

ANNUAL REPORT

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST

December 31, 2022



FRANKLIN
TEMPLETON

Franklin Templeton Variable Insurance Products Trust Annual Report

Table of Contents

Important Notes to Performance Information	i
Fund Summaries	
Franklin Strategic Income VIP Fund	FSI-1
*Prospectus Supplement	FSI-7
Index Descriptions	I-1
Board Members and Officers	BOD-1
Shareholder Information	SI-1

*Not part of the annual report. Retain for your records.

Not FDIC Insured	May Lose Value	No Bank Guarantee
-------------------------	-----------------------	--------------------------

Important Notes to Performance Information

Performance data is historical and cannot predict or guarantee future results. Principal value and investment return will fluctuate with market conditions, and you may have a gain or loss when you withdraw your money. Inception dates of the funds may have preceded the effective dates of the subaccounts, contracts or their availability in all states.

When reviewing the index comparisons, please keep in mind that indexes have a number of inherent performance differentials over the funds. First, unlike the funds, which must hold a minimum amount of cash to maintain liquidity, indexes do not have a cash component. Second, the funds are actively managed and, thus, are subject to management fees to cover salaries of securities analysts or portfolio managers in addition to other expenses. Indexes are unmanaged and do not include any commissions or other expenses typically associated with investing in securities. Third, indexes often contain a different mix of securities than the fund to which they are compared. Additionally, please remember that indexes are simply a measure of performance and cannot be invested in directly.

Franklin Strategic Income VIP Fund

This annual report for Franklin Strategic Income VIP Fund covers the fiscal year ended December 31, 2022.

Class 1 Performance Summary as of December 31, 2022

Average annual total return of Class 1 shares* represents the average annual change in value, assuming reinvestment of dividends and capital gains. Average returns smooth out variations in returns, which can be significant; they are not the same as year-by-year results.

Share Class	Average Annual Total Return
1	
1-Year	-10.46%
5-Year	+0.21%
10-Year	+1.56%

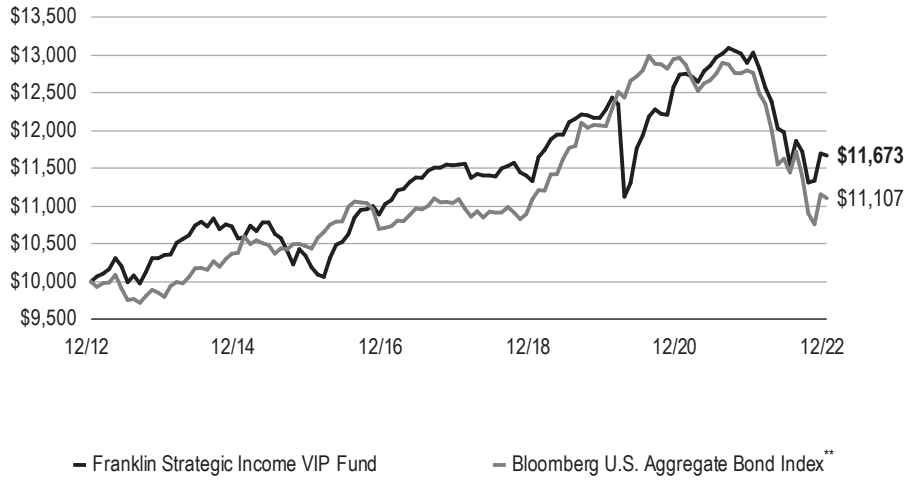
*Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to 4/30/23 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice.

*Performance reflects the Fund's Class 1 operating expenses, but does **not** include any contract fees, expenses or sales charges. If they had been included, performance would be lower. These charges and deductions, particularly for variable life policies, can have a significant effect on contract values and insurance benefits. See the contract prospectus for a complete description of these expenses, including sales charges.*

Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown.

Total Return Index Comparison for a Hypothetical \$10,000 Investment (12/31/12–12/31/22)

The graph below shows the change in value of a hypothetical \$10,000 investment in the Fund over the indicated period and includes reinvestment of any income or distributions. The Fund's performance* is compared to the performance of the Bloomberg U.S. Aggregate Bond Index. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio. **Please see Important Notes to Performance Information preceding the Fund Summaries.**



**Source: FactSet. Please see Index Descriptions following the Fund Summaries.

Franklin Strategic Income VIP Fund

Fund Goal and Main Investments

The Fund seeks a high level of current income, with capital appreciation over the long term as a secondary goal. Under normal market conditions, the Fund invests primarily to predominantly in U.S. and foreign debt securities, including those in emerging markets.

Fund Risks

All investments involve risks, including possible loss of principal. Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance. Bond prices generally move in the opposite direction of interest rates. Thus, as prices of bonds in the Fund adjust to a rise in interest rates, the Fund's share price may decline. Changes in the financial strength of a bond issuer or in a bond's credit rating may affect its value. High yields reflect the higher credit risks associated with certain lower rated securities held in the portfolio. Floating-rate loans and high yield corporate bonds are rated below investment grade and are subject to greater risk of default, which could result in loss of principal, a risk that may be heightened in a slowing economy. The risks of foreign securities include currency fluctuations and political uncertainty. Investments in developing markets involve heightened risks related to the same factors, in addition to those associated with their relatively small size and lesser liquidity. Investing in derivative securities and the use of foreign currency techniques involve special risks and as such may not achieve the anticipated benefits and/or may result in losses to the Fund. The Fund is actively managed but there is no guarantee that the manager's investment decisions will produce the desired results. The manager's portfolio selection strategy is not solely based on ESG considerations, and therefore the issuers in which the Fund invests may not be considered ESG-focused companies. Integrating ESG considerations into the investment process is not a guarantee that better performance will be achieved. The Fund's prospectus also includes a description of the main investment risks.

Russia's military invasion of Ukraine in February 2022, the resulting responses by the United States and other countries, and the potential for wider conflict could increase volatility and uncertainty in the financial markets and adversely affect regional and global economies. The United States and other countries have imposed broad-ranging economic sanctions on Russia and certain Russian

individuals, banking entities and corporations as a response to its invasion of Ukraine. The United States and other countries have also imposed economic sanctions on Belarus and may impose sanctions on other countries that support Russia's military invasion. These sanctions, as well as any other economic consequences related to the invasion, such as additional sanctions, boycotts or changes in consumer or purchaser preferences or cyberattacks on governments, companies or individuals, may further decrease the value and liquidity of certain Russian securities and securities of issuers in other countries that are subject to economic sanctions related to the invasion.

Performance Overview

You can find the Fund's one-year total return in the Performance Summary. For comparison, the Fund's benchmark, the Bloomberg U.S. Aggregate Bond Index, posted a -13.01% total return for the period under review.¹

Portfolio Composition

12/31/22

	% of Total Net Assets
Corporate Bonds	42.8%
U.S. Government and Agency Securities	20.1%
Mortgage-Backed Securities	6.3%
Management Investment Companies	6.2%
Asset-Backed Securities	5.3%
Residential Mortgage-Backed Securities	4.7%
Foreign Government and Agency Securities	4.1%
Marketplace Loans	2.3%
Other	1.0%
Short-Term Investments & Other Net Assets	7.2%

Economic and Market Overview

The U.S. bond market, as measured by the Bloomberg U.S. Aggregate Bond Index, posted a -13.01% total return for the 12 months ended December 31, 2022.¹ High inflation amid a strong labor market led to significantly tighter monetary policy, reducing the value of most bonds. Geopolitical instability disrupted financial markets following Russia's invasion of Ukraine, adding to the uncertainty surrounding the course of the global economy. While interest rates increased along the entire yield curve (yields for all Treasury maturities), relatively large increases in shorter-term interest rates led the yield curve to invert during the reporting period

1. Source: Morningstar.

One cannot invest directly in an index, and an index is not representative of the Fund's portfolio. Please see Index Descriptions following the Fund Summaries.

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Summary Schedule of Investments (SOI).

as investors became increasingly concerned about the economic outlook.

In an effort to control inflation, the U.S. Federal Reserve (Fed) raised the federal funds target rate seven times, beginning in March 2022. By the end of the period the federal funds target rate stood at a range of 4.25%–4.50%, a full 425 basis points higher than the beginning of the year. The Fed noted in its December 2022 meeting that inflation remained elevated amid robust job growth and low unemployment. In order to achieve its goal of 2% long-run inflation, the Fed stated it anticipates making additional increases to the federal funds target rate. Furthermore, the Fed indicated it would continue to reduce its U.S. Treasury (UST) and agency debt and mortgage-backed security holdings.

UST bonds, as measured by the Bloomberg U.S. Treasury Index, posted a -12.46% total return for the 12-month period.¹ The 10-year UST yield (which moves inversely to price) increased sharply amid high inflation and the Fed's tightening monetary stance. Mortgage-backed securities (MBS), as measured by the Bloomberg U.S. MBS Index, posted a -11.81% total return for the period as mortgage rates rose to the highest level in over two decades and modest prepayment rates led to increasing interest-rate sensitivity.¹

Corporate bond prices also declined, constrained by inflation, rising interest rates and concerns about the impact of elevated interest rates on corporate borrowing costs and the wider economy. Corporate yield spreads, a measure of the difference in yields between corporate bonds and similarly-dated USTs, rose, reflecting investors' increased risk-aversion preferences. In this environment, high-yield corporate bonds, as represented by the Bloomberg U.S. Corporate High Yield Index, posted a -11.19% total return, while investment-grade corporate bonds, as represented by the Bloomberg U.S. Corporate Investment Grade Index, posted a -15.76% total return.¹

Investment Strategy

We allocate our investments among the various types of debt available based on our assessment of changing economic, global market, industry and issuer conditions. We use a top-down analysis of macroeconomic trends, combined with a bottom-up fundamental analysis of market sectors, industries and issuers, seeking to take advantage of varying sector reactions to economic events. For example, we may evaluate business cycles, yield curves, country risk, and the relative interest rates among currencies, and values between and within markets. In selecting debt securities, we

generally conduct our own analysis of the security's intrinsic value rather than simply relying on the coupon rate or rating. We may also enter into various transactions involving certain currency-, interest rate- or credit-related derivative instruments.

Manager's Discussion

The Fund allocated assets across the broad fixed income markets, seeking the best relative value opportunities for income and capital appreciation.

The portfolio's largest allocation remained in high-yield corporate credit, but we significantly decreased exposure over the period, while increasing the allocation to U.S. Treasuries (UST), investment-grade (IG) corporate credit and agency mortgage-backed securities (MBS). This reflected our view that as we got closer to the peak of the cycle, shorter-term IG bonds and USTs stood to benefit first. We favored moving up in credit quality and shortening duration for the corporate credit sectors. We also decreased exposure to senior secured floating-rate loans.

We reduced the allocation to non-agency residential mortgage-backed securities on strong sector performance for the year. The portfolio held a small allocation to sovereign emerging market securities (sovereign EM), but meaningfully reduced the allocation, finishing the year at the low-end of the Fund's recent historical exposure to the sector. The Fund's foreign currency investments remained low at year-end with exposure consisting of one long Dominican peso-denominated bond (maturing in early 2023) and short euro positions.

For the year, historically high volatility across the spectrum of risk assets drove negative absolute returns for almost every sector of fixed income. The Fund's large allocation to credit, especially high-yield corporates and loans, as well as negative selection in sovereign EM hurt relative performance for the year. In contrast, the Fund benefited from our decision to shorten duration ahead of the Fed's historic increase in short-term rates. Finally, we benefited from an underweight allocation to IG corporates and MBS, a sector that posted historically high volatility and the worst returns in the index's 47-year history.

The Fund utilized derivatives, including credit default swaps, currency forwards and government bond futures, primarily as a tool for efficient portfolio management and to manage overall portfolio risk. These derivative transactions may provide the same, or similar, net long or short exposure to select currencies, interest rates, countries, duration or credit risks compared to holding securities.

Thank you for your participation in Franklin Strategic Income VIP Fund. We look forward to serving your future investment needs.

The foregoing information reflects our analysis, opinions and portfolio holdings as of December 31, 2022, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

Class 1 Fund Expenses

As an investor in a variable insurance contract (Contract) that indirectly provides for investment in an underlying mutual fund, you can incur transaction and/or ongoing expenses at both the Fund level and the Contract Level: (1) transaction expenses can include sales charges (loads) on purchases, surrender fees, transfer fees and premium taxes; and (2) ongoing expenses can include management fees, distribution and service (12b-1) fees, contract fees, annual maintenance fees, mortality and expense risk fees and other fees and expenses. All mutual funds and Contracts have some types of ongoing expenses. The table below shows Fund-level ongoing expenses and can help you understand these costs and compare them with those of other mutual funds offered through the Contract. The table assumes a \$1,000 investment held for the six months indicated. Please refer to the Fund prospectus for additional information on operating expenses.

Actual Fund Expenses

The table below provides information about the actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of ongoing Fund expenses but does not include the effect of ongoing Contract expenses, is used to calculate the "Ending Account Value." You can estimate the Fund-level expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then $\$8,600 \div \$1,000 = 8.6$*). Then multiply the result by the number under the headings "Actual" and "Fund-Level Expenses Paid During Period" (*if Fund-Level Expenses Paid During Period were \$7.50, then $8.6 \times \$7.50 = \64.50*). In this illustration, the estimated expenses paid this period at the Fund level are \$64.50.

Hypothetical Example for Comparison with Other Mutual Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other mutual funds offered through the Contract. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds offered through the Contract.

Please note that expenses shown in the table are meant to highlight ongoing costs at the Fund level only and do not reflect any ongoing expenses at the Contract level, or transaction expenses at either the Fund or Contract levels. In addition, while the Fund does not have transaction expenses, if the transaction and ongoing expenses at the Contract level were included, the expenses shown below would be higher. You should consult your Contract prospectus or disclosure document for more information.

Share Class	Beginning Account Value 7/1/22	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 12/31/22	Fund-Level Expenses Paid During Period 7/1/22–12/31/22 ^{1,2}	Ending Account Value 12/31/22	Fund-Level Expenses Paid During Period 7/1/22–12/31/22 ^{1,2}	
1	\$1,000	\$1,011.10	\$3.37	\$1,021.86	\$3.39	0.66%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 184/365 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements. Does not include any ongoing expenses of the Contract for which the Fund is an investment option or acquired fund fees and expenses.

**SUPPLEMENT DATED DECEMBER 23, 2022
TO THE CURRENTLY EFFECTIVE PROSPECTUSES
OF EACH FUND LISTED BELOW**

**FRANKLIN ALLOCATION VIP FUND
FRANKLIN DYNATECH VIP FUND
FRANKLIN GLOBAL REAL ESTATE VIP FUND
FRANKLIN GROWTH AND INCOME VIP FUND
FRANKLIN INCOME VIP FUND
FRANKLIN LARGE CAP GROWTH VIP FUND
FRANKLIN RISING DIVIDENDS VIP FUND
FRANKLIN SMALL-MID CAP GROWTH VIP FUND
FRANKLIN STRATEGIC INCOME VIP FUND
FRANKLIN U.S. GOVERNMENT SECURITIES VIP FUND
FRANKLIN VOLSMART ALLOCATION VIP FUND
TEMPLETON DEVELOPING MARKETS VIP FUND
TEMPLETON FOREIGN VIP FUND
TEMPLETON GLOBAL BOND VIP FUND
TEMPLETON GROWTH VIP FUND**

(a series of Franklin Templeton Variable Insurance Products Trust)

I. For Franklin Allocation VIP Fund, Franklin Global Real Estate VIP Fund, Franklin Income VIP Fund, Franklin Strategic Income VIP Fund and Franklin VolSmart Allocation VIP Fund, the “ESG Considerations” risk in the “Fund Details – Principal Risks” section of the prospectus is replaced with the following:

ESG Considerations

ESG considerations are one of a number of factors that the investment manager examines when considering investments for the Fund’s portfolio. In light of this, the issuers in which the Fund invests may not be considered ESG-focused issuers and may have lower or adverse ESG assessments. Consideration of ESG factors may affect the Fund’s exposure to certain issuers or industries and may not work as intended. In addition, ESG considerations assessed as part of the Fund’s investment process may vary across types of eligible investments and issuers. The investment manager does not assess every investment for ESG factors and, when it does, not every ESG factor may be identified or evaluated. The investment manager’s assessment of an issuer’s ESG factors is subjective and will likely differ from that of investors, third party service providers (e.g., ratings providers) and other funds. As a result, securities selected by the investment manager may not reflect the beliefs and values of any particular investor. The investment manager also may be dependent on the availability of timely, complete and accurate ESG data reported by issuers and/or third-party research providers, the timeliness, completeness and accuracy of which is out of the investment manager’s control. ESG factors are often not uniformly measured or defined, which could impact the investment manager’s ability to assess an issuer. While the investment manager views ESG considerations as having the potential to contribute to the Fund’s long-term performance, there is no guarantee that such results will be achieved.

II. For Franklin Dynatech VIP Fund, Franklin Growth and Income VIP Fund, Franklin Large Cap Growth VIP Fund, Franklin Rising Dividends VIP Fund, Franklin Small-Mid Cap Growth VIP Fund, Templeton Developing Markets VIP Fund, Templeton Global Bond VIP Fund, Templeton Foreign VIP Fund and Templeton Growth VIP Fund, the “ESG Considerations” risk in the “Fund Details – Principal Risks” section of the prospectus is replaced with the following:

ESG Considerations

ESG considerations are one of a number of factors that the investment manager examines when considering investments for the Fund’s portfolio. In light of this, the issuers in which the Fund invests may not be considered ESG-focused issuers and may have lower or adverse ESG assessments. Consideration of ESG factors may affect the Fund’s exposure to certain issuers or industries and may not work as intended. In addition, ESG considerations

assessed as part of the Fund's investment process may vary across types of eligible investments and issuers. In certain circumstances, there may be times when not every investment is assessed for ESG factors and, when they are, not every ESG factor may be identified or evaluated. The investment manager's assessment of an issuer's ESG factors is subjective and will likely differ from that of investors, third party service providers (e.g., ratings providers) and other funds. As a result, securities selected by the investment manager may not reflect the beliefs and values of any particular investor. The investment manager also may be dependent on the availability of timely, complete and accurate ESG data reported by issuers and/or third-party research providers, the timeliness, completeness and accuracy of which is out of the investment manager's control. ESG factors are often not uniformly measured or defined, which could impact the investment manager's ability to assess an issuer. While the investment manager views ESG considerations as having the potential to contribute to the Fund's long-term performance, there is no guarantee that such results will be achieved.

III. For Franklin U.S. Government Securities VIP Fund, the "ESG Considerations" risk in the "Fund Details – Principal Risks" section of the prospectus is replaced with the following:

Social and Governance Considerations

Social and/or governance considerations are not the only factors considered by the investment manager and may not be a determinative factor in the investment manager's selection of securities for the Fund. In addition, the investment manager may not be able to give such considerations meaningful weight if the availability of appropriate securities for the Fund's portfolio is limited. The investment manager does not assess every investment for ESG factors and, when it does, not every ESG factor may be identified or evaluated. The investment manager's assessment of certain investments may differ from that of investors, third party service providers, such as ratings providers, or other funds. While the investment manager views social and governance considerations as having the potential to contribute to the Fund's performance, there is no guarantee that such results will be achieved.

Please keep this supplement with your prospectus for future reference.

Financial Highlights

Franklin Strategic Income VIP Fund

	Year Ended December 31,				
	2022	2021*	2020 ^a	2019 ^a	2018 ^a
Class 1					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$10.64	\$10.76	\$10.93	\$10.65	\$11.15
Income from investment operations ^b :					
Net investment income ^c	0.37	0.33	0.36	0.45	0.47
Net realized and unrealized gains (losses)	(1.49)	(0.08)	0.01	0.43	(0.65)
Total from investment operations	(1.12)	0.25	0.37	0.88	(0.18)
Less distributions from:					
Net investment income and net foreign currency gains	(0.43)	(0.37)	(0.54)	(0.60)	(0.32)
Net asset value, end of year	\$9.09	\$10.64	\$10.76	\$10.93	\$10.65
Total return ^d	(10.46)%	2.28%	3.75%	8.41%	(1.65)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.77%	0.78%	0.75%	0.71%	0.67%
Expenses net of waiver and payments by affiliates ^e	0.70%	0.74%	0.73%	0.68%	0.63%
Net investment income	3.84%	3.11%	3.46%	4.09%	4.28%
Supplemental data					
Net assets, end of year (000's)	\$189,767	\$248,352	\$261,409	\$285,437	\$302,610
Portfolio turnover rate	63.64%	58.28% ^f	114.19%	114.89% ^f	107.90% ^f
Portfolio turnover rate excluding mortgage dollar rolls ^g	63.64%	43.00% ^f	73.45%	72.45% ^f	40.38% ^f

^aIncludes the consolidated operations of FT Holdings Corporation III from January 1, 2021 through April 27, 2021.

^bIncludes the consolidated operations of FT Holdings Corporation III.

^cThe 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.

^dBased on average daily shares outstanding.

^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.

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

^gExcludes the value of portfolio activity as a result of in-kind transactions.

^hSee Note 1(e) regarding mortgage dollar rolls.

Franklin Strategic Income VIP Fund (continued)

	Year Ended December 31,				
	2022	2021*	2020 ^a	2019 ^a	2018 ^a
Class 2					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$10.23	\$10.36	\$10.55	\$10.28	\$10.76
Income from investment operations ^b :					
Net investment income ^c	0.33	0.29	0.33	0.40	0.42
Net realized and unrealized gains (losses)	(1.43)	(0.07)	— ^d	0.42	(0.61)
Total from investment operations	(1.10)	0.22	0.33	0.82	(0.19)
Less distributions from:					
Net investment income and net foreign currency gains	(0.40)	(0.35)	(0.52)	(0.55)	(0.29)
Net asset value, end of year	\$8.73	\$10.23	\$10.36	\$10.55	\$10.28
Total return ^e	(10.75)%	2.11%	3.43%	8.05%	(1.77)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.02%	1.03%	1.01%	0.96%	0.92%
Expenses net of waiver and payments by affiliates ^f	0.95%	0.99%	0.99%	0.93%	0.88%
Net investment income	3.59%	2.86%	3.23%	3.84%	4.03%
Supplemental data					
Net assets, end of year (000's)	\$73,617	\$89,733	\$100,758	\$94,928	\$89,264
Portfolio turnover rate	63.64%	58.28% ^g	114.19%	114.89% ^g	107.90% ^g
Portfolio turnover rate excluding mortgage dollar rolls ^h	63.64%	43.00% ^g	73.45%	72.45% ^g	40.38% ^g

^aIncludes the consolidated operations of FT Holdings Corporation III from January 1, 2021 through April 27, 2021.

^bIncludes the consolidated operations of FT Holdings Corporation III.

^cThe 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.

^dBased on average daily shares outstanding.

^eAmount rounds to less than \$0.01 per share.

^fTotal 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.

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

^hExcludes the value of portfolio activity as a result of in-kind transactions.

ⁱSee Note 1(e) regarding mortgage dollar rolls.

Franklin Strategic Income VIP Fund (continued)

	Year Ended December 31,				
	2022	2021 [*]	2020 ^a	2019 ^a	2018 ^a
Class 4					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$10.54	\$10.66	\$10.83	\$10.56	\$11.04
Income from investment operations ^b :					
Net investment income ^c	0.33	0.29	0.32	0.41	0.43
Net realized and unrealized gains (losses)	(1.47)	(0.07)	0.01	0.42	(0.64)
Total from investment operations	(1.14)	0.22	0.33	0.83	(0.21)
Less distributions from:					
Net investment income and net foreign currency gains	(0.39)	(0.34)	(0.50)	(0.56)	(0.27)
Net asset value, end of year	\$9.01	\$10.54	\$10.66	\$10.83	\$10.56
Total return ^d	(10.84)%	2.06%	3.34%	7.93%	(1.88)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.12%	1.13%	1.10%	1.06%	1.02%
Expenses net of waiver and payments by affiliates ^e	1.05%	1.09%	1.09%	1.03%	0.98%
Net investment income	3.48%	2.76%	3.12%	3.74%	3.93%
Supplemental data					
Net assets, end of year (000's)	\$37,419	\$50,381	\$51,709	\$54,485	\$60,763
Portfolio turnover rate	63.64%	58.28% ^f	114.19%	114.89% ^f	107.90% ^f
Portfolio turnover rate excluding mortgage dollar rolls ^g	63.64%	43.00% ^f	73.45%	72.45% ^f	40.38% ^f

[†]Includes the consolidated operations of FT Holdings Corporation III from January 1, 2021 through April 27, 2021.

[‡]Includes the consolidated operations of FT Holdings Corporation III.

[§]The 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.

^{||}Based on average daily shares outstanding.

[¶]Total 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.

[⌘]Benefit of expense reduction rounds to less than 0.01%.

[⌘]Excludes the value of portfolio activity as a result of in-kind transactions.

[⌘]See Note 1(e) regarding mortgage dollar rolls.

Schedule of Investments, December 31, 2022

Franklin Strategic Income VIP Fund

	Country	Shares	Value
Common Stocks 0.5%			
Energy Equipment & Services 0.2%			
^a Weatherford International plc.	United States	13,794	\$702,390
Media 0.0%[†]			
^a Clear Channel Outdoor Holdings, Inc.	United States	20,804	21,844
^a iHeartMedia, Inc., A.	United States	8,526	52,265
			74,109
Multiline Retail 0.0%			
^{a,b,c} K2016470219 South Africa Ltd., A.	South Africa	14,792,309	—
^{a,b,c} K2016470219 South Africa Ltd., B.	South Africa	1,472,041	—
			—
Oil, Gas & Consumable Fuels 0.3%			
^a Amplify Energy Corp.	United States	431	3,789
Birch Permian Holdings, Inc.	United States	34,907	652,324
Birch Permian Holdings, Inc.	United States	4,478	83,683
			739,796
Total Common Stocks (Cost \$1,965,020)			1,516,295
Management Investment Companies 6.2%			
Capital Markets 6.2%			
^d Franklin Floating Rate Income Fund	United States	2,418,451	18,501,151
Total Management Investment Companies (Cost \$21,092,057)			18,501,151
		Principal Amount[†]	
Convertible Bonds 0.0%[†]			
Wireless Telecommunication Services 0.0%[†]			
^{e,f,g} Digicel Group Holdings Ltd., Sub. Bond, 144A, PIK, 7%, Perpetual	Bermuda	30,118	2,360
Total Convertible Bonds (Cost \$8,337)			2,360
Corporate Bonds 42.8%			
Aerospace & Defense 0.7%			
Boeing Co. (The),			
Senior Bond, 3.625%, 2/01/31	United States	700,000	615,061
Senior Note, 5.15%, 5/01/30	United States	700,000	684,664
^g TransDigm, Inc., Senior Secured Note, 144A, 6.25%, 3/15/26	United States	900,000	889,551
			2,189,276
Air Freight & Logistics 0.3%			
^g DAE Funding LLC, Senior Note, 144A, 1.55%, 8/01/24	United Arab Emirates	300,000	278,973
FedEx Corp., Senior Bond, 4.05%, 2/15/48	United States	650,000	495,921
			774,894
Airlines 0.6%			
^g American Airlines Inc./AA Advantage Loyalty IP Ltd., Senior Secured Note, 144A, 5.75%, 4/20/29	United States	600,000	549,456
^g Delta Air Lines, Inc. / SkyMiles IP Ltd., Senior Secured Note, 144A, 4.5%, 10/20/25	United States	1,100,000	1,073,738
^g United Airlines, Inc., Senior Secured Note, 144A, 4.375%, 4/15/26	United States	100,000	92,863
			1,716,057

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount [†]	Value
Corporate Bonds (continued)			
Auto Components 1.2%			
[¶] Allison Transmission, Inc.,			
Senior Bond, 144A, 5.875%, 6/01/29	United States	800,000	\$752,700
Senior Bond, 144A, 3.75%, 1/30/31	United States	300,000	247,125
Dana, Inc., Senior Note, 5.625%, 6/15/28	United States	1,000,000	911,466
[¶] Dornoch Debt Merger Sub, Inc., Senior Note, 144A, 6.625%,			
10/15/29	United States	600,000	421,683
Goodyear Tire & Rubber Co. (The), Senior Note, 5%, 7/15/29	United States	800,000	668,360
[¶] Real Hero Merger Sub 2, Inc., Senior Note, 144A, 6.25%, 2/01/29	United States	1,000,000	686,800
			3,688,134
Automobiles 0.3%			
[¶] Jaguar Land Rover Automotive plc, Senior Note, 144A, 5.5%, 7/15/29	United Kingdom	1,200,000	851,407
Banks 5.2%			
Banco Santander SA, Sub. Bond, 2.749%, 12/03/30	Spain	300,000	230,424
[¶] BNP Paribas SA,			
Senior Note, 144A, 2.819% to 11/18/24, FRN thereafter, 11/19/25	France	400,000	379,194
Senior Note, 144A, 2.219% to 6/08/25, FRN thereafter, 6/09/26	France	500,000	459,513
Citigroup, Inc., Senior Note, 5.61% to 9/28/25, FRN thereafter, 9/29/26	United States	1,600,000	1,608,527
HSBC Holdings plc,			
Senior Bond, 2.848% to 6/03/30, FRN thereafter, 6/04/31	United Kingdom	800,000	640,202
Senior Bond, 2.357% to 8/17/30, FRN thereafter, 8/18/31	United Kingdom	300,000	229,870
Senior Note, 4.18% to 12/08/24, FRN thereafter, 12/09/25	United Kingdom	900,000	874,727
Senior Note, 5.21% to 8/10/27, FRN thereafter, 8/11/28	United Kingdom	550,000	531,505
JPMorgan Chase & Co.,			
[†] R, Junior Sub. Bond, 6% to 7/31/23, FRN thereafter, Perpetual	United States	213,000	208,868
Senior Bond, 3.2%, 6/15/26	United States	1,213,000	1,146,744
Senior Bond, 2.522% to 4/21/30, FRN thereafter, 4/22/31	United States	1,000,000	820,496
Senior Note, 3.845% to 6/13/24, FRN thereafter, 6/14/25	United States	700,000	684,800
KeyBank NA, Senior Note, 4.15%, 8/08/25	United States	500,000	488,986
Mitsubishi UFJ Financial Group, Inc., Senior Note, 5.063% to 9/11/24, FRN thereafter, 9/12/25	Japan	900,000	894,180
National Bank of Canada, Senior Note, 3.75% to 6/08/24, FRN thereafter, 6/09/25	Canada	900,000	875,125
Santander UK Group Holdings plc, Senior Note, 1.673% to 6/23/26, FRN thereafter, 6/14/27	United Kingdom	800,000	681,157
[¶] Societe Generale SA,			
Senior Bond, 144A, 2.889% to 6/08/31, FRN thereafter, 6/09/32	France	800,000	617,304
Senior Note, 144A, 1.792% to 6/08/26, FRN thereafter, 6/09/27	France	700,000	603,101
SVB Financial Group, Senior Bond, 3.125%, 6/05/30	United States	300,000	249,001
Toronto-Dominion Bank (The), Senior Note, 4.693%, 9/15/27	Canada	1,000,000	990,293
Truist Financial Corp., Senior Note, 5.9% to 10/27/25, FRN thereafter, 10/28/26	United States	800,000	818,721
[¶] UniCredit SpA, Senior Bond, 144A, 3.127% to 6/02/31, FRN thereafter, 6/03/32	Italy	500,000	376,917
Wells Fargo & Co.,			
Senior Note, 1.654% to 6/01/23, FRN thereafter, 6/02/24	United States	900,000	885,609
Senior Note, 4.54% to 8/14/25, FRN thereafter, 8/15/26	United States	500,000	490,477
			15,785,741
Beverages 0.5%			
Anheuser-Busch InBev Worldwide, Inc., Senior Bond, 3.5%, 6/01/30	Belgium	800,000	730,205

