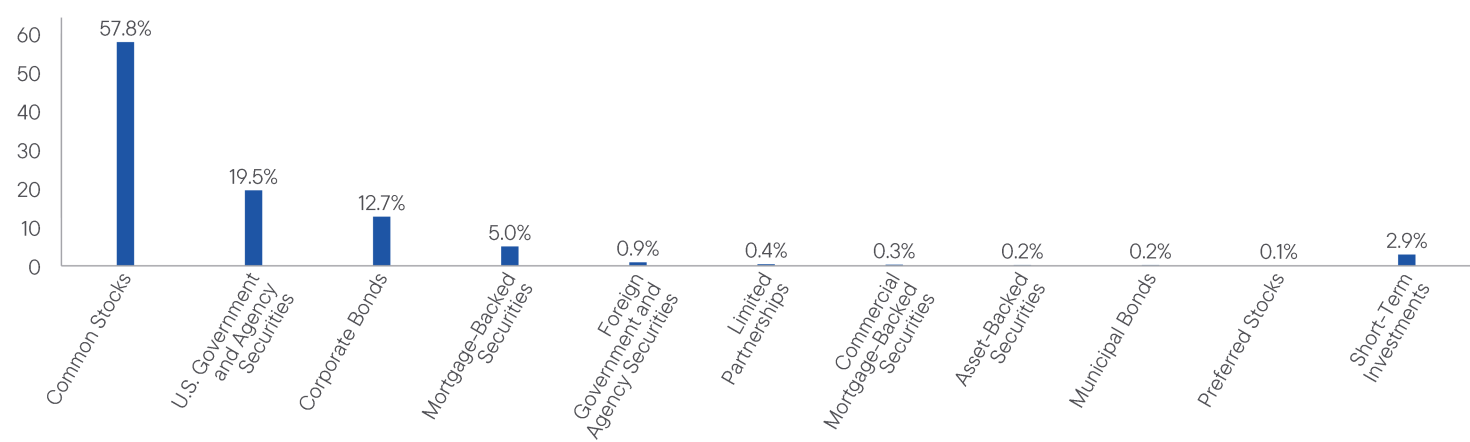
KEY FUND STATISTICS (as of December 31, 2024)

Total Net Assets	\$552,882,562
Total Number of Portfolio Holdings*	1,089
Total Management Fee Paid	\$3,013,238
Portfolio Turnover Rate	53.38%

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

WHAT DID THE FUND INVEST IN? (as of December 31, 2024)

Portfolio Composition* (% of Total Investments)



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



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