

ANNUAL REPORT

FRANKLIN MUTUAL GLOBAL DISCOVERY VIP FUND

A Series of Franklin Templeton Variable Insurance
Products Trust

December 31, 2023



FRANKLIN
TEMPLETON

The Securities and Exchange Commission has adopted new regulations that will result in changes to the design and delivery of annual and semiannual shareholder reports beginning in July 2024.

If you have previously elected to receive shareholder reports electronically, you will continue to do so and need not take any action.

Otherwise, paper copies of the Fund's shareholder reports will be mailed to you beginning in July 2024. If you would like to receive shareholder reports and other communications from the Fund electronically instead of by mail, you may make that request at any time by contacting your insurance company or your financial intermediary (such as a broker-dealer or bank).

Not FDIC Insured | May Lose Value | No Bank Guarantee

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Franklin Mutual Global Discovery VIP Fund

This annual report for Franklin Mutual Global Discovery VIP Fund covers the fiscal year ended December 31, 2023.

Fund Overview

Q. What is the Fund's investment strategy?

A. The Fund seeks capital appreciation. At Franklin Mutual Advisors, we are committed to our distinctive value approach to investing. Our major investment strategy is investing in undervalued stocks. When selecting undervalued equities, we are attracted to what we believe are fundamentally strong companies with healthy balance sheets, high-quality assets, substantial free cash flow and shareholder-oriented management teams and whose stocks are trading at discounts to our assessment of the companies' fundamental or business value. We also look for asset-rich companies whose shares may be trading at depressed levels due to concerns over short-term earnings disappointments, litigation, management strategy or other perceived negatives. While the vast majority of our undervalued equity and debt investments are made in publicly traded companies globally, we may invest occasionally in privately held companies as well.

We complement this more traditional investment strategy with two others. One is distressed investing, which is complex and can take many forms. The most common distressed investment the Fund undertakes is the purchase of financially troubled or bankrupt companies' debt at a substantial discount to face value. After the financially distressed company is reorganized, often in bankruptcy court, the old debt is typically replaced with new securities issued by the financially stronger company.

The other piece of our investment strategy is participating in arbitrage situations, another highly specialized field. When companies announce proposed mergers or takeovers, commonly referred to as deals, the target company may trade at a discount to the bid it ultimately accepts. One form of arbitrage involves purchasing the target company's stock when it is trading below the value we believe it would receive in a deal. In keeping with our commitment to a relatively conservative investment approach, we typically focus our arbitrage efforts on announced deals, and eschew rumored deals or other situations we consider relatively risky.

In addition, it is our practice to hedge the Fund's currency exposure when we deem it advantageous for our shareholders.

Q. What were the overall market conditions during the Fund's reporting period?

A. Although the market globally rose in 2023, value stocks underperformed their growth counterparts and overall returns were generally concentrated in a handful of large U.S. technology companies. The economic environment was largely positive for equities. Interest rates climbed in 2023, but the move higher was less pronounced than it was in 2022. Oil prices finished the year just below where they began it, inflationary pressures moderated, and unemployment remained low. Higher bond yields had a negative impact on certain value sectors, like consumer staples, over the course of the year. Markets were anticipating a recession coming into 2023 following 2022's rate hikes, but the global economy has so far managed to avoid a significant slowdown and the U.S. Federal Reserve, European Central Bank and Bank of England all appear likely to hold interest rates steady for now. Chinese growth remains a concern as the country's real estate industry weakens and its relations with the U.S. remain tense. We believe our focus on seeking out stocks trading below our view of their fundamental value, regardless of benchmark or style-categorization, and with a clearly defined catalyst to help realize that value over time was a benefit during the year.

Q. How did we respond to these changing market conditions?

A. While keeping the Fund quite fully invested, we used price dispersion which was present in different areas of the market at different points in time to find opportunities across various industries. We were active in adding new positions in high-quality companies that were trading at what we viewed as attractive valuations. Within the financials sector, for instance, we exited two positions in European banks that had performed relatively well for the Fund, Spain-based CaixaBank and Netherlands-based ING Groep, and shifted into higher-quality banks like PNC Financial Services in the U.S., BNP Paribas in France and DBS Group Holdings in Singapore.

We also added positions in U.S. shipping firm United Parcel Service, building products distributor Ferguson, Swiss luxury goods company Richemont and consumer health firm Kenvue. We think all are higher-quality names trading at appealing valuations.

Many of the disposals during the year were in merger arbitrage deals that didn't pan out, such as First Horizon. We also sold companies that struggled with turning around their businesses and the catalysts that we had originally anticipated never materialized. Examples included Western

Digital, a U.S.-based disk drive maker, and Wells Fargo, a U.S.-based bank.

Performance Overview

You can find the Fund's one-year total return for all share classes in the Performance Summary. In comparison, the Fund's benchmark, the MSCI World Value Index-NR (USD) posted a +11.51% total return for the period under review.¹

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. Inception date of the Fund may have preceded the effective dates of the subaccounts, contracts or their availability in all states.

Geographic Composition

12/31/23

	% of Total Net Assets
United States	54.5%
Germany	8.1%
France	7.3%
Japan	6.8%
United Kingdom	4.8%
Netherlands	4.5%
Switzerland	4.0%
Ireland	2.2%
South Korea	2.0%
Singapore	1.8%
Australia	1.7%
Other*†	0.0%
Short-Term Investments & Other Net Assets	2.3%

*Rounds to less than 0.1%.

†Categories within the Other category are listed in full in the Fund's Schedule of Investments (SOI), which can be found later in this report.

Top 10 Industries

12/31/23

	% of Total Net Assets
Health Care Providers & Services	7.4%
Banks	7.1%
Pharmaceuticals	6.8%
Financial Services	5.9%
Oil, Gas & Consumable Fuels	5.7%
Trading Companies & Distributors	4.0%
Food Products	3.8%
Insurance	3.7%
Personal Care Products	3.5%
Diversified Telecommunication Services	2.6%

Top 10 Holdings

12/31/23

Company Industry, Country	% of Total Net Assets
Deutsche Telekom AG Diversified Telecommunication Services, Germany	2.6%
Shell plc Oil, Gas & Consumable Fuels, Netherlands	2.5%
Novartis AG Pharmaceuticals, Switzerland	2.4%
Medtronic plc Health Care Equipment & Supplies, United States	2.4%
CVS Health Corp. Health Care Providers & Services, United States	2.3%
Global Payments, Inc. Financial Services, United States	2.2%
AerCap Holdings NV Trading Companies & Distributors, Ireland	2.2%
Elevance Health, Inc. Health Care Providers & Services, United States	2.1%
Siemens AG Industrial Conglomerates, Germany	2.1%
BNP Paribas SA Banks, France	2.1%

Q. What were the leading contributors to performance?

A. Social media platform Meta Platforms was a significant relative contributor. After it announced significant cost cuts in 2022, the stock responded positively and subsequent earnings reports were strong as Meta delivered on most key metrics investors cared about, including better engagement, better monetization of engagement, revenue acceleration, and operating expense discipline. Japan-based

1. Source: Morningstar. The MSCI World Value Index-NR (USD) 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. Net Return (NR) reflects no deduction for fees, expenses or taxes but are net of dividend tax withholding.

The index is unmanaged and includes reinvestment of any income or distributions. It does 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.