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount ¹	Value
Corporate Bonds (continued)			
Beverages (continued)			
⁹ Primo Water Holdings, Inc., Senior Note, 144A, 4.375%, 4/30/29 . . .	Canada	1,000,000	\$864,772
			1,594,977
Biotechnology 0.3%			
AbbVie, Inc., Senior Note, 3.2%, 11/21/29	United States	700,000	632,626
Amgen, Inc., Senior Bond, 4.2%, 3/01/33	United States	400,000	371,302
			1,003,928
Building Products 0.6%			
⁹ Camelot Return Merger Sub, Inc., Senior Secured Note, 144A, 8.75%, 8/01/28	United States	500,000	459,462
⁹ Eco Material Technologies, Inc., Senior Secured Note, 144A, 7.875%, 1/31/27	United States	500,000	478,279
⁹ Standard Industries, Inc., Senior Bond, 144A, 4.75%, 1/15/28	United States	500,000	450,675
Senior Bond, 144A, 4.375%, 7/15/30	United States	200,000	163,402
Senior Bond, 144A, 3.375%, 1/15/31	United States	200,000	150,918
			1,702,736
Capital Markets 2.8%			
Credit Suisse Group AG, Senior Note, 4.55%, 4/17/26	Switzerland	800,000	706,448
⁹ Senior Note, 144A, 2.193% to 6/04/25, FRN thereafter, 6/05/26	Switzerland	250,000	213,725
⁹ Senior Note, 144A, 6.373% to 7/14/25, FRN thereafter, 7/15/26	Switzerland	650,000	610,830
Deutsche Bank AG, Senior Note, 5.371%, 9/09/27	Germany	800,000	803,156
Goldman Sachs Group, Inc. (The), Senior Bond, 3.21% to 4/21/41, FRN thereafter, 4/22/42	United States	400,000	289,655
Senior Note, 0.673% to 3/07/23, FRN thereafter, 3/08/24	United States	900,000	890,369
Senior Note, 5.7%, 11/01/24	United States	500,000	506,314
Senior Note, 4.387% to 6/14/26, FRN thereafter, 6/15/27	United States	300,000	289,405
Senior Note, 1.948% to 10/20/26, FRN thereafter, 10/21/27	United States	1,000,000	875,689
Morgan Stanley, Senior Bond, 3.591% to 7/21/27, FRN thereafter, 7/22/28	United States	809,000	743,329
Senior Note, 3.737% to 4/23/23, FRN thereafter, 4/24/24	United States	900,000	895,249
⁹ MSCI, Inc., Senior Bond, 144A, 3.25%, 8/15/33	United States	1,200,000	928,444
⁹ UBS Group AG, Senior Note, 144A, 4.49% to 8/04/24, FRN thereafter, 8/05/25	Switzerland	700,000	688,411
			8,441,024
Chemicals 2.0%			
^{e9} Anagram International, Inc. / Anagram Holdings LLC, Secured Note, 144A, PIK, 10%, 8/15/26	United States	148,158	92,805
⁹ ASP Unifrax Holdings, Inc., Senior Note, 144A, 7.5%, 9/30/29	United States	200,000	127,200
⁹ Braskem Idesa SAPI, Senior Secured Bond, 144A, 6.99%, 2/20/32	Mexico	900,000	644,142
Celanese US Holdings LLC, Senior Note, 6.165%, 7/15/27	United States	600,000	592,759
⁹ Consolidated Energy Finance SA, Senior Note, 144A, 5.625%, 10/15/28	Switzerland	700,000	595,684
⁹ CVR Partners LP / CVR Nitrogen Finance Corp., Senior Secured Note, 144A, 6.125%, 6/15/28	United States	300,000	269,522
⁹ Element Solutions, Inc., Senior Note, 144A, 3.875%, 9/01/28	United States	800,000	681,280
⁹ Gates Global LLC / Gates Corp., Senior Note, 144A, 6.25%, 1/15/26	United States	400,000	386,620
⁹ INEOS Quattro Finance 1 plc, Senior Note, 144A, 3.75%, 7/15/26	United Kingdom	800,000	708,065
^{e9} Kobe US Midco 2, Inc., Senior Note, 144A, PIK, 9.25%, 11/01/26	United States	300,000	211,500
⁹ Syngenta Finance NV, Senior Note, 144A, 4.892%, 4/24/25	Switzerland	800,000	775,521
⁹ Vibrantz Technologies, Inc., Senior Note, 144A, 9%, 2/15/30	United States	800,000	604,769

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount ¹	Value
Corporate Bonds (continued)			
Chemicals (continued)			
Westlake Corp., Senior Bond, 3.375%, 6/15/30	United States	200,000	\$171,597
⁹ Yara International ASA, Senior Bond, 144A, 3.148%, 6/04/30	Brazil	100,000	80,357
			5,941,821
Commercial Services & Supplies 0.7%			
⁹ APX Group, Inc., Senior Note, 144A, 5.75%, 7/15/29	United States	400,000	331,795
⁹ Prime Security Services Borrower LLC / Prime Finance, Inc., Senior Secured Note, 144A, 3.375%, 8/31/27	United States	1,000,000	864,759
⁹ Stericycle, Inc., Senior Note, 144A, 3.875%, 1/15/29	United States	1,000,000	873,815
			2,070,369
Construction & Engineering 0.2%			
⁹ Arcosa, Inc., Senior Note, 144A, 4.375%, 4/15/29	United States	300,000	260,537
⁹ Great Lakes Dredge & Dock Corp., Senior Note, 144A, 5.25%, 6/01/29	United States	500,000	389,350
			649,887
Consumer Finance 0.5%			
AerCap Ireland Capital DAC / AerCap Global Aviation Trust, Senior Bond, 3.4%, 10/29/33	Ireland	500,000	380,454
⁹ Park Aerospace Holdings Ltd., Senior Note, 144A, 5.5%, 2/15/24	Ireland	300,000	296,222
⁹ PRA Group, Inc., Senior Note, 144A, 5%, 10/01/29	United States	900,000	743,823
			1,420,499
Containers & Packaging 0.9%			
⁹ Ardagh Packaging Finance plc / Ardagh Holdings USA, Inc., Senior Note, 144A, 5.25%, 8/15/27	United States	300,000	224,797
⁹ Owens-Brockway Glass Container, Inc., Senior Note, 144A, 5.875%, 8/15/23	United States	169,000	168,481
Senior Note, 144A, 6.625%, 5/13/27	United States	75,000	72,882
⁹ Pactiv Evergreen Group Issuer LLC / Pactiv Evergreen Group Issuer, Inc., Senior Secured Note, 144A, 4.375%, 10/15/28	United States	500,000	447,337
⁹ Pactiv Evergreen Group Issuer, Inc./Pactiv Evergreen Group Issuer LLC, Senior Secured Note, 144A, 4%, 10/15/27	United States	600,000	533,190
⁹ Sealed Air Corp., Senior Bond, 144A, 5.125%, 12/01/24	United States	709,000	697,812
Senior Bond, 144A, 5.5%, 9/15/25	United States	124,000	122,432
WRKCo, Inc., Senior Bond, 3%, 6/15/33	United States	400,000	318,805
			2,585,736
Diversified Consumer Services 0.2%			
Grand Canyon University, 5.125%, 10/01/28	United States	800,000	754,632
Diversified Financial Services 0.4%			
⁹ Jefferson Capital Holdings LLC, Senior Note, 144A, 6%, 8/15/26	United States	700,000	580,195
⁹ MPH Acquisition Holdings LLC, Senior Note, 144A, 5.75%, 11/01/28	United States	800,000	533,770
			1,113,965
Diversified Telecommunication Services 1.1%			
⁹ Altice France Holding SA, Senior Note, 144A, 6%, 2/15/28	Luxembourg	900,000	533,198
⁹ Altice France SA, Senior Secured Note, 144A, 5.5%, 1/15/28	France	200,000	157,054
AT&T, Inc., Senior Bond, 3.65%, 9/15/59	United States	800,000	539,159
CCO Holdings LLC / CCO Holdings Capital Corp., Senior Bond, 4.5%, 5/01/32	United States	1,000,000	797,925
⁹ Iliad Holding SASU, Senior Secured Note, 144A, 6.5%, 10/15/26	France	300,000	278,755

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount ¹	Value
Corporate Bonds (continued)			
Diversified Telecommunication Services (continued)			
⁹ Iliad Holding SASU, (continued)			
Senior Secured Note, 144A, 7%, 10/15/28	France	600,000	\$543,072
Telefonica Emisiones SA, Senior Bond, 4.895%, 3/06/48	Spain	150,000	115,898
⁹ Virgin Media Secured Finance plc, Senior Secured Bond, 144A, 4.5%, 8/15/30	United Kingdom	400,000	334,880
			3,299,941
Electric Utilities 1.4%			
Duke Energy Corp., Senior Bond, 2.45%, 6/01/30	United States	400,000	329,819
⁹ Enel Finance International NV, Senior Note, 144A, 2.65%, 9/10/24	Italy	800,000	765,954
Exelon Corp., Senior Bond, 4.05%, 4/15/30	United States	1,300,000	1,210,035
Southern Co. (The), Senior Bond, 4.4%, 7/01/46	United States	400,000	335,497
Virginia Electric and Power Co., Senior Bond, 6.35%, 11/30/37 . . .	United States	85,000	90,462
⁹ Vistra Operations Co. LLC,			
Senior Note, 144A, 4.375%, 5/01/29	United States	1,100,000	949,995
Senior Secured Bond, 144A, 4.3%, 7/15/29	United States	500,000	450,906
			4,132,668
Electrical Equipment 0.3%			
Eaton Corp., Senior Bond, 4.15%, 3/15/33	United States	200,000	186,556
⁹ Vertiv Group Corp., Senior Secured Note, 144A, 4.125%, 11/15/28	United States	900,000	766,062
			952,618
Electronic Equipment, Instruments & Components 0.5%			
CDW LLC / CDW Finance Corp., Senior Note, 3.25%, 2/15/29	United States	900,000	768,118
Flex Ltd., Senior Bond, 4.875%, 5/12/30	United States	800,000	753,347
			1,521,465
Energy Equipment & Services 0.1%			
⁹ Schlumberger Holdings Corp., Senior Note, 144A, 3.9%, 5/17/28 . .	United States	400,000	373,415
⁹ Weatherford International Ltd., Senior Note, 144A, 11%, 12/01/24 .	United States	21,000	21,499
			394,914
Entertainment 0.5%			
Netflix, Inc.,			
Senior Bond, 4.375%, 11/15/26	United States	300,000	289,266
Senior Bond, 5.875%, 11/15/28	United States	1,000,000	1,016,030
⁹ Warnermedia Holdings, Inc., Senior Note, 144A, 4.054%, 3/15/29 .	United States	300,000	260,112
			1,565,408
Equity Real Estate Investment Trusts (REITs) 0.8%			
AvalonBay Communities, Inc., Senior Bond, 2.45%, 1/15/31	United States	500,000	414,680
⁹ Global Net Lease, Inc. / Global Net Lease Operating Partnership LP, Senior Note, 144A, 3.75%, 12/15/27	United States	400,000	331,367
MPT Operating Partnership LP / MPT Finance Corp., Senior Bond, 3.5%, 3/15/31	United States	300,000	206,272
⁹ Necessity Retail REIT, Inc. (The) / American Finance Operating Partner LP, Senior Note, 144A, 4.5%, 9/30/28	United States	700,000	515,529
Simon Property Group LP, Senior Bond, 4.25%, 11/30/46	United States	800,000	642,547
⁹ XHR LP, Senior Secured Note, 144A, 4.875%, 6/01/29	United States	400,000	328,170
			2,438,565
Food Products 0.4%			
⁹ Bimbo Bakeries USA, Inc., Senior Bond, 144A, 4%, 5/17/51	Mexico	200,000	150,823

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount [†]	Value
Corporate Bonds (continued)			
Food Products (continued)			
General Mills, Inc., Senior Note, 5.241%, 11/18/25	United States	150,000	\$150,427
¶JBS USA LUX SA / JBS USA Food Co. / JBS USA Finance, Inc., Senior Note, 144A, 2.5%, 1/15/27	United States	700,000	613,277
Senior Note, 144A, 3.625%, 1/15/32	United States	400,000	324,578
			1,239,105
Gas Utilities 0.1%			
Piedmont Natural Gas Co., Inc., Senior Bond, 3.35%, 6/01/50	United States	300,000	202,033
Health Care Equipment & Supplies 0.2%			
¶Garden Spinco Corp., Senior Note, 144A, 8.625%, 7/20/30	United States	200,000	212,289
¶GE HealthCare Technologies, Inc., Senior Note, 144A, 5.6%, 11/15/25	United States	500,000	503,616
			715,905
Health Care Providers & Services 1.4%			
Centene Corp., Senior Note, 4.25%, 12/15/27	United States	300,000	282,021
Senior Note, 2.45%, 7/15/28	United States	100,000	84,597
Senior Note, 4.625%, 12/15/29	United States	200,000	183,218
Senior Note, 3.375%, 2/15/30	United States	600,000	508,575
Senior Note, 2.625%, 8/01/31	United States	200,000	157,545
¶CHS/Community Health Systems, Inc., Secured Note, 144A, 6.875%, 4/15/29	United States	800,000	412,666
Senior Secured Note, 144A, 5.625%, 3/15/27	United States	700,000	601,496
CVS Health Corp., Senior Bond, 1.75%, 8/21/30	United States	400,000	316,149
¶DaVita, Inc., Senior Note, 144A, 4.625%, 6/01/30	United States	800,000	645,233
Elevance Health, Inc., Senior Bond, 3.7%, 9/15/49	United States	150,000	114,630
HCA, Inc., Senior Bond, 3.5%, 9/01/30	United States	100,000	86,483
Quest Diagnostics, Inc., Senior Bond, 2.8%, 6/30/31	United States	200,000	168,033
¶Tenet Healthcare Corp., Senior Secured Note, 144A, 6.125%, 6/15/30	United States	800,000	763,644
			4,324,290
Hotels, Restaurants & Leisure 1.3%			
¶Everi Holdings, Inc., Senior Note, 144A, 5%, 7/15/29	United States	500,000	430,133
Las Vegas Sands Corp., Senior Bond, 3.9%, 8/08/29	United States	800,000	675,550
¶Motion Bondco DAC, Senior Note, 144A, 6.625%, 11/15/27	United Kingdom	200,000	172,489
¶NCL Corp. Ltd., Senior Note, 144A, 5.875%, 3/15/26	United States	600,000	472,320
¶Papa John's International, Inc., Senior Note, 144A, 3.875%, 9/15/29	United States	300,000	250,882
¶Premier Entertainment Sub LLC / Premier Entertainment Finance Corp., Senior Bond, 144A, 5.875%, 9/01/31	United States	400,000	283,480
¶Station Casinos LLC, Senior Note, 144A, 4.5%, 2/15/28	United States	200,000	174,186
¶Studio City Finance Ltd., Senior Note, 144A, 5%, 1/15/29	Macau	1,200,000	887,694
¶Wynn Macau Ltd., Senior Note, 144A, 5.625%, 8/26/28	Macau	500,000	428,148
			3,774,882
Household Durables 0.1%			
M/I Homes, Inc., Senior Note, 3.95%, 2/15/30	United States	400,000	323,485
Household Products 0.3%			
¶Central Garden & Pet Co., Senior Bond, 144A, 4.125%, 4/30/31	United States	500,000	414,550
¶Kimberly-Clark de Mexico SAB de CV, Senior Bond, 144A, 2.431%, 7/01/31	Mexico	300,000	240,355

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount ¹	Value
Corporate Bonds (continued)			
Household Products (continued)			
⁹ Spectrum Brands, Inc., Senior Bond, 144A, 3.875%, 3/15/31	United States	400,000	\$311,614
			<u>966,519</u>
Independent Power and Renewable Electricity Producers 2.0%			
⁹ Atlantica Sustainable Infrastructure plc, Senior Note, 144A, 4.125%, 6/15/28	Spain	400,000	355,442
⁹ Calpine Corp., Senior Bond, 144A, 5%, 2/01/31	United States	600,000	504,305
⁹ Clearway Energy Operating LLC, Senior Note, 144A, 3.75%, 2/15/31	United States	700,000	582,067
⁹ Colbun SA,			
Senior Bond, 144A, 3.95%, 10/11/27	Chile	800,000	746,646
Senior Bond, 144A, 3.15%, 3/06/30	Chile	300,000	259,727
⁹ InterGen NV, Senior Secured Bond, 144A, 7%, 6/30/23	Netherlands	1,400,000	1,361,022
⁹ Leeward Renewable Energy Operations LLC, Senior Note, 144A, 4.25%, 7/01/29	United States	1,000,000	855,668
⁹ ^h Talen Energy Supply LLC, Senior Secured Note, 144A, 7.25%, 5/15/27	United States	1,300,000	1,351,499
			<u>6,016,376</u>
Insurance 0.3%			
Arch Capital Group Ltd., Senior Bond, 3.635%, 6/30/50	United States	1,000,000	694,334
⁹ Metropolitan Life Global Funding I, Secured Note, 144A, 4.3%, 8/25/29	United States	300,000	285,714
			<u>980,048</u>
Interactive Media & Services 0.5%			
⁹ Tencent Holdings Ltd., Senior Note, 144A, 2.39%, 6/03/30	China	1,700,000	1,386,073
Internet & Direct Marketing Retail 0.2%			
⁹ Match Group Holdings II LLC, Senior Note, 144A, 3.625%, 10/01/31	United States	600,000	460,898
IT Services 1.2%			
⁹ Cablevision Lightpath LLC, Senior Secured Note, 144A, 3.875%, 9/15/27	United States	900,000	746,067
⁹ Gartner, Inc.,			
Senior Note, 144A, 4.5%, 7/01/28	United States	700,000	653,870
Senior Note, 144A, 3.625%, 6/15/29	United States	200,000	175,985
⁹ Northwest Fiber LLC / Northwest Fiber Finance Sub, Inc., Senior Note, 144A, 6%, 2/15/28	United States	1,100,000	853,087
⁹ Presidio Holdings, Inc., Senior Secured Note, 144A, 4.875%, 2/01/27	United States	1,200,000	1,096,176
			<u>3,525,185</u>
Machinery 0.4%			
⁹ ATS Corp., Senior Note, 144A, 4.125%, 12/15/28	Canada	400,000	345,576
⁹ Chart Industries, Inc., Senior Secured Note, 144A, 7.5%, 1/01/30 .	United States	400,000	402,616
Parker-Hannifin Corp., Senior Note, 4.25%, 9/15/27	United States	400,000	388,759
			<u>1,136,951</u>
Marine 0.4%			
⁹ CTSI Treasury BV, Senior Bond, Reg S, 4.625%, 1/16/23	Philippines	1,200,000	1,197,846
Media 1.7%			
Charter Communications Operating LLC / Charter Communications Operating Capital, Senior Secured Bond, 2.8%, 4/01/31	United States	1,300,000	1,015,047
⁹ Clear Channel Outdoor Holdings, Inc.,			
Senior Note, 144A, 7.75%, 4/15/28	United States	400,000	292,522
Senior Note, 144A, 7.5%, 6/01/29	United States	300,000	220,843
Senior Secured Note, 144A, 5.125%, 8/15/27	United States	200,000	173,730

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount [†]	Value
Corporate Bonds (continued)			
Media (continued)			
⁹ CSC Holdings LLC, Senior Bond, 144A, 3.375%, 2/15/31	United States	400,000	\$261,508
⁹ Directv Financing LLC / Directv Financing Co-Obligor, Inc., Senior Secured Note, 144A, 5.875%, 8/15/27	United States	600,000	537,936
⁹ DISH DBS Corp., Senior Secured Note, 144A, 5.75%, 12/01/28 . . .	United States	600,000	480,000
⁹ Outfront Media Capital LLC / Outfront Media Capital Corp., Senior Note, 144A, 5%, 8/15/27	United States	100,000	90,180
⁹ Sinclair Television Group, Inc., Senior Secured Note, 144A, 4.125%, 12/01/30	United States	800,000	600,825
⁹ Sirius XM Radio, Inc., Senior Note, 144A, 4%, 7/15/28	United States	1,000,000	872,220
⁹ Univision Communications, Inc., Senior Secured Note, 144A, 5.125%, 2/15/25	United States	400,000	381,768
Senior Secured Note, 144A, 4.5%, 5/01/29	United States	100,000	83,814
			5,010,393
Metals & Mining 0.4%			
⁹ Constellium SE, Senior Note, 144A, 3.75%, 4/15/29	United States	700,000	569,599
⁹ SunCoke Energy, Inc., Senior Secured Note, 144A, 4.875%, 6/30/29	United States	600,000	515,812
			1,085,411
Multiline Retail 0.1%			
^{b,e,g} K2016470219 South Africa Ltd., Senior Secured Note, 144A, PIK, 3%, 1/06/23	South Africa	1,036,360	—
^{b,e,g} K2016470260 South Africa Ltd., Senior Secured Note, 144A, PIK, 25%, 1/06/23	South Africa	564,697	—
⁹ Macy's Retail Holdings LLC, Senior Note, 144A, 5.875%, 3/15/30 .	United States	500,000	434,600
			434,600
Multi-Utilities 0.4%			
Dominion Energy, Inc., A, Senior Note, 4.35%, 8/15/32	United States	1,150,000	1,072,439
Oil, Gas & Consumable Fuels 4.2%			
⁹ Aker BP ASA, Senior Bond, 144A, 3.1%, 7/15/31	Norway	900,000	740,342
⁹ Antero Resources Corp., Senior Note, 144A, 7.625%, 2/01/29 . . .	United States	98,000	98,671
Canadian Natural Resources Ltd., Senior Bond, 2.95%, 7/15/30 . .	Canada	450,000	380,280
⁹ Crestwood Midstream Partners LP / Crestwood Midstream Finance Corp., Senior Note, 144A, 6%, 2/01/29	United States	700,000	643,269
⁹ CrownRock LP / CrownRock Finance, Inc., Senior Note, 144A, 5%, 5/01/29	United States	300,000	271,154
⁹ DT Midstream, Inc., Senior Bond, 144A, 4.375%, 6/15/31	United States	500,000	420,125
⁹ Endeavor Energy Resources LP / EER Finance, Inc., Senior Bond, 144A, 5.75%, 1/30/28	United States	900,000	863,235
Energy Transfer LP, Senior Bond, 3.75%, 5/15/30	United States	200,000	176,798
EnLink Midstream LLC, Senior Bond, 5.375%, 6/01/29	United States	1,100,000	1,019,654
⁹ Senior Note, 144A, 5.625%, 1/15/28	United States	100,000	95,389
⁹ EQM Midstream Partners LP, Senior Note, 144A, 7.5%, 6/01/27 . .	United States	100,000	98,059
⁹ Hilcorp Energy I LP / Hilcorp Finance Co., Senior Bond, 144A, 6%, 2/01/31	United States	700,000	606,416
Senior Bond, 144A, 6.25%, 4/15/32	United States	200,000	172,877
Senior Note, 144A, 5.75%, 2/01/29	United States	200,000	178,303
⁹ Kinetik Holdings LP, Senior Note, 144A, 5.875%, 6/15/30	United States	800,000	751,306
⁹ Martin Midstream Partners LP / Martin Midstream Finance Corp., Secured Note, 144A, 11.5%, 2/28/25	United States	1,394,630	1,397,029
MPLX LP, Senior Note, 2.65%, 8/15/30	United States	1,500,000	1,218,982
Sabine Pass Liquefaction LLC, Senior Secured Note, 4.5%, 5/15/30	United States	1,600,000	1,486,866

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount ¹	Value
Corporate Bonds (continued)			
Oil, Gas & Consumable Fuels (continued)			
Sunoco LP / Sunoco Finance Corp., Senior Note, 6%, 4/15/27	United States	500,000	\$493,209
Senior Note, 4.5%, 5/15/29	United States	1,200,000	1,051,374
⁹ Venture Global Calcasieu Pass LLC, Senior Secured Bond, 144A, 4.125%, 8/15/31	United States	300,000	256,125
Senior Secured Note, 144A, 3.875%, 8/15/29	United States	300,000	263,026
			12,682,489
Paper & Forest Products 0.4%			
⁹ Glatfelter Corp., Senior Note, 144A, 4.75%, 11/15/29	United States	400,000	241,040
Suzano Austria GmbH, Senior Bond, 3.75%, 1/15/31	Brazil	700,000	588,827
DM3N, Senior Bond, 3.125%, 1/15/32	Brazil	400,000	312,420
			1,142,287
Personal Products 0.3%			
⁹ Oriflame Investment Holding plc, Senior Secured Note, 144A, 5.125%, 5/04/26	Switzerland	800,000	500,000
⁹ Prestige Brands, Inc., Senior Bond, 144A, 3.75%, 4/01/31	United States	500,000	412,973
			912,973
Pharmaceuticals 1.0%			
⁹ 1375209 BC Ltd., Senior Secured Note, 144A, 9%, 1/30/28	Canada	45,000	44,044
⁹ Bausch Health Cos., Inc., Secured Note, 144A, 14%, 10/15/30	United States	15,000	8,980
Senior Secured Note, 144A, 4.875%, 6/01/28	United States	400,000	255,165
Senior Secured Note, 144A, 11%, 9/30/28	United States	80,000	62,787
⁹ Bayer US Finance II LLC, Senior Bond, 144A, 4.375%, 12/15/28 ..	Germany	889,000	836,309
⁹ Organon & Co. / Organon Foreign Debt Co-Issuer BV, Senior Bond, 144A, 5.125%, 4/30/31	United States	300,000	260,291
Senior Secured Note, 144A, 4.125%, 4/30/28	United States	500,000	443,575
Royalty Pharma plc, Senior Bond, 3.3%, 9/02/40	United States	500,000	348,781
Teva Pharmaceutical Finance Netherlands III BV, Senior Note, 5.125%, 5/09/29	Israel	900,000	802,662
			3,062,594
Real Estate Management & Development 0.3%			
⁹ China Overseas Finance Cayman VI Ltd., Senior Bond, Reg S, 5.95%, 5/08/24	China	400,000	399,272
⁹ Country Garden Holdings Co. Ltd., Senior Secured Note, Reg S, 7.25%, 4/08/26	China	700,000	446,852
⁹ Vivion Investments SARL, Senior Note, Reg S, 3%, 8/08/24	Luxembourg	200,000 EUR	167,422
			1,013,546
Road & Rail 0.5%			
CSX Corp., Senior Bond, 4.1%, 3/15/44	United States	550,000	463,874
⁹ First Student Bidco, Inc. / First Transit Parent, Inc., Senior Secured Note, 144A, 4%, 7/31/29	United States	700,000	580,001
⁹ NESCO Holdings II, Inc., Secured Note, 144A, 5.5%, 4/15/29	United States	500,000	438,150
			1,482,025
Software 0.4%			
⁹ Condor Merger Sub, Inc., Senior Note, 144A, 7.375%, 2/15/30	United States	500,000	402,908
⁹ Rocket Software, Inc., Senior Note, 144A, 6.5%, 2/15/29	United States	1,100,000	868,589
			1,271,497

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount [†]	Value
Corporate Bonds (continued)			
Specialty Retail 0.3%			
AutoNation, Inc., Senior Bond, 4.75%, 6/01/30	United States	200,000	\$178,894
[¶] Michaels Cos., Inc. (The), Senior Note, 144A, 7.875%, 5/01/29 . . .	United States	600,000	401,969
[¶] Park River Holdings, Inc., Senior Note, 144A, 6.75%, 8/01/29	United States	400,000	275,058
			855,921
Technology Hardware, Storage & Peripherals 0.1%			
Teledyne FLIR LLC, Senior Note, 2.5%, 8/01/30	United States	200,000	161,873
Thriffs & Mortgage Finance 0.5%			
[¶] BPCE SA, Senior Note, 144A, 2.045% to 10/18/26, FRN thereafter, 10/19/27	France	800,000	690,578
[¶] Ladder Capital Finance Holdings LLLP / Ladder Capital Finance Corp., Senior Note, 144A, 4.75%, 6/15/29	United States	1,100,000	889,713
			1,580,291
Tobacco 0.4%			
Altria Group, Inc., Senior Bond, 3.4%, 5/06/30	United States	1,200,000	1,028,403
[¶] Imperial Brands Finance plc, Senior Bond, 144A, 4.25%, 7/21/25 . .	United Kingdom	300,000	286,787
			1,315,190
Trading Companies & Distributors 0.4%			
[¶] H&E Equipment Services, Inc., Senior Note, 144A, 3.875%, 12/15/28	United States	1,100,000	938,900
[¶] Herc Holdings, Inc., Senior Note, 144A, 5.5%, 7/15/27	United States	300,000	280,434
			1,219,334
Transportation Infrastructure 0.0%[†]			
[¶] Rutas 2 and 7 Finance Ltd., Senior Secured Bond, 144A, Zero Cpn., 9/30/36	United States	186,667	117,979
Wireless Telecommunication Services 0.5%			
[¶] Digicel Group Holdings Ltd., Senior Note, 144A, PIK, 8%, 4/01/25 . .	Bermuda	20,996	5,563
T-Mobile USA, Inc., Senior Bond, 3.3%, 2/15/51	United States	500,000	335,868
Senior Note, 3.875%, 4/15/30	United States	1,300,000	1,180,609
			1,522,040
Total Corporate Bonds (Cost \$150,634,496)			128,783,140
ⁱMarketplace Loans 2.3%			
^bDiversified Financial Services 2.3%			
Total Marketplace Loans (Cost \$7,671,279)			6,941,352
Foreign Government and Agency Securities 4.1%			
[¶] African Export-Import Bank (The), Senior Bond, 144A, 3.994%, 9/21/29	Supranational ^l	1,400,000	1,220,940
[¶] Banque Ouest Africaine de Developpement, Senior Bond, 144A, 5%, 7/27/27	Supranational ^l	1,200,000	1,133,124
Colombia Government Bond, Senior Bond, 3.875%, 4/25/27	Colombia	1,400,000	1,243,834
Senior Bond, 9.85%, 6/28/27	Colombia	5,315,000,000 COP	970,913
[¶] Comision Federal de Electricidad, Senior Bond, 144A, 3.348%, 2/09/31	Mexico	1,000,000	785,101
[¶] Dominican Republic Government Bond, Senior Note, 144A, 8.9%, 2/15/23	Dominican Republic	81,500,000 DOP	1,446,154

