

This annual shareholder report contains important information about Franklin DynaTech 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 2 ¹	\$100	0.87%

* 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 2 shares of Franklin DynaTech VIP Fund returned 30.44%. The Fund compares its performance to the Russell 1000 Growth Index and the S&P 500 Index, which returned 33.36% and 25.02%, respectively, for the same period.

PERFORMANCE HIGHLIGHTS

Top contributors to performance:

- ↑ Stock selection and an underweight in the industrials sector due to a position in Axon Enterprise. The company, which provides technology products for law enforcement agencies, has benefited from robust growth in its artificial intelligence (AI) and cloud services businesses.
- ↑ NVIDIA, a graphics, compute and networking solutions provider and generative AI leader within the IT sector, was a top contributor on an individual basis to both absolute and relative returns. The company's semiconductor chips are supplying a massive wave of computer and data center upgrades and have made advanced AI possible.
- ↑ Microsoft, a software and technology company within the software industry, as the company continued to innovate and expand its products, particularly in cloud computing and AI. The growth of Azure, its cloud platform, and the integration of AI into various products contributed to the software giant's growth.

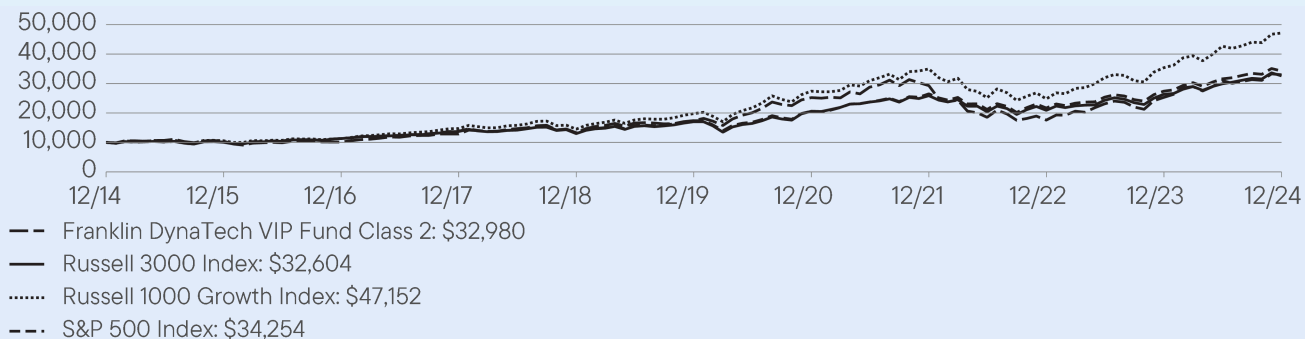
Top detractors from performance:

- ↓ Stock selection hindered relative returns in the IT sector. Shares of Dutch chip equipment supplier ASML Holding came under pressure following company comments about a weakening demand in China, which historically has been a large part of its business. ASML is the sole manufacturer of extreme ultraviolet lithography machines that are essential in creating advanced chips for AI.
- ↓ MongoDB, a distributed document-database developer within the IT services industry, struggled over the period. The company lowered its full-year revenue forecast saying that economic conditions were hurting its ability to sign up new customers and get existing ones to expand purchases.
- ↓ Tesla, an electric car manufacturer within the consumer discretionary sector, as an underweight to the benchmark limited our exposure to the stock's rally following the presidential election victory for Donald Trump as many investors believe the company stands to benefit from a new economic and regulatory framework.

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 2 12/31/2014 – 12/31/2024



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

	1 Year	5 Year	10 Year
Class 2	30.44	13.64	12.67
Russell 3000 Index	23.81	13.86	12.54
Russell 1000 Growth Index	33.36	18.95	16.77
S&P 500 Index	25.02	14.52	13.10

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, 2021, the Fund adopted its current investment strategy.

Important data provider notices and terms available at www.franklintempletondatasources.com.

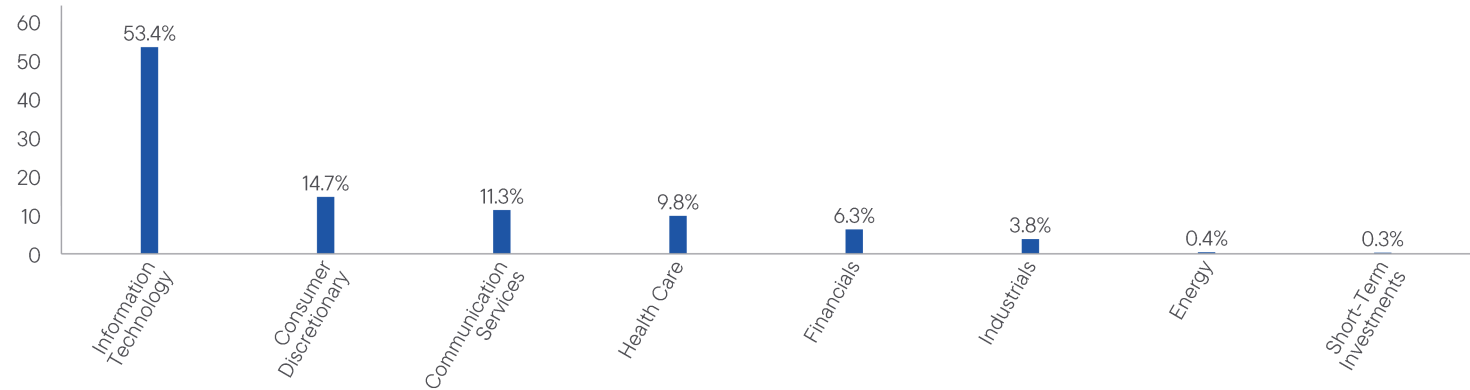
KEY FUND STATISTICS (as of December 31, 2024)

Total Net Assets	\$179,025,940
Total Number of Portfolio Holdings*	130
Total Management Fee Paid	\$980,399
Portfolio Turnover Rate	21.64%

* 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