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

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

semiconductor firm Renesas Electronics benefited from strong earnings during the year amid solid demand from Japanese auto customers despite weakness elsewhere in the business. Overall, we believe Renesas can emerge from the current downturn in a stronger position, and it is lowering lead times, working with customers on inventory, trying to integrate Wi-Fi and Bluetooth into more products and improving working capital management. U.S. homebuilder DR Horton contributed to relative performance following a series of strong earnings reports. The company's margins have remained resilient despite a higher mortgage rate environment. Cycle times continue to recover, as labor and material availability improve. DR Horton also provided strong fiscal 2024 guidance on an expected increase in home closings.

Q. What were the leading detractors from performance?

A. U.K.-based tobacco company British American Tobacco (BAT) detracted from relative results. The stock struggled in the quarter and over the course of 2023 amid fears about increased U.S. regulatory risks, particularly surrounding menthol cigarettes. A federal ban could reduce earnings. Additionally, BAT's new chief executive lowered the company's earnings guidance for 2024 and 2025 as it invests more in "heat not burn" products and in the U.S. to bolster its position. As a result, BAT does not expect to return to mid-single digit growth until 2026. We believe that given the regulatory uncertainty in the U.S., challenges with new product categories and current challenges related to ESG investing, the stock may continue to face near-term headwinds. U.S.-based insurance firm Willis Towers Watson was a notable detractor. We exited the position as the company had not gained any traction on two of the three legs of our investment thesis—organic growth, margin expansion, and free cash flow improvement. While organic growth improved following significant hiring, margin expansion has been fleeting and the company's free cash flow continues to come under pressure from restructuring charges. U.S.-pharmacy and health care services firm CVS Health detracted from relative results. Stock weakness was due to concerns about potential regulation on pharmacy benefits managers. Also, CVS experienced higher-than-expected medical cost for its Medicare Advantage business. We like CVS because we view its valuation as too low, and the market has not given the company enough credit for its future growth prospects, in our view. CVS targeted at least 6% earnings per share (EPS) growth at its December Investor Day. It expects EPS growth will be even higher in 2025 due to improved Medicare Advantage star ratings. Achieving these results will likely help improve its valuation, in our view.

Thank you for your participation in Franklin Mutual Global Discovery 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, 2023, 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.

Performance Summary as of December 31, 2023¹

Average annual total return of each share class 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.

Average Annual Total Return	Class 1	Class 2	Class 4
1-Year	+20.55%	+20.31%	+20.13%
5-Year	+10.43%	+10.16%	+10.04%
10-Year	+6.24%	+5.98%	+5.86%

1. The total annual operating expenses are as of the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns.

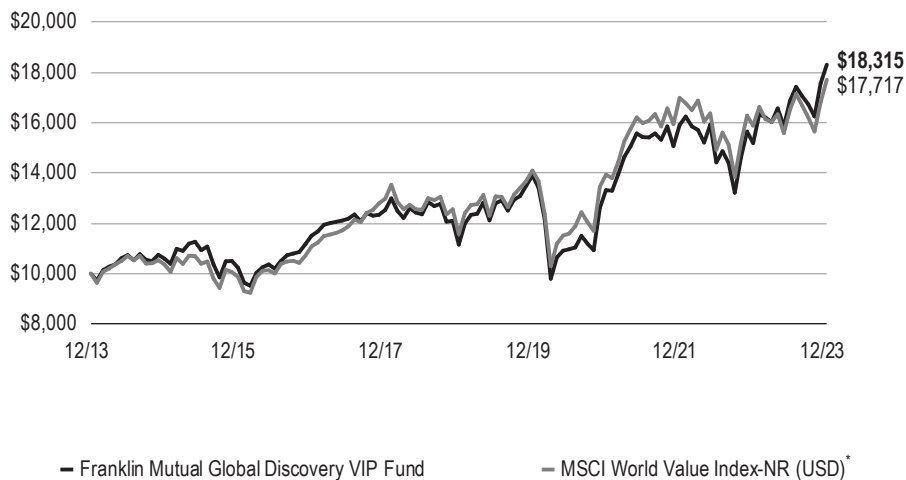
*Performance reflects the Fund's class operating expenses, but does **not** include any contract fees, expenses or sales charges. If they had been included, performance would be lower. These charges and deductions, particularly for variable life policies, can have a significant effect on contract values 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. Inception date of the Fund may have preceded the effective dates of the subaccounts, contracts or their availability in all states.

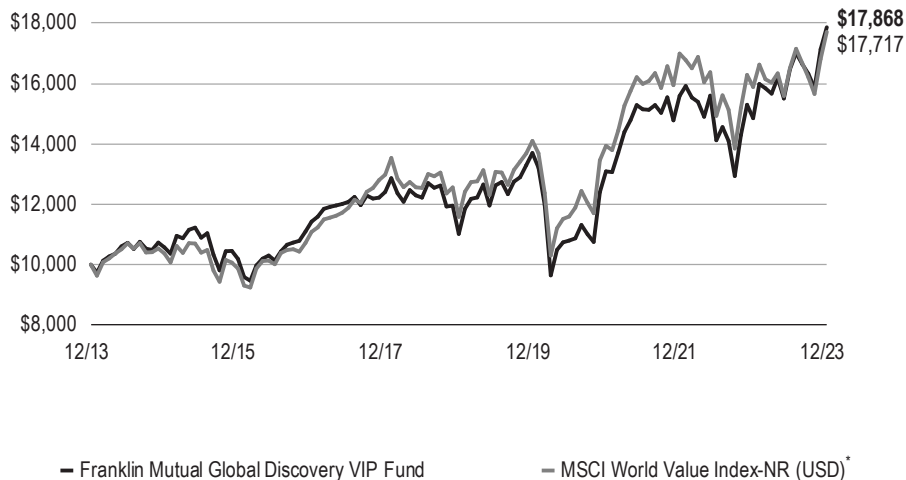
Total Return Index Comparison for a Hypothetical \$10,000 Investment (12/31/13–12/31/23)¹

The graphs below show the change in value of a hypothetical \$10,000 investment in the Fund over the indicated period and include reinvestment of any income or distributions. The Fund's performance is compared to the performance of the MSCI World Value Index-NR (USD). One cannot invest directly in an index, and an index is not representative of the Fund's portfolio.

Class 1 (12/31/13–12/31/23)



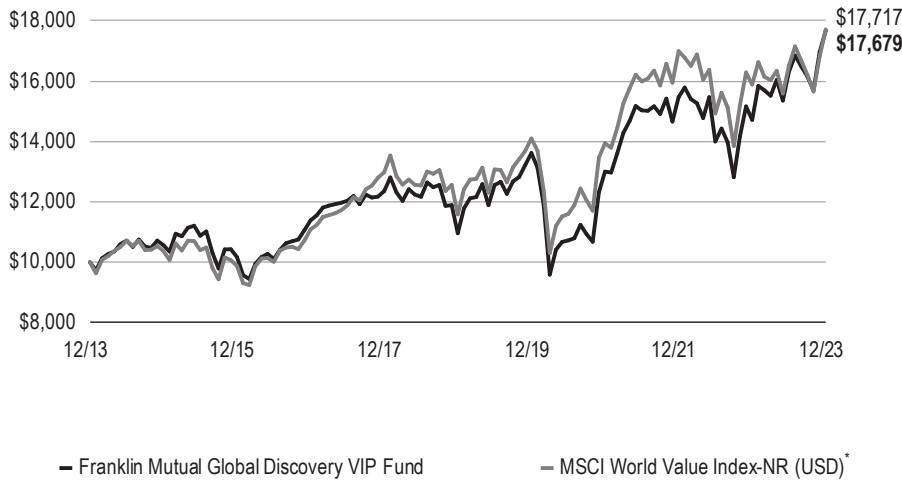
Class 2 (12/31/13–12/31/23)



*Source: FactSet

Total Return Index Comparison for a Hypothetical \$10,000 Investment (12/31/13–12/31/23)¹ (continued)

Class 4 (12/31/13–12/31/23)



Fund Risks

Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance.