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount [†]	Value
Foreign Government and Agency Securities (continued)			
[†] Electricite de France SA, Junior Sub. Bond, 144A, 5.25% to 1/28/23, FRN thereafter, Perpetual	France	2,425,000	\$2,419,718
[†] Indonesia Asahan Aluminium Persero PT, Senior Bond, 144A, 5.45%, 5/15/30	Indonesia	1,400,000	1,335,985
[†] Korea Electric Power Corp., Senior Note, 144A, 5.375%, 4/06/26	South Korea	300,000	302,570
Peru Government Bond, Senior Bond, 6.55%, 3/14/37	Peru	800,000	845,819
[†] Romania Government Bond, Senior Bond, 144A, 6.125%, 1/22/44	Romania	500,000	461,771
Total Foreign Government and Agency Securities (Cost \$14,744,803)			12,165,929
U.S. Government and Agency Securities 20.1%			
U.S. Treasury Bonds,			
3.25%, 5/15/42	United States	700,000	614,031
3.75%, 11/15/43	United States	540,000	506,630
3%, 2/15/48	United States	1,800,000	1,476,562
3.125%, 5/15/48	United States	1,600,000	1,345,500
3%, 8/15/48	United States	800,000	657,375
3.375%, 11/15/48	United States	1,200,000	1,059,187
3%, 2/15/49	United States	1,800,000	1,483,313
U.S. Treasury Notes,			
2.75%, 5/31/23	United States	1,000,000	992,598
2.625%, 12/31/23	United States	3,800,000	3,722,142
2.75%, 2/15/24	United States	6,400,000	6,263,000
4.25%, 9/30/24	United States	3,300,000	3,283,629
2.25%, 10/31/24	United States	3,400,000	3,266,125
3.5%, 9/15/25	United States	3,400,000	3,332,531
4.25%, 10/15/25	United States	8,700,000	8,694,564
2.875%, 11/30/25	United States	3,400,000	3,272,234
^k Index Linked, 0.625%, 1/15/26	United States	2,800,000	3,371,877
2%, 11/15/26	United States	3,900,000	3,606,738
2.25%, 2/15/27	United States	1,400,000	1,303,148
4.125%, 9/30/27	United States	4,100,000	4,115,695
2.75%, 2/15/28	United States	300,000	282,129
3.125%, 11/15/28	United States	2,200,000	2,098,637
3.25%, 6/30/29	United States	2,900,000	2,775,844
2.875%, 5/15/32	United States	1,300,000	1,198,438
2.75%, 8/15/32	United States	1,850,000	1,684,945
Total U.S. Government and Agency Securities (Cost \$62,182,821)			60,406,872
Asset-Backed Securities 5.3%			
Airlines 0.0%[†]			
United Airlines Pass-Through Trust, 2020-1, B, 4.875%, 7/15/27	United States	76,200	72,582
Commercial Services & Supplies 0.1%			
[†] Galaxy XXVIII CLO Ltd., 2018-28A, C, 144A, FRN, 6.029%, (3-month USD LIBOR + 1.95%), 7/15/31	United States	250,000	233,803
Diversified Financial Services 5.2%			
[†] BlueMountain CLO Ltd., 2018-1A, D, 144A, FRN, 7.465%, (3-month USD LIBOR + 3.05%), 7/30/30	United States	1,000,000	844,269
[†] BlueMountain Fuji EUR CLO V DAC, 5A, B, 144A, FRN, 1.55%, (3-month EURIBOR + 1.55%), 1/15/33	Ireland	600,000 EUR	598,673
[†] Burnham Park CLO Ltd., 2016-1A, BR, 144A, FRN, 5.743%, (3-month USD LIBOR + 1.5%), 10/20/29	United States	460,000	435,145
[†] Carlyle Global Market Strategies CLO Ltd., 2014-4RA, C, 144A, FRN, 6.979%, (3-month USD LIBOR + 2.9%), 7/15/30	United States	300,000	258,876
[†] Carlyle GMS Finance MM CLO LLC, 2015-1A, A2R, 144A, FRN, 6.279%, (3-month USD LIBOR + 2.2%), 10/15/31	United States	1,213,000	1,144,910

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount [†]	Value
Asset-Backed Securities (continued)			
Diversified Financial Services (continued)			
^g Carlyle US CLO Ltd., 2021-1A, A2, 144A, FRN, 5.529%, (3-month USD LIBOR + 1.45%), 4/15/34	United States	1,500,000	\$1,425,451
^{g,m} Consumer Loan Underlying Bond Certificate Issuer Trust I, 2019-51, PT, 144A, FRN, 15.304%, 1/15/45	United States	109,765	103,643
2019-52, PT, 144A, FRN, 16.254%, 1/15/45	United States	129,790	123,345
2019-S8, PT, 144A, FRN, 10.13%, 1/15/45	United States	66,636	62,122
2020-2, PT, 144A, FRN, 14.758%, 3/15/45	United States	122,864	116,419
2020-7, PT, 144A, FRN, 15.477%, 4/17/45	United States	68,295	63,834
^g Dryden 75 CLO Ltd., 2019-75A, AR2, 144A, FRN, 5.119%, (3-month USD LIBOR + 1.04%), 4/15/34	United States	2,400,000	2,322,590
^g Home Partners of America Trust, 2021-2, B, 144A, 2.302%, 12/17/26	United States	1,234,731	1,057,127
2021-3, B, 144A, 2.649%, 1/17/41	United States	448,627	375,912
^g LCM 26 Ltd., 26A, B, 144A, FRN, 5.643%, (3-month USD LIBOR + 1.4%), 1/20/31	United States	250,000	238,981
^g LCM XVII LP, 17A, BRR, 144A, FRN, 5.679%, (3-month USD LIBOR + 1.6%), 10/15/31	United States	350,000	331,544
^g LCM XVIII LP, 18A, DR, 144A, FRN, 7.043%, (3-month USD LIBOR + 2.8%), 4/20/31	United States	770,000	685,332
^g Madison Park Euro Funding VIII DAC, 8A, BRN, 144A, FRN, 3.078%, (3-month EURIBOR + 1.7%), 4/15/32	Ireland	400,000 EUR	402,469
^g Magnetite XXIX Ltd., 2021-29A, B, 144A, FRN, 5.479%, (3-month USD LIBOR + 1.4%), 1/15/34	United States	1,500,000	1,430,869
^g Northwoods Capital Ltd., 2018-11BA, A1, 144A, FRN, 5.327%, (3-month USD LIBOR + 1.1%), 4/19/31	United States	591,108	575,766
^g Octagon Investment Partners 28 Ltd., 2016-1A, BR, 144A, FRN, 6.125%, (3-month USD LIBOR + 1.8%), 10/24/30	United States	250,000	242,907
^g Octagon Investment Partners 36 Ltd., 2018-1A, A1, 144A, FRN, 5.049%, (3-month USD LIBOR + 0.97%), 4/15/31	United States	500,000	492,355
^{g,m} Prosper Pass-Thru Trust III, 2020-PT1, A, 144A, FRN, 15.363%, 3/15/26	United States	70,089	69,106
2020-PT2, A, 144A, FRN, 18.341%, 4/15/26	United States	80,712	77,458
2020-PT3, A, 144A, FRN, 19.746%, 5/15/26	United States	23,661	22,269
^g Strata CLO I Ltd., 2018-1A, B, 144A, FRN, 6.279%, (3-month USD LIBOR + 2.2%), 1/15/31	United States	1,300,000	1,286,410
^{g,m} Upgrade Master Pass-Thru Trust, 2019-PT2, A, 144A, FRN, 17.038%, 2/15/26	United States	60,161	59,093
^g Voya CLO Ltd., 2013-2A, BR, 144A, FRN, 6.172%, (3-month SOFR + 2.112%), 4/25/31	United States	780,000	731,226
			15,578,101
Total Asset-Backed Securities (Cost \$16,996,097)			15,884,486
Commercial Mortgage-Backed Securities 0.5%			
Diversified Financial Services 0.5%			
^g BX Commercial Mortgage Trust, 2021-VOLT, A, 144A, FRN, 5.018%, (1-month USD LIBOR + 0.7%), 9/15/36	United States	250,000	241,178
2021-VOLT, B, 144A, FRN, 5.268%, (1-month USD LIBOR + 0.95%), 9/15/36	United States	400,000	377,917
2022-LP2, A, 144A, FRN, 5.349%, (1-month SOFR + 1.013%), 2/15/39	United States	881,970	851,367
^m Commercial Mortgage Trust, 2006-GG7, AJ, FRN, 6.012%, 7/10/38	United States	186,216	123,145
			1,593,607
Total Commercial Mortgage-Backed Securities (Cost \$1,707,808)			1,593,607

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount [†]	Value
Mortgage-Backed Securities 6.3%			
ⁿ Federal Home Loan Mortgage Corp. (FHLMC) Adjustable Rate 0.0%[†]			
FHLMC, 2.348%, (1-year CMT T-Note +/- MBS Margin), 1/01/33	United States	4,491	\$4,383
Federal Home Loan Mortgage Corp. (FHLMC) Fixed Rate 5.0%			
FHLMC Gold Pool, 30 Year, 5%, 4/01/34 - 8/01/35	United States	77,583	78,455
FHLMC Gold Pool, 30 Year, 5.5%, 6/01/33 - 1/01/35	United States	59,889	60,831
FHLMC Gold Pool, 30 Year, 6%, 4/01/33 - 2/01/36	United States	57,763	59,239
FHLMC Gold Pool, 30 Year, 6.5%, 11/01/27 - 7/01/32	United States	6,618	6,824
FHLMC Gold Pool, 30 Year, 7%, 4/01/30	United States	921	948
FHLMC Gold Pool, 30 Year, 7.5%, 8/01/30	United States	120	126
FHLMC Pool, 30 Year, 2%, 3/01/52	United States	3,905,185	3,184,419
FHLMC Pool, 30 Year, 4%, 6/01/52	United States	2,715,561	2,549,853
FHLMC Pool, 30 Year, 4.5%, 8/01/52	United States	6,270,667	6,042,069
FHLMC Pool, 30 Year, 5.5%, 11/01/52	United States	3,140,515	3,152,795
			15,135,559
ⁿ Federal National Mortgage Association (FNMA) Adjustable Rate 0.0%[†]			
FNMA, 4.279%, (1-year CMT T-Note +/- MBS Margin), 12/01/34	United States	27,792	27,543
Federal National Mortgage Association (FNMA) Fixed Rate 1.2%			
FNMA, 20 Year, 5%, 4/01/30	United States	16,668	16,769
FNMA, 30 Year, 3%, 9/01/48 - 9/01/51	United States	1,947,996	1,726,181
FNMA, 30 Year, 4%, 2/01/49	United States	619,354	593,310
FNMA, 30 Year, 4.5%, 5/01/48	United States	1,289,597	1,266,258
FNMA, 30 Year, 6.5%, 5/01/31 - 10/01/37	United States	40,731	42,430
			3,644,948
Government National Mortgage Association (GNMA) Fixed Rate 0.1%			
GNMA I, Single-family, 30 Year, 5%, 11/15/33 - 7/15/34	United States	78,748	80,273
GNMA I, Single-family, 30 Year, 7%, 10/15/28 - 2/15/29	United States	9,352	9,354
GNMA I, Single-family, 30 Year, 7.5%, 9/15/30	United States	771	799
GNMA II, 30 Year, 6.5%, 2/20/34	United States	1,662	1,611
GNMA II, Single-family, 30 Year, 5%, 9/20/33 - 11/20/33	United States	22,518	23,003
GNMA II, Single-family, 30 Year, 6%, 11/20/34	United States	33,774	35,690
GNMA II, Single-family, 30 Year, 6.5%, 4/20/31 - 1/20/33	United States	14,090	14,519
GNMA II, Single-family, 30 Year, 7.5%, 1/20/28 - 4/20/32	United States	4,123	4,231
			169,480
			18,981,913
Total Mortgage-Backed Securities (Cost \$19,582,843)			
Residential Mortgage-Backed Securities 4.7%			
Diversified Financial Services 2.2%			
⁹ BRAVO Residential Funding Trust,			
2019-1, A1C, 144A, 3.5%, 3/25/58	United States	118,460	115,518
^m 2019-2, A3, 144A, FRN, 3.5%, 10/25/44	United States	376,723	350,412
^{9,m} CIM Trust,			
2019-INV1, A1, 144A, FRN, 4%, 2/25/49	United States	95,593	89,814
2019-INV2, A3, 144A, FRN, 4%, 5/25/49	United States	199,876	188,269
^{9,m} COLT Mortgage Loan Trust, 2022-4, A1, 144A, FRN, 4.301%, 3/25/67			
	United States	402,548	386,128
^{9,m} J.P. Morgan Mortgage Trust,			
2021-13, A4, 144A, FRN, 2.5%, 4/25/52	United States	1,357,156	1,171,482
2021-15, A4, 144A, FRN, 2.5%, 6/25/52	United States	429,066	369,852
2021-6, A4, 144A, FRN, 2.5%, 10/25/51	United States	769,693	663,470
^{9,m} Mill City Mortgage Loan Trust, 2018-4, A1B, 144A, FRN, 3.485%, 4/25/66			
	United States	664,621	632,561
^{9,m} OBX Trust, 2021-J3, A4, 144A, FRN, 2.5%, 10/25/51			
	United States	281,194	242,737

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount [†]	Value
Residential Mortgage-Backed Securities (continued)			
Diversified Financial Services (continued)			
^{9,m} Provident Funding Associates LLP, 2021-J1, A3, 144A, FRN, 2.5%, 2/20/49	United States	898,433	\$774,443
^{9,m} Provident Funding Mortgage Trust, 2019-1, A2, 144A, FRN, 3%, 12/25/49	United States	159,472	133,383
^{9,m} PSMC Trust, 2021-3, A3, 144A, FRN, 2.5%, 8/25/51	United States	1,642,418	1,419,843
			6,537,912
Thriffs & Mortgage Finance 2.5%			
^l FHLMC STACR Debt Notes,			
2013-DN2, M2, FRN, 8.639%, (1-month USD LIBOR + 4.25%), 11/25/23	United States	762,236	771,550
2014-DN2, M3, FRN, 7.989%, (1-month USD LIBOR + 3.6%), 4/25/24	United States	1,013,282	1,025,588
2014-DN3, M3, FRN, 8.389%, (1-month USD LIBOR + 4%), 8/25/24	United States	33,814	33,917
2014-DN4, M3, FRN, 8.939%, (1-month USD LIBOR + 4.55%), 10/25/24	United States	198,587	200,817
2015-DNA1, M3, FRN, 7.689%, (1-month USD LIBOR + 3.3%), 10/25/27	United States	40,357	40,780
2015-DNA3, M3, FRN, 9.089%, (1-month USD LIBOR + 4.7%), 4/25/28	United States	700,738	724,970
2016-DNA2, M3, FRN, 9.039%, (1-month USD LIBOR + 4.65%), 10/25/28	United States	607,458	625,451
^l FNMA Connecticut Avenue Securities,			
2013-C01, M2, FRN, 9.639%, (1-month USD LIBOR + 5.25%), 10/25/23	United States	87,238	88,715
2014-C01, M2, FRN, 8.789%, (1-month USD LIBOR + 4.4%), 1/25/24	United States	154,864	159,027
2014-C02, 1M2, FRN, 6.989%, (1-month USD LIBOR + 2.6%), 5/25/24	United States	489,639	495,880
2014-C02, 2M2, FRN, 6.989%, (1-month USD LIBOR + 2.6%), 5/25/24	United States	147,748	147,656
2014-C03, 1M2, FRN, 7.389%, (1-month USD LIBOR + 3%), 7/25/24	United States	971,684	990,417
2014-C03, 2M2, FRN, 7.289%, (1-month USD LIBOR + 2.9%), 7/25/24	United States	23,136	23,146
2015-C01, 1M2, FRN, 8.689%, (1-month USD LIBOR + 4.3%), 2/25/25	United States	165,823	168,809
2015-C02, 1M2, FRN, 8.389%, (1-month USD LIBOR + 4%), 5/25/25	United States	452,013	454,628
2015-C03, 1M2, FRN, 9.389%, (1-month USD LIBOR + 5%), 7/25/25	United States	641,648	651,840
2016-C01, 1M2, FRN, 11.139%, (1-month USD LIBOR + 6.75%), 8/25/28	United States	103,677	108,315
2016-C03, 1M2, FRN, 9.689%, (1-month USD LIBOR + 5.3%), 10/25/28	United States	556,465	575,752
2017-C04, 2M2, FRN, 7.239%, (1-month USD LIBOR + 2.85%), 11/25/29	United States	405,732	409,149
			7,696,407
Total Residential Mortgage-Backed Securities (Cost \$15,812,291)			14,234,319
		Shares	
Escrows and Litigation Trusts 0.0%[†]			
^{a,b} K2016470219 South Africa Ltd., Escrow Account	South Africa	72,822	—

Franklin Strategic Income VIP Fund (continued)

	Country	Shares	Value
Escrows and Litigation Trusts (continued)			
^a Mesquite Energy, Inc., Escrow Account	United States	243,000	\$3,949
Total Escrows and Litigation Trusts (Cost \$243,000)			3,949
Total Long Term Investments (Cost \$312,640,852)			279,015,373
 Short Term Investments 6.1%			
	Country	Shares	Value
Money Market Funds 6.1%			
^{d,o} Institutional Fiduciary Trust - Money Market Portfolio, 3.782%	United States	18,252,570	18,252,570
Total Money Market Funds (Cost \$18,252,570)			18,252,570
Total Short Term Investments (Cost \$18,252,570)			18,252,570
Total Investments (Cost \$330,893,422) 98.9%			\$297,267,943
Other Assets, less Liabilities 1.1%			3,534,631
Net Assets 100.0%			\$300,802,574

*The principal amount is stated in U.S. dollars unless otherwise indicated.

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

^aNon-income producing.

^bFair valued using significant unobservable inputs. See Note 13 regarding fair value measurements.

^cSee Note 10 regarding restricted securities.

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

^eIncome may be received in additional securities and/or cash.

^fPerpetual security with no stated maturity date.

^gSecurity 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, 2022, the aggregate value of these securities was \$109,685,653, representing 36.5% of net assets.

^hSee Note 7 regarding credit risk and defaulted securities.

ⁱSee Note 1(f) regarding Marketplace Lending. See full breakdown of marketplace loans holdings in the table at the end of this schedule.

^jA supranational organization is an entity formed by two or more central governments through international treaties.

^kPrincipal amount of security is adjusted for inflation. See Note 1(h).

^lThe coupon rate shown represents the rate inclusive of any caps or floors, if applicable, in effect at period end.

^mAdjustable rate security with an interest rate that is not based on a published reference index and spread. The rate is based on the structure of the agreement and current market conditions. The coupon rate shown represents the rate at period end.

ⁿAdjustable Rate Mortgage-Backed Security (ARM); the rate shown is the effective rate at period end. ARM rates are not based on a published reference rate and spread, but instead pass-through weighted average interest income inclusive of any caps or floors, if applicable, from the underlying mortgage loans in which the majority of mortgages pay interest based on the index shown at their designated reset dates plus a spread, less the applicable servicing and guaranty fee (MBS margin).

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

Schedule of Investments, December 31, 2022

Franklin Strategic Income VIP Fund

At December 31, 2022, the Fund had the following marketplace loans outstanding. See Note 1(d).

Description	Principal Amount	Value	Description	Principal Amount	Value
Marketplace Loans - 2.3%					
Freedom Financial Asset Management LLC			Freedom Financial Asset Management LLC (continued)		
APP-11693689.FP.FTS.B, 5.99%, 12/15/23	\$ 4,763	\$ 4,809	APP-12016647.FP.FTS.B, 16.99%, 1/25/27	\$ 17,258	\$ 17,350
APP-11442537.FP.FTS.B, 5.99%, 12/17/23	3,968	4,007	APP-11749109.FP.FTS.B, 17.49%, 2/06/27	17,641	17,573
APP-12232118.FP.FTS.B, 5.99%, 3/05/24	4,907	4,954	APP-11756687.FP.FTS.B, 19.49%, 2/06/27	6,615	6,520
APP-11925836.FP.FTS.B, 5.99%, 3/12/24	4,497	4,546	APP-11803939.FP.FTS.B, 10.99%, 2/10/27	30,049	30,470
APP-12933568.FP.FTS.B, 5.99%, 4/01/24	5,273	5,327	APP-11806622.FP.FTS.B, 18.99%, 2/11/27	8,865	8,899
APP-14154619.FP.FTS.B, 5.99%, 6/07/24	7,932	8,026	APP-11798689.FP.FTS.B, 16.99%, 2/12/27	17,343	17,565
APP-14139528.FP.FTS.B, 5.99%, 6/10/24	7,275	7,388	APP-12238134.FP.FTS.B, 20.24%, 3/03/27	24,397	24,075
APP-14479194.FP.FTS.B, 16.99%, 7/11/24	13,684	13,848	APP-12140585.FP.FTS.B, 11.24%, 3/12/27	26,237	26,597
APP-10114471.FP.FTS.B, 13.99%, 8/12/24	6,683	6,738	APP-12106231.FP.FTS.B, 11.74%, 3/13/27	37,695	38,288
APP-10844146.FP.FTS.B, 23.99%, 10/18/24	7,204	1,588	APP-12249339.FP.FTS.B, 19.49%, 3/13/27	18,048	18,038
APP-11822354.FP.FTS.B, 9.49%, 12/18/24	15,184	15,324	APP-11878312.FP.FTS.B, 10.99%, 3/14/27	17,920	18,174
APP-11766036.FP.FTS.B, 23.74%, 12/18/24	19,120	18,998	APP-12139734.FP.FTS.B, 13.49%, 3/14/27	14,034	14,252
APP-11746986.FP.FTS.B, 18.99%, 12/19/24	9,089	9,042	APP-13678387.FP.FTS.B, 13.84%, 4/03/27	13,485	13,593
APP-11765697.FP.FTS.B, 16.99%, 12/24/24	7,329	7,336	APP-13561151.FP.FTS.B, 16.74%, 4/12/27	33,612	34,001
APP-12220276.FP.FTS.B, 17.49%, 1/17/25	10,977	10,895	APP-13705025.FP.FTS.B, 10.84%, 5/14/27	26,887	27,239
APP-11798383.FP.FTS.B, 19.99%, 2/01/25	7,811	7,748	APP-13695562.FP.FTS.B, 20.49%, 5/14/27	18,374	18,265
APP-11693771.FP.FTS.B, 9.74%, 2/06/25	13,492	13,633	APP-13684451.FP.FTS.B, 17.24%, 5/15/27	45,602	46,080
APP-11765858.FP.FTS.B, 19.49%, 2/06/25	12,523	12,372	APP-13199139.FP.FTS.B, 11.74%, 5/20/27	39,410	39,999
APP-11695285.FP.FTS.B, 9.74%, 2/07/25	12,458	12,591	APP-13685540.FP.FTS.B, 13.59%, 5/20/27	33,364	33,832
APP-11818700.FP.FTS.B, 17.74%, 2/08/25	15,814	15,577	APP-13701830.FP.FTS.B, 20.24%, 5/21/27	27,675	27,628
APP-11817363.FP.FTS.B, 25.49%, 2/11/25	8,894	809	APP-13668745.FP.FTS.B, 23.99%, 5/23/27	14,506	14,475
APP-11948847.FP.FTS.B, 11.74%, 3/08/25	23,666	23,879	APP-13628442.FP.FTS.B, 17.99%, 5/24/27	15,893	16,009
APP-12139795.FP.FTS.B, 9.74%, 3/10/25	9,986	10,144	APP-13699606.FP.FTS.B, 20.49%, 5/26/27	2,661	2,641
APP-14135500.FP.FTS.B, 14.49%, 4/25/25	19,855	20,033	APP-13694837.FP.FTS.B, 14.34%, 5/27/27	41,876	42,580
APP-13668983.FP.FTS.B, 7.84%, 5/13/25	29,417	29,741	APP-14967059.FP.FTS.B, 11.99%, 6/01/27	15,214	15,378
APP-13660633.FP.FTS.B, 25.49%, 5/13/25	8,847	3,150	APP-14831064.FP.FTS.B, 11.74%, 6/04/27	37,580	38,104
APP-13704982.FP.FTS.B, 21.99%, 5/25/25	7,552	7,559	APP-14058204.FP.FTS.B, 11.59%, 6/05/27	12,241	12,390
APP-14969419.FP.FTS.B, 9.74%, 6/01/25	25,794	26,060	APP-14861817.FP.FTS.B, 11.99%, 6/05/27	18,470	18,662
APP-14148125.FP.FTS.B, 9.34%, 6/16/25	26,394	26,757	APP-14057383.FP.FTS.B, 11.34%, 6/15/27	33,003	33,506
APP-13916851.FP.FTS.B, 9.34%, 6/18/25	24,875	25,228	APP-14167090.FP.FTS.B, 11.34%, 6/15/27	36,554	37,110
APP-14959147.FP.FTS.B, 17.99%, 7/21/25	14,174	14,224	APP-14120872.FP.FTS.B, 13.59%, 6/15/27	18,392	18,656
APP-11657858.FP.FTS.B, 17.49%, 12/16/25	12,980	13,075	APP-14165501.FP.FTS.B, 13.34%, 6/16/27	12,306	12,486
APP-11765263.FP.FTS.B, 19.49%, 12/24/25	9,806	9,932	APP-13060373.FP.FTS.B, 11.34%, 6/19/27	21,462	5,919
APP-11752447.FP.FTS.B, 9.99%, 2/05/26	32,321	32,780	APP-14163864.FP.FTS.B, 11.34%, 6/19/27	36,608	37,209
APP-11823715.FP.FTS.B, 14.99%, 2/05/26	17,720	5,141	APP-14867762.FP.FTS.B, 14.24%, 7/10/27	15,521	15,709
APP-11795510.FP.FTS.B, 12.49%, 2/11/26	15,486	15,718	APP-14981611.FP.FTS.B, 16.49%, 7/10/27	10,268	10,392
APP-11804417.FP.FTS.B, 18.49%, 2/12/26	8,271	1,600	APP-14837945.FP.FTS.B, 18.49%, 7/10/27	22,342	22,336
APP-11819292.FP.FTS.B, 18.99%, 2/12/26	11,266	11,272	APP-14926519.FP.FTS.B, 9.74%, 7/11/27	32,238	32,678
APP-12232816.FP.FTS.B, 15.99%, 3/09/26	20,906	21,096	APP-14970727.FP.FTS.B, 9.74%, 7/13/27	26,912	27,294
APP-13646258.FP.FTS.B, 22.99%, 5/14/26	13,363	13,349	APP-14975701.FP.FTS.B, 11.74%, 7/15/27	18,528	18,805
APP-13608417.FP.FTS.B, 10.34%, 5/20/26	19,206	19,508	APP-14892088.FP.FTS.B, 14.49%, 7/15/27	9,785	9,935
APP-13700836.FP.FTS.B, 18.99%, 5/28/26	17,498	17,491	APP-14939586.FP.FTS.B, 14.24%, 7/22/27	14,083	14,295
APP-14159522.FP.FTS.B, 10.34%, 6/15/26	19,841	20,159	APP-14791332.FP.FTS.B, 17.74%, 7/22/27	28,256	28,495
APP-14167786.FP.FTS.B, 10.34%, 6/16/26	31,927	32,447	APP-14959631.FP.FTS.B, 17.74%, 7/22/27	47,661	48,461
APP-14974854.FP.FTS.B, 16.49%, 7/10/26	18,170	18,312	APP-14178116.FP.FTS.B, 17.74%, 7/23/27	46,947	47,274
APP-14865971.FP.FTS.B, 8.74%, 7/24/26	26,014	26,472			
APP-14985540.FP.FTS.B, 16.74%, 7/24/26	46,057	23,804			1,901,751
APP-11124654.FP.FTS.B, 19.49%, 12/18/26	36,783	36,909	LendingClub Corp. - LCX		
APP-11605924.FP.FTS.B, 11.74%, 12/20/26	39,114	39,625	166043155.LC.FTS.B, 14.3%, 2/03/23 . . .	330	330
APP-11720742.FP.FTS.B, 18.99%, 12/21/26	20,858	20,937	166662631.LC.FTS.B, 20.55%, 2/21/23. . .	438	442
APP-11764235.FP.FTS.B, 11.74%, 12/29/26	42,172	42,797	167225770.LC.FTS.B, 25.65%, 2/28/23. . .	1,118	14
APP-11813151.FP.FTS.B, 20.99%, 12/30/26	4,513	2,871	167701933.LC.FTS.B, 10.33%, 3/03/23. . .	1,243	1,237
APP-11822469.FP.FTS.B, 22.49%, 12/30/26	10,410	1,355	168221172.LC.FTS.B, 8.81%, 3/15/23. . .	802	793
APP-12248562.FP.FTS.B, 16.74%, 1/18/27	43,395	43,533	167497337.LC.FTS.B, 10.33%, 3/15/23. . .	2,261	1,875
			166308005.LC.FTS.B, 20.55%, 4/10/23. . .	975	973

Franklin Strategic Income VIP Fund (continued)