All investments involve risks, including possible loss of principal. The **investment style** may become out of favor, which may have a negative impact on performance. **International investments** are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. These risks are magnified in **emerging markets**. To the extent the portfolio invests in a **concentration of certain securities, regions or industries**, it is subject to increased volatility. **Small- and mid-cap stocks** involve greater risks and volatility than large-cap stocks. Investments in companies engaged in **mergers, reorganizations or liquidations** also involve special risks as pending deals may not be completed on time or on favorable terms. **Low-rated, high-yield bonds** are subject to greater price volatility, illiquidity and possibility of default. The manager may consider **environmental, social and governance (ESG) criteria** in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated. These and other risks are discussed in the Fund's prospectus.

Your Fund's 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 7/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 12/31/23	Fund-Level Expenses Paid During Period 7/1/23–12/31/23 ^{1,2}	Ending Account Value 12/31/23	Fund-Level Expenses Paid During Period 7/1/23–12/31/23 ^{1,2}	
1	\$1,000	\$1,085.40	\$4.68	\$1,020.71	\$4.54	0.89%
2	\$1,000	\$1,084.30	\$5.99	\$1,019.45	\$5.81	1.14%
4	\$1,000	\$1,083.50	\$6.52	\$1,018.95	\$6.31	1.24%

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.

MGD P1 11/23

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST

SUPPLEMENT DATED NOVEMBER 28, 2023

TO THE PROSPECTUS DATED MAY 1, 2023, AS AMENDED AUGUST 16, 2023,

AND TO THE STATEMENT OF ADDITIONAL INFORMATION (“SAI”) DATED MAY 1, 2023, OF

FRANKLIN MUTUAL GLOBAL DISCOVERY VIP FUND (THE “FUND”)

1) The following sentences are added to the end of the section titled “Fund Summaries – Portfolio Managers” of the Fund’s Prospectus:

Effective February 29, 2024, Katrina Dudley is anticipated to step down as portfolio manager to the Fund. At that time, Ms. Dudley will transition to a role with the Public Markets Investments organization with Franklin Templeton.

2) The following sentences are added to the end of the section titled “Fund Details – Management” of the Fund’s Prospectus:

Effective February 29, 2024, Katrina Dudley is anticipated to step down as portfolio manager to the Fund. At that time, Ms. Dudley will transition to a role with the Public Markets Investments organization with Franklin Templeton.

3) The following footnote is added to all references to Katrina Dudley with respect to the Fund in the section of the Fund’s SAI titled “Management and Other Services – Portfolio Managers”:

* Effective February 29, 2024, Katrina Dudley is anticipated to step down as portfolio manager to the Fund. At that time, Ms. Dudley will transition to a role with the Public Markets Investments organization with Franklin Templeton.

Please retain this supplement for future reference.

Financial Highlights

Franklin Mutual Global Discovery VIP Fund

	Year Ended December 31,				
	2023	2022	2021	2020	2019
Class 1					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$17.28	\$20.32	\$17.50	\$19.17	\$17.47
Income from investment operations ^a :					
Net investment income ^b	0.35	0.39	0.25	0.57 ^c	0.43
Net realized and unrealized gains (losses)	3.03	(1.53)	3.14	(1.52)	3.64
Total from investment operations	3.38	(1.14)	3.39	(0.95)	4.07
Less distributions from:					
Net investment income	(0.50)	(0.32)	(0.57)	(0.42)	(0.37)
Net realized gains	(1.00)	(1.58)	—	(0.30)	(2.00)
Total distributions	(1.50)	(1.90)	(0.57)	(0.72)	(2.37)
Net asset value, end of year	\$19.16	\$17.28	\$20.32	\$17.50	\$19.17
Total return ^d	20.55%	(4.52)%	19.43%	(4.22)%	24.71%
Ratios to average net assets					
Expenses ^{e,f,g}	0.90%	0.89%	0.98%	0.97%	0.94%
Expenses - incurred in connection with securities sold short	—% ^h	—% ^h	0.02%	0.01%	0.02%
Net investment income	1.87%	2.05%	1.29%	3.57% ^c	2.22%
Supplemental data					
Net assets, end of year (000's)	\$4,436	\$3,851	\$4,166	\$3,788	\$3,878
Portfolio turnover rate	34.68%	55.49%	41.58%	34.79%	21.82%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cNet investment income per share includes approximately \$0.24 per share related to income received in the form of special dividends and EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 2.07%.

^dTotal 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.

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

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

^gIncludes dividends and/or interest expense on securities sold short and security borrowing fees, if any. See below for the ratios of such expenses to average net assets for the periods presented. See Note 1(e).

^hRounds to less than 0.01%.

Franklin Mutual Global Discovery VIP Fund (continued)

	Year Ended December 31,				
	2023	2022	2021	2020	2019
Class 2					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$16.62	\$19.61	\$16.91	\$18.54	\$16.96
Income from investment operations ^a :					
Net investment income ^b	0.29	0.33	0.20	0.51 ^c	0.37
Net realized and unrealized gains (losses)	2.92	(1.48)	3.02	(1.47)	3.53
Total from investment operations	3.21	(1.15)	3.22	(0.96)	3.90
Less distributions from:					
Net investment income	(0.45)	(0.26)	(0.52)	(0.37)	(0.32)
Net realized gains	(1.00)	(1.58)	—	(0.30)	(2.00)
Total distributions	(1.45)	(1.84)	(0.52)	(0.67)	(2.32)
Net asset value, end of year	\$18.38	\$16.62	\$19.61	\$16.91	\$18.54
Total return ^d	20.31%	(4.75)%	19.13%	(4.46)%	24.37%
Ratios to average net assets					
Expenses ^{e,f,g}	1.15%	1.14%	1.22%	1.22%	1.19%
Expenses - incurred in connection with securities sold short	—% ^h	—% ^h	0.02%	0.01%	0.02%
Net investment income	1.62%	1.80%	1.05%	3.33% ^c	1.97%
Supplemental data					
Net assets, end of year (000's)	\$413,438	\$398,802	\$477,214	\$467,653	\$539,759
Portfolio turnover rate	34.68%	55.49%	41.58%	34.79%	21.82%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cNet investment income per share includes approximately \$0.24 per share related to income received in the form of special dividends and EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.83%.

^dTotal 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.

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

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

^gIncludes dividends and/or interest expense on securities sold short and security borrowing fees, if any. See below for the ratios of such expenses to average net assets for the periods presented. See Note 1(e).

^hRounds to less than 0.01%.

Franklin Mutual Global Discovery VIP Fund (continued)

	Year Ended December 31,				
	2023	2022	2021	2020	2019
Class 4					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$17.12	\$20.12	\$17.34	\$18.98	\$17.30
Income from investment operations ^a :					
Net investment income ^b	0.28	0.32	0.19	0.51 ^c	0.36
Net realized and unrealized gains (losses)	3.01	(1.51)	3.09	(1.50)	3.61
Total from investment operations	3.29	(1.19)	3.28	(0.99)	3.97
Less distributions from:					
Net investment income	(0.43)	(0.23)	(0.50)	(0.35)	(0.29)
Net realized gains	(1.00)	(1.58)	—	(0.30)	(2.00)
Total distributions	(1.43)	(1.81)	(0.50)	(0.65)	(2.29)
Net asset value, end of year	\$18.98	\$17.12	\$20.12	\$17.34	\$18.98
Total return ^d	20.13%	(4.85)%	18.98%	(4.54)%	24.28%
Ratios to average net assets					
Expenses ^{e,f,g}	1.25%	1.25%	1.32%	1.32%	1.29%
Expenses - incurred in connection with securities sold short	—% ^h	—% ^h	0.02%	0.01%	0.02%
Net investment income	1.52%	1.71%	0.95%	3.22% ^c	1.87%
Supplemental data					
Net assets, end of year (000's)	\$20,592	\$20,123	\$25,930	\$26,688	\$30,865
Portfolio turnover rate	34.68%	55.49%	41.58%	34.79%	21.82%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cNet investment income per share includes approximately \$0.24 per share related to income received in the form of special dividends and EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.72%.

^dTotal 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.

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

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

^gIncludes dividends and/or interest expense on securities sold short and security borrowing fees, if any. See below for the ratios of such expenses to average net assets for the periods presented. See Note 1(e).

^hRounds to less than 0.01%.

Schedule of Investments, December 31, 2023

Franklin Mutual Global Discovery VIP Fund

	Country	Shares	Value
Common Stocks 95.3%			
Aerospace & Defense 1.5%			
Airbus SE	France	43,344	\$6,697,054
Air Freight & Logistics 1.9%			
United Parcel Service, Inc., B	United States	51,987	8,173,916
Automobile Components 1.9%			
Denso Corp.	Japan	543,539	8,161,242
^{a,b,c} International Automotive Components Group Brazil LLC	Brazil	424,073	12,511
			8,173,753
Automobiles 2.0%			
General Motors Co.	United States	242,240	8,701,261
Banks 7.1%			
BNP Paribas SA	France	133,288	9,257,537
DBS Group Holdings Ltd.	Singapore	306,239	7,745,013
JPMorgan Chase & Co.	United States	46,187	7,856,409
PNC Financial Services Group, Inc. (The)	United States	41,775	6,468,859
			31,327,818
Building Products 1.6%			
Johnson Controls International plc.	United States	123,661	7,127,820
Capital Markets 1.7%			
BlackRock, Inc.	United States	9,017	7,320,001
Chemicals 1.7%			
^{b,d} Covestro AG, 144A, Reg S	Germany	129,339	7,537,850
Consumer Finance 1.8%			
Capital One Financial Corp.	United States	61,184	8,022,446
Consumer Staples Distribution & Retail 1.9%			
Seven & i Holdings Co. Ltd.	Japan	209,673	8,293,945
Diversified Telecommunication Services 2.6%			
Deutsche Telekom AG.	Germany	472,596	11,364,313
Electrical Equipment 1.6%			
Mitsubishi Electric Corp.	Japan	507,007	7,172,422
Energy Equipment & Services 1.8%			
Schlumberger NV	United States	148,970	7,752,399
Entertainment 1.8%			
^b Walt Disney Co. (The)	United States	86,216	7,784,443
Financial Services 5.9%			
^b Fiserv, Inc.	United States	58,368	7,753,605
Global Payments, Inc.	United States	77,677	9,864,979
Voya Financial, Inc.	United States	112,504	8,208,292
			25,826,876
Food Products 3.7%			
Danone SA	France	123,017	7,982,250
Kraft Heinz Co. (The)	United States	228,622	8,454,442
			16,436,692
Health Care Equipment & Supplies 2.3%			
Medtronic plc	United States	125,141	10,309,116

Franklin Mutual Global Discovery VIP Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Health Care Providers & Services 7.4%			
CVS Health Corp.	United States	125,722	\$9,927,009
Elevance Health, Inc.	United States	19,823	9,347,734
Fresenius SE & Co. KGaA.	Germany	234,955	7,283,548
Humana, Inc.	United States	13,219	6,051,790
			32,610,081
Household Durables 1.4%			
DR Horton, Inc.	United States	39,992	6,077,984
Household Products 1.5%			
Reckitt Benckiser Group plc	United Kingdom	94,147	6,497,228
Industrial Conglomerates 2.1%			
Siemens AG	Germany	49,345	9,258,839
Insurance 3.7%			
Everest Group Ltd.	United States	20,689	7,315,217
NN Group NV	Netherlands	227,742	9,001,783
			16,317,000
Interactive Media & Services 0.9%			
^b Meta Platforms, Inc., A	United States	10,857	3,842,944
IT Services 1.9%			
Capgemini SE.	France	39,200	8,193,584
Machinery 1.3%			
Parker-Hannifin Corp.	United States	12,807	5,900,185
Media 2.0%			
^b Charter Communications, Inc., A	United States	22,228	8,639,579
Metals & Mining 1.7%			
Rio Tinto plc	Australia	101,801	7,572,963
Oil, Gas & Consumable Fuels 5.7%			
BP plc.	United Kingdom	1,218,486	7,224,123
Shell plc	Netherlands	331,812	10,862,842
Williams Cos., Inc. (The)	United States	200,998	7,000,760
			25,087,725
Personal Care Products 3.5%			
Haleon plc	United States	1,917,703	7,852,522
Kenvue, Inc.	United States	338,931	7,297,184
			15,149,706
Pharmaceuticals 6.4%			
GSK plc	United States	480,173	8,869,457
Merck & Co., Inc.	United States	80,224	8,746,020
Novartis AG, ADR	Switzerland	102,211	10,320,245
			27,935,722
Real Estate Management & Development 1.8%			
^b CBRE Group, Inc., A	United States	85,373	7,947,373
Semiconductors & Semiconductor Equipment 1.4%			
^b Renesas Electronics Corp.	Japan	335,935	6,007,907
Technology Hardware, Storage & Peripherals 2.0%			
Samsung Electronics Co. Ltd.	South Korea	144,656	8,732,968