Description	Principal Amount	Value	Description	Principal Amount	Value
Marketplace Loans (continued)			Prosper Funding LLC (continued)		
LendingClub Corp. - LCX (continued)			Prosper Funding LLC (continued)		
166957411.LC.FTS.B, 15.24%, 4/19/23...	\$ 205	\$ 200	1681375.PS.FTS.B, 16.02%, 12/20/24...	\$ 1,024	\$ 993
158759739.LC.FTS.B, 16.12%, 11/25/24...	11,110	10,745	1690251.PS.FTS.B, 13.66%, 12/22/24...	6,397	6,182
165633933.LC.FTS.B, 11.02%, 1/28/25...	9,678	9,282	1677551.PS.FTS.B, 18.09%, 12/22/24...	1,291	1,251
165313131.LC.FTS.B, 11.02%, 2/03/25...	15,984	15,296	1701345.PS.FTS.B, 11.4%, 1/13/25...	8,524	-
166049294.LC.FTS.B, 14.3%, 2/03/25...	5,990	5,758	1695034.PS.FTS.B, 14.89%, 1/13/25...	3,699	3,544
166979816.LC.FTS.B, 15.24%, 2/24/25...	8,059	7,726	1701351.PS.FTS.B, 16.1%, 1/13/25...	1,486	1,424
167106425.LC.FTS.B, 18.62%, 2/28/25...	4,978	4,833	1694578.PS.FTS.B, 19.83%, 1/13/25...	3,392	3,250
165954765.LC.FTS.B, 20.55%, 3/20/25...	7,390	7,081	1702155.PS.FTS.B, 15.21%, 1/14/25...	3,703	3,550
165475303.LC.FTS.B, 8.19%, 1/24/33...	165	165	1688540.PS.FTS.B, 12.3%, 1/20/25...	7,325	7,069
165393871.LC.FTS.B, 11.02%, 1/24/33...	519	520	1705446.PS.FTS.B, 21.69%, 1/20/25...	1,518	1,478
165581669.LC.FTS.B, 7.56%, 1/27/33...	457	454	1701777.PS.FTS.B, 15.1%, 1/25/25...	5,405	5,175
165690410.LC.FTS.B, 15.24%, 1/28/33...	172	173	1688531.PS.FTS.B, 16.02%, 1/26/25...	10,490	10,082
165696133.LC.FTS.B, 17.74%, 1/28/33...	760	756	1692122.PS.FTS.B, 13%, 2/01/25...	23,416	22,618
		68,653	1714693.PS.FTS.B, 12.4%, 2/15/25...	8,714	8,411
			1721001.PS.FTS.B, 18.6%, 2/15/25...	6,970	6,709
LendingClub Corp. - LCX PM			1714705.PS.FTS.B, 18.8%, 2/15/25...	6,200	5,940
171026131.LC.FTS.B, 14.02%, 10/08/23...	7,059	6,930	1708034.PS.FTS.B, 20.01%, 2/15/25...	3,891	3,744
171023265.LC.FTS.B, 17.3%, 10/08/23...	1,906	1,858	1721031.PS.FTS.B, 20.4%, 2/15/25...	1,558	1,500
171077226.LC.FTS.B, 10.19%, 10/13/23...	763	738	1722672.PS.FTS.B, 10.5%, 2/16/25...	4,515	4,359
172927033.LC.FTS.B, 10.81%, 12/24/23...	2,949	2,880	1722483.PS.FTS.B, 15.4%, 2/16/25...	15,319	14,685
173276655.LC.FTS.B, 18.24%, 12/24/23...	1,976	1,945	1722186.PS.FTS.B, 24.4%, 2/16/25...	7,513	1,114
174324177.LC.FTS.B, 14.99%, 2/03/24...	2,213	2,177	1710260.PS.FTS.B, 22.6%, 2/28/25...	1,690	1,624
170715926.LC.FTS.B, 16.08%, 10/13/25...	9,926	9,635	1718530.PS.FTS.B, 24.4%, 2/28/25...	3,270	3,156
170676409.LC.FTS.B, 17.3%, 10/13/25...	8,023	7,724	1721323.PS.FTS.B, 16.4%, 3/07/25...	5,380	5,174
171176757.LC.FTS.B, 18.24%, 10/27/25...	6,834	6,596	1720980.PS.FTS.B, 19.56%, 3/08/25...	5,285	5,070
174329530.LC.FTS.B, 20.49%, 2/03/26...	7,438	7,281	1749430.PS.FTS.B, 23.59%, 4/05/25...	6,693	6,384
174350163.LC.FTS.B, 18.44%, 2/15/26...	9,648	9,460	1743116.PS.FTS.B, 12.4%, 4/06/25...	4,044	3,911
		57,224	1744403.PS.FTS.B, 13.9%, 4/07/25...	6,905	6,609
			1754061.PS.FTS.B, 16%, 4/07/25...	5,721	5,475
Prosper Funding LLC			1752367.PS.FTS.B, 18.09%, 4/11/25...	2,805	-
1611508.PS.FTS.B, 15.4%, 8/20/24...	3,058	2,962	1752829.PS.FTS.B, 18.09%, 4/11/25...	1,644	1,574
1612567.PS.FTS.B, 24.6%, 8/23/24...	1,305	1,289	1754218.PS.FTS.B, 22.6%, 4/12/25...	1,665	1,595
1623671.PS.FTS.B, 25.71%, 9/21/24...	6,728	6,642	1750364.PS.FTS.B, 18.5%, 4/15/25...	8,231	7,902
1628458.PS.FTS.B, 18.5%, 9/22/24...	3,243	3,174	1759842.PS.FTS.B, 22.9%, 4/15/25...	3,748	3,598
1620408.PS.FTS.B, 12.5%, 9/23/24...	25,477	5,016	1754544.PS.FTS.B, 16.1%, 4/18/25...	8,221	7,870
1627820.PS.FTS.B, 12.15%, 9/28/24...	3,267	3,168	1606280.PS.FTS.B, 14.7%, 7/17/25...	1,612	-
1627811.PS.FTS.B, 13.05%, 9/28/24...	13,131	12,730	1605968.PS.FTS.B, 14.29%, 8/17/26...	5,989	5,727
1638201.PS.FTS.B, 13.3%, 9/28/24...	6,267	6,076	1605959.PS.FTS.B, 18.73%, 8/17/26...	16,334	15,615
1638657.PS.FTS.B, 16.1%, 9/28/24...	1,334	1,293	1618044.PS.FTS.B, 15.1%, 8/19/26...	7,923	7,626
1628909.PS.FTS.B, 17.96%, 9/29/24...	5,047	4,976	1611667.PS.FTS.B, 12.6%, 8/20/26...	5,144	4,958
1629401.PS.FTS.B, 13.5%, 9/30/24...	3,985	3,830	1620426.PS.FTS.B, 20%, 8/24/26...	17,256	16,705
1657122.PS.FTS.B, 10.8%, 10/29/24...	4,729	4,630	1610432.PS.FTS.B, 14.03%, 8/25/26...	5,184	5,002
1656696.PS.FTS.B, 11.7%, 10/29/24...	8,821	8,642	1622637.PS.FTS.B, 12.7%, 8/27/26...	5,543	5,351
1645598.PS.FTS.B, 16.2%, 10/31/24...	4,778	4,745	1622940.PS.FTS.B, 13.7%, 8/30/26...	9,721	9,323
1651234.PS.FTS.B, 13.7%, 11/01/24...	2,630	2,515	1624202.PS.FTS.B, 11.79%, 9/21/26...	15,237	14,688
1660959.PS.FTS.B, 14%, 11/05/24...	126	124	1648285.PS.FTS.B, 12.62%, 10/26/26...	6,555	6,291
1650965.PS.FTS.B, 18.41%, 11/05/24...	6,879	6,587	1644821.PS.FTS.B, 16.18%, 10/26/26...	11,660	11,163
1653314.PS.FTS.B, 13.2%, 11/09/24...	2,049	1,975	1644836.PS.FTS.B, 18.5%, 10/26/26...	5,468	5,265
1654279.PS.FTS.B, 12.4%, 11/11/24...	6,141	5,911	1648942.PS.FTS.B, 11.89%, 10/27/26...	5,308	5,124
1650962.PS.FTS.B, 13.81%, 11/29/24...	7,200	7,021	1645184.PS.FTS.B, 16.9%, 10/27/26...	773	758
1686771.PS.FTS.B, 12%, 12/16/24...	4,586	4,426	1645643.PS.FTS.B, 18.5%, 10/27/26...	9,254	8,915
1679839.PS.FTS.B, 12.76%, 12/16/24...	2,839	2,751	1645601.PS.FTS.B, 26.13%, 10/27/26...	4,334	4,244
1680232.PS.FTS.B, 15.5%, 12/16/24...	14,329	13,759	1646399.PS.FTS.B, 10.5%, 10/28/26...	9,080	8,768
1674092.PS.FTS.B, 16.2%, 12/16/24...	4,559	4,408	1657248.PS.FTS.B, 10.5%, 10/29/26...	20,637	20,121
1679833.PS.FTS.B, 17.54%, 12/16/24...	5,782	5,593	1646459.PS.FTS.B, 11.89%, 10/29/26...	8,307	8,109
1686723.PS.FTS.B, 18.4%, 12/16/24...	1,449	1,401	1646507.PS.FTS.B, 16%, 11/02/26...	13,546	12,971
1673696.PS.FTS.B, 24.3%, 12/16/24...	5,369	4,543	1654273.PS.FTS.B, 11.4%, 11/05/26...	12,428	11,939
1688400.PS.FTS.B, 15.4%, 12/20/24...	1,432	1,378	1661067.PS.FTS.B, 12.3%, 11/05/26...	8,318	7,991

Franklin Strategic Income VIP Fund (continued)

Description	Principal Amount	Value	Description	Principal Amount	Value
Marketplace Loans (continued)			Upgrade, Inc. - Card (continued)		
Prosper Funding LLC (continued)			992438577.UG.FTS.B, 25.45%, 4/03/24 .. \$ 187 \$ 186		
1660821.PS.FTS.B, 12.5%, 11/05/26	\$ 12,488	\$ 11,997	992341725.UG.FTS.B, 28.48%, 4/03/24 ..	34	34
1661382.PS.FTS.B, 16.7%, 11/05/26	4,237	4,038	992357631.UG.FTS.B, 28.48%, 4/03/24 ..	2	2
1660956.PS.FTS.B, 18.25%, 11/05/26	5,968	5,687	992458720.UG.FTS.B, 29.49%, 4/03/24 ..	28	28
1651610.PS.FTS.B, 10.8%, 11/08/26	8,676	8,341	992378488.UG.FTS.B, Zero Cpn, 4/04/24 ..	158	11
1664763.PS.FTS.B, 13.8%, 11/08/26	2,295	2,217	992264301.UG.FTS.B, 29.49%, 4/04/24 ..	246	247
1666497.PS.FTS.B, 13.8%, 11/09/26	12,559	11,953	992282840.UG.FTS.B, 29.49%, 4/04/24 ..	595	604
1647191.PS.FTS.B, 16.32%, 11/12/26	10,314	9,877	992459954.UG.FTS.B, 29.49%, 4/04/24 ..	142	18
1660294.PS.FTS.B, 15.2%, 11/15/26	10,131	9,638	992250596.UG.FTS.B, Zero Cpn, 4/05/24 ..	65	5
1664083.PS.FTS.B, 11.6%, 11/17/26	6,634	6,391	992347446.UG.FTS.B, Zero Cpn, 4/05/24 ..	907	63
1679851.PS.FTS.B, 10.9%, 12/16/26	15,136	14,585	992350092.UG.FTS.B, Zero Cpn, 4/05/24 ..	90	6
1673693.PS.FTS.B, 12.5%, 12/16/26	13,115	12,650	992414707.UG.FTS.B, Zero Cpn, 4/05/24 ..	248	17
1686732.PS.FTS.B, 12.62%, 12/16/26	4,234	4,080	992436739.UG.FTS.B, Zero Cpn, 4/05/24 ..	51	4
1686756.PS.FTS.B, 20.08%, 12/16/26	6,531	6,240	992444368.UG.FTS.B, Zero Cpn, 4/05/24 ..	901	63
1673687.PS.FTS.B, 25.6%, 12/16/26	8,976	7,586	992285365.UG.FTS.B, 17.49%, 4/05/24 ..	283	285
1674302.PS.FTS.B, 18.33%, 12/17/26	16,212	15,461	992240347.UG.FTS.B, 18.71%, 4/05/24 ..	95	96
1674281.PS.FTS.B, 21%, 12/17/26	2,592	2,514	992241984.UG.FTS.B, 18.71%, 4/05/24 ..	219	221
1675325.PS.FTS.B, 14%, 12/20/26	16,950	16,187	992239693.UG.FTS.B, 19.3%, 4/05/24 . . .	482	480
1695804.PS.FTS.B, 10.8%, 1/04/27	4,271	4,108	992324126.UG.FTS.B, 19.3%, 4/05/24 . . .	157	(1)
1694569.PS.FTS.B, 10.5%, 1/13/27	5,973	5,756	992378711.UG.FTS.B, 19.3%, 4/05/24 . . .	568	571
1701348.PS.FTS.B, 11.1%, 1/13/27	4,276	4,121	992333048.UG.FTS.B, 19.99%, 4/05/24 . . .	108	108
1688537.PS.FTS.B, 13.7%, 1/13/27	9,066	8,635	992246266.UG.FTS.B, 20.47%, 4/05/24 . . .	28	28
1702140.PS.FTS.B, 11.55%, 1/14/27	12,850	12,386	992286774.UG.FTS.B, 20.47%, 4/05/24 . . .	231	232
1701774.PS.FTS.B, 19.3%, 1/16/27	7,054	6,698	992418214.UG.FTS.B, 20.47%, 4/05/24 . . .	669	667
1703079.PS.FTS.B, 10.5%, 1/18/27	11,861	11,443	992419308.UG.FTS.B, 20.47%, 4/05/24 . . .	32	2
1689971.PS.FTS.B, 11.6%, 1/18/27	6,855	6,613	992239776.UG.FTS.B, 20.96%, 4/05/24 . . .	239	240
1691666.PS.FTS.B, 11.88%, 1/19/27	6,862	6,622	992244483.UG.FTS.B, 21.48%, 4/05/24 . . .	204	205
1705047.PS.FTS.B, 17.54%, 1/19/27	12,918	12,330	992266844.UG.FTS.B, 21.48%, 4/05/24 . . .	89	89
1704972.PS.FTS.B, 24.18%, 1/19/27	6,253	6,050	992416498.UG.FTS.B, 21.48%, 4/05/24 . . .	713	709
1692578.PS.FTS.B, 13.1%, 1/20/27	3,435	3,316	992256931.UG.FTS.B, 25.44%, 4/05/24 . . .	231	28
1699192.PS.FTS.B, 14.6%, 1/20/27	29,830	28,483	992273417.UG.FTS.B, 25.44%, 4/05/24 . . .	55	55
1694423.PS.FTS.B, 15%, 1/24/27	13,012	12,442	992300539.UG.FTS.B, 25.45%, 4/05/24 . . .	34	34
1702129.PS.FTS.B, 12.7%, 1/25/27	6,022	5,819	992274561.UG.FTS.B, 28.48%, 4/05/24 . . .	53	53
1709019.PS.FTS.B, 19%, 1/25/27	10,550	10,105	992284254.UG.FTS.B, 28.48%, 4/05/24 . . .	146	149
1702634.PS.FTS.B, 21.95%, 2/04/27	12,573	12,013	992296532.UG.FTS.B, 28.48%, 4/05/24 . . .	17	17
1721025.PS.FTS.B, 10.53%, 2/15/27	1,734	1,674	992315245.UG.FTS.B, 28.48%, 4/05/24 . . .	67	67
1714696.PS.FTS.B, 12.6%, 2/15/27	8,732	8,427	992334224.UG.FTS.B, 28.48%, 4/05/24 . . .	67	68
1708016.PS.FTS.B, 12.62%, 2/15/27	17,465	16,854	992379401.UG.FTS.B, 28.48%, 4/05/24 . . .	122	123
1720968.PS.FTS.B, 12.62%, 2/15/27	17,465	16,854	992395391.UG.FTS.B, 28.48%, 4/05/24 . . .	94	94
1714699.PS.FTS.B, 16.1%, 2/15/27	8,830	8,418	992401140.UG.FTS.B, 28.48%, 4/05/24 . . .	168	170
1715326.PS.FTS.B, 16.83%, 2/15/27	14,601	13,889	992443753.UG.FTS.B, 28.48%, 4/05/24 . . .	114	114
1709231.PS.FTS.B, 13.7%, 2/16/27	12,707	12,120	992255341.UG.FTS.B, 28.98%, 4/05/24 . . .	320	(16)
1716949.PS.FTS.B, 11.77%, 2/17/27	13,119	12,685	992349368.UG.FTS.B, 29.46%, 4/05/24 . . .	30	30
1711397.PS.FTS.B, 18.15%, 2/22/27	15,992	15,283	992273722.UG.FTS.B, 29.47%, 4/05/24 . . .	217	220
1709558.PS.FTS.B, 13.4%, 2/28/27	16,233	15,527	992248833.UG.FTS.B, 29.48%, 4/05/24 . . .	74	75
1752507.PS.FTS.B, 25.9%, 4/05/27	6,967	6,615	992256649.UG.FTS.B, 29.48%, 4/05/24 . . .	146	19
1743635.PS.FTS.B, 13.1%, 4/06/27	11,336	10,968	992267090.UG.FTS.B, 29.48%, 4/05/24 . . .	94	96
1753401.PS.FTS.B, 16.9%, 4/06/27	13,836	13,085	992275640.UG.FTS.B, 29.48%, 4/05/24 . . .	152	153
1750201.PS.FTS.B, 19.9%, 4/06/27	9,168	8,669	992279719.UG.FTS.B, 29.48%, 4/05/24 . . .	83	82
1750603.PS.FTS.B, 14.29%, 4/07/27	4,521	4,318	992308582.UG.FTS.B, 29.48%, 4/05/24 . . .	12	11
1751788.PS.FTS.B, 15.7%, 4/08/27	9,075	8,671	992308882.UG.FTS.B, 29.48%, 4/05/24 . . .	10	10
1759809.PS.FTS.B, 12.5%, 4/15/27	28,349	27,510	992324240.UG.FTS.B, 29.48%, 4/05/24 . . .	138	141
1753794.PS.FTS.B, 15.1%, 4/20/27	7,292	6,964	992347467.UG.FTS.B, 29.48%, 4/05/24 . . .	220	223
1700734.PS.FTS.B, 16.2%, 12/24/27	22,093	21,124	992239914.UG.FTS.B, 29.49%, 4/05/24 . . .	42	42
		1,037,276	992243934.UG.FTS.B, 29.49%, 4/05/24 . . .	36	14
Upgrade, Inc. - Card			992244373.UG.FTS.B, 29.49%, 4/05/24 . . .	85	85
992398221.UG.FTS.B, 19.3%, 4/03/24 . . .	101	101	992246075.UG.FTS.B, 29.49%, 4/05/24 . . .	119	120
992447830.UG.FTS.B, 22.45%, 4/03/24 . . .	153	152	992247689.UG.FTS.B, 29.49%, 4/05/24 . . .	624	618

Franklin Strategic Income VIP Fund (continued)

Description	Principal Amount	Value	Description	Principal Amount	Value
Marketplace Loans (continued)					
Upgrade, Inc. - Card (continued)			Upgrade, Inc. - Card (continued)		
992262726.UG.FTS.B, 29.49%, 4/05/24 ..	\$ 241	\$ 244	992460958.UG.FTS.B, 20.46%, 4/03/25 ..	\$ 305	\$ 306
992262764.UG.FTS.B, 29.49%, 4/05/24 ..	16	16	992341430.UG.FTS.B, 23.95%, 4/03/25 ..	146	145
992267548.UG.FTS.B, 29.49%, 4/05/24 ..	35	30	992249317.UG.FTS.B, 28.98%, 4/03/25 ..	698	710
992267982.UG.FTS.B, 29.49%, 4/05/24 ..	286	290	992287702.UG.FTS.B, 28.98%, 4/03/25 ..	301	301
992271382.UG.FTS.B, 29.49%, 4/05/24 ..	129	131	992307437.UG.FTS.B, 28.98%, 4/03/25 ..	498	497
992273344.UG.FTS.B, 29.49%, 4/05/24 ..	39	39	992401201.UG.FTS.B, 28.98%, 4/03/25 ..	28	28
992273433.UG.FTS.B, 29.49%, 4/05/24 ..	57	4	992458860.UG.FTS.B, 28.98%, 4/03/25 ..	239	14
992277911.UG.FTS.B, 29.49%, 4/05/24 ..	101	27	992464185.UG.FTS.B, 28.98%, 4/03/25 ..	46	46
992283053.UG.FTS.B, 29.49%, 4/05/24 ..	92	93	992236828.UG.FTS.B, 29.49%, 4/03/25 ..	84	86
992283646.UG.FTS.B, 29.49%, 4/05/24 ..	211	156	992261673.UG.FTS.B, 29.49%, 4/03/25 ..	97	95
992284455.UG.FTS.B, 29.49%, 4/05/24 ..	1,395	1,416	992296038.UG.FTS.B, 29.49%, 4/03/25 ..	388	394
992284613.UG.FTS.B, 29.49%, 4/05/24 ..	—	—	992334340.UG.FTS.B, 29.49%, 4/03/25 ..	86	24
992287261.UG.FTS.B, 29.49%, 4/05/24 ..	22	22	992345330.UG.FTS.B, 29.49%, 4/03/25 ..	406	411
992287722.UG.FTS.B, 29.49%, 4/05/24 ..	133	33	992367110.UG.FTS.B, 29.49%, 4/03/25 ..	1,006	1,008
992289546.UG.FTS.B, 29.49%, 4/05/24 ..	27	24	992457538.UG.FTS.B, 29.49%, 4/03/25 ..	23	23
992289947.UG.FTS.B, 29.49%, 4/05/24 ..	125	122	992458735.UG.FTS.B, 29.49%, 4/03/25 ..	22	9
992296652.UG.FTS.B, 29.49%, 4/05/24 ..	11	11	992458807.UG.FTS.B, 29.49%, 4/03/25 ..	55	55
992296969.UG.FTS.B, 29.49%, 4/05/24 ..	66	4	992462894.UG.FTS.B, 29.49%, 4/03/25 ..	109	110
992297108.UG.FTS.B, 29.49%, 4/05/24 ..	72	73	992461071.UG.FTS.B, Zero Cpn, 4/04/25 ..	155	11
992302092.UG.FTS.B, 29.49%, 4/05/24 ..	112	109	992457494.UG.FTS.B, 17.99%, 4/04/25 ..	559	564
992307882.UG.FTS.B, 29.49%, 4/05/24 ..	117	118	992299146.UG.FTS.B, 28.98%, 4/04/25 ..	567	564
992309362.UG.FTS.B, 29.49%, 4/05/24 ..	145	148	992362408.UG.FTS.B, 28.98%, 4/04/25 ..	21	21
992309531.UG.FTS.B, 29.49%, 4/05/24 ..	79	20	992408749.UG.FTS.B, 28.98%, 4/04/25 ..	351	74
992310025.UG.FTS.B, 29.49%, 4/05/24 ..	238	239	992461489.UG.FTS.B, 28.98%, 4/04/25 ..	18	18
992323342.UG.FTS.B, 29.49%, 4/05/24 ..	49	49	992250417.UG.FTS.B, 29.49%, 4/04/25 ..	176	174
992323446.UG.FTS.B, 29.49%, 4/05/24 ..	96	95	992264434.UG.FTS.B, 29.49%, 4/04/25 ..	215	212
992324210.UG.FTS.B, 29.49%, 4/05/24 ..	60	60	992297978.UG.FTS.B, 29.49%, 4/04/25 ..	42	41
992328175.UG.FTS.B, 29.49%, 4/05/24 ..	54	4	992459117.UG.FTS.B, 29.49%, 4/04/25 ..	11	11
992328853.UG.FTS.B, 29.49%, 4/05/24 ..	111	113	992379087.UG.FTS.B, Zero Cpn, 4/05/25 ..	992	69
992329601.UG.FTS.B, 29.49%, 4/05/24 ..	72	71	992397317.UG.FTS.B, Zero Cpn, 4/05/25 ..	32	2
992333933.UG.FTS.B, 29.49%, 4/05/24 ..	193	27	992245824.UG.FTS.B, 16.99%, 4/05/25 ..	212	212
992336975.UG.FTS.B, 29.49%, 4/05/24 ..	142	142	992282393.UG.FTS.B, 16.99%, 4/05/25 ..	1,649	1,677
992344980.UG.FTS.B, 29.49%, 4/05/24 ..	78	10	992335587.UG.FTS.B, 17.97%, 4/05/25 ..	355	221
992345689.UG.FTS.B, 29.49%, 4/05/24 ..	72	71	992294096.UG.FTS.B, 17.99%, 4/05/25 ..	381	381
992345838.UG.FTS.B, 29.49%, 4/05/24 ..	171	(8)	992300496.UG.FTS.B, 17.99%, 4/05/25 ..	98	99
992348729.UG.FTS.B, 29.49%, 4/05/24 ..	54	54	992239267.UG.FTS.B, 19.21%, 4/05/25 ..	1,665	1,688
992350277.UG.FTS.B, 29.49%, 4/05/24 ..	137	138	992346705.UG.FTS.B, 19.21%, 4/05/25 ..	827	839
992364426.UG.FTS.B, 29.49%, 4/05/24 ..	42	42	992442455.UG.FTS.B, 19.21%, 4/05/25 ..	2,011	2,024
992365430.UG.FTS.B, 29.49%, 4/05/24 ..	54	54	992300281.UG.FTS.B, 19.8%, 4/05/25 ..	18	18
992366150.UG.FTS.B, 29.49%, 4/05/24 ..	196	198	992307969.UG.FTS.B, 19.8%, 4/05/25 ..	97	98
992380190.UG.FTS.B, 29.49%, 4/05/24 ..	7	7	992349565.UG.FTS.B, 19.8%, 4/05/25 ..	993	1,005
992382545.UG.FTS.B, 29.49%, 4/05/24 ..	7	7	992350427.UG.FTS.B, 19.8%, 4/05/25 ..	829	839
992402117.UG.FTS.B, 29.49%, 4/05/24 ..	174	45	992383581.UG.FTS.B, 19.8%, 4/05/25 ..	219	222
992405301.UG.FTS.B, 29.49%, 4/05/24 ..	39	39	992254243.UG.FTS.B, 19.99%, 4/05/25 ..	347	349
992412416.UG.FTS.B, 29.49%, 4/05/24 ..	348	346	992268585.UG.FTS.B, 19.99%, 4/05/25 ..	94	97
992419454.UG.FTS.B, 29.49%, 4/05/24 ..	33	32	992270154.UG.FTS.B, 19.99%, 4/05/25 ..	520	536
992428512.UG.FTS.B, 29.49%, 4/05/24 ..	124	123	992290118.UG.FTS.B, 19.99%, 4/05/25 ..	122	126
992435585.UG.FTS.B, 29.49%, 4/05/24 ..	371	296	992336548.UG.FTS.B, 19.99%, 4/05/25 ..	1,274	1,289
992439811.UG.FTS.B, 29.49%, 4/05/24 ..	86	85	992357555.UG.FTS.B, 19.99%, 4/05/25 ..	161	164
992455893.UG.FTS.B, 29.49%, 4/05/24 ..	109	109	992379889.UG.FTS.B, 19.99%, 4/05/25 ..	1,042	1,067
992461968.UG.FTS.B, 29.49%, 4/05/24 ..	83	82	992341688.UG.FTS.B, 20.46%, 4/05/25 ..	127	128
992330988.UG.FTS.B, 18.71%, 6/03/24 ..	210	212	992453559.UG.FTS.B, 20.46%, 4/05/25 ..	2,063	2,071
992264392.UG.FTS.B, Zero Cpn, 4/03/25 ..	522	36	992241765.UG.FTS.B, 20.97%, 4/05/25 ..	433	438
992460846.UG.FTS.B, Zero Cpn, 4/03/25 ..	494	35	992386629.UG.FTS.B, 20.97%, 4/05/25 ..	3,318	3,354
992271010.UG.FTS.B, 17.97%, 4/03/25 ..	200	199	992251309.UG.FTS.B, 21.46%, 4/05/25 ..	412	416
992355930.UG.FTS.B, 19.8%, 4/03/25 ..	214	215	992297939.UG.FTS.B, 21.46%, 4/05/25 ..	7	7
992244955.UG.FTS.B, 19.99%, 4/03/25 ..	122	123	992347533.UG.FTS.B, 21.46%, 4/05/25 ..	208	210
992318841.UG.FTS.B, 19.99%, 4/03/25 ..	1,046	1,038	992413295.UG.FTS.B, 21.46%, 4/05/25 ..	133	133

Franklin Strategic Income VIP Fund (continued)

Description	Principal Amount	Value	Description	Principal Amount	Value
Marketplace Loans (continued)			Upgrade, Inc. - Card (continued)		
Upgrade, Inc. - Card (continued)			Upgrade, Inc. - Card (continued)		
992238211.UG.FTS.B, 21.98%, 4/05/25 ..	\$ 657	\$ 663	992345324.UG.FTS.B, 28.98%, 4/05/25 ..	\$ 28	\$ 28
992263295.UG.FTS.B, 21.98%, 4/05/25 ..	335	335	992348005.UG.FTS.B, 28.98%, 4/05/25 ..	425	438
992395369.UG.FTS.B, 21.98%, 4/05/25 ..	275	277	992349767.UG.FTS.B, 28.98%, 4/05/25 ..	279	(14)
992263400.UG.FTS.B, 22.95%, 4/05/25 ..	350	352	992350279.UG.FTS.B, 28.98%, 4/05/25 ..	456	298
992262511.UG.FTS.B, 22.97%, 4/05/25 ..	728	733	992353271.UG.FTS.B, 28.98%, 4/05/25 ..	607	622
992330039.UG.FTS.B, 22.97%, 4/05/25 ..	561	368	992360785.UG.FTS.B, 28.98%, 4/05/25 ..	186	(9)
992378853.UG.FTS.B, 22.97%, 4/05/25 ..	899	58	992378373.UG.FTS.B, 28.98%, 4/05/25 ..	666	675
992415093.UG.FTS.B, 22.97%, 4/05/25 ..	237	239	992385229.UG.FTS.B, 28.98%, 4/05/25 ..	253	260
992268373.UG.FTS.B, 23.95%, 4/05/25 ..	507	503	992398111.UG.FTS.B, 28.98%, 4/05/25 ..	136	138
992309324.UG.FTS.B, 23.95%, 4/05/25 ..	782	51	992406035.UG.FTS.B, 28.98%, 4/05/25 ..	755	778
992350011.UG.FTS.B, 23.95%, 4/05/25 ..	79	79	992409294.UG.FTS.B, 28.98%, 4/05/25 ..	16	15
992402436.UG.FTS.B, 23.95%, 4/05/25 ..	10	10	992413133.UG.FTS.B, 28.98%, 4/05/25 ..	418	90
992350254.UG.FTS.B, 24.96%, 4/05/25 ..	106	105	992415454.UG.FTS.B, 28.98%, 4/05/25 ..	929	943
992252550.UG.FTS.B, 27.99%, 4/05/25 ..	40	39	992435220.UG.FTS.B, 28.98%, 4/05/25 ..	183	184
992438360.UG.FTS.B, 27.99%, 4/05/25 ..	193	195	992437799.UG.FTS.B, 28.98%, 4/05/25 ..	7	7
992240832.UG.FTS.B, 28.98%, 4/05/25 ..	79	81	992442881.UG.FTS.B, 28.98%, 4/05/25 ..	57	56
992246882.UG.FTS.B, 28.98%, 4/05/25 ..	772	788	992443445.UG.FTS.B, 28.98%, 4/05/25 ..	19	19
992248396.UG.FTS.B, 28.98%, 4/05/25 ..	857	883	992446631.UG.FTS.B, 28.98%, 4/05/25 ..	86	88
992252552.UG.FTS.B, 28.98%, 4/05/25 ..	10	10	992446902.UG.FTS.B, 28.98%, 4/05/25 ..	3	3
992253878.UG.FTS.B, 28.98%, 4/05/25 ..	573	566	992451365.UG.FTS.B, 28.98%, 4/05/25 ..	14	14
992255354.UG.FTS.B, 28.98%, 4/05/25 ..	54	15	992452469.UG.FTS.B, 28.98%, 4/05/25 ..	252	254
992259876.UG.FTS.B, 28.98%, 4/05/25 ..	106	109	992453910.UG.FTS.B, 28.98%, 4/05/25 ..	30	30
992260350.UG.FTS.B, 28.98%, 4/05/25 ..	97	97	992276659.UG.FTS.B, 29.46%, 4/05/25 ..	42	17
992260733.UG.FTS.B, 28.98%, 4/05/25 ..	298	306	992290075.UG.FTS.B, 29.46%, 4/05/25 ..	10	6
992262040.UG.FTS.B, 28.98%, 4/05/25 ..	177	182	992293126.UG.FTS.B, 29.46%, 4/05/25 ..	54	55
992263660.UG.FTS.B, 28.98%, 4/05/25 ..	478	476	992304458.UG.FTS.B, 29.46%, 4/05/25 ..	96	99
992266496.UG.FTS.B, 28.98%, 4/05/25 ..	132	132	992237772.UG.FTS.B, 29.49%, 4/05/25 ..	49	49
992267371.UG.FTS.B, 28.98%, 4/05/25 ..	1,055	1,087	992238384.UG.FTS.B, 29.49%, 4/05/25 ..	53	54
992269403.UG.FTS.B, 28.98%, 4/05/25 ..	10	10	992239318.UG.FTS.B, 29.49%, 4/05/25 ..	103	106
992269419.UG.FTS.B, 28.98%, 4/05/25 ..	354	42	992239897.UG.FTS.B, 29.49%, 4/05/25 ..	34	34
992270480.UG.FTS.B, 28.98%, 4/05/25 ..	232	240	992241701.UG.FTS.B, 29.49%, 4/05/25 ..	558	373
992273307.UG.FTS.B, 28.98%, 4/05/25 ..	2,206	2,272	992243923.UG.FTS.B, 29.49%, 4/05/25 ..	2,892	2,947
992283631.UG.FTS.B, 28.98%, 4/05/25 ..	821	832	992249401.UG.FTS.B, 29.49%, 4/05/25 ..	-	-
992283659.UG.FTS.B, 28.98%, 4/05/25 ..	215	219	992250643.UG.FTS.B, 29.49%, 4/05/25 ..	256	15
992284082.UG.FTS.B, 28.98%, 4/05/25 ..	213	220	992254667.UG.FTS.B, 29.49%, 4/05/25 ..	371	370
992284271.UG.FTS.B, 28.98%, 4/05/25 ..	1,709	1,741	992256558.UG.FTS.B, 29.49%, 4/05/25 ..	116	119
992284330.UG.FTS.B, 28.98%, 4/05/25 ..	1	1	992256966.UG.FTS.B, 29.49%, 4/05/25 ..	632	622
992285475.UG.FTS.B, 28.98%, 4/05/25 ..	26	26	992259460.UG.FTS.B, 29.49%, 4/05/25 ..	87	89
992286835.UG.FTS.B, 28.98%, 4/05/25 ..	112	115	992262634.UG.FTS.B, 29.49%, 4/05/25 ..	17	17
992289248.UG.FTS.B, 28.98%, 4/05/25 ..	17	17	992263028.UG.FTS.B, 29.49%, 4/05/25 ..	21	21
992293208.UG.FTS.B, 28.98%, 4/05/25 ..	308	312	992266945.UG.FTS.B, 29.49%, 4/05/25 ..	26	26
992293228.UG.FTS.B, 28.98%, 4/05/25 ..	113	73	992267222.UG.FTS.B, 29.49%, 4/05/25 ..	275	283
992300368.UG.FTS.B, 28.98%, 4/05/25 ..	98	101	992268106.UG.FTS.B, 29.49%, 4/05/25 ..	112	115
992300466.UG.FTS.B, 28.98%, 4/05/25 ..	407	273	992270160.UG.FTS.B, 29.49%, 4/05/25 ..	58	58
992300547.UG.FTS.B, 28.98%, 4/05/25 ..	119	123	992271134.UG.FTS.B, 29.49%, 4/05/25 ..	118	122
992300944.UG.FTS.B, 28.98%, 4/05/25 ..	147	149	992275086.UG.FTS.B, 29.49%, 4/05/25 ..	457	471
992308269.UG.FTS.B, 28.98%, 4/05/25 ..	116	120	992278455.UG.FTS.B, 29.49%, 4/05/25 ..	217	223
992308546.UG.FTS.B, 28.98%, 4/05/25 ..	92	94	992279419.UG.FTS.B, 29.49%, 4/05/25 ..	20	19
992310426.UG.FTS.B, 28.98%, 4/05/25 ..	166	163	992280377.UG.FTS.B, 29.49%, 4/05/25 ..	232	239
992314709.UG.FTS.B, 28.98%, 4/05/25 ..	372	370	992280735.UG.FTS.B, 29.49%, 4/05/25 ..	132	130
992316890.UG.FTS.B, 28.98%, 4/05/25 ..	884	907	992281701.UG.FTS.B, 29.49%, 4/05/25 ..	54	53
992317837.UG.FTS.B, 28.98%, 4/05/25 ..	11	11	992283304.UG.FTS.B, 29.49%, 4/05/25 ..	313	38
992322709.UG.FTS.B, 28.98%, 4/05/25 ..	170	175	992284321.UG.FTS.B, 29.49%, 4/05/25 ..	480	491
992323257.UG.FTS.B, 28.98%, 4/05/25 ..	14	14	992284964.UG.FTS.B, 29.49%, 4/05/25 ..	78	80
992324031.UG.FTS.B, 28.98%, 4/05/25 ..	665	685	992285081.UG.FTS.B, 29.49%, 4/05/25 ..	57	58
992333704.UG.FTS.B, 28.98%, 4/05/25 ..	36	13	992287347.UG.FTS.B, 29.49%, 4/05/25 ..	13	13
992336076.UG.FTS.B, 28.98%, 4/05/25 ..	44	(2)	992288356.UG.FTS.B, 29.49%, 4/05/25 ..	458	466
992336115.UG.FTS.B, 28.98%, 4/05/25 ..	296	305	992288429.UG.FTS.B, 29.49%, 4/05/25 ..	134	138