Franklin Mutual Global Discovery VIP Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Textiles, Apparel & Luxury Goods 2.2%			
^b Capri Holdings Ltd.	United States	48,442	\$2,433,726
Cie Financiere Richemont SA	Switzerland	51,361	7,093,771
			9,527,497
Tobacco 1.6%			
British American Tobacco plc.	United Kingdom	246,939	7,226,084
Trading Companies & Distributors 4.0%			
^b AerCap Holdings NV	Ireland	132,344	9,835,806
Ferguson plc.	United States	39,419	7,610,626
			17,446,432
Total Common Stocks (Cost \$317,006,016)			417,993,926
		Principal Amount^f	
Corporate Bonds 0.7%			
Pharmaceuticals 0.5%			
^d Bausch Health Americas, Inc., Senior Note, 144A, 9.25%, 4/01/26	United States	1,707,000	1,563,811
Senior Note, 144A, 8.5%, 1/31/27	United States	784,000	431,167
^d Bausch Health Cos., Inc., Senior Note, 144A, 9%, 12/15/25	United States	65,000	60,806
			2,055,784
Professional Services 0.1%			
^d CoreLogic, Inc., Senior Secured Note, 144A, 4.5%, 5/01/28	United States	614,000	538,469
Software 0.1%			
^d Veritas US, Inc. / Veritas Bermuda Ltd., Senior Secured Note, 144A, 7.5%, 9/01/25	United States	402,000	332,191
Total Corporate Bonds (Cost \$3,418,824)			2,926,444
^eSenior Floating Rate Interests 1.7%			
Commercial Services & Supplies 0.8%			
^f Neptune BidCo US, Inc., First Lien, CME Term Loan, A, 10.257%, (3-month SOFR + 4.75%), 10/11/28	United States	2,380,737	2,180,076
First Lien, Dollar CME Term Loan, B, 10.507%, (3-month SOFR + 5%), 4/11/29	United States	1,242,877	1,138,612
			3,318,688
Professional Services 0.4%			
^f CoreLogic, Inc., First Lien, Initial Term Loan, 8.97%, (1-month SOFR + 3.5%), 6/02/28	United States	1,982,654	1,934,743
Specialty Retail 0.5%			
^f Michaels Cos., Inc. (The), Term Loan, B, 9.86%, (3-month SOFR + 4.25%), 4/15/28	United States	2,527,617	2,108,033
Total Senior Floating Rate Interests (Cost \$7,224,562)			7,361,464

Franklin Mutual Global Discovery VIP Fund (continued)

	Country	Shares	Value
Companies in Liquidation 0.0%			
^{a,b,h} Walter Energy, Inc., Litigation Trust, Contingent Distribution	United States	966,000	\$—
Total Companies in Liquidation (Cost \$—)			—
Total Long Term Investments (Cost \$327,649,402)			428,281,834
Short Term Investments 2.5%			
	Country	Principal Amount ⁱ	Value
U.S. Government and Agency Securities 2.5%			
^f FHLB, 1/02/24	United States	9,800,000	9,794,338
^j U.S. Treasury Bills, 6/13/24	United States	1,000,000	977,152
Total U.S. Government and Agency Securities (Cost \$10,775,522)			10,771,490
Total Short Term Investments (Cost \$10,775,522)			10,771,490
Total Investments (Cost \$338,424,924) 100.2%			\$439,053,324
Other Assets, less Liabilities (0.2)%			(586,705)
Net Assets 100.0%			\$438,466,619

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

^aFair valued using significant unobservable inputs. See Note 12 regarding fair value measurements.

^bNon-income producing.

^cSee Note 9 regarding restricted securities.

^dSecurity was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At December 31, 2023, the aggregate value of these securities was \$10,464,294, representing 2.4% of net assets.

^eSee Note 1(g) regarding senior floating rate interests.

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

^gA portion or all of the security purchased on a delayed delivery basis. See Note 1(c).

^hContingent distributions represent the right to receive additional distributions, if any, during the reorganization of the underlying company. Shares represent total underlying principal of debt securities.

ⁱThe security was issued on a discount basis with no stated coupon rate.

^jA portion or all of the security has been segregated as collateral for open forward exchange contracts. At December 31, 2023, the value of this security pledged amounted to \$547,205, representing 0.1% of net assets.

Franklin Mutual Global Discovery VIP Fund (continued)

At December 31, 2023, 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)
Foreign exchange contracts					
Foreign Exchange EUR/USD	Short	68	\$9,413,750	3/18/24	\$(229,328)
Foreign Exchange GBP/USD	Short	7	557,856	3/18/24	(8,395)
Total Futures Contracts					\$(237,723)

*As of period end.

At December 31, 2023, 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	BOFA	Sell	360,991	393,886	1/11/24	\$—	\$(4,820)
Euro	HSBK	Buy	1,030,081	1,092,098	1/11/24	45,605	—
Euro	HSBK	Sell	732,208	810,859	1/11/24	3,785	(1,635)
Euro	UBSW	Buy	683,040	720,537	1/11/24	33,865	—
Euro	UBSW	Sell	9,602,348	10,573,531	1/11/24	—	(32,070)
Euro	WFLA	Sell	21,177	23,225	1/11/24	—	(164)
British Pound	BOFA	Buy	4,445	5,635	1/17/24	32	—
British Pound	BOFA	Sell	16,191	20,587	1/17/24	—	(55)
British Pound	HSBK	Buy	95,088	119,707	1/17/24	1,521	—
British Pound	UBSW	Buy	25,558	31,051	1/17/24	1,534	—
British Pound	UBSW	Sell	1,368,241	1,666,340	1/17/24	—	(78,038)
Japanese Yen	BOFA	Sell	16,514,395	112,934	2/20/24	—	(5,114)
Japanese Yen	UBSW	Sell	1,123,176,127	7,592,706	2/20/24	—	(435,925)
Japanese Yen	WFLA	Sell	965,051,922	6,494,380	2/20/24	—	(403,956)
South Korean Won	HSBK	Sell	7,217,570,192	5,537,721	5/07/24	—	(75,730)
South Korean Won	UBSW	Sell	447,389,608	343,024	5/07/24	—	(4,932)
Total Forward Exchange Contracts						\$86,342	\$(1,042,439)
Net unrealized appreciation (depreciation)							\$(956,097)

¹In U.S. dollars unless otherwise indicated.

^aMay be comprised of multiple contracts with the same counterparty, currency and settlement date. See Note 10 regarding other derivative information.

See Abbreviations on page 33.

Statement of Assets and Liabilities

December 31, 2023

	Franklin Mutual Global Discovery VIP Fund
Assets:	
Investments in securities:	
Cost - Unaffiliated issuers	\$338,424,924
Value - Unaffiliated issuers	\$439,053,324
Cash	155,139
Receivables:	
Capital shares sold	15,778
Dividends and interest	1,041,239
European Union tax reclaims (Note 1h)	301,153
Deposits with brokers for:	
Futures contracts	162,300
Variation margin on futures contracts	20,419
Unrealized appreciation on OTC forward exchange contracts	86,342
Total assets	<u>440,835,694</u>
Liabilities:	
Payables:	
Investment securities purchased	332,382
Capital shares redeemed	423,491
Management fees	321,997
Distribution fees	92,802
Trustees' fees and expenses	509
Unrealized depreciation on OTC forward exchange contracts	1,042,439
Accrued expenses and other liabilities	155,455
Total liabilities	<u>2,369,075</u>
Net assets, at value	<u>\$438,466,619</u>
Net assets consist of:	
Paid-in capital	\$302,003,779
Total distributable earnings (losses)	136,462,840
Net assets, at value	<u>\$438,466,619</u>
Franklin Mutual Global Discovery VIP Fund	
Class 1:	
Net assets, at value	\$4,435,886
Shares outstanding	231,483
Net asset value and maximum offering price per share	<u>\$19.16</u>
Class 2:	
Net assets, at value	\$413,438,365
Shares outstanding	22,497,072
Net asset value and maximum offering price per share	<u>\$18.38</u>
Class 4:	
Net assets, at value	\$20,592,368
Shares outstanding	1,084,681
Net asset value and maximum offering price per share	<u>\$18.98</u>

Statement of Operations

for the year ended December 31, 2023

**Franklin
Mutual Global
Discovery VIP
Fund**

Investment income:	
Dividends: (net of foreign taxes of \$451,028)	
Unaffiliated issuers	\$10,455,005
Interest:	
Unaffiliated issuers	1,129,819
Income from securities loaned:	
Unaffiliated entities (net of fees and rebates)	32,792
Non-controlled affiliates (Note 3e)	12,029
Other income (Note 1h)	228,786
Total investment income	<u>11,858,431</u>
Expenses:	
Management fees (Note 3a)	3,749,643
Distribution fees: (Note 3c)	
Class 2	1,010,017
Class 4	71,329
Custodian fees (Note 4)	19,363
Reports to shareholders fees	22,861
Professional fees	37,149
Trustees' fees and expenses	5,036
Dividends on securities sold short	5,400
Other	29,116
Total expenses	4,949,914
Expense reductions (Note 4)	(10,569)
Expenses waived/paid by affiliates (Note 3e)	(2,477)
Net expenses	<u>4,936,868</u>
Net investment income	<u>6,921,563</u>
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Investments:	
Unaffiliated issuers	30,431,169
Foreign currency transactions	(37,508)
Forward exchange contracts	49,910
Futures contracts	(7,173)
Securities sold short	54,649
Net realized gain (loss)	<u>30,491,047</u>
Net change in unrealized appreciation (depreciation) on:	
Investments:	
Unaffiliated issuers	40,590,724
Translation of other assets and liabilities denominated in foreign currencies	3,113
Forward exchange contracts	1,158,052
Futures contracts	(122,128)
Net change in unrealized appreciation (depreciation)	<u>41,629,761</u>
Net realized and unrealized gain (loss)	<u>72,120,808</u>
Net increase (decrease) in net assets resulting from operations	<u>\$79,042,371</u>

Statements of Changes in Net Assets

	Franklin Mutual Global Discovery VIP Fund	
	Year Ended December 31, 2023	Year Ended December 31, 2022
Increase (decrease) in net assets:		
Operations:		
Net investment income	\$6,921,563	\$8,160,802
Net realized gain (loss)	30,491,047	26,120,294
Net change in unrealized appreciation (depreciation)	41,629,761	(58,100,356)
Net increase (decrease) in net assets resulting from operations	79,042,371	(23,819,260)
Distributions to shareholders:		
Class 1	(329,161)	(379,372)
Class 2	(31,213,802)	(40,928,754)
Class 4	(1,490,552)	(2,013,657)
Total distributions to shareholders	(33,033,515)	(43,321,783)
Capital share transactions: (Note 2)		
Class 1	144,616	247,164
Class 2	(28,705,146)	(15,079,255)
Class 4	(1,756,993)	(2,561,043)
Total capital share transactions	(30,317,523)	(17,393,134)
Net increase (decrease) in net assets	15,691,333	(84,534,177)
Net assets:		
Beginning of year	422,775,286	507,309,463
End of year	\$438,466,619	\$422,775,286

Notes to Financial Statements

Franklin Mutual Global Discovery 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 Standards Codification Topic 946, Financial Services - Investment Companies (ASC 946) and applies the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP), including, but not limited to, ASC 946. Franklin Mutual Global Discovery 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, 2023, 44.1% 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.

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

Certain derivative financial instruments 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.

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

Franklin Mutual Global Discovery VIP Fund (continued)

1. Organization and Significant Accounting Policies

(continued)

a. Financial Instrument Valuation (continued)

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, 2023, certain securities may have been fair valued using these procedures, in which case the securities were categorized as Level 2 within the fair value hierarchy (referred to as "market level fair value"). See the Fair Value Measurements note for more information.

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 Purchased on a Delayed Delivery Basis

The Fund purchases securities on a delayed delivery basis, with payment and delivery scheduled for a future date. These transactions are subject to market fluctuations and are subject to the risk that the value at delivery may be more or less than the trade date purchase price. Although the Fund will generally purchase these securities with the intention of holding the securities, it may sell the securities before the settlement date.

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

Franklin Mutual Global Discovery VIP Fund (continued)**1. Organization and Significant Accounting Policies**
(continued)**d. Derivative Financial Instruments** (continued)

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. At December 31, 2023, the Fund had OTC derivatives in a net liability position of \$956,097 and the value of collateral pledged for such contracts was \$547,205.

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 exposure to certain foreign currencies. A futures contract is an agreement between the Fund 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 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.

See Note 10 regarding other derivative information.

e. Securities Sold Short

The Fund is engaged in selling securities short, which obligates the Fund to replace a borrowed security with the same security at current fair value. The Fund incurs a loss if the price of the security increases between the date of the short sale and the date on which the Fund replaces the borrowed security. The Fund realizes a gain if the price of the security declines between those dates. Gains are limited to the price at which the Fund sold the security short, while losses are potentially unlimited in size.

Franklin Mutual Global Discovery VIP Fund (continued)

1. Organization and Significant Accounting Policies

(continued)

e. Securities Sold Short (continued)

The Fund is required to establish a margin account with the broker lending the security sold short. While the short sale is outstanding, the broker retains the proceeds of the short sale to the extent necessary to meet margin requirements until the short position is closed out. A deposit must also be maintained with the Fund's custodian/counterparty broker consisting of cash and/or securities having a value equal to a specified percentage of the value of the securities sold short. The Fund is obligated to pay fees for borrowing the securities sold short and is required to pay the counterparty any dividends and/or interest due on securities sold short. Such dividends and/or interest and any security borrowing fees are recorded as an expense to the Fund. At December 31, 2023, the Fund had no securities sold short.

f. Securities Lending

The Fund participates in an agency based securities lending program to earn additional income. The Fund receives collateral in the form of cash and/or U.S. Government and Agency securities against the loaned securities in an amount equal to at least 102% of the fair value of the loaned securities. Collateral is maintained over the life of the loan in an amount not less than 100% of the fair value of loaned securities, as determined at the close of Fund business each day; any additional collateral required due to changes in security values is delivered to the Fund on the next business day. Any cash collateral received is deposited into a joint cash account with other funds and is used to invest in a money market fund managed by Franklin Advisers, Inc., an affiliate of the Fund. The Fund may receive income from the investment of cash collateral, in addition to lending fees 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, 2023, the Fund had no securities on loan.

g. Senior Floating Rate Interests

The Fund invests in senior secured corporate loans that pay interest at rates which are periodically reset by reference to a base lending rate plus a spread. These base lending rates are generally the prime rate offered by a designated U.S. bank or the Secured Overnight Financing Rate (SOFR). Senior secured corporate loans often require prepayment of principal from excess cash flows or at the discretion of the borrower. As a result, actual maturity may be substantially less than the stated maturity. Senior secured corporate loans in which the Fund invests are generally readily marketable, but may be subject to certain restrictions on resale.

h. 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.