Franklin Strategic Income VIP Fund (continued)

Description	Principal Amount	Value	Description	Principal Amount	Value
Marketplace Loans (continued)			Upgrade, Inc. - Card (continued)		
Upgrade, Inc. - Card (continued)					
992288886.UG.FTS.B, 29.49%, 4/05/25 ..	\$ 62	\$ 62			
992289258.UG.FTS.B, 29.49%, 4/05/25 ..	501	516			
992297505.UG.FTS.B, 29.49%, 4/05/25 ..	85	87			
992298611.UG.FTS.B, 29.49%, 4/05/25 ..	308	313			
992298879.UG.FTS.B, 29.49%, 4/05/25 ..	148	9			
992302260.UG.FTS.B, 29.49%, 4/05/25 ..	198	202			
992302310.UG.FTS.B, 29.49%, 4/05/25 ..	209	215			
992302422.UG.FTS.B, 29.49%, 4/05/25 ..	175	123			
992303216.UG.FTS.B, 29.49%, 4/05/25 ..	791	172			
992304263.UG.FTS.B, 29.49%, 4/05/25 ..	158	161			
992305574.UG.FTS.B, 29.49%, 4/05/25 ..	408	406			
992306296.UG.FTS.B, 29.49%, 4/05/25 ..	72	73			
992307508.UG.FTS.B, 29.49%, 4/05/25 ..	515	510			
992309593.UG.FTS.B, 29.49%, 4/05/25 ..	96	6			
992317627.UG.FTS.B, 29.49%, 4/05/25 ..	9	9			
992318568.UG.FTS.B, 29.49%, 4/05/25 ..	105	108			
992321945.UG.FTS.B, 29.49%, 4/05/25 ..	3,322	2,244			
992321979.UG.FTS.B, 29.49%, 4/05/25 ..	9	9			
992323198.UG.FTS.B, 29.49%, 4/05/25 ..	133	94			
992323515.UG.FTS.B, 29.49%, 4/05/25 ..	85	87			
992328907.UG.FTS.B, 29.49%, 4/05/25 ..	172	176			
992330144.UG.FTS.B, 29.49%, 4/05/25 ..	54	55			
992332355.UG.FTS.B, 29.49%, 4/05/25 ..	180	185			
992333762.UG.FTS.B, 29.49%, 4/05/25 ..	630	642			
992336856.UG.FTS.B, 29.49%, 4/05/25 ..	67	68			
992340414.UG.FTS.B, 29.49%, 4/05/25 ..	175	180			
992344969.UG.FTS.B, 29.49%, 4/05/25 ..	1,875	1,858			
992356877.UG.FTS.B, 29.49%, 4/05/25 ..	125	(9)			
992359163.UG.FTS.B, 29.49%, 4/05/25 ..	170	174			
992364246.UG.FTS.B, 29.49%, 4/05/25 ..	61	17			
992378552.UG.FTS.B, 29.49%, 4/05/25 ..	127	128			
992379207.UG.FTS.B, 29.49%, 4/05/25 ..	137	136			
992379445.UG.FTS.B, 29.49%, 4/05/25 ..	212	213			
992380197.UG.FTS.B, 29.49%, 4/05/25 ..	74	(4)			
992384442.UG.FTS.B, 29.49%, 4/05/25 ..	16	16			
992385119.UG.FTS.B, 29.49%, 4/05/25 ..	167	(4)			
992398519.UG.FTS.B, 29.49%, 4/05/25 ..	58	58			
992410434.UG.FTS.B, 29.49%, 4/05/25 ..	1,026	1,038			
992410964.UG.FTS.B, 29.49%, 4/05/25 ..	22	21			
992413134.UG.FTS.B, 29.49%, 4/05/25 ..	465	97			
992415144.UG.FTS.B, 29.49%, 4/05/25 ..	143	9			
992416332.UG.FTS.B, 29.49%, 4/05/25 ..	953	962			
992423485.UG.FTS.B, 29.49%, 4/05/25 ..	191	188			
992428186.UG.FTS.B, 29.49%, 4/05/25 ..	2,677	2,697			
992438905.UG.FTS.B, 29.49%, 4/05/25 ..	20	19			
992439563.UG.FTS.B, 29.49%, 4/05/25 ..	168	(8)			
992443418.UG.FTS.B, 29.49%, 4/05/25 ..	135	137			
992444794.UG.FTS.B, 29.49%, 4/05/25 ..	5,065	5,096			
992444865.UG.FTS.B, 29.49%, 4/05/25 ..	72	74			
992445820.UG.FTS.B, 29.49%, 4/05/25 ..	135	137			
992446758.UG.FTS.B, 29.49%, 4/05/25 ..	17	17			
992448030.UG.FTS.B, 29.49%, 4/05/25 ..	103	104			
992455533.UG.FTS.B, 29.49%, 4/05/25 ..	1,375	1,376			
992248889.UG.FTS.B, 23.45%, 1/03/28 ..	3	3			
992459352.UG.FTS.B, 28.98%, 1/03/28 ..	5	5			
992451626.UG.FTS.B, 29.46%, 1/03/28 ..	2	2			
992330550.UG.FTS.B, 29.49%, 1/03/28 ..	9	4			
992449697.UG.FTS.B, 29.49%, 1/03/28 ..	12	2			
				\$	94,185
			Upstart Network, Inc.		
			L1738924.UP.FTS.B, 15.39%, 9/20/24 . . .	\$ 638	636
			FW1739398.UP.FTS.B, 20.17%, 9/20/24 . .	2,617	2,598
			L1915199.UP.FTS.B, 6.41%, 10/25/24 . . .	10,911	10,798
			FW1915250.UP.FTS.B, 12.04%, 10/25/24 .	32,686	32,433
			L1914801.UP.FTS.B, 12.09%, 10/25/24 . .	3,263	3,242
			FW1915226.UP.FTS.B, 13.65%, 10/25/24 .	988	980
			L1915220.UP.FTS.B, 18.87%, 10/25/24 . .	3,087	3,070
			FW1914760.UP.FTS.B, 27.19%, 10/25/24 .	1,406	1,393
			L2056491.UP.FTS.B, 7.95%, 11/16/24 . . .	997	988
			L2055423.UP.FTS.B, 8.44%, 11/16/24 . . .	3,605	3,572
			L2052631.UP.FTS.B, 8.92%, 11/16/24 . . .	3,346	3,316
			FW2056962.UP.FTS.B, 9.24%, 11/16/24 . .	6,701	6,641
			L2052610.UP.FTS.B, 11.6%, 11/16/24 . . .	2,034	2,016
			L2057377.UP.FTS.B, 13.89%, 11/16/24 . .	1,372	1,358
			L2057046.UP.FTS.B, 15.77%, 11/16/24 . .	2,074	2,060
			L2052838.UP.FTS.B, 16.45%, 11/16/24 . .	1,040	1,033
			L2053269.UP.FTS.B, 18.64%, 11/16/24 . .	1,406	1,392
			L2055155.UP.FTS.B, 20.16%, 11/16/24 . .	3,527	3,485
			FW2054947.UP.FTS.B, 21.35%, 11/16/24 . .	1,277	1,259
			L2057159.UP.FTS.B, 22.2%, 11/16/24 . . .	8,124	331
			L2057081.UP.FTS.B, 23.41%, 11/16/24 . .	1,645	1,626
			FW2053330.UP.FTS.B, 28.78%, 11/16/24 .	952	941
			FW2056543.UP.FTS.B, 29.23%, 11/16/24 .	1,026	1,014
			FW2055081.UP.FTS.B, 29.29%, 11/16/24 .	4,414	4,353
			L2242235.UP.FTS.B, 6.04%, 12/13/24 . . .	2,403	2,378
			FW2242510.UP.FTS.B, 7.1%, 12/13/24 . . .	6,219	6,152
			L2233888.UP.FTS.B, 7.98%, 12/13/24 . . .	4,157	4,116
			L2241803.UP.FTS.B, 9.3%, 12/13/24	13,940	13,790
			L2242451.UP.FTS.B, 10.48%, 12/13/24 . .	701	694
			L2241531.UP.FTS.B, 11.26%, 12/13/24 . . .	4,941	4,887
			L2242595.UP.FTS.B, 11.8%, 12/13/24	1,762	1,745
			L2241741.UP.FTS.B, 14.61%, 12/13/24 . . .	3,070	3,033
			L2242471.UP.FTS.B, 15.28%, 12/13/24 . .	753	205
			L2242159.UP.FTS.B, 16.13%, 12/13/24 . .	1,073	1,063
			L2242679.UP.FTS.B, 16.66%, 12/13/24 . .	2,878	2,852
			FW2242424.UP.FTS.B, 20.03%, 12/13/24 .	708	701
			L2241965.UP.FTS.B, 20.43%, 12/13/24 . .	1,800	130
			FW2242278.UP.FTS.B, 21.84%, 12/13/24 .	736	725
			L2242250.UP.FTS.B, 22.23%, 12/13/24 . .	2,505	2,470
			L2241739.UP.FTS.B, 23.45%, 12/13/24 . .	1,111	1,095
			FW2242239.UP.FTS.B, 24.53%, 12/13/24 .	744	733
			FW2241887.UP.FTS.B, 28.39%, 12/13/24 .	2,281	2,244
			FW2242021.UP.FTS.B, 29.12%, 12/13/24 .	1,099	1,079
			FW2465310.UP.FTS.B, 5.02%, 1/19/25 . . .	2,052	2,032
			L2465354.UP.FTS.B, 5.14%, 1/19/25	1,053	1,043
			L2465718.UP.FTS.B, 5.3%, 1/19/25	5,617	5,562
			L2465958.UP.FTS.B, 5.34%, 1/19/25	3,199	3,167
			L2464613.UP.FTS.B, 5.52%, 1/19/25	1,779	1,762
			L2465653.UP.FTS.B, 5.58%, 1/19/25	22,303	5,899
			L2460890.UP.FTS.B, 5.68%, 1/19/25	7,122	7,052
			L2465895.UP.FTS.B, 5.84%, 1/19/25	2,494	2,470
			FW2465707.UP.FTS.B, 6.24%, 1/19/25 . . .	1,071	1,060
			L2465121.UP.FTS.B, 6.53%, 1/19/25	10,919	10,811
			L2464359.UP.FTS.B, 6.66%, 1/19/25	4,291	4,250
			L2465247.UP.FTS.B, 6.82%, 1/19/25	889	880

Franklin Strategic Income VIP Fund (continued)

Description	Principal Amount	Value	Description	Principal Amount	Value
Marketplace Loans (continued)			Upstart Network, Inc. (continued)		
Upstart Network, Inc. (continued)			Upstart Network, Inc. (continued)		
L2466095.UP.FTS.B, 7.07%, 1/19/25	\$ 2,149	\$ 2,129	FW1738971.UP.FTS.B, 27.63%, 9/20/26 . .	\$ 3,957	\$ 3,945
FW2465710.UP.FTS.B, 7.96%, 1/19/25 . . .	791	784	L1738918.UP.FTS.B, 27.72%, 9/20/26 . . .	3,455	3,295
L2465847.UP.FTS.B, 8.05%, 1/19/25	21,581	21,386	FW1739399.UP.FTS.B, 28.19%, 9/20/26 . .	5,172	5,156
L2464679.UP.FTS.B, 9.11%, 1/19/25	5,274	5,222	FW1738592.UP.FTS.B, 28.44%, 9/20/26 . .	5,125	5,105
L2465662.UP.FTS.B, 11.74%, 1/19/25	3,725	3,694	FW1739144.UP.FTS.B, 30.91%, 9/20/26 . .	3,442	3,271
FW2465131.UP.FTS.B, 12.69%, 1/19/25 . . .	8,717	8,642	FW1739500.UP.FTS.B, 30.99%, 9/20/26 . .	12,693	3,769
L2465754.UP.FTS.B, 16.74%, 1/19/25	745	739	FW1739495.UP.FTS.B, 32.86%, 9/20/26 . .	4,452	4,402
L2465570.UP.FTS.B, 17.93%, 1/19/25	14,970	14,847	L1910370.UP.FTS.B, 14.66%, 10/25/26 . . .	3,044	3,013
FW2465119.UP.FTS.B, 19.64%, 1/19/25 . . .	3,907	3,868	L1901600.UP.FTS.B, 16.72%, 10/25/26 . . .	678	671
L2464723.UP.FTS.B, 20.66%, 1/19/25	3,768	3,721	L1915014.UP.FTS.B, 19.01%, 10/25/26 . . .	4,341	653
L2466210.UP.FTS.B, 20.93%, 1/19/25	11,808	11,714	FW1915567.UP.FTS.B, 19.17%, 10/25/26 . .	803	795
L2465879.UP.FTS.B, 21.67%, 1/19/25	759	750	FW1915262.UP.FTS.B, 19.99%, 10/25/26 . .	6,939	6,875
FW1738604.UP.FTS.B, 22.34%, 2/20/25 . . .	2,498	2,459	L1915447.UP.FTS.B, 20.32%, 10/25/26 . . .	4,881	4,819
FW2676316.UP.FTS.B, 6.01%, 2/22/25	4,432	4,389	L1915560.UP.FTS.B, 20.46%, 10/25/26 . . .	4,241	4,224
FW2675522.UP.FTS.B, 6.74%, 2/22/25	1,127	1,116	L1915064.UP.FTS.B, 20.48%, 10/25/26 . . .	4,149	1,206
L2675489.UP.FTS.B, 9.63%, 2/22/25	11,251	11,149	L1914682.UP.FTS.B, 21.49%, 10/25/26 . . .	16,172	15,960
L2675909.UP.FTS.B, 9.72%, 2/22/25	1,876	1,859	L1915468.UP.FTS.B, 23.09%, 10/25/26 . . .	4,548	4,530
L2675302.UP.FTS.B, 10.61%, 2/22/25	6,474	6,416	L1912265.UP.FTS.B, 23.3%, 10/25/26	3,431	3,418
L2676030.UP.FTS.B, 13.7%, 2/22/25	8,722	8,642	L1914761.UP.FTS.B, 23.31%, 10/25/26 . . .	858	854
L2675455.UP.FTS.B, 14.81%, 2/22/25	1,911	1,893	FW1915175.UP.FTS.B, 23.46%, 10/25/26 . .	2,535	2,528
L2675462.UP.FTS.B, 19.44%, 2/22/25	1,942	1,924	L1897015.UP.FTS.B, 23.49%, 10/25/26 . . .	10,300	10,261
FW2676387.UP.FTS.B, 19.6%, 2/22/25	1,476	1,463	L1914923.UP.FTS.B, 23.8%, 10/25/26	1,719	1,712
L2676045.UP.FTS.B, 19.66%, 2/22/25	853	845	L1915604.UP.FTS.B, 24.04%, 10/25/26 . . .	946	943
FW2675588.UP.FTS.B, 20.36%, 2/22/25 . . .	5,681	5,612	L1914714.UP.FTS.B, 24.73%, 10/25/26 . . .	3,449	3,436
L2675655.UP.FTS.B, 20.76%, 2/22/25	780	773	L1898888.UP.FTS.B, 25.15%, 10/25/26 . . .	1,025	1,010
L2675586.UP.FTS.B, 20.97%, 2/22/25	6,870	6,781	L1915081.UP.FTS.B, 25.35%, 10/25/26 . . .	2,421	2,411
L2675247.UP.FTS.B, 21.23%, 2/22/25	3,076	3,034	FW1915043.UP.FTS.B, 27.43%, 10/25/26 . .	4,655	331
FW2675117.UP.FTS.B, 22.39%, 2/22/25 . . .	863	855	FW1908593.UP.FTS.B, 28.41%, 10/25/26 . .	17,687	17,593
FW2675719.UP.FTS.B, 24.19%, 2/22/25 . . .	2,324	2,292	FW1914238.UP.FTS.B, 29.34%, 10/25/26 . .	5,658	5,633
FW2675613.UP.FTS.B, 24.49%, 2/22/25 . . .	5,529	5,459	FW1914247.UP.FTS.B, 29.67%, 10/25/26 . .	4,323	24
FW2674989.UP.FTS.B, 25.83%, 2/22/25 . . .	1,576	1,555	FW1914310.UP.FTS.B, 30.01%, 10/25/26 . .	34,284	34,102
FW2675763.UP.FTS.B, 28.74%, 2/22/25 . . .	4,130	4,076	FW1915272.UP.FTS.B, 30.7%, 10/25/26 . . .	1,673	1,666
FW2676140.UP.FTS.B, 29.13%, 2/22/25 . . .	2,243	2,214	FW1915225.UP.FTS.B, 30.8%, 10/25/26 . . .	3,170	3,163
L2057137.UP.FTS.B, 15.78%, 4/16/25	3,173	2,978	FW1915025.UP.FTS.B, 31.16%, 10/25/26 . .	3,894	3,878
L2981596.UP.FTS.B, 7.13%, 4/20/25	3,980	3,945	FW1907740.UP.FTS.B, 31.19%, 10/25/26 . .	863	860
L2982581.UP.FTS.B, 11.78%, 4/20/25	15,535	15,402	FW1915312.UP.FTS.B, 31.22%, 10/25/26 . .	3,617	3,604
L2982336.UP.FTS.B, 12.28%, 4/20/25	2,830	2,805	L2024110.UP.FTS.B, 7.78%, 11/16/26	14,651	14,534
L2981009.UP.FTS.B, 14.77%, 4/20/25	2,199	2,173	L2052804.UP.FTS.B, 9.15%, 11/16/26	32,640	32,379
FW2982315.UP.FTS.B, 15.15%, 4/20/25 . . .	1,142	1,132	L2043903.UP.FTS.B, 9.82%, 11/16/26	14,981	14,861
FW2981993.UP.FTS.B, 15.69%, 4/20/25 . . .	977	140	L2053787.UP.FTS.B, 10.61%, 11/16/26 . . .	4,128	4,088
L2465894.UP.FTS.B, 5.74%, 6/19/25	4,593	4,547	FW2055257.UP.FTS.B, 11.51%, 11/16/26 . .	8,290	8,209
L2462700.UP.FTS.B, 20.56%, 6/19/25	11,702	11,544	L2052126.UP.FTS.B, 12.52%, 11/16/26 . . .	13,322	13,193
FW2676277.UP.FTS.B, 22.93%, 7/22/25	3,793	3,737	L2055857.UP.FTS.B, 12.9%, 11/16/26	10,008	9,911
FW1914469.UP.FTS.B, 17.25%, 8/25/25	3,342	3,305	L2054559.UP.FTS.B, 14.24%, 11/16/26 . . .	7,550	7,477
L1914732.UP.FTS.B, 17.66%, 8/25/25	7,240	7,175	L2055412.UP.FTS.B, 14.29%, 11/16/26 . . .	2,570	2,414
FW2676006.UP.FTS.B, 24.14%, 12/22/25 . . .	2,356	2,319	FW2056157.UP.FTS.B, 15.18%, 11/16/26 . .	7,579	7,483
L1739715.UP.FTS.B, 9.65%, 9/20/26	19,826	19,669	FW2055789.UP.FTS.B, 15.22%, 11/16/26 . .	12,643	12,517
L1739019.UP.FTS.B, 13.76%, 9/20/26	4,697	4,656	L2052051.UP.FTS.B, 15.75%, 11/16/26 . . .	3,798	3,751
L1736636.UP.FTS.B, 14.78%, 9/20/26	11,395	11,297	FW2053732.UP.FTS.B, 16.83%, 11/16/26 . .	848	837
L1739680.UP.FTS.B, 16.6%, 9/20/26	12,742	3,451	L2056184.UP.FTS.B, 17.11%, 11/16/26 . . .	10,292	2,650
FW1739526.UP.FTS.B, 17.22%, 9/20/26 . . .	6,588	6,517	L2056373.UP.FTS.B, 17.2%, 11/16/26	7,642	7,546
L1739131.UP.FTS.B, 17.22%, 9/20/26	12,352	12,198	L2057058.UP.FTS.B, 17.23%, 11/16/26 . . .	6,650	952
L1738899.UP.FTS.B, 19.15%, 9/20/26	12,462	12,306	FW2054200.UP.FTS.B, 17.46%, 11/16/26 . .	12,072	3,345
L1739140.UP.FTS.B, 21.45%, 9/20/26	2,531	2,520	L2056403.UP.FTS.B, 18.49%, 11/16/26 . . .	2,046	2,027
L1739562.UP.FTS.B, 22.68%, 9/20/26	5,989	5,696	L2055275.UP.FTS.B, 19%, 11/16/26	13,284	3,617
L1738904.UP.FTS.B, 24.36%, 9/20/26	5,945	5,872	FW2055175.UP.FTS.B, 19.05%, 11/16/26 . .	15,386	15,157
L1739499.UP.FTS.B, 25.07%, 9/20/26	4,429	4,415	L2057218.UP.FTS.B, 19.51%, 11/16/26 . . .	19,876	19,689
FW1739404.UP.FTS.B, 26.55%, 9/20/26 . . .	2,617	2,603	L2055269.UP.FTS.B, 19.56%, 11/16/26 . . .	19,465	19,172

Franklin Strategic Income VIP Fund (continued)

Description	Principal Amount	Value	Description	Principal Amount	Value
Marketplace Loans (continued)					
Upstart Network, Inc. (continued)			Upstart Network, Inc. (continued)		
L2052101.UP.FTS.B, 20.05%, 11/16/26 . . .	\$ 21,462	\$ 21,143	L2241989.UP.FTS.B, 17.5%, 12/13/26 . . .	\$ 2,244	\$ 2,212
L2051843.UP.FTS.B, 20.82%, 11/16/26 . . .	12,089	11,931	L2241897.UP.FTS.B, 17.92%, 12/13/26 . . .	3,889	3,836
L2052461.UP.FTS.B, 22.33%, 11/16/26 . . .	45,483	1,066	L2242430.UP.FTS.B, 18.29%, 12/13/26 . . .	15,576	15,312
FW2057201.UP.FTS.B, 22.39%, 11/16/26 . . .	3,516	959	L2242547.UP.FTS.B, 18.45%, 12/13/26 . . .	3,348	3,290
L2057382.UP.FTS.B, 22.46%, 11/16/26 . . .	2,223	2,184	L2242119.UP.FTS.B, 18.59%, 12/13/26 . . .	3,896	3,844
L2056569.UP.FTS.B, 22.59%, 11/16/26 . . .	12,135	11,399	L2242450.UP.FTS.B, 20.97%, 12/13/26 . . .	5,408	5,363
L2047823.UP.FTS.B, 23.05%, 11/16/26 . . .	4,286	4,243	FW2241711.UP.FTS.B, 21.36%, 12/13/26 . . .	11,371	11,263
FW2052456.UP.FTS.B, 23.32%, 11/16/26 . . .	17,263	17,146	FW2242024.UP.FTS.B, 21.89%, 12/13/26 . . .	1,495	1,474
L2057372.UP.FTS.B, 23.63%, 11/16/26 . . .	6,184	5,858	L2230478.UP.FTS.B, 21.97%, 12/13/26 . . .	6,601	6,491
FW2053649.UP.FTS.B, 23.67%, 11/16/26 . . .	19,225	18,986	L2242489.UP.FTS.B, 22.19%, 12/13/26 . . .	19,033	18,879
L2019975.UP.FTS.B, 23.69%, 11/16/26 . . .	1,740	1,729	L2233875.UP.FTS.B, 22.25%, 12/13/26 . . .	23,686	23,495
L2053900.UP.FTS.B, 23.81%, 11/16/26 . . .	870	865	L2241640.UP.FTS.B, 22.44%, 12/13/26 . . .	2,633	2,612
L2053478.UP.FTS.B, 24.22%, 11/16/26 . . .	2,323	674	L2241096.UP.FTS.B, 22.49%, 12/13/26 . . .	4,740	4,653
FW2055944.UP.FTS.B, 24.96%, 11/16/26 . . .	1,163	1,139	L2242587.UP.FTS.B, 22.84%, 12/13/26 . . .	6,048	3,579
L2055803.UP.FTS.B, 24.96%, 11/16/26 . . .	1,345	390	L2241949.UP.FTS.B, 22.97%, 12/13/26 . . .	4,297	4,258
L2055855.UP.FTS.B, 25.11%, 11/16/26 . . .	1,692	1,678	FW2241860.UP.FTS.B, 23.21%, 12/13/26 . . .	5,281	5,231
L2056364.UP.FTS.B, 25.24%, 11/16/26 . . .	1,225	1,217	L2242742.UP.FTS.B, 23.45%, 12/13/26 . . .	880	862
L2056552.UP.FTS.B, 25.25%, 11/16/26 . . .	1,124	81	L2232043.UP.FTS.B, 23.76%, 12/13/26 . . .	4,849	4,804
L2049616.UP.FTS.B, 25.29%, 11/16/26 . . .	1,051	1,043	L2242200.UP.FTS.B, 24.08%, 12/13/26 . . .	5,119	5,071
L2052082.UP.FTS.B, 25.42%, 11/16/26 . . .	1,313	1,304	FW2239073.UP.FTS.B, 24.34%, 12/13/26 . . .	7,406	107
L2055669.UP.FTS.B, 25.48%, 11/16/26 . . .	2,222	644	L2241600.UP.FTS.B, 24.51%, 12/13/26 . . .	3,077	3,027
L2056440.UP.FTS.B, 25.49%, 11/16/26 . . .	27,970	4,051	L2241657.UP.FTS.B, 24.98%, 12/13/26 . . .	3,627	1,046
FW2056110.UP.FTS.B, 26.13%, 11/16/26 . . .	14,063	13,954	L2242478.UP.FTS.B, 25.01%, 12/13/26 . . .	1,948	1,932
FW2054089.UP.FTS.B, 26.17%, 11/16/26 . . .	1,755	1,744	L2242322.UP.FTS.B, 25.22%, 12/13/26 . . .	852	844
FW2056482.UP.FTS.B, 26.96%, 11/16/26 . . .	4,403	4,369	L2242383.UP.FTS.B, 25.22%, 12/13/26 . . .	7,972	7,844
FW2057264.UP.FTS.B, 27.1%, 11/16/26 . . .	5,345	5,069	FW2241952.UP.FTS.B, 25.3%, 12/13/26 . . .	10,632	10,547
L2053471.UP.FTS.B, 27.97%, 11/16/26 . . .	1,760	1,749	L2241994.UP.FTS.B, 25.4%, 12/13/26 . . .	1,580	1,554
FW2055282.UP.FTS.B, 29.32%, 11/16/26 . . .	4,597	(30)	L2242162.UP.FTS.B, 25.7%, 12/13/26 . . .	1,508	1,494
FW2046105.UP.FTS.B, 29.67%, 11/16/26 . . .	3,992	3,967	L2241420.UP.FTS.B, 25.73%, 12/13/26 . . .	4,791	4,752
FW2056001.UP.FTS.B, 30.17%, 11/16/26 . . .	1,155	1,148	FW2242493.UP.FTS.B, 26.46%, 12/13/26 . . .	1,773	1,758
FW2057500.UP.FTS.B, 30.64%, 11/16/26 . . .	8,842	8,783	FW2241855.UP.FTS.B, 26.58%, 12/13/26 . . .	2,534	38
FW2055364.UP.FTS.B, 30.66%, 11/16/26 . . .	7,119	7,073	L2240058.UP.FTS.B, 26.7%, 12/13/26 . . .	7,296	7,238
FW2055692.UP.FTS.B, 31.07%, 11/16/26 . . .	1,621	114	FW2241764.UP.FTS.B, 27.11%, 12/13/26 . . .	4,187	4,154
FW2054534.UP.FTS.B, 31.22%, 11/16/26 . . .	1,070	1,063	FW2242232.UP.FTS.B, 27.33%, 12/13/26 . . .	3,162	3,131
FW2056560.UP.FTS.B, 31.71%, 11/16/26 . . .	1,581	110	FW2242379.UP.FTS.B, 28.85%, 12/13/26 . . .	4,448	4,410
FW2056229.UP.FTS.B, 31.92%, 11/16/26 . . .	6,139	6,087	FW2241999.UP.FTS.B, 29.1%, 12/13/26 . . .	2,240	2,222
FW2057162.UP.FTS.B, 32.15%, 11/16/26 . . .	8,313	8,260	FW2211495.UP.FTS.B, 29.38%, 12/13/26 . . .	18,792	9
L2242254.UP.FTS.B, 7.13%, 12/13/26 . . .	8,274	8,205	FW2241683.UP.FTS.B, 29.38%, 12/13/26 . . .	1,126	1,106
L2242685.UP.FTS.B, 9%, 12/13/26	12,512	12,412	FW2241828.UP.FTS.B, 29.64%, 12/13/26 . . .	9,064	8,986
L2242361.UP.FTS.B, 9.11%, 12/13/26 . . .	20,830	20,663	FW2231506.UP.FTS.B, 30.63%, 12/13/26 . . .	40,582	24,231
L2242651.UP.FTS.B, 11.78%, 12/13/26 . . .	12,659	12,531	FW2242390.UP.FTS.B, 30.76%, 12/13/26 . . .	10,257	1,548
L2239830.UP.FTS.B, 11.79%, 12/13/26 . . .	8,817	8,726	FW2240660.UP.FTS.B, 30.84%, 12/13/26 . . .	4,144	4,106
L2241857.UP.FTS.B, 11.98%, 12/13/26 . . .	10,141	10,035	FW2240706.UP.FTS.B, 30.86%, 12/13/26 . . .	11,543	11,439
L2242098.UP.FTS.B, 12.31%, 12/13/26 . . .	5,920	5,858	FW2242045.UP.FTS.B, 30.98%, 12/13/26 . . .	2,207	643
L2242668.UP.FTS.B, 12.46%, 12/13/26 . . .	18,618	18,430	FW2242580.UP.FTS.B, 31.01%, 12/13/26 . . .	991	983
L2241756.UP.FTS.B, 12.69%, 12/13/26 . . .	4,736	2,498	FW2242256.UP.FTS.B, 31.07%, 12/13/26 . . .	991	982
L2241856.UP.FTS.B, 13.04%, 12/13/26 . . .	12,597	12,468	FW2242085.UP.FTS.B, 31.21%, 12/13/26 . . .	4,889	722
L2242486.UP.FTS.B, 13.76%, 12/13/26 . . .	3,525	256	FW2241988.UP.FTS.B, 31.24%, 12/13/26 . . .	1,986	1,968
L2241825.UP.FTS.B, 13.8%, 12/13/26 . . .	25,525	25,259	FW2241624.UP.FTS.B, 31.84%, 12/13/26 . . .	4,122	4,087
L2242202.UP.FTS.B, 14.09%, 12/13/26 . . .	14,139	13,997	L2465688.UP.FTS.B, 5.13%, 1/19/27	2,506	2,492
L2239758.UP.FTS.B, 14.15%, 12/13/26 . . .	9,797	9,699	FW2465936.UP.FTS.B, 5.53%, 1/19/27	37,646	37,441
L2241610.UP.FTS.B, 15.37%, 12/13/26 . . .	6,420	6,333	L2465861.UP.FTS.B, 5.83%, 1/19/27	21,778	21,660
L2239771.UP.FTS.B, 15.55%, 12/13/26 . . .	23,129	22,800	L2464930.UP.FTS.B, 5.87%, 1/19/27	4,275	4,247
FW2241807.UP.FTS.B, 16.84%, 12/13/26 . . .	8,575	8,458	L2465582.UP.FTS.B, 5.92%, 1/19/27	3,151	3,133
L2242447.UP.FTS.B, 16.94%, 12/13/26 . . .	4,736	4,655	FW2451492.UP.FTS.B, 6.07%, 1/19/27	41,923	41,698
L2242066.UP.FTS.B, 17.12%, 12/13/26 . . .	8,596	8,456	FW2466147.UP.FTS.B, 6.13%, 1/19/27	6,354	6,319
L2241045.UP.FTS.B, 17.22%, 12/13/26 . . .	7,327	7,228	L2465889.UP.FTS.B, 6.5%, 1/19/27	5,040	5,013
L2242791.UP.FTS.B, 17.38%, 12/13/26 . . .	12,941	12,721	L2464484.UP.FTS.B, 6.65%, 1/19/27	3,684	3,662

Franklin Strategic Income VIP Fund (continued)

Description	Principal Amount	Value	Description	Principal Amount	Value
Marketplace Loans (continued)					
Upstart Network, Inc. (continued)			Upstart Network, Inc. (continued)		
FW2466269.UP.FTS.B, 6.87%, 1/19/27 . . .	\$ 4,206	\$ 4,184	L2459145.UP.FTS.B, 26.05%, 1/19/27	\$ 2,047	\$ 2,018
L2465776.UP.FTS.B, 7.08%, 1/19/27	12,629	12,563	FW2466211.UP.FTS.B, 26.21%, 1/19/27 . .	45,924	13,458
L2466395.UP.FTS.B, 7.13%, 1/19/27	9,044	8,500	FW2464742.UP.FTS.B, 26.31%, 1/19/27 . .	1,296	1,286
L2444934.UP.FTS.B, 7.15%, 1/19/27	4,114	301	FW2464891.UP.FTS.B, 27.37%, 1/19/27 . .	9,149	1,381
FW2465536.UP.FTS.B, 7.64%, 1/19/27 . . .	16,876	16,756	FW2464901.UP.FTS.B, 27.8%, 1/19/27 . . .	5,414	5,384
L2465750.UP.FTS.B, 7.8%, 1/19/27	5,414	5,370	FW2464391.UP.FTS.B, 27.86%, 1/19/27 . .	1,354	1,346
L2465633.UP.FTS.B, 8.28%, 1/19/27	1,692	1,680	FW2466130.UP.FTS.B, 28.33%, 1/19/27 . .	2,259	2,247
L2465717.UP.FTS.B, 8.6%, 1/19/27	3,388	3,364	FW2465882.UP.FTS.B, 28.77%, 1/19/27 . .	1,357	1,339
L2464080.UP.FTS.B, 8.9%, 1/19/27	5,191	4,880	FW2466218.UP.FTS.B, 29.09%, 1/19/27 . .	27,795	26,385
FW2464781.UP.FTS.B, 9.13%, 1/19/27 . . .	8,064	8,007	FW2465555.UP.FTS.B, 30.12%, 1/19/27 . .	1,271	1,265
FW2465681.UP.FTS.B, 9.16%, 1/19/27 . . .	8,989	8,926	FW2464452.UP.FTS.B, 30.15%, 1/19/27 . .	1,389	1,320
L2464902.UP.FTS.B, 9.21%, 1/19/27	7,448	7,394	FW2465759.UP.FTS.B, 30.48%, 1/19/27 . .	4,997	4,970
L2465458.UP.FTS.B, 9.24%, 1/19/27	2,996	2,971	FW2465374.UP.FTS.B, 30.53%, 1/19/27 . .	2,363	2,350
L2465589.UP.FTS.B, 9.29%, 1/19/27	5,521	5,482	FW2465848.UP.FTS.B, 30.66%, 1/19/27 . .	1,818	1,808
L2466129.UP.FTS.B, 9.84%, 1/19/27	17,023	16,870	FW2465597.UP.FTS.B, 30.68%, 1/19/27 . .	2,046	2,032
L2465666.UP.FTS.B, 10.14%, 1/19/27	2,130	2,116	FW2464665.UP.FTS.B, 30.79%, 1/19/27 . .	1,273	1,266
FW2464664.UP.FTS.B, 10.42%, 1/19/27 . . .	6,825	6,763	FW2465741.UP.FTS.B, 30.94%, 1/19/27 . .	1,606	477
L2463372.UP.FTS.B, 11.09%, 1/19/27	4,276	4,238	FW2466073.UP.FTS.B, 30.97%, 1/19/27 . .	910	905
L2465414.UP.FTS.B, 11.1%, 1/19/27	5,131	5,086	FW2464672.UP.FTS.B, 30.98%, 1/19/27 . .	1,638	1,629
FW2466175.UP.FTS.B, 12.09%, 1/19/27 . . .	5,150	5,105	FW2465572.UP.FTS.B, 30.98%, 1/19/27 . .	3,266	3,102
L2460937.UP.FTS.B, 12.4%, 1/19/27	1,352	1,338	FW2465907.UP.FTS.B, 30.98%, 1/19/27 . .	953	3
FW2465871.UP.FTS.B, 12.64%, 1/19/27 . . .	7,873	7,400	FW2465118.UP.FTS.B, 31.07%, 1/19/27 . .	8,403	1,271
FW2465212.UP.FTS.B, 14.46%, 1/19/27 . . .	18,691	18,471	FW2466031.UP.FTS.B, 31.12%, 1/19/27 . .	12,879	12,783
L2466145.UP.FTS.B, 14.56%, 1/19/27	12,992	12,880	FW2465216.UP.FTS.B, 31.14%, 1/19/27 . .	1,041	1,033
L2465634.UP.FTS.B, 14.68%, 1/19/27	9,185	9,106	FW2466113.UP.FTS.B, 31.17%, 1/19/27 . .	3,620	1,071
FW2465337.UP.FTS.B, 15.21%, 1/19/27 . . .	4,340	4,303	FW2465110.UP.FTS.B, 31.18%, 1/19/27 . .	10,296	715
FW2462910.UP.FTS.B, 15.73%, 1/19/27 . . .	21,555	21,369	FW2464670.UP.FTS.B, 31.19%, 1/19/27 . .	2,080	2,069
L2465986.UP.FTS.B, 15.77%, 1/19/27	1,305	1,289	FW2464667.UP.FTS.B, 31.59%, 1/19/27 . .	7,251	1,100
L2464766.UP.FTS.B, 16.43%, 1/19/27	4,351	4,300	FW2466172.UP.FTS.B, 31.96%, 1/19/27 . .	30,680	29,155
FW2466368.UP.FTS.B, 16.6%, 1/19/27 . . .	3,053	3,027	FW2466141.UP.FTS.B, 32%, 1/19/27	5,654	5,624
FW2464890.UP.FTS.B, 16.94%, 1/19/27 . . .	4,331	4,266	FW1739462.UP.FTS.B, 27.3%, 2/20/27 . . .	4,554	1,320
L2464884.UP.FTS.B, 17.8%, 1/19/27	3,065	3,030	L2675293.UP.FTS.B, 5.43%, 2/22/27	8,503	8,457
L2465805.UP.FTS.B, 18.87%, 1/19/27	19,162	18,943	L2635721.UP.FTS.B, 6%, 2/22/27	7,832	7,711
L2466099.UP.FTS.B, 19.62%, 1/19/27	7,928	7,818	L2675715.UP.FTS.B, 6.52%, 2/22/27	8,548	8,503
L2465928.UP.FTS.B, 20.32%, 1/19/27	2,649	2,612	FW2676020.UP.FTS.B, 6.82%, 2/22/27 . . .	6,504	6,470
L2465048.UP.FTS.B, 20.41%, 1/19/27	22,078	21,772	FW2676337.UP.FTS.B, 8.57%, 2/22/27 . . .	10,335	10,262
L2466185.UP.FTS.B, 20.91%, 1/19/27	3,096	3,061	L2675123.UP.FTS.B, 8.62%, 2/22/27	5,599	5,570
L2456627.UP.FTS.B, 21.31%, 1/19/27	8,008	7,858	FW2675837.UP.FTS.B, 9.42%, 2/22/27 . . .	6,039	5,996
L2464534.UP.FTS.B, 21.46%, 1/19/27	1,922	1,909	FW2675651.UP.FTS.B, 9.54%, 2/22/27 . . .	5,876	5,835
L2466007.UP.FTS.B, 21.7%, 1/19/27	4,078	4,022	FW2675906.UP.FTS.B, 9.67%, 2/22/27 . . .	43,227	42,925
L2465669.UP.FTS.B, 21.93%, 1/19/27	14,159	14,075	FW2675315.UP.FTS.B, 9.86%, 2/22/27 . . .	25,286	25,050
L2465393.UP.FTS.B, 22.66%, 1/19/27	17,785	17,683	FW2676315.UP.FTS.B, 10.29%, 2/22/27 . . .	4,765	4,723
L2465105.UP.FTS.B, 22.96%, 1/19/27	41,405	41,168	FW2675769.UP.FTS.B, 11.04%, 2/22/27 . . .	29,534	29,270
FW2466202.UP.FTS.B, 23.59%, 1/19/27 . . .	2,680	2,662	FW2675566.UP.FTS.B, 11.18%, 2/22/27 . . .	13,036	12,919
L2464129.UP.FTS.B, 23.98%, 1/19/27	14,541	14,458	FW2675417.UP.FTS.B, 12.04%, 2/22/27 . . .	7,414	7,346
L2458881.UP.FTS.B, 24.14%, 1/19/27	4,099	3,890	L2675868.UP.FTS.B, 12.42%, 2/22/27	12,972	12,853
L2464954.UP.FTS.B, 24.32%, 1/19/27	1,788	1,777	FW2675303.UP.FTS.B, 12.76%, 2/22/27 . . .	13,130	13,012
L2465923.UP.FTS.B, 24.48%, 1/19/27	35,492	35,004	L2675722.UP.FTS.B, 13.92%, 2/22/27	2,631	2,608
L2465587.UP.FTS.B, 24.59%, 1/19/27	11,984	11,916	L2676179.UP.FTS.B, 13.92%, 2/22/27	13,154	13,038
L2466086.UP.FTS.B, 25.1%, 1/19/27	2,961	2,942	L2675483.UP.FTS.B, 14.22%, 2/22/27	4,038	4,002
FW2465954.UP.FTS.B, 25.21%, 1/19/27 . . .	2,688	2,672	FW2676429.UP.FTS.B, 14.76%, 2/22/27 . . .	18,377	18,215
L2465179.UP.FTS.B, 25.25%, 1/19/27	1,165	1,149	L2676222.UP.FTS.B, 14.9%, 2/22/27	1,538	397
L2465018.UP.FTS.B, 25.32%, 1/19/27	1,925	563	L2675701.UP.FTS.B, 15.05%, 2/22/27	6,125	6,070
L2464786.UP.FTS.B, 25.33%, 1/19/27	1,250	1,233	FW2676278.UP.FTS.B, 15.49%, 2/22/27 . . .	4,759	4,703
L2464921.UP.FTS.B, 25.36%, 1/19/27	1,334	1,319	FW2675787.UP.FTS.B, 15.6%, 2/22/27 . . .	8,498	8,396
FW2465199.UP.FTS.B, 25.54%, 1/19/27 . . .	3,766	3,745	FW2676119.UP.FTS.B, 15.87%, 2/22/27 . . .	3,971	3,924
FW2465642.UP.FTS.B, 25.73%, 1/19/27 . . .	4,341	4,311	FW2674729.UP.FTS.B, 15.98%, 2/22/27 . . .	4,237	4,199
FW2465696.UP.FTS.B, 25.74%, 1/19/27 . . .	2,741	2,723	FW2675367.UP.FTS.B, 16.08%, 2/22/27 . . .	8,829	8,725

Franklin Strategic Income VIP Fund (continued)

Description	Principal Amount	Value	Description	Principal Amount	Value
Marketplace Loans (continued)			Marketplace Loans (continued)		
Upstart Network, Inc. (continued)			Upstart Network, Inc. (continued)		
FW2675671.UP.FTS.B, 16.46%, 2/22/27 ..	\$ 21,111	\$ 20,862	FW2676130.UP.FTS.B, 26.88%, 2/22/27 ..	\$ 5,366	\$ 5,332
L2675286.UP.FTS.B, 16.53%, 2/22/27 . . .	13,937	13,771	FW2675610.UP.FTS.B, 26.91%, 2/22/27 ..	6,038	1,782
FW2676101.UP.FTS.B, 16.63%, 2/22/27 ..	9,639	9,525	L2676015.UP.FTS.B, 26.95%, 2/22/27 . . .	900	887
FW2676275.UP.FTS.B, 16.64%, 2/22/27 ..	19,104	18,878	FW2675720.UP.FTS.B, 27.06%, 2/22/27 ..	3,003	2,984
FW2673151.UP.FTS.B, 16.69%, 2/22/27 ..	4,423	4,371	FW2675330.UP.FTS.B, 27.13%, 2/22/27 ..	3,003	2,984
FW2675878.UP.FTS.B, 16.87%, 2/22/27 ..	3,934	3,898	FW2676331.UP.FTS.B, 27.38%, 2/22/27 ..	7,033	6,982
L2675388.UP.FTS.B, 17.29%, 2/22/27	43,239	40,665	L2675639.UP.FTS.B, 27.5%, 2/22/27	1,322	1,308
L2676056.UP.FTS.B, 17.4%, 2/22/27	3,546	3,504	FW2675561.UP.FTS.B, 27.52%, 2/22/27 ..	6,559	6,516
L2675381.UP.FTS.B, 18.91%, 2/22/27	13,311	13,153	FW2675681.UP.FTS.B, 27.55%, 2/22/27 ..	8,909	8,840
L2675889.UP.FTS.B, 18.95%, 2/22/27	45,322	42,625	FW2675991.UP.FTS.B, 27.58%, 2/22/27 ..	2,278	2,263
FW2675506.UP.FTS.B, 19.13%, 2/22/27 ..	9,699	9,562	FW2676194.UP.FTS.B, 28.21%, 2/22/27 ..	2,352	361
FW2675598.UP.FTS.B, 19.23%, 2/22/27 ..	5,347	5,272	FW2676090.UP.FTS.B, 28.38%, 2/22/27 ..	18,256	18,138
L2676048.UP.FTS.B, 19.28%, 2/22/27	32,089	31,636	FW2675967.UP.FTS.B, 29.34%, 2/22/27 ..	1,555	1,533
FW2675562.UP.FTS.B, 19.58%, 2/22/27 ..	4,881	4,589	FW2676071.UP.FTS.B, 30.36%, 2/22/27 ..	2,018	2,004
FW2676135.UP.FTS.B, 19.68%, 2/22/27 ..	38,741	38,285	FW2675198.UP.FTS.B, 30.64%, 2/22/27 ..	6,394	6,350
FW2675827.UP.FTS.B, 19.75%, 2/22/27 ..	3,838	3,793	FW2676076.UP.FTS.B, 30.66%, 2/22/27 ..	1,468	1,459
FW2675725.UP.FTS.B, 19.97%, 2/22/27 ..	5,370	5,305	FW2675098.UP.FTS.B, 30.74%, 2/22/27 ..	2,488	173
L2675775.UP.FTS.B, 20.06%, 2/22/27	8,934	8,808	FW2675958.UP.FTS.B, 30.93%, 2/22/27 ..	1,285	1,267
FW2676391.UP.FTS.B, 20.15%, 2/22/27 ..	4,909	4,616	FW2676378.UP.FTS.B, 30.97%, 2/22/27 ..	1,103	1,096
L2675553.UP.FTS.B, 20.26%, 2/22/27	920	260	FW2674790.UP.FTS.B, 31.08%, 2/22/27 ..	1,017	1,009
L2676153.UP.FTS.B, 20.37%, 2/22/27	4,563	4,292	FW2675297.UP.FTS.B, 31.1%, 2/22/27	969	67
FW2675953.UP.FTS.B, 20.7%, 2/22/27	18,689	18,527	FW2676100.UP.FTS.B, 31.11%, 2/22/27 ..	1,642	1,618
FW2675768.UP.FTS.B, 20.93%, 2/22/27 ..	17,277	17,002	FW2675440.UP.FTS.B, 31.15%, 2/22/27 ..	3,248	3,083
FW2674747.UP.FTS.B, 21.11%, 2/22/27 ..	6,271	6,182	FW2670166.UP.FTS.B, 31.29%, 2/22/27 ..	2,292	2,277
FW2676447.UP.FTS.B, 21.12%, 2/22/27 ..	7,168	7,084	FW2675516.UP.FTS.B, 31.31%, 2/22/27 ..	3,064	2,909
L2675752.UP.FTS.B, 21.22%, 2/22/27	2,867	2,824	FW2676168.UP.FTS.B, 31.41%, 2/22/27 ..	3,217	3,196
L2676182.UP.FTS.B, 21.37%, 2/22/27	4,396	4,316	FW2675064.UP.FTS.B, 31.47%, 2/22/27 ..	2,758	2,740
FW2675431.UP.FTS.B, 21.46%, 2/22/27 ..	2,861	2,820	FW2676065.UP.FTS.B, 31.64%, 2/22/27 ..	8,833	8,776
L2675263.UP.FTS.B, 21.9%, 2/22/27	14,277	14,185	FW2675468.UP.FTS.B, 31.91%, 2/22/27 ..	7,085	7,039
L2675531.UP.FTS.B, 21.9%, 2/22/27	14,546	13,679	FW2675325.UP.FTS.B, 31.93%, 2/22/27 ..	8,082	559
L2675653.UP.FTS.B, 22.41%, 2/22/27	4,018	3,987	FW2676191.UP.FTS.B, 31.98%, 2/22/27 ..	6,817	6,766
L2675496.UP.FTS.B, 22.58%, 2/22/27	5,398	5,363	FW2675534.UP.FTS.B, 32.24%, 2/22/27 ..	8,195	8,142
FW2674944.UP.FTS.B, 22.84%, 2/22/27 ..	8,104	8,052	FW1914675.UP.FTS.B, 26.25%, 3/25/27 ..	9,609	678
FW2676120.UP.FTS.B, 22.93%, 2/22/27 ..	6,580	6,497	FW2056098.UP.FTS.B, 23.67%, 4/16/27 ..	6,585	6,531
FW2675190.UP.FTS.B, 23.05%, 2/22/27 ..	5,404	5,370	FW2056081.UP.FTS.B, 30.81%, 4/16/27 ..	1,562	1,551
FW2675530.UP.FTS.B, 23.25%, 2/22/27 ..	2,704	2,686	L2980992.UP.FTS.B, 5.74%, 4/20/27	7,062	7,033
L2675554.UP.FTS.B, 23.55%, 2/22/27	9,019	8,961	L2982343.UP.FTS.B, 6.55%, 4/20/27	13,242	13,187
L2676113.UP.FTS.B, 24.05%, 2/22/27	18,062	17,946	L2981618.UP.FTS.B, 6.67%, 4/20/27	11,507	11,462
FW2675485.UP.FTS.B, 24.08%, 2/22/27 ..	3,974	3,948	L2982277.UP.FTS.B, 7.61%, 4/20/27	7,989	7,958
FW2675214.UP.FTS.B, 24.18%, 2/22/27 ..	3,975	3,950	L2981547.UP.FTS.B, 8.03%, 4/20/27	10,665	10,601
L2674902.UP.FTS.B, 24.23%, 2/22/27	1,860	531	L2982631.UP.FTS.B, 11.15%, 4/20/27	5,728	5,681
FW2676351.UP.FTS.B, 24.32%, 2/22/27 ..	4,970	4,938	L2981847.UP.FTS.B, 12.88%, 4/20/27	8,739	8,671
FW2675997.UP.FTS.B, 24.49%, 2/22/27 ..	2,984	2,965	FW2982593.UP.FTS.B, 14.46%, 4/20/27 ..	7,237	7,182
FW2675911.UP.FTS.B, 24.61%, 2/22/27 ..	2,713	2,696	FW2981800.UP.FTS.B, 15.54%, 4/20/27 ..	18,224	17,165
L2674079.UP.FTS.B, 24.8%, 2/22/27	3,776	3,734	FW2982570.UP.FTS.B, 15.54%, 4/20/27 ..	8,799	8,702
L2675434.UP.FTS.B, 25.07%, 2/22/27	2,173	2,159	FW2980031.UP.FTS.B, 17.09%, 4/20/27 ..	39,216	36,931
FW2676151.UP.FTS.B, 25.12%, 2/22/27 ..	1,036	16	L2981666.UP.FTS.B, 17.74%, 4/20/27	45,613	45,118
L2676160.UP.FTS.B, 25.17%, 2/22/27	10,811	10,261	L2982362.UP.FTS.B, 19.25%, 4/20/27	1,952	1,930
FW2676004.UP.FTS.B, 25.24%, 2/22/27 ..	8,807	624	L2981534.UP.FTS.B, 19.74%, 4/20/27	10,595	10,485
FW2675924.UP.FTS.B, 25.27%, 2/22/27 ..	1,890	1,873	FW2982412.UP.FTS.B, 19.87%, 4/20/27 ..	11,001	10,856
FW2676248.UP.FTS.B, 25.38%, 2/22/27 ..	2,990	2,971	FW2980149.UP.FTS.B, 20.02%, 4/20/27 ..	5,142	4,846
L2676213.UP.FTS.B, 25.44%, 2/22/27	2,433	2,417	FW2982427.UP.FTS.B, 20.52%, 4/20/27 ..	22,306	22,143
L2675249.UP.FTS.B, 25.47%, 2/22/27	2,120	150	L2982556.UP.FTS.B, 21.77%, 4/20/27	4,972	4,936
FW2676003.UP.FTS.B, 25.6%, 2/22/27	1,995	1,982	L2982345.UP.FTS.B, 23.66%, 4/20/27	12,528	268
FW2675099.UP.FTS.B, 26.05%, 2/22/27 ..	3,437	3,414	FW2981941.UP.FTS.B, 25.22%, 4/20/27 ..	2,298	2,268
FW2675282.UP.FTS.B, 26.25%, 2/22/27 ..	45,387	45,093	FW2980976.UP.FTS.B, 25.24%, 4/20/27 ..	13,577	13,491
FW2676394.UP.FTS.B, 26.4%, 2/22/27	5,319	5,277	L2982002.UP.FTS.B, 25.37%, 4/20/27	6,188	6,148
FW2675377.UP.FTS.B, 26.49%, 2/22/27	1,636	1,625	L2982533.UP.FTS.B, 25.49%, 4/20/27	1,990	1,890

Franklin Strategic Income VIP Fund (continued)

Description	Principal Amount	Value	Description	Principal Amount	Value
Marketplace Loans (continued)					
Upstart Network, Inc. (continued)			Upstart Network, Inc. (continued)		
FW2981812.UP.FTS.B, 25.87%, 4/20/27 . . .	\$ 2,972	\$ 2,952	FW2675884.UP.FTS.B, 26.71%, 12/22/27 . . .	\$ 5,177	\$ 4,974
L2981818.UP.FTS.B, 25.89%, 4/20/27 . . .	9,010	8,921			3,782,263
L2981438.UP.FTS.B, 25.94%, 4/20/27 . . .	2,787	2,768			
FW2981809.UP.FTS.B, 26.39%, 4/20/27 . . .	4,153	4,126	Total Marketplace Loans (Cost \$7,671,279)		\$6,941,352
FW2981690.UP.FTS.B, 26.56%, 4/20/27 . . .	14,286	13,565			
L2982272.UP.FTS.B, 26.68%, 4/20/27 . . .	5,202	5,171			
FW2982505.UP.FTS.B, 26.8%, 4/20/27 . . .	4,793	4,754			
FW2982630.UP.FTS.B, 27.01%, 4/20/27 . . .	3,072	3,052			
FW2973701.UP.FTS.B, 27.5%, 4/20/27 . . .	12,828	12,188			
FW2982117.UP.FTS.B, 27.79%, 4/20/27 . . .	2,066	2,053			
FW2982476.UP.FTS.B, 28.13%, 4/20/27 . . .	27,990	27,808			
FW2982596.UP.FTS.B, 28.27%, 4/20/27 . . .	1,400	1,391			
FW2981790.UP.FTS.B, 29.08%, 4/20/27 . . .	2,352	2,338			
FW2982246.UP.FTS.B, 30.31%, 4/20/27 . . .	2,580	182			
FW2982248.UP.FTS.B, 30.44%, 4/20/27 . . .	4,661	4,633			
FW2980005.UP.FTS.B, 30.65%, 4/20/27 . . .	1,396	1,388			
FW2982470.UP.FTS.B, 30.66%, 4/20/27 . . .	2,156	2,143			
FW2981984.UP.FTS.B, 30.99%, 4/20/27 . . .	8,605	598			
FW2982099.UP.FTS.B, 31.11%, 4/20/27 . . .	3,266	3,247			
FW2981979.UP.FTS.B, 31.12%, 4/20/27 . . .	1,937	1,923			
FW2982709.UP.FTS.B, 31.22%, 4/20/27 . . .	2,779	193			
FW2981459.UP.FTS.B, 31.69%, 4/20/27 . . .	8,831	8,777			
FW2981291.UP.FTS.B, 31.84%, 4/20/27 . . .	5,439	842			
L2242212.UP.FTS.B, 19.99%, 5/13/27 . . .	3,128	3,093			
L2241910.UP.FTS.B, 20.19%, 5/13/27 . . .	19,227	18,916			
L2241971.UP.FTS.B, 20.32%, 5/13/27 . . .	2,684	2,645			
L2241647.UP.FTS.B, 25.19%, 5/13/27 . . .	1,559	448			
L2242784.UP.FTS.B, 25.23%, 5/13/27 . . .	5,430	797			
L2242418.UP.FTS.B, 25.33%, 5/13/27 . . .	9,176	9,101			
FW2242705.UP.FTS.B, 27.05%, 5/13/27 . . .	1,429	1,416			
FW2241542.UP.FTS.B, 28.48%, 5/13/27 . . .	2,877	1,707			
FW2242624.UP.FTS.B, 29.36%, 5/13/27 . . .	8,511	8,419			
FW2242691.UP.FTS.B, 30.2%, 5/13/27 . . .	23,410	23,199			
FW2242189.UP.FTS.B, 31.76%, 5/13/27 . . .	4,713	4,668			
L2464545.UP.FTS.B, 18.49%, 6/19/27 . . .	19,566	19,322			
L2465191.UP.FTS.B, 22.76%, 6/19/27 . . .	3,688	3,658			
L2465421.UP.FTS.B, 25.22%, 6/19/27 . . .	8,564	8,514			
L2464262.UP.FTS.B, 25.31%, 6/19/27 . . .	2,141	623			
FW2465743.UP.FTS.B, 28.47%, 6/19/27 . . .	9,450	9,391			
FW2466138.UP.FTS.B, 29.57%, 6/19/27 . . .	2,903	2,810			
FW2464615.UP.FTS.B, 30.21%, 6/19/27 . . .	7,812	1,167			
FW2465921.UP.FTS.B, 30.89%, 6/19/27 . . .	1,227	1,220			
FW2675527.UP.FTS.B, 21.31%, 7/22/27 . . .	9,697	2,659			
FW2675348.UP.FTS.B, 23.48%, 7/22/27 . . .	14,960	14,198			
FW2676274.UP.FTS.B, 25.4%, 7/22/27 . . .	24,568	3,719			
L2676206.UP.FTS.B, 25.75%, 7/22/27 . . .	4,209	4,158			
FW2675109.UP.FTS.B, 27.79%, 7/22/27 . . .	5,749	5,706			
FW2675392.UP.FTS.B, 28.93%, 7/22/27 . . .	1,930	1,916			
FW2674184.UP.FTS.B, 30.72%, 7/22/27 . . .	5,900	(369)			
FW2675344.UP.FTS.B, 30.75%, 7/22/27 . . .	3,169	3,147			
FW2676178.UP.FTS.B, 31.16%, 7/22/27 . . .	4,901	4,835			
FW2676390.UP.FTS.B, 31.24%, 7/22/27 . . .	1,966	1,865			
FW2675191.UP.FTS.B, 31.52%, 7/22/27 . . .	4,589	679			
L2056878.UP.FTS.B, 9.83%, 9/16/27 . . .	4,578	609			
L2234521.UP.FTS.B, 21.55%, 10/13/27 . . .	8,205	4,851			
L2466291.UP.FTS.B, 11.97%, 11/19/27 . . .	44,718	42,034			
L2676110.UP.FTS.B, 9.95%, 12/22/27 . . .	17,914	16,838			
FW2675427.UP.FTS.B, 17.47%, 12/22/27 . . .	21,215	6,255			

Schedule of Investments, December 31, 2022

Franklin Strategic Income VIP Fund

At December 31, 2022, the Fund had the following futures contracts outstanding. See Note 1(d).

Futures Contracts

Description	Type	Number of Contracts	Notional Amount*	Expiration Date	Value/ Unrealized Appreciation (Depreciation)
Interest rate contracts					
30-day Federal Funds	Short	154	\$61,191,020	12/29/23	\$105,831
U.S. Treasury 10 Year Notes	Long	21	2,358,234	3/22/23	(15,451)
U.S. Treasury 10 Year Ultra Notes	Long	19	2,247,344	3/22/23	(19,620)
U.S. Treasury 5 Year Notes	Long	22	2,374,453	3/31/23	(9,974)
U.S. Treasury Ultra Bonds	Long	13	1,746,062	3/22/23	(40,238)
Total Futures Contracts					\$20,548

*As of period end.

At December 31, 2022, the Fund had the following forward exchange contracts outstanding. See Note 1(d).

Forward Exchange Contracts

Currency	Counter-party ^a	Type	Quantity	Contract Amount*	Settlement Date	Unrealized Appreciation	Unrealized Depreciation
OTC Forward Exchange Contracts							
Euro	JPHQ	Buy	240,000	253,066	1/17/23	\$4,084	\$—
Euro	JPHQ	Sell	2,650,000	2,594,165	1/17/23	—	(245,197)
Columbian Peso	JPHQ	Sell	5,200,000,000	1,033,027	2/28/23	—	(28,002)
Total Forward Exchange Contracts						\$4,084	\$(273,199)
Net unrealized appreciation (depreciation)							\$(269,115)

¹In U.S. dollars unless otherwise indicated.

^aMay be comprised of multiple contracts with the same counterparty, currency and settlement date.

Franklin Strategic Income VIP Fund (continued)

At December 31, 2022, the Fund had the following credit default swap contracts outstanding. See Note 1(d).