As a result of several court cases, in certain countries across the European Union, the Fund filed additional tax reclaims for previously withheld taxes on dividends earned in those countries (EU reclaims). Income recognized, if any, for EU reclaims is reflected as other income in the Statement of Operations and any related receivable, if any, is reflected as European Union tax reclaims in the Statement of Assets and Liabilities. Any fees associated with these filings are reflected in other expenses in the Statement of Operations. When uncertainty exists as to the ultimate resolution of these proceedings, the likelihood of receipt of these EU reclaims, and the potential timing of payment, no amounts are reflected in the financial statements. For U.S. income tax purposes, when EU reclaims are received by the Fund and the Fund previously passed foreign tax credit on to its

Franklin Mutual Global Discovery VIP Fund (continued)**1. Organization and Significant Accounting Policies**
(continued)**h. Income and Deferred Taxes** (continued)

shareholders, the Fund will enter into a closing agreement with the Internal Revenue Service (IRS) in order to pay the associated tax liability on behalf of the Fund's shareholders.

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, 2023, 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.

i. 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. Certain or all Funds may receive other income from investments in senior secured corporate loans or unfunded commitments, including amendment fees, consent fees or commitment fees. These fees are recorded as income when received by the Funds. Facility fees are recognized as income over the expected term of the loan. Dividend income and dividends declared on securities sold short are 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.

j. Accounting Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

k. Guarantees and Indemnifications

Under the Trust's organizational documents, its officers and trustees are indemnified by the Trust against certain liabilities arising out of the performance of their duties to the Trust. Additionally, in the normal course of business, the Trust, on behalf of the Fund, enters into contracts with service providers that contain general indemnification clauses. The Trust's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred. Currently, the Trust expects the risk of loss to be remote.

Franklin Mutual Global Discovery VIP Fund (continued)

2. Shares of Beneficial Interest

At December 31, 2023, there were an unlimited number of shares authorized (without par value). Transactions in the Fund's shares were as follows:

	Year Ended December 31, 2023		Year Ended December 31, 2022	
	Shares	Amount	Shares	Amount
Class 1 Shares:				
Shares sold	14,260	\$265,010	72,224	\$1,477,140
Shares issued in reinvestment of distributions	18,972	329,161	24,603	379,372
Shares redeemed	(24,665)	(449,555)	(78,944)	(1,609,348)
Net increase (decrease)	8,567	\$144,616	17,883	\$247,164
Class 2 Shares:				
Shares sold	437,607	\$7,763,320	691,307	\$12,736,312
Shares issued in reinvestment of distributions	1,874,703	31,213,802	2,758,002	40,928,754
Shares redeemed	(3,811,434)	(67,682,268)	(3,783,395)	(68,744,321)
Net increase (decrease)	(1,499,124)	\$(28,705,146)	(334,086)	\$(15,079,255)
Class 4 Shares:				
Shares sold	36,083	\$660,287	69,866	\$1,303,124
Shares issued in reinvestment of distributions	86,660	1,490,552	131,698	2,013,657
Shares redeemed	(213,579)	(3,907,832)	(314,761)	(5,877,824)
Net increase (decrease)	(90,836)	\$(1,756,993)	(113,197)	\$(2,561,043)

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 Mutual Advisers, LLC (Franklin Mutual)	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

Franklin Mutual Global Discovery VIP Fund (continued)**3. Transactions with Affiliates** (continued)**a. Management Fees**

The Fund pays an investment management fee, calculated daily and paid monthly, to Franklin Mutual based on the average daily net assets of the Fund as follows:

Annualized Fee Rate	Net Assets
0.875%	Up to and including \$4 billion
0.845%	Over \$4 billion, up to and including \$7 billion
0.825%	Over \$7 billion, up to and including \$10 billion
0.805%	Over \$10 billion, up to and including \$13 billion
0.785%	Over \$13 billion, up to and including \$16 billion
0.765%	Over \$16 billion, up to and including \$19 billion
0.745%	Over \$19 billion, up to and including \$22 billion
0.725%	Over \$22 billion, up to and including \$25 billion
0.705%	Over \$25 billion, up to and including \$28 billion
0.685%	In excess of \$28 billion

For the year ended December 31, 2023, the gross effective investment management fee rate was 0.875% of the Fund's average daily net assets.

b. Administrative Fees

Under an agreement with Franklin Mutual, FT Services provides administrative services to the Fund. The fee is paid by Franklin Mutual 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, 2023, the Fund held investments in affiliated management investment companies as follows:

Franklin Mutual Global Discovery VIP Fund (continued)

3. Transactions with Affiliates (continued)

e. Investments in Affiliated Management Investment Companies (continued)

	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	Income from securities loaned
Franklin Mutual Global Discovery VIP Fund									
Non-Controlled Affiliates									
Institutional Fiduciary Trust - Money Market Portfolio, 5.034%	\$—	\$15,286,000	\$(15,286,000)	\$—	\$—	\$—	—	\$12,029	
Total Affiliated Securities . . .	\$—	\$15,286,000	\$(15,286,000)	\$—	\$—	\$—		\$12,029	

4. Expense Offset Arrangement

The Fund has previously 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, 2023, the custodian fees were reduced as noted in the Statement of Operations. Effective July 10, 2023, earned credits, if any, will be recognized as income.

5. Income Taxes

The tax character of distributions paid during the years ended December 31, 2023 and 2022, was as follows:

	2023	2022
Distributions paid from:		
Ordinary income	\$10,389,368	\$11,446,719
Long term capital gain	22,644,147	31,875,064
	<u>\$33,033,515</u>	<u>\$43,321,783</u>

At December 31, 2023, the cost of investments, net unrealized appreciation (depreciation), undistributed ordinary income and undistributed long term capital gains for income tax purposes were as follows:

Cost of investments	<u>\$339,817,551</u>
Unrealized appreciation.	\$105,247,079
Unrealized depreciation.	(7,205,126)
Net unrealized appreciation (depreciation).	<u>\$98,041,953</u>
Distributable earnings:	
Undistributed ordinary income.	\$18,846,859
Undistributed long term capital gains	19,269,008
Total distributable earnings	<u>\$38,115,867</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, wash sales, EU reclaims, tax straddles and derivative financial instruments.

Franklin Mutual Global Discovery VIP Fund (continued)

6. Investment Transactions

Purchases and sales of investments (excluding short term securities and securities sold short) for the year ended December 31, 2023, aggregated \$145,092,309 and \$202,839,756, respectively.

7. Credit Risk and Defaulted Securities

The Fund may purchase the pre-default or defaulted debt of distressed companies. Distressed companies are financially troubled and could be or are already involved in financial restructuring or bankruptcy. Risks associated with purchasing these securities include the possibility that the bankruptcy or other restructuring process takes longer than expected, or that distributions in restructuring are less than anticipated, either or both of which may result in unfavorable consequences to the Fund. If it becomes probable that the income on debt securities, including those of distressed companies, will not be collected, the Fund discontinues accruing income and recognizes an adjustment for uncollectible interest.

At December 31, 2023, the Fund did not hold any distressed company securities for which interest recognition has been discontinued.

8. Concentration of Risk

Investing in foreign securities may include certain risks and considerations not typically associated with investing in U.S. securities, such as fluctuating currency values and changing local, regional and global economic, political and social conditions, which may result in greater market volatility. Political and financial uncertainty in many foreign regions may increase market volatility and the economic risk of investing in foreign securities. In addition, certain foreign securities may not be as liquid as U.S. securities.