Credit Default Swap Contracts

Description	Periodic Payment Rate Received (Paid)	Payment Frequency	Counter- party	Maturity Date	Notional Amount ^(a)	Value	Upfront Payments (Receipts)	Unrealized Appreciation (Depreciation)	Rating ^(b)
Centrally Cleared Swap Contracts									
Contracts to Buy Protection^(c)									
Traded Index									
CDX.NA.EM.37	(1.00)%	Quarterly		6/20/27	1,150,000	\$56,177	\$96,538	\$(40,361)	
CDX.NA.HY.39	(5.00)%	Quarterly		12/20/27	800,000	(5,882)	16,487	(22,369)	
Total Centrally Cleared Swap Contracts						\$50,295	\$113,025	\$(62,730)	
OTC Swap Contracts									
Contracts to Sell Protection^{(c)(d)}									
Single Name									
Carnival Corp. Mexico Government Bond	1.00%	Quarterly	CITI	6/20/27	1,800,000	(694,209)	(291,433)	(402,776)	B-
	1.00%	Quarterly	GSCO	6/20/26	925,000	1,434	1,865	(431)	BBB
Traded Index									
^(e) BNP Paribas Bespoke Haverhill Index, Mezzanine Tranche 5-10%	4.10%	Quarterly	BNDP	12/20/23	350,000 EUR	(5,421)	—	(5,421)	Non- Investment Grade
^(e) Citibank Bespoke Kenai Index, Equity Tranche 0-5%	—%	Quarterly	CITI	12/20/23	2,300,000	(796,155)	(341,487)	(454,668)	Non- Investment Grade
^(e) Citibank Bespoke Rotorua Index, Mezzanine Tranche 5-10%	3.60%	Quarterly	CITI	12/20/23	500,000	(5,977)	—	(5,977)	Non- Investment Grade
MCDX. NA.MAIN.31	1.00%	Quarterly	CITI	12/20/23	2,270,000	11,237	4,444	6,793	Investment Grade
Total OTC Swap Contracts						\$(1,489,091)	\$(626,611)	\$(862,480)	
Total Credit Default Swap Contracts						\$(1,438,796)	\$(513,586)	\$(925,210)	

^(a)In U.S. dollars unless otherwise indicated. For contracts to sell protection, the notional amount is equal to the maximum potential amount of the future payments and no recourse provisions have been entered into in association with the contracts.

^(b)Based on Standard and Poor's (S&P) Rating for single name swaps and internal ratings for index swaps. Internal ratings based on mapping into equivalent ratings from external vendors.

^(c)Performance triggers for settlement of contract include default, bankruptcy or restructuring for single name swaps, and failure to pay or bankruptcy of the underlying securities for traded index swaps.

^(d)The fund enters contracts to sell protection to create a long credit position.

^(e)Represents a custom index comprised of a basket of underlying instruments.

Franklin Strategic Income VIP Fund (continued)

At December 31, 2022, the Fund had the following total return swap contracts outstanding. See Note 1(d).

Total Return Swap Contracts

Underlying Instruments	Financing Rate	Payment Frequency	Counter- party	Maturity Date	Notional Value*	Value/ Unrealized Appreciation (Depreciation)
OTC Swap Contracts						
Short						
Markit iBoxx USD Liquid Leveraged Loans Total						
Return Index	1-day SOFR	Quarterly	BZWS	3/20/23	1,240,000	\$(28,150)
Markit iBoxx USD Liquid Leveraged Loans Total						
Return Index	1-day SOFR	Quarterly	MSCO	3/20/23	800,000	(15,819)
Markit iBoxx USD Liquid Leveraged Loans Total						
Return Index	1-day SOFR	Quarterly	BNDP	3/20/23	165,000	(4,672)
Markit iBoxx USD Liquid Leveraged Loans Total						
Return Index	1-day SOFR	Quarterly	BNDP	3/20/23	495,000	(12,695)
Markit iBoxx USD Liquid Leveraged Loans Total						
Return Index	1-day SOFR	Quarterly	MSCO	6/20/23	1,500,000	(13,247)
Markit iBoxx USD Liquid Leveraged Loans Total						
Return Index	1-day SOFR	Quarterly	MSCO	6/20/23	1,500,000	(3,844)
Total Return Swap Contracts						<u>\$(78,427)</u>

*In U.S. dollars unless otherwise indicated.

See Note 11 regarding other derivative information.

See Abbreviations on page FSI-62.

Statement of Assets and Liabilities

December 31, 2022

	Franklin Strategic Income VIP Fund
Assets:	
Investments in securities:	
Cost - Unaffiliated issuers	\$291,548,795
Cost - Non-controlled affiliates (Note 3e)	39,344,627
	<hr/>
Value - Unaffiliated issuers	\$260,514,222
Value - Non-controlled affiliates (Note 3e)	36,753,721
Cash	473,807
Receivables:	
Investment securities sold	32
Capital shares sold	205,268
Dividends and interest	3,052,854
Deposits with brokers for:	
OTC derivative contracts	1,710,000
Futures contracts	277,685
Centrally cleared swap contracts	103,203
Variation margin on futures contracts	13,138
Variation margin on centrally cleared swap contracts	518
OTC swap contracts (upfront payments \$6,318)	6,309
Unrealized appreciation on OTC forward exchange contracts	4,084
Unrealized appreciation on OTC swap contracts	6,793
Deferred tax benefit	135,841
Total assets	<hr/> 303,257,475
Liabilities:	
Payables:	
Investment securities purchased	77,516
Capital shares redeemed	142,129
Management fees	142,490
Distribution fees	27,120
Trustees' fees and expenses	1,109
OTC swap contracts (upfront receipts \$1,216,740)	632,920
Unrealized depreciation on OTC swap contracts	947,700
Unrealized depreciation on OTC forward exchange contracts	273,199
Accrued expenses and other liabilities	210,718
Total liabilities	<hr/> 2,454,901
Net assets, at value	<hr/> \$300,802,574
Net assets consist of:	
Paid-in capital	\$398,170,074
Total distributable earnings (losses)	(97,367,500)
Net assets, at value	<hr/> \$300,802,574

Statement of Assets and Liabilities (continued)

December 31, 2022

	Franklin Strategic Income VIP Fund
<hr/>	
Class 1:	
Net assets, at value	\$189,767,431
Shares outstanding	20,881,734
Net asset value and maximum offering price per share	<u>\$9.09</u>
Class 2:	
Net assets, at value	\$73,616,643
Shares outstanding	8,428,199
Net asset value and maximum offering price per share	<u>\$8.73</u>
Class 4:	
Net assets, at value	\$37,418,500
Shares outstanding	4,152,780
Net asset value and maximum offering price per share	<u>\$9.01</u>

Statement of Operations

for the year ended December 31, 2022

	Franklin Strategic Income VIP Fund
Investment income:	
Dividends:	
Unaffiliated issuers	\$371,096
Non-controlled affiliates (Note 3e)	1,686,937
Interest: (net of foreign taxes of \$395)	
Unaffiliated issuers	13,109,355
Income from securities loaned:	
Unaffiliated entities (net of fees and rebates)	3,947
Non-controlled affiliates (Note 3e)	706
Total investment income	<u>15,172,041</u>
Expenses:	
Management fees (Note 3a)	2,089,225
Distribution fees: (Note 3c)	
Class 2	198,839
Class 4	150,087
Custodian fees (Note 4)	4,934
Professional fees	137,443
Trustees' fees and expenses	4,806
Marketplace lending fees (Note 1f)	334,797
Other	11,503
Total expenses	<u>2,931,634</u>
Expense reductions (Note 4)	(558)
Expenses waived/paid by affiliates (Note 3e)	<u>(231,954)</u>
Net expenses	<u>2,699,122</u>
Net investment income	<u>12,472,919</u>
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Investments: (net of foreign taxes of \$12,618)	
Unaffiliated issuers	(23,930,694)
Non-controlled affiliates (Note 3e)	(3,099,210)
Written options	(9,317)
Foreign currency transactions	(15,624)
Forward exchange contracts	937,244
Futures contracts	475,030
TBA sale commitments	5,533
Swap contracts	722,776
Net realized gain (loss)	<u>(24,914,262)</u>
Net change in unrealized appreciation (depreciation) on:	
Investments:	
Unaffiliated issuers	(28,220,686)
Non-controlled affiliates (Note 3e)	1,298,892
Translation of other assets and liabilities denominated in foreign currencies	2,332
Written options	(36,230)
Forward exchange contracts	(361,789)
Futures contracts	340,829
Swap contracts	(918,921)
Change in deferred tax benefit	(173,725)
Change in deferred taxes on unrealized appreciation	13,698
Net change in unrealized appreciation (depreciation)	<u>(28,055,600)</u>
Net realized and unrealized gain (loss)	<u>(52,969,862)</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ (40,496,943)</u>

Statements of Changes in Net Assets

	Franklin Strategic Income VIP Fund	
	Year Ended December 31, 2022	Year Ended December 31, 2021*
Increase (decrease) in net assets:		
Operations:		
Net investment income	\$12,472,919	\$12,098,516
Net realized gain (loss)	(24,914,262)	4,894,990
Net change in unrealized appreciation (depreciation)	(28,055,600)	(8,012,045)
Net increase (decrease) in net assets resulting from operations	(40,496,943)	8,981,461
Distributions to shareholders:		
Class 1	(9,367,599)	(8,780,267)
Class 2	(3,440,344)	(3,050,922)
Class 4	(1,764,256)	(1,678,261)
Total distributions to shareholders	(14,572,199)	(13,509,450)
Capital share transactions: (Note 2)		
Class 1	(23,710,406)	(10,251,021)
Class 2	(3,084,449)	(9,912,221)
Class 4	(5,799,698)	(718,968)
Total capital share transactions	(32,594,553)	(20,882,210)
Net increase (decrease) in net assets	(87,663,695)	(25,410,199)
Net assets:		
Beginning of year	388,466,269	413,876,468
End of year	\$300,802,574	\$388,466,269

*Includes the consolidated operations of FT Holdings Corporation III from January 1, 2021 through April 27, 2021.

Notes to Financial Statements

Franklin Strategic Income 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 Standard 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 Strategic Income 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. At December 31, 2022, 76.2% 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 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 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.

Debt securities generally trade in the OTC market rather than on a securities exchange. The Fund's pricing services use multiple valuation techniques to determine fair value. In instances where sufficient market activity exists, the pricing services may utilize a market-based approach through which quotes from market makers are used to determine fair value. In instances where sufficient market activity may not exist or is limited, the pricing services also utilize proprietary valuation models which may consider market characteristics such as benchmark yield curves, credit spreads, estimated default rates, anticipated market interest rate volatility, coupon rates, anticipated timing of principal repayments, underlying collateral, and other unique security features in order to estimate the relevant cash flows, which are then discounted to calculate the fair value. Securities denominated in a foreign currency are converted into their U.S. dollar equivalent at the foreign exchange rate in effect at 4 p.m. Eastern time on the date that the values of the foreign debt securities are determined.

Investments in open-end mutual funds are valued at the closing NAV.

Certain derivative financial instruments are centrally cleared or 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.

Franklin Strategic Income VIP Fund (continued)

1. Organization and Significant Accounting Policies

(continued)

a. Financial Instrument Valuation (continued)

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, 2022, certain securities may have been fair valued using these procedures, in which case the securities were categorized as Level 2 inputs within the fair value hierarchy (referred to as "market level fair value"). See the Fair Value Measurements note for more information.

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

Franklin Strategic Income VIP Fund (continued)**1. Organization and Significant Accounting Policies**
(continued)**c. Securities Lending** (continued)

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, and/or a joint repurchase agreement in the Statement of Assets and Liabilities. The Fund may receive income from the investment of cash collateral, in addition to lending fees and rebates 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. At December 31, 2022, the Fund had no securities on loan.

d. 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. 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.

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 interest rate risk. A futures contract is an agreement between the Fund

Franklin Strategic Income VIP Fund (continued)

1. Organization and Significant Accounting Policies

(continued)

d. Derivative Financial Instruments (continued)

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.

The Fund entered into OTC forward exchange contracts primarily to manage and/or gain exposure to certain foreign currencies. A forward exchange contract is an agreement between the Fund and a counterparty to buy or sell a foreign currency at a specific exchange rate on a future date.

The Fund entered into credit default swap contracts primarily to manage and/or gain exposure to credit risk. A credit default swap is an agreement between the Fund and a counterparty whereby the buyer of the contract receives credit protection and the seller of the contract guarantees the credit worthiness of a referenced debt obligation. These agreements may be privately negotiated in the over-the-counter market (OTC credit default swaps) or may be executed in a multilateral trade facility platform, such as a registered exchange (centrally cleared credit default swaps). The underlying referenced debt obligation may be a single issuer of corporate or sovereign debt, a credit index, a basket of issuers or indices, or a tranche of a credit index or basket of issuers or indices. In the event of a default of the underlying referenced debt obligation, the buyer is entitled to receive the notional amount of the credit default swap contract from the seller in exchange for the referenced debt obligation, a net settlement amount equal to the notional amount of the credit default swap less the recovery value of the referenced debt obligation, or other agreed upon amount. For centrally cleared credit default swaps, 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. Over the term of the contract, the buyer pays the seller a periodic stream of payments, provided that no event of default has occurred. Such periodic payments are accrued daily as an unrealized appreciation or depreciation until the payments are made, at which time they are realized. Upfront payments and receipts are reflected in the Statement of Assets and Liabilities and represent compensating factors between stated terms of the credit default swap agreement and prevailing market conditions (credit spreads and other

relevant factors). These upfront payments and receipts are amortized over the term of the contract as a realized gain or loss in the Statement of Operations.

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.

The Fund purchased or wrote OTC option contracts primarily to manage and/or gain exposure to interest rate and credit risk. An option is a contract entitling the holder to purchase or sell a specific amount of shares or units of an asset or notional amount of a swap (swaption), at a specified price. When an option is purchased or written, an amount equal to the premium paid or received is recorded as an asset or liability, respectively. Upon exercise of an option, the acquisition cost or sales proceeds of the underlying investment is adjusted by any premium received or paid. Upon expiration of an option, any premium received or paid is recorded as a realized gain or loss. Upon closing an option other than through expiration or exercise, the difference between the premium received or paid and the cost to close the position is recorded as a realized gain or loss.

The Fund invests in value recovery instruments (VRI) primarily to gain exposure to economic growth. Periodic payments from VRI are dependent on established benchmarks for underlying variables. VRI has a notional amount, which is used to calculate amounts of payments to holders. Payments are recorded upon receipt as realized gains in the Statement of Operations. The risks of investing in VRI include growth risk, liquidity, and the potential loss of investment. The Fund did not hold any VRI at year end.

See Note 11 regarding other derivative information.

e. Mortgage Dollar Rolls

The Fund enters into mortgage dollar rolls, typically on a TBA basis. Mortgage dollar rolls are agreements between the Fund and a financial institution where the Fund sells (or buys) mortgage-backed securities for delivery on a

Franklin Strategic Income VIP Fund (continued)**1. Organization and Significant Accounting Policies**
(continued)**e. Mortgage Dollar Rolls** (continued)

specified date and simultaneously contracts to repurchase (or sell) substantially similar (same type, coupon, and maturity) securities at a future date and at a predetermined price. Gains or losses are realized on the initial sale, and the difference between the repurchase price and the sale price is recorded as an unrealized gain or loss to the Fund upon entering into the mortgage dollar roll. In addition, the Fund may invest the cash proceeds that are received from the initial sale. During the period between the sale and repurchase, the Fund is not entitled to principal and interest paid on the mortgage backed securities. Transactions in mortgage dollar rolls are accounted for as purchases and sales and may result in an increase to the Fund's portfolio turnover rate. The risks of mortgage dollar roll transactions include the potential inability of the counterparty to fulfill its obligations.

f. Marketplace Lending

The Fund invests in loans obtained through marketplace lending. Marketplace lending, sometimes referred to as peer-to-peer lending, is a method of financing in which a platform facilitates the borrowing and lending of money. It is considered an alternative to more traditional forms of debt financing. Prospective borrowers are required to provide certain financial information to the platform, including, but not limited to, the intended purpose of the loan, income, employment information, credit score, debt-to-income ratio, credit history (including defaults and delinquencies) and home ownership status. Based on this and other information, the platform assigns its own credit rating to the borrower and sets the interest rate for the requested loan. The platform then posts the borrowing requests online, giving investors the opportunity to purchase the loans based on factors such as the interest rates and expected yields of the loans, the borrower background data, and the credit rating assigned by the platform.

When the Fund invests in these loans, it usually purchases all rights, title and interest in the loans pursuant to a loan purchase agreement directly from the platform. The platform or a third-party servicer typically continues to service the loans, collecting payments and distributing them to the Fund, less any servicing fees assessed. The servicer is typically responsible for taking actions against a borrower in the event

of a default on the loan. Servicing fees, along with other administration fees, are included in marketplace lending fees in the Statement of Operations. The Fund, as an investor in a loan, would be entitled to receive payment only from the borrower and would not be able to recover any deficiency from the platform, except under very narrow circumstances. The loans in which the Fund may invest are unsecured.

g. 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.

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, 2022, 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.

h. 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 and estimated expenses are accrued daily. Amortization of premium and accretion of discount on debt securities are included in interest income. Paydown gains and losses are recorded as an adjustment to interest income. Facility

Franklin Strategic Income VIP Fund (continued)

1. Organization and Significant Accounting Policies
(continued)

h. Security Transactions, Investment Income, Expenses and Distributions (continued)

fees are recognized as income over the expected term of the loan. 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.

Inflation-indexed bonds are adjusted for inflation through periodic increases or decreases in the security's interest accruals, face amount, or principal redemption value, by amounts corresponding to the rate of inflation as measured by an index. Any increase or decrease in the face amount or principal redemption value will be included as interest income in the Statement of Operations.

i. 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 year. Actual results could differ from those estimates.

j. 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, 2022, there were an unlimited number of shares authorized (without par value). Transactions in the Fund's shares were as follows:

	Year Ended December 31, 2022		Year Ended December 31, 2021	
	Shares	Amount	Shares	Amount
Class 1 Shares:				
Shares sold	328,774	\$3,176,447	1,119,217	\$11,967,151
Shares issued in reinvestment of distributions	1,032,811	9,367,599	830,678	8,780,267
Shares redeemed	(3,831,980)	(36,254,452)	(2,899,771)	(30,998,439)
Net increase (decrease)	(2,470,395)	\$(23,710,406)	(949,876)	\$(10,251,021)

Franklin Strategic Income VIP Fund (continued)

2. Shares of Beneficial Interest (continued)

	Year Ended December 31, 2022		Year Ended December 31, 2021	
	Shares	Amount	Shares	Amount
Class 2 Shares:				
Shares sold	1,055,479	\$9,796,960	1,656,006	\$17,067,289
Shares issued in reinvestment of distributions	394,083	3,440,344	299,698	3,050,922
Shares redeemed	(1,789,143)	(16,321,753)	(2,909,726)	(30,030,432)
Net increase (decrease)	(339,581)	\$(3,084,449)	(954,022)	\$(9,912,221)
Class 4 Shares:				
Shares sold	109,665	\$1,130,422	516,341	\$5,494,257
Shares issued in reinvestment of distributions	195,811	1,764,256	159,987	1,678,261
Shares redeemed	(933,003)	(8,694,376)	(744,790)	(7,891,486)
Net increase (decrease)	(627,527)	\$(5,799,698)	(68,462)	\$(718,968)

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
0.625%	Up to and including \$500 million
0.525%	Over \$500 million, up to and including \$1 billion
0.480%	Over \$1 billion, up to and including \$1.5 billion
0.435%	Over \$1.5 billion, up to and including \$6.5 billion
0.415%	Over \$6.5 billion, up to and including \$11.5 billion
0.400%	Over \$11.5 billion, up to and including \$16.5 billion
0.390%	Over \$16.5 billion, up to and including \$19 billion
0.380%	Over \$19 billion, up to and including \$21.5 billion
0.370%	In excess of \$21.5 billion

For the year ended December 31, 2022, the gross effective investment management fee rate was 0.625% of the Fund's average daily net assets.

Franklin Strategic Income VIP Fund (continued)

3. Transactions with Affiliates (continued)

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 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 paid directly or indirectly by each affiliate. During the year ended December 31, 2022, 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 Strategic Income VIP Fund								
Non-Controlled Affiliates								
								Dividends
Franklin Floating Rate Income Fund	\$27,739,219	\$5,100,000	\$(12,537,750)	\$(3,099,210)	\$1,298,892	\$18,501,151	2,418,451	\$1,515,004
Institutional Fiduciary Trust - Money Market Portfolio, 3.782%	9,106,742	127,844,218	(118,698,390)	—	—	18,252,570	18,252,570	171,933
Total Non-Controlled Affiliates	\$36,845,961	\$132,944,218	\$(131,236,140)	\$(3,099,210)	\$1,298,892	\$36,753,721		\$1,686,937
Non-Controlled Affiliates								
								Income from securities loaned
Institutional Fiduciary Trust - Money Market Portfolio, 3.782%	\$—	\$13,473,000	\$(13,473,000)	\$—	\$—	\$—	—	\$706
Total Affiliated Securities . . .	\$36,845,961	\$146,417,218	\$(144,709,140)	\$(3,099,210)	\$1,298,892	\$36,753,721		\$1,687,643

Franklin Strategic Income VIP Fund (continued)**4. Expense Offset Arrangement**

The Fund has entered into an arrangement with its custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Fund's custodian expenses. During the year ended December 31, 2022, the custodian fees were reduced as noted in the Statement of Operations.

5. Income Taxes

For tax purposes, capital losses may be carried over to offset future capital gains.

At December 31, 2022, the capital loss carryforwards were as follows:

Capital loss carryforwards not subject to expiration:

Short term	\$6,269,256
Long term	68,932,271
Total capital loss carryforwards	<u>\$75,201,527</u>

The tax character of distributions paid during the years ended December 31, 2022 and 2021, was as follows:

	2022	2021
Distributions paid from:		
Ordinary income	<u>\$14,572,199</u>	<u>\$13,509,450</u>

At December 31, 2022, the cost of investments, net unrealized appreciation (depreciation) and undistributed ordinary income for income tax purposes were as follows:

Cost of investments	<u>\$330,132,836</u>
Unrealized appreciation	\$4,668,209
Unrealized depreciation	(39,298,892)
Net unrealized appreciation (depreciation)	<u>\$(34,630,683)</u>
Distributable earnings:	
Undistributed ordinary income	<u>\$12,596,325</u>

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatments of foreign currency transactions, foreign capital gains tax, paydown losses, payments-in-kind, bond discounts and premiums, swaps and transfer in-kind.

6. Investment Transactions

Purchases and sales of investments (excluding short term securities) for the year ended December 31, 2022, aggregated \$200,438,610 and \$238,399,865, respectively.

7. Credit Risk and Defaulted Securities

At December 31, 2022, the Fund had 24.8% of its portfolio invested in high yield, senior secured floating rate loans, or other securities rated below investment grade and unrated securities. These securities may be more sensitive to economic conditions causing greater price volatility and are potentially subject to a greater risk of loss due to default than higher rated securities.

Franklin Strategic Income VIP Fund (continued)

7. Credit Risk and Defaulted Securities (continued)

The Fund held a defaulted security and/or other securities for which the income has been deemed uncollectible. At December 31, 2022, the value of this security was \$1,351,499, representing 0.4% of the Fund's net assets. The Fund discontinues accruing income on securities for which income has been deemed uncollectible and provides an estimate for losses on interest receivable. The security has been identified in the accompanying Schedule of Investments.

8. Geopolitical Risk

On February 24, 2022, Russia engaged in military actions in the sovereign territory of Ukraine. The current political and financial uncertainty surrounding Russia and Ukraine may increase market volatility and the economic risk of investing in securities in these countries and may also cause uncertainty for the global economy and broader financial markets. The ultimate fallout and long-term impact from these events are not known. The Fund will continue to assess the impact on valuations and liquidity and will take any potential actions needed in accordance with procedures approved by the Board.

9. Novel Coronavirus Pandemic

The global outbreak of the novel coronavirus disease, known as COVID-19, has caused adverse effects on many companies, sectors, nations, regions and the markets in general, and may continue for an unpredictable duration. The effects of this pandemic may materially impact the value and performance of the Fund, its ability to buy and sell fund investments at appropriate valuations and its ability to achieve its investment objectives.

10. Restricted Securities

The Fund invests in securities that are restricted under the Securities Act of 1933 (1933 Act). Restricted securities are often purchased in private placement transactions, and cannot be sold without prior registration unless the sale is pursuant to an exemption under the 1933 Act. Disposal of these securities may require greater effort and expense, and prompt sale at an acceptable price may be difficult. The Fund may have registration rights for restricted securities. The issuer generally incurs all registration costs.

At December 31, 2022, investments in restricted securities, excluding securities exempt from registration under the 1933 Act, were as follows:

Shares	Issuer	Acquisition Date	Cost	Value
Franklin Strategic Income VIP Fund				
14,792,309	*K2016470219 South Africa Ltd., A	2/01/17	\$114,768	\$—
1,472,041	*K2016470219 South Africa Ltd., B	2/01/17	1,093	—
	Total Restricted Securities (Value is —% of Net Assets)		\$115,861	\$—

*The Fund also invests in unrestricted securities of the issuer, valued at \$— as of December 31, 2022.

Franklin Strategic Income VIP Fund (continued)

11. Other Derivative Information

At December 31, 2022, 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 Strategic Income VIP Fund				
Interest rate contracts				
	Variation margin on futures contracts	\$105,831 ^a	Variation margin on futures contracts	\$85,283 ^a
Foreign exchange contracts . . .				
	Unrealized appreciation on OTC forward exchange contracts	4,084	Unrealized depreciation on OTC forward exchange contracts	273,199
Credit contracts				
	Variation margin on centrally cleared swap contracts	—	Variation margin on centrally cleared swap contracts	62,730 ^b
	OTC swap contracts (upfront payments)	6,309	OTC swap contracts (upfront receipts)	632,920
	Unrealized appreciation on OTC swap contracts	6,793	Unrealized depreciation on OTC swap contracts	947,700
Total		\$123,017		\$2,001,832

^aThis amount reflects the cumulative appreciation (depreciation) of futures contracts as reported in the Schedule of Investments. Only the variation margin receivable/payable at year end is separately reported within the Statement of Assets and Liabilities. Prior variation margin movements were recorded to cash upon receipt or payment.

^bThis amount reflects the cumulative appreciation (depreciation) of centrally cleared contracts as reported in the Schedule of Investments. Only the variation margin receivable/payable at year end is separately reported within the Statement of Assets and Liabilities. Prior variation margin movements were recorded to cash upon receipt or payment.

For the year ended December 31, 2022, 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 Strategic Income VIP Fund				
	Net realized gain (loss) from:		Net change in unrealized appreciation (depreciation) on:	
Interest rate contracts				
	Investments	\$(58,383) ^a	Investments	\$11,619 ^a
	Written options	(9,317)	Written options	(36,230)
	Futures contracts	475,030	Futures contracts	340,829
Foreign exchange contracts				
	Investments	(2,065) ^a	Investments	6,859 ^a
	Forward exchange contracts	937,244	Forward exchange contracts	(361,789)
Credit contracts				
	Swap contracts	722,776	Swap contracts	(918,921)
Value recovery instruments	Investments	(152,700) ^b	Investments	(507,558) ^b
Total		\$1,912,585		\$(1,465,191)

Franklin Strategic Income VIP Fund (continued)

11. Other Derivative Information (continued)

^aPurchased option contracts are included in net realized gain (loss) from investments and net change in unrealized appreciation (depreciation) on investments in the Statement of Operations.

^bVRI are included in net realized gain (loss) from investments and net change in unrealized appreciation (depreciation) on investments in the Statement of Operations.

For the year ended December 31, 2022, the average month end notional amount of futures contracts, swap contracts and options, and the average month end contract value for forward exchange contracts, and average month end fair value of VRI, were as follows:

	Franklin Strategic Income VIP Fund
Futures contracts	\$28,068,353
Swap Contracts	19,173,784
Forward exchange contracts	8,030,258
Options	1,289,075
VRI	144,091

At December 31, 2022, the Fund's OTC derivative assets and liabilities are as follows:

	Gross Amounts of Assets and Liabilities Presented in the Statement of Assets and Liabilities	
	Assets^a	Liabilities^a
Franklin Strategic Income VIP Fund		
Derivatives		
Forward exchange contracts	\$4,084	\$273,199
Swap contracts	13,102	1,580,620
Total	<u>\$17,186</u>	<u>\$1,853,819</u>

^aAbsent 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.

Franklin Strategic Income VIP Fund (continued)

11. Other Derivative Information (continued)

At December 31, 2022, OTC derivative assets, which may be offset against OTC derivative liabilities and collateral received from the counterparty, are as follows:

	Gross Amounts of Assets Presented in the Statement of Assets and Liabilities	Amounts Not Offset in the Statement of Assets and Liabilities			Net Amount (Not less than zero)
		Financial Instruments Available for Offset	Financial Instruments Collateral Received	Cash Collateral Received	
Franklin Strategic Income VIP Fund					
Counterparty					
BNDP	\$—	\$—	\$—	\$—	\$—
BZWS	—	—	—	—	—
CITI	11,237	(11,237)	—	—	—
GSCO	1,865	(431)	—	—	1,434
JPHQ	4,084	(4,084)	—	—	—
MSCO	—	—	—	—	—
Total	\$17,186	\$(15,752)	\$—	\$—	\$1,434

At December 31, 2022, OTC derivative liabilities, which may be offset against OTC derivative assets and collateral pledged to the counterparty, are as follows:

	Gross Amounts of Liabilities Presented in the Statement of Assets and Liabilities	Amounts Not Offset in the Statement of Assets and Liabilities			Net Amount (Not less than zero)
		Financial Instruments Available for Offset	Financial Instruments Collateral Pledged	Cash Collateral Pledged ^a	
Franklin Strategic Income VIP Fund					
Counterparty					
BNDP	\$22,788	\$—	\$—	\$—	\$22,788
BZWS	28,150	—	—	—	28,150
CITI	1,496,341	(11,237)	—	(1,430,000)	55,104
GSCO	431	(431)	—	—	—
JPHQ	273,199	(4,084)	—	(269,115)	—
MSCO	32,910	—	—	—	32,910
Total	\$1,853,819	\$(15,752)	\$—	\$(1,699,115)	\$138,952

^aIn some instances, the collateral amounts disclosed in the table above were adjusted due to the requirement to limit the collateral amounts to avoid the effect of overcollateralization. Actual collateral received and/or pledged may be more than the amounts disclosed herein.

See Note 1(d) regarding derivative financial instruments.

See Abbreviations on page FSI-62.

Franklin Strategic Income VIP Fund (continued)

12. 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 February 3, 2023. 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 February 3, 2023, the Borrowers renewed the Global Credit Facility for a one-year term, maturing February 2, 2024, for a total of \$2.675 billion.

Under the terms of the Global Credit Facility, the Fund shall, 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, 2022, the Fund did not use the Global Credit Facility.

13. 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, 2022, in valuing the Fund's assets and liabilities carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
Franklin Strategic Income VIP Fund				
Assets:				
Investments in Securities:				
Common Stocks:				
Energy Equipment & Services	\$702,390	\$—	\$—	\$702,390
Media	74,109	—	—	74,109
Multiline Retail	—	—	— ^a	—
Oil, Gas & Consumable Fuels	3,789	736,007	—	739,796
Management Investment Companies	—	18,501,151	—	18,501,151
Convertible Bonds	—	2,360	—	2,360
Corporate Bonds:				
Aerospace & Defense	—	2,189,276	—	2,189,276
Air Freight & Logistics	—	774,894	—	774,894
Airlines	—	1,716,057	—	1,716,057
Auto Components	—	3,688,134	—	3,688,134
Automobiles	—	851,407	—	851,407
Banks	—	15,785,741	—	15,785,741
Beverages	—	1,594,977	—	1,594,977

Franklin Strategic Income VIP Fund (continued)

13. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
Franklin Strategic Income VIP Fund (continued)				
Assets: (continued)				
Investments in Securities:				
Corporate Bonds:				
Biotechnology	\$—	\$1,003,928	\$—	\$1,003,928
Building Products	—	1,702,736	—	1,702,736
Capital Markets	—	8,441,024	—	8,441,024
Chemicals	—	5,941,821	—	5,941,821
Commercial Services & Supplies	—	2,070,369	—	2,070,369
Construction & Engineering	—	649,887	—	649,887
Consumer Finance	—	1,420,499	—	1,420,499
Containers & Packaging	—	2,585,736	—	2,585,736
Diversified Consumer Services	—	754,632	—	754,632
Diversified Financial Services	—	1,113,965	—	1,113,965
Diversified Telecommunication Services	—	3,299,941	—	3,299,941
Electric Utilities	—	4,132,668	—	4,132,668
Electrical Equipment	—	952,618	—	952,618
Electronic Equipment, Instruments & Components	—	1,521,465	—	1,521,465
Energy Equipment & Services	—	394,914	—	394,914
Entertainment	—	1,565,408	—	1,565,408
Equity Real Estate Investment Trusts (REITs)	—	2,438,565	—	2,438,565
Food Products	—	1,239,105	—	1,239,105
Gas Utilities	—	202,033	—	202,033
Health Care Equipment & Supplies	—	715,905	—	715,905
Health Care Providers & Services	—	4,324,290	—	4,324,290
Hotels, Restaurants & Leisure	—	3,774,882	—	3,774,882
Household Durables	—	323,485	—	323,485
Household Products	—	966,519	—	966,519
Independent Power and Renewable Electricity Producers	—	6,016,376	—	6,016,376
Insurance	—	980,048	—	980,048
Interactive Media & Services	—	1,386,073	—	1,386,073
Internet & Direct Marketing Retail	—	460,898	—	460,898
IT Services	—	3,525,185	—	3,525,185
Machinery	—	1,136,951	—	1,136,951
Marine	—	1,197,846	—	1,197,846
Media	—	5,010,393	—	5,010,393
Metals & Mining	—	1,085,411	—	1,085,411
Multiline Retail	—	434,600	— ^a	434,600
Multi-Utilities	—	1,072,439	—	1,072,439
Oil, Gas & Consumable Fuels	—	12,682,489	—	12,682,489
Paper & Forest Products	—	1,142,287	—	1,142,287
Personal Products	—	912,973	—	912,973
Pharmaceuticals	—	3,062,594	—	3,062,594
Real Estate Management & Development	—	1,013,546	—	1,013,546
Road & Rail	—	1,482,025	—	1,482,025
Software	—	1,271,497	—	1,271,497
Specialty Retail	—	855,921	—	855,921
Technology Hardware, Storage & Peripherals	—	161,873	—	161,873
Thriffs & Mortgage Finance	—	1,580,291	—	1,580,291
Tobacco	—	1,315,190	—	1,315,190
Trading Companies & Distributors	—	1,219,334	—	1,219,334
Transportation Infrastructure	—	117,979	—	117,979

Franklin Strategic Income VIP Fund (continued)

13. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
Franklin Strategic Income VIP Fund (continued)				
Assets: (continued)				
Investments in Securities:				
Corporate Bonds:				
Wireless Telecommunication Services	\$—	\$1,522,040	\$—	\$1,522,040
Marketplace Loans	—	—	6,941,352	6,941,352
Foreign Government and Agency Securities	—	12,165,929	—	12,165,929
U.S. Government and Agency Securities	—	60,406,872	—	60,406,872
Asset-Backed Securities	—	15,884,486	—	15,884,486
Commercial Mortgage-Backed Securities	—	1,593,607	—	1,593,607
Mortgage-Backed Securities	—	18,981,913	—	18,981,913
Residential Mortgage-Backed Securities	—	14,234,319	—	14,234,319
Escrows and Litigation Trusts	—	3,949	— ^a	3,949
Short Term Investments	18,252,570	—	—	18,252,570
Total Investments in Securities	\$19,032,858	\$271,293,733	\$6,941,352	\$297,267,943
Other Financial Instruments:				
Forward exchange contracts	\$—	\$4,084	\$—	\$4,084
Futures contracts	105,831	—	—	105,831
Swap contracts	—	6,793	—	6,793
Total Other Financial Instruments	\$105,831	\$10,877	\$—	\$116,708
Liabilities:				
Other Financial Instruments:				
Forward exchange contracts	\$—	\$273,199	\$—	\$273,199
Futures contracts	85,283	—	—	85,283
Swap contracts	—	1,010,430	—	1,010,430
Total Other Financial Instruments	\$85,283	\$1,283,629	\$—	\$1,368,912

^aIncludes financial instruments determined to have no value at December 31, 2022.

A reconciliation 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. At December 31, 2022, the reconciliation is as follows:

	Balance at Beginning of Year	Purchases ^a	Sales ^b	Transfer Into Level 3	Transfer Out of Level 3	Net Accretion (Amortization)	Net Realized Gain (Loss)	Net Unrealized Appreciation (Depreciation)	Balance at End of Year	Net Change in Unrealized Appreciation (Depreciation) on Assets Held at Year End
Franklin Strategic Income VIP Fund										
Assets:										
Investments in Securities:										
Common Stocks:										
Media	\$2,779	\$—	\$(3,268)	\$—	\$—	\$—	\$—	\$489	\$—	\$—
Multiline Retail	— ^c	—	—	—	—	—	—	—	— ^c	—
Oil, Gas & Consumable Fuels	— ^c	—	(199)	—	—	—	(98,439)	98,638	— ^c	—
Warrants:										
Oil, Gas & Consumable Fuels	3	—	— ^c	—	—	—	—	(3)	—	—
Corporate Bonds:										
Multiline Retail	— ^c	— ^c	—	—	—	—	—	—	— ^c	—
Marketplace Loans:										
Diversified Financial Services	5,892,407	6,426,813	(4,644,515)	—	—	—	(108,518)	(624,835)	6,941,352	(635,518)

Franklin Strategic Income VIP Fund (continued)

13. Fair Value Measurements (continued)

	Balance at Beginning of Year	Purchases ^a	Sales ^b	Transfer Into Level 3	Transfer Out of Level 3	Net Accretion (Amortiza- tion)	Net Realized Gain (Loss)	Net Unrealized Appreciation (Depreciation)	Balance at End of Year	Net Change in Unrealized Appreciation (Depreciation) on Assets Held at Year End
Franklin Strategic Income VIP Fund (continued)										
Assets:										
Investments in Securities:										
Escrows and Litigation										
Trusts	\$— ^c	\$—	\$(10,914)	\$—	\$—	\$—	\$10,914	\$—	\$— ^c	\$—
Total Investments in Securities	\$5,895,189	\$6,426,813	\$(4,658,896)	\$—	\$—	\$—	\$(196,043)	\$(525,711)	\$6,941,352	\$(635,518)

^aPurchases include all purchases of securities and securities received in corporate actions.

^bSales include all sales of securities, maturities, paydowns and securities tendered in corporate actions.

^cIncludes financial instruments determined to have no value.

Significant unobservable valuation inputs for material Level 3 assets and/or liabilities and impact to fair value as a result of changes in unobservable valuation inputs as of December 31, 2022, are as follows:

Description	Fair Value at End of Year	Valuation Technique	Unobservable Inputs	Amount / Range (Weighted Average) ^a	Impact to Fair Value if Input Increases ^b
Franklin Strategic Income VIP Fund					
Assets:					
Investments in Securities:					
Marketplace Loans:					
Diversified Financial Services.	\$5,684,014	Discounted cash flow	Loss-adjusted discount rate	6.4% – 10.8% (9.3%)	Decrease
			Projected loss rate	17.0% – 23.3% (21.2%)	Decrease
All Other Investments	1,257,338 ^{c,d}				
Total	\$6,941,352				

^a Weighted based on the relative fair value of the financial instruments.

^b Represents the directional change in the fair value of the Level 3 financial instruments that would result from a significant and reasonable increase in the corresponding input. A significant and reasonable decrease in the input would have the opposite effect. Significant increases and decreases in these inputs in isolation could result in significantly higher or lower fair value measurements.

^c Includes fair value of immaterial assets and/or liabilities developed using various valuation techniques and unobservable inputs. May also include values derived using recent transactions, private transaction prices or non-public third-party pricing information which is unobservable.

^d Includes financial instruments determined to have no value at December 31, 2022.

14. New Accounting Pronouncements

In March 2020, the FASB issued Accounting Standards Update (ASU) No. 2020- 04, Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting. In January 2021 and December 2022, the FASB issued ASU No. 2021-01 and ASU No. 2022-06, with further amendments to Topic 848. The amendments in the ASUs provide optional temporary accounting recognition and financial reporting relief from the effect of certain types of contract modifications due to the planned discontinuation of the London InterBank Offered Rate (LIBOR) and other interbank-offered based reference rates as of the end of 2021 for certain LIBOR settings and 2023 for the remainder. The ASUs are effective for certain reference

Franklin Strategic Income VIP Fund (continued)

14. New Accounting Pronouncements (continued)

rate-related contract modifications that occur during the period March 12, 2020 through December 31, 2024. Management has reviewed the requirements and believes the adoption of these ASUs will not have a material impact on the financial statements.

In June 2022, the FASB issued ASU No. 2022-03, Fair Value Measurement (Topic 820) – Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions. The amendments in the ASU clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, should not be considered in measuring fair value. The ASU is effective for interim and annual reporting periods beginning after December 15, 2023, with the option of early adoption. Management has reviewed the requirements and believes that the adoption of the ASU will not have a material impact on the financial statements.

15. 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

Counterparty

BNDP	BNP Paribas SA
BZWS	Barclays Bank plc
CITI	Citibank NA
GSCO	Goldman Sachs Group, Inc.
JPHQ	JPMorgan Chase Bank NA
MSCO	Morgan Stanley

Currency

COP	Colombian Peso
DOP	Dominican Peso
EUR	Euro
USD	United States Dollar

Index

MSCI	Morgan Stanley Capital International
CDX.NA.HY. Series number	CDX North America High Yield Index
MCDX. NA.MAIN. Series number	MCDX North America Index

Selected Portfolio

CLO	Collateralized Loan Obligation
	Constant Monthly U.S. Treasury Securities Yield Curve Rate Index
CMT	
EURIBOR	Euro Inter-Bank Offer Rate
FHLMC	Federal Home Loan Mortgage Corp.
FNMA	Federal National Mortgage Association
FRN	Floating Rate Note
GNMA	Government National Mortgage Association
LIBOR	London Inter-Bank Offered Rate
MBS	Mortgage-Backed Security
PIK	Payment-In-Kind
REIT	Real Estate Investment Trust
SOFR	Secured Overnight Financing Rate
STACR	Structured Agency Credit Risk
T-Note	Treasury Note

Report of Independent Registered Public Accounting Firm

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

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Franklin Strategic Income VIP Fund (one of the funds constituting Franklin Templeton Variable Insurance Products Trust, referred to hereafter as the “Fund”) as of December 31, 2022, the related statement of operations for the year ended December 31, 2022, the statement of changes in net assets for each of the two years in the period ended December 31, 2022, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2022 (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, 2022, 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, 2022 and the financial highlights for each of the five years in the period ended December 31, 2022 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, 2022 by correspondence with the custodian, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
San Francisco, California
February 17, 2023

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 Strategic Income 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, 2022:

	Pursuant to:	Amount Reported
Income Eligible for Dividends Received Deduction (DRD)	§854(b)(1)(A)	\$326,896
Interest Earned from Federal Obligations	Note (1)	\$1,358,218

Note (1) - The Law varies in each state as to whether and what percentage of dividend income attributable to Federal obligations is exempt from state income tax. Shareholders are advised to consult with their tax advisors to determine if any portion of the dividends received is exempt from state income taxes.

Index Descriptions

The indexes are unmanaged and include reinvestment of any income or distributions. They do not reflect any fees, expenses or sales charges. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio. Net Returns (NR) include income net of tax withholding when dividends are paid.

For Russell Indexes: Frank Russell Company is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Frank Russell Company.

See www.franklintempletondatasources.com for additional data provider information.

Bloomberg 1-3 Month U.S. Treasury Bill Index measures the performance of U.S. Treasury bills that have a remaining maturity of greater than or equal to one month and less than three months. Treasuries, if held to maturity, offer a fixed rate of return and a fixed principal value; their interest payments and principal are guaranteed.

Bloomberg U.S. Aggregate Bond Index measures the performance of the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid adjustable-rate mortgage pass-throughs), asset-backed securities and commercial mortgage-backed securities (agency and nonagency).

Bloomberg U.S. Corporate Investment Grade Index measures the performance of the investment-grade, fixed-rate, taxable corporate bond market. It includes U.S. dollar-denominated securities publicly issued by U.S. and non-U.S. industrial, utility and financial issuers.

Bloomberg U.S. Corporate High Yield Index measures the performance of the U.S. dollar-denominated, high-yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Standard & Poor's, and Fitch is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets (EM) country of risk, based on Bloomberg EM country definition, are excluded.

Bloomberg U.S. Government - Intermediate Index is the intermediate component of the Bloomberg U.S. Government Index, which includes U.S. dollar-denominated, fixed-rate, nominal U.S. Treasuries and U.S. agency debentures (securities issued by U.S. government-owned or government-sponsored entities, and debt explicitly guaranteed by the U.S. government).

Bloomberg U.S. High Yield Very Liquid Index is a component of the Bloomberg U.S. Corporate High Yield Index that is designed to track a more liquid component of the U.S. dollar-denominated, high-yield, fixed-rate corporate bond market.

Bloomberg U.S. Mortgage-Backed Securities (MBS) Index tracks the performance of fixed-rate agency mortgage-backed pass-through securities guaranteed by Ginnie Mae (GNMA), Fannie Mae (FNMA) and Freddie Mac (FHLMC). Effective June 1, 2017, hybrid adjustable-rate mortgages were removed from the index.

Bloomberg U.S. Treasury Index measures the performance of U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury with at least one year until final maturity. Treasuries, if held to maturity, offer a fixed rate of return and a fixed principal value; their interest payments and principal are guaranteed.

FTSE® EPRA®/NAREIT® Developed Index is a free float-adjusted index designed to measure the performance of publicly traded real estate securities in the North American, European and Asian real estate markets.

FTSE World Government Bond Index (WGBI) measures the performance of fixed-rate, local currency, investment-grade sovereign bonds and is stated in U.S. dollar terms.

J.P. Morgan (JPM) Global Government Bond Index (GGBI) tracks total returns for liquid, fixed-rate, domestic government bonds with maturities greater than one year issued by developed countries globally.

MSCI All Country Asia Index-NR is a free float-adjusted, market capitalization-weighted index designed to measure the equity market performance of developed and emerging markets in Asia.

MSCI All Country World Index (ACWI)-NR is a free float-adjusted, market capitalization-weighted index designed to measure the equity market performance of global developed and emerging markets.

MSCI All Country World Index (ACWI) ex USA Index-NR is a free float-adjusted, market capitalization-weighted index designed to measure the equity market performance of global developed and emerging markets, excluding the U.S.

MSCI Emerging Markets (EM) Index-NR is a free float-adjusted, market capitalization-weighted index designed to measure the equity market performance of global emerging markets.

MSCI Europe Index-NR is a free float-adjusted, market capitalization-weighted index designed to measure the equity market performance of developed markets in Europe.

MSCI USA High Dividend Yield Index is based on the MSCI USA Index, its parent index, and includes large- and mid-capitalization stocks. The index is designed to reflect the performance of equities in the parent index (excluding real estate investment trusts) with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent.

MSCI USA Index is designed to measure the performance of the large- and mid-capitalization segments of the U.S. market. With 627 constituents, the index covers approximately 85% of the free float adjusted market capitalization in the U.S.

MSCI World ex USA Index-NR is a free float-adjusted, market capitalization-weighted index designed to measure the equity market performance of global developed markets, excluding the U.S.

MSCI World Value Index-NR is a free float-adjusted, market capitalization-weighted index designed to measure the performance of stocks exhibiting overall value style characteristics in global developed markets.

Russell 1000® Growth Index is market capitalization weighted and measures the performance of those Russell 1000® Index companies with relatively higher price-to-book ratios and higher forecasted growth rates.

Russell 1000® Index is market capitalization weighted and measures the performance of the approximately 1,000 largest companies in the Russell 3000® Index, which represents the majority of the U.S. market's total capitalization.

Russell 1000® Value Index is market capitalization weighted and measures the performance of those Russell 1000® Index companies with relatively lower price-to-book ratios and lower forecasted growth rates.

Russell 2000® Index is market capitalization weighted and measures the performance of the approximately 2,000 smallest companies in the Russell 3000® Index that represent a small amount of the total market capitalization of the Russell 3000® Index.

Russell 2000® Value Index is market capitalization weighted and measures the performance of those Russell 2000® Index companies with relatively lower price-to-book ratios and lower forecasted growth rates.

Russell 2500™ Index is market capitalization weighted and measures the performance of the approximately 2,500 smallest companies in the Russell 3000® Index that represent a modest amount of the Russell 3000® Index's total market capitalization.

Russell 3000® Index is market capitalization weighted and measures the performance of the largest 3,000 U.S. companies representing the majority of the U.S. market's total capitalization.

Russell Midcap® Growth Index is market capitalization weighted and measures the performance of those Russell Midcap® Index companies with relatively higher price-to-book ratios and higher forecasted growth rates.

Russell Midcap® Index is market capitalization weighted and measures the performance of the approximately 800 smallest companies in the Russell 1000® Index that represent a modest amount of the Russell 1000® Index's total market capitalization.

Standard & Poor's® 500 Index (S&P 500®) is a market capitalization-weighted index of 500 stocks designed to measure total U.S. equity market performance.

Board Members and Officers

The name, year of birth and address of the officers and board members, as well as their affiliations, positions held with the Trust, principal occupations during at least the past five years and number of U.S. registered portfolios overseen in the Franklin Templeton/Legg Mason fund complex, are shown below. Generally, each board member serves until that person's successor is elected and qualified.

Independent Board Members

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Harris J. Ashton (1932) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 1988	119	Bar-S Foods (meat packing company) (1981-2010).
Principal Occupation During at Least the Past 5 Years: Director of various companies; and formerly , Director, RBC Holdings, Inc. (bank holding company) (until 2002); and President, Chief Executive Officer and Chairman of the Board, General Host Corporation (nursery and craft centers) (until 1998).				
Terrence J. Checki (1945) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2017	119	Hess Corporation (exploration of oil and gas) (2014-present).
Principal Occupation During at Least the Past 5 Years: Member of the Council on Foreign Relations (1996-present); Member of the National Committee on U.S.-China Relations (1999-present); member of the board of trustees of the Economic Club of New York (2013-present); member of the board of trustees of the Foreign Policy Association (2005-present); member of the board of directors of Council of the Americas (2007-present) and the Tallberg Foundation (2018-present); and formerly , Executive Vice President of the Federal Reserve Bank of New York and Head of its Emerging Markets and Internal Affairs Group and Member of Management Committee (1995-2014); and Visiting Fellow at the Council on Foreign Relations (2014).				
Mary C. Choksi (1950) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2014	120	Omnicom Group Inc. (advertising and marketing communications services) (2011-present) and White Mountains Insurance Group, Ltd. (holding company) (2017-present); and formerly , Avis Budget Group Inc. (car rental) (2007-2020).
Principal Occupation During at Least the Past 5 Years: Director of various companies; and formerly , Founder and Senior Advisor, Strategic Investment Group (investment management group) (2015-2017); Founding Partner and Senior Managing Director, Strategic Investment Group (1987-2015); Founding Partner and Managing Director, Emerging Markets Management LLC (investment management firm) (1987-2011); and Loan Officer/Senior Loan Officer/Senior Pension Investment Officer, World Bank Group (international financial institution) (1977-1987).				

Independent Board Members (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Edith E. Holiday (1952) One Franklin Parkway San Mateo, CA 94403-1906	Lead Independent Trustee	Trustee since 2005 and Lead Independent Trustee since 2019	120	Hess Corporation (exploration of oil and gas) (1993-present), Santander Consumer USA Holdings, Inc. (consumer finance) (2016-present); Santander Holdings USA (holding company) (2019-present); and formerly , Canadian National Railway (railroad) (2001-2021), White Mountains Insurance Group, Ltd. (holding company) (2004-2021), RTI International Metals, Inc. (manufacture and distribution of titanium) (1999-2015) and H.J. Heinz Company (processed foods and allied products) (1994-2013).

Principal Occupation During at Least the Past 5 Years:

Director or Trustee of various companies and trusts; and **formerly**, Assistant to the President of the United States and Secretary of the Cabinet (1990-1993); General Counsel to the United States Treasury Department (1989-1990); and Counselor to the Secretary and Assistant Secretary for Public Affairs and Public Liaison-United States Treasury Department (1988-1989).

J. Michael Luttig (1954) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2009	120	Boeing Capital Corporation (aircraft financing) (2006-2010).
---	---------	------------	-----	--

Principal Occupation During at Least the Past 5 Years:

Counselor and Special Advisor to the CEO and Board of Directors of the Coca-Cola Company (beverage company) (2021-present); and **formerly**, Counselor and Senior Advisor to the Chairman, CEO, and Board of Directors, of The Boeing Company (aerospace company), and member of the Executive Council (2019-2020); Executive Vice President, General Counsel and member of the Executive Council, The Boeing Company (2006-2019); and Federal Appeals Court Judge, United States Court of Appeals for the Fourth Circuit (1991-2006).

Larry D. Thompson (1945) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2007	120	Graham Holdings Company (education and media organization) (2011-2021); The Southern Company (energy company) (2014-2020; previously 2010-2012) and Cbeyond, Inc. (business communications provider) (2010-2012).
---	---------	------------	-----	---

Principal Occupation During at Least the Past 5 Years:

Director of various companies; Counsel, Finch McCranie, LLP (law firm) (2015-present); John A. Sibley Professor of Corporate and Business Law, University of Georgia School of Law (2015-present; previously 2011-2012); and **formerly**, Independent Compliance Monitor and Auditor, Volkswagen AG (manufacturer of automobiles and commercial vehicles) (2017-2020); Executive Vice President - Government Affairs, General Counsel and Corporate Secretary, PepsiCo, Inc. (consumer products) (2012-2014); Senior Vice President - Government Affairs, General Counsel and Secretary, PepsiCo, Inc. (2004-2011); Senior Fellow of The Brookings Institution (2003-2004); Visiting Professor, University of Georgia School of Law (2004); and Deputy Attorney General, U.S. Department of Justice (2001-2003).

Independent Board Members (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Valerie M. Williams (1956) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2021	111	Omnicom Group, Inc. (advertising and marketing communications services) (2016-present), DTE Energy Co. (gas and electric utility) (2018-present), Devon Energy Corporation (exploration and production of oil and gas) (January 2021-present); and formerly , WPX Energy, Inc. (exploration and production of oil and gas) (2018-2021).

Principal Occupation During at Least the Past 5 Years:

Director of various companies; and **formerly**, Regional Assurance Managing Partner, Ernst & Young LLP (public accounting) (2005-2016), various roles of increasing responsibility at Ernst & Young (1981-2005).

Interested Board Members and Officers

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
**Gregory E. Johnson (1961) One Franklin Parkway San Mateo, CA 94403-1906	Chairman of the Board and Trustee	Chairman of the Board since January 2023 and Trustee since 2013	131	None

Principal Occupation During at Least the Past 5 Years:

Executive Chairman, Chairman of the Board and Director, Franklin Resources, Inc.; officer and/or director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of certain funds in the Franklin Templeton/Legg Mason fund complex; Vice Chairman, Investment Company Institute; and **formerly**, Chief Executive Officer (2013-2020) and President (1994-2015) Franklin Resources, Inc.

**Rupert H. Johnson, Jr. (1940) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 1988	120	None
--	---------	------------	-----	------

Principal Occupation During at Least the Past 5 Years:

Director (Vice Chairman), Franklin Resources, Inc.; Director, Franklin Advisers, Inc.; and officer and/or director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of certain funds in the Franklin Templeton/Legg Mason fund complex.

Alison E. Baur (1964) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2012	Not Applicable	Not Applicable
--	----------------	------------	----------------	----------------

Principal Occupation During at Least the Past 5 Years:

Deputy General Counsel, Franklin Templeton; and officer of some of the other subsidiaries of Franklin Resources, Inc. and of certain funds in the Franklin Templeton/Legg Mason fund complex.

Breda M. Beckerle (1958) 280 Park Avenue New York, NY 10017	Chief Compliance Officer	Since 2020	Not Applicable	Not Applicable
--	--------------------------	------------	----------------	----------------

Principal Occupation During at Least the Past 5 Years:

Chief Compliance Officer, Fiduciary Investment Management International, Inc., Franklin Advisers, Inc., Franklin Mutual Advisers, LLC, Franklin Templeton Institutional, LLC; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.

Interested Board Members and Officers (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Steven J. Gray (1955) One Franklin Parkway San Mateo, CA 94403-1906	Vice President and Co-Secretary	Vice President since 2009 and Co-Secretary since 2019	Not Applicable	Not Applicable

Principal Occupation During at Least the Past 5 Years:

Senior Associate General Counsel, Franklin Templeton; Assistant Secretary, Franklin Distributors, LLC; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.

Matthew T. Hinkle (1971) One Franklin Parkway San Mateo, CA 94403-1906	Chief Executive Officer - Finance and Administration	Since 2017	Not Applicable	Not Applicable
---	--	------------	----------------	----------------

Principal Occupation During at Least the Past 5 Years:

Senior Vice President, Franklin Templeton Services, LLC; officer of certain funds in the Franklin Templeton/Legg Mason fund complex; and formerly, Vice President, Global Tax (2012-April 2017) and Treasurer/Assistant Treasurer, Franklin Templeton (2009-2017).

Susan Kerr (1949) 620 Eighth Avenue New York, NY 10018	Vice President - AML Compliance	Since 2021	Not Applicable	Not Applicable
---	---------------------------------	------------	----------------	----------------

Principal Occupation During at Least the Past 5 Years:

Senior Compliance Analyst, Franklin Templeton; Chief Anti-Money Laundering Compliance Officer, Legg Mason & Co., or its affiliates; Anti Money Laundering Compliance Officer; Senior Compliance Officer, LMIS; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.

Christopher Kings (1974) One Franklin Parkway San Mateo, CA 94403-1906	Chief Financial Officer, Chief Accounting Officer and Treasurer	Since January 2022	Not Applicable	Not Applicable
---	---	--------------------	----------------	----------------

Principal Occupation During at Least the Past 5 Years:

Treasurer, U.S. Fund Administration & Reporting; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.

Edward D. Perks (1970) One Franklin Parkway San Mateo, CA 94403-1906	President and Chief Executive Officer - Investment Management	Since 2018	Not Applicable	Not Applicable
---	---	------------	----------------	----------------

Principal Occupation During at Least the Past 5 Years:

President and Director, Franklin Advisers, Inc.; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.

Navid J. Tofigh (1972) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2015	Not Applicable	Not Applicable
---	----------------	------------	----------------	----------------

Principal Occupation During at Least the Past 5 Years:

Senior Associate General Counsel, Franklin Templeton; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.

Lori A. Weber (1964) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Vice President and Co-Secretary	Vice President since 2011 and Co-Secretary since 2019	Not Applicable	Not Applicable
--	---------------------------------	---	----------------	----------------

Principal Occupation During at Least the Past 5 Years:

Senior Associate General Counsel, Franklin Templeton; Assistant Secretary, Franklin Resources, Inc.; Vice President and Secretary, Templeton Investment Counsel, LLC; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.

Interested Board Members and Officers (continued)

*We base the number of portfolios on each separate series of the U.S. registered investment companies within the Franklin Templeton/Legg Mason fund complex. These portfolios have a common investment manager or affiliated investment managers.

**Gregory E. Johnson is considered to be an interested person of the Fund under the federal securities laws due to his position as an officer and director of Franklin Resources, Inc. (Resources), which is the parent company of the Fund's investment manager and distributor. Rupert H. Johnson, Jr. is considered to be an interested person of the Fund under the federal securities laws due to his position as an officer and director and major shareholder of Resources.

Note 1: Rupert H. Johnson, Jr. is the uncle of Gregory E. Johnson.

Note 2: Officer information is current as of the date of this report. It is possible that after this date, information about officers may change.

The Sarbanes-Oxley Act of 2002 and Rules adopted by the Securities and Exchange Commission require the Fund to disclose whether the Fund's Audit Committee includes at least one member who is an audit committee financial expert within the meaning of such Act and Rules. The Fund's Board has determined that there is at least one such financial expert on the Audit Committee and has designated Mary C. Choksi as its audit committee financial expert. The Board believes that Ms. Choksi qualifies as such an expert in view of her extensive business background and experience. She served as a director of Avis Budget Group, Inc. (2007-2020) and formerly, Founder and Senior Advisor, Strategic Investment Group (1987 to 2017). Ms. Choksi has been a Member of the Fund's Audit Committee since 2014. As a result of such background and experience, the Board believes that Ms. Choksi has acquired an understanding of generally accepted accounting principles and financial statements, the general application of such principles in connection with the accounting estimates, accruals and reserves, and analyzing and evaluating financial statements that present a breadth and level of complexity of accounting issues generally comparable to those of the Fund, as well as an understanding of internal controls and procedures for financial reporting and an understanding of audit committee functions. Ms. Choksi is an independent Board member as that term is defined under the relevant Securities and Exchange Commission Rules and Releases.

The Statement of Additional Information (SAI) includes additional information about the board members and is available, without charge, upon request. Shareholders may call (800) DIAL BEN/342-5236 to request the SAI.

Shareholder Information

Proxy Voting Policies and Procedures

The Trust's investment manager has established Proxy Voting Policies and Procedures (Policies) that the Trust uses to determine how to vote proxies relating to portfolio securities. Shareholders may view the Trust's complete Policies online at franklintempleton.com. Alternatively, shareholders may request copies of the Policies free of charge by calling the Proxy Group collect at (954) 527-7678 or by sending a written request to: Franklin Templeton Companies, LLC, 300 S.E. 2nd Street, Fort Lauderdale, FL 33301, Attention: Proxy Group. Copies of the Trust's proxy voting records are also made available online at franklintempleton.com and posted on the U.S. Securities and Exchange Commission's website at sec.gov and reflect the most recent 12-month period ended June 30.

Quarterly Schedule of Investments

The Trust files a complete schedule of investments with the U.S. Securities and Exchange Commission for the first and third quarters for each fiscal year as an exhibit to its report on Form N-PORT. Shareholders may view the filed Form N-PORT by visiting the Commission's website at sec.gov. The filed form may also be viewed and copied at the Commission's Public Reference Room in Washington, DC. Information regarding the operations of the Public Reference Room may be obtained by calling (800) SEC-0330.

This page is intentionally left blank

This page is intentionally left blank

This page is intentionally left blank

Franklin Templeton Variable Insurance Products Trust (FTVIP) shares are not offered to the public; they are offered and sold only to: (1) insurance company separate accounts (Separate Account) to serve as the underlying investment vehicle for variable contracts; (2) certain qualified plans; and (3) other mutual funds (funds of funds).

Authorized for distribution to investors in Separate Accounts only when accompanied or preceded by the current prospectus for the applicable contract, which includes the Separate Account and the FTVIP prospectuses. Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. The prospectus contains this and other information; please read it carefully before investing.

To help ensure we provide you with quality service, all calls to and from our service areas are monitored and/or recorded.



Annual Report
Franklin Templeton Variable Insurance Products Trust

Investment Managers

Franklin Advisers, Inc.
Franklin Mutual Advisers, LLC
Franklin Templeton Institutional, LLC
Templeton Asset Management Ltd.
Templeton Global Advisors Limited
Templeton Investment Counsel, LLC

Fund Administrator

Franklin Templeton Services, LLC

Distributor

Franklin
Distributors, LLC