9. 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, 2023, investments in restricted securities, excluding securities exempt from registration under the 1933 Act, were as follows:

Shares	Issuer	Acquisition Date	Cost	Value
Franklin Mutual Global Discovery VIP Fund				
424,073	International Automotive Components Group Brazil LLC	4/13/06 – 12/26/08	\$281,629	\$12,511
	Total Restricted Securities (Value is 0.0% [†] of Net Assets)		\$281,629	\$12,511

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

Franklin Mutual Global Discovery VIP Fund (continued)

10. Other Derivative Information

At December 31, 2023, 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 Mutual Global Discovery VIP Fund				
Foreign exchange contracts . . .				
	Variation margin on futures contracts	\$—	Variation margin on futures contracts	\$237,723 ^a
	Unrealized appreciation on OTC forward exchange contracts	86,342	Unrealized depreciation on OTC forward exchange contracts	1,042,439
Total		<u>\$86,342</u>		<u>\$1,280,162</u>

^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.

For the year ended December 31, 2023, 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 Mutual Global Discovery VIP Fund				
	Net realized gain (loss) from:		Net change in unrealized appreciation (depreciation) on:	
Foreign exchange contracts				
	Futures contracts	\$(7,173)	Futures contracts	\$(122,128)
	Forward exchange contracts	49,910	Forward exchange contracts	1,158,052
Total		<u>\$42,737</u>		<u>\$1,035,924</u>

For the year ended December 31, 2023, the average month end notional amount of futures contracts represented \$9,756,690. The average month end contract value of forward exchange contracts was \$33,996,195.

See Note 1(d) regarding derivative financial instruments.

11. 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 2, 2024. 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 2, 2024, the Borrowers renewed the Global Credit Facility for a one-year term, maturing January 31, 2025, for a total of \$2.675 billion.

Franklin Mutual Global Discovery VIP Fund (continued)

11. Credit Facility (continued)

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, 2023, the Fund did not use the Global Credit Facility.

12. 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, 2023, in valuing the Fund's assets and liabilities carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
Franklin Mutual Global Discovery VIP Fund				
Assets:				
Investments in Securities:				
Common Stocks:				
Aerospace & Defense	\$—	\$6,697,054	\$—	\$6,697,054
Air Freight & Logistics	8,173,916	—	—	8,173,916
Automobile Components	—	8,161,242	12,511	8,173,753
Automobiles	8,701,261	—	—	8,701,261
Banks	14,325,268	17,002,550	—	31,327,818
Building Products	7,127,820	—	—	7,127,820
Capital Markets	7,320,001	—	—	7,320,001
Chemicals	—	7,537,850	—	7,537,850
Consumer Finance	8,022,446	—	—	8,022,446
Consumer Staples Distribution & Retail	—	8,293,945	—	8,293,945
Diversified Telecommunication Services	—	11,364,313	—	11,364,313
Electrical Equipment	—	7,172,422	—	7,172,422
Energy Equipment & Services	7,752,399	—	—	7,752,399
Entertainment	7,784,443	—	—	7,784,443
Financial Services	25,826,876	—	—	25,826,876
Food Products	8,454,442	7,982,250	—	16,436,692
Health Care Equipment & Supplies	10,309,116	—	—	10,309,116
Health Care Providers & Services	25,326,533	7,283,548	—	32,610,081
Household Durables	6,077,984	—	—	6,077,984
Household Products	—	6,497,228	—	6,497,228
Industrial Conglomerates	—	9,258,839	—	9,258,839
Insurance	7,315,217	9,001,783	—	16,317,000
Interactive Media & Services	3,842,944	—	—	3,842,944

Franklin Mutual Global Discovery VIP Fund (continued)

12. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
Franklin Mutual Global Discovery VIP Fund (continued)				
Assets: (continued)				
Investments in Securities:				
Common Stocks:				
IT Services	\$—	\$8,193,584	\$—	\$8,193,584
Machinery	5,900,185	—	—	5,900,185
Media	8,639,579	—	—	8,639,579
Metals & Mining	—	7,572,963	—	7,572,963
Oil, Gas & Consumable Fuels	7,000,760	18,086,965	—	25,087,725
Personal Care Products	7,297,184	7,852,522	—	15,149,706
Pharmaceuticals	19,066,265	8,869,457	—	27,935,722
Real Estate Management & Development	7,947,373	—	—	7,947,373
Semiconductors & Semiconductor Equipment	—	6,007,907	—	6,007,907
Technology Hardware, Storage & Peripherals	—	8,732,968	—	8,732,968
Textiles, Apparel & Luxury Goods	2,433,726	7,093,771	—	9,527,497
Tobacco	—	7,226,084	—	7,226,084
Trading Companies & Distributors	17,446,432	—	—	17,446,432
Corporate Bonds	—	2,926,444	—	2,926,444
Senior Floating Rate Interests	—	7,361,464	—	7,361,464
Companies in Liquidation	—	—	^a	—
Short Term Investments	—	10,771,490	—	10,771,490
Total Investments in Securities	\$232,092,170	\$206,948,643 ^b	\$12,511	\$439,053,324
Other Financial Instruments:				
Forward exchange contracts	\$—	\$86,342	\$—	\$86,342
Total Other Financial Instruments	\$—	\$86,342	\$—	\$86,342
Liabilities:				
Other Financial Instruments:				
Forward exchange contracts	\$—	\$1,042,439	\$—	\$1,042,439
Futures contracts	237,723	—	—	237,723
Total Other Financial Instruments	\$237,723	\$1,042,439	\$—	\$1,280,162

^aIncludes financial instruments determined to have no value.

^bIncludes foreign securities valued at \$185,889,245, which were categorized as Level 2 as a result of the application of market level fair value procedures. See the Financial Instrument Valuation note for more information.

A reconciliation 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.

13. 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.

Franklin Mutual Global Discovery VIP Fund (continued)

Abbreviations

Counterparty

BOFA	Bank of America N.A.
HSBK	HSBC Bank plc
UBSW	UBS AG
WFLA	Wells Fargo Bank NA

Currency

EUR	Euro
GBP	British Pound
USD	United States Dollar

Selected Portfolio

ADR	American Depositary Receipt
CME	Chicago Mercantile Exchange
FHLB	Federal Home Loan Banks
SOFR	Secured Overnight Financing Rate

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Franklin Templeton Variable Insurance Products Trust and Shareholders of Franklin Mutual Global Discovery VIP Fund

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Franklin Mutual Global Discovery VIP Fund (one of the funds constituting Franklin Templeton Variable Insurance Products Trust, referred to hereafter as the “Fund”) as of December 31, 2023, the related statement of operations for the year ended December 31, 2023, the statements of changes in net assets for each of the two years in the period ended December 31, 2023, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2023 (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, 2023, 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, 2023 and the financial highlights for each of the five years in the period ended December 31, 2023 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, 2023 by correspondence with the custodian 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 20, 2024

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 Mutual Global Discovery 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, 2023:

	Pursuant to:	Amount Reported
Long-Term Capital Gain Dividends Distributed	§852(b)(3)(C)	\$22,644,147
Income Eligible for Dividends Received Deduction (DRD)	§854(b)(1)(A)	\$2,857,021
Interest Earned from Federal Obligations	Note (1)	\$474,874

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.

Under Section 853 of the Internal Revenue Code, the Fund intend to elect to pass through to their shareholders the following amounts, or amounts as finally determined, of foreign taxes paid and foreign source income earned by the Funds during the fiscal year ended December 31, 2023:

	Amount Reported
Foreign Taxes Paid	\$422,338
Foreign Source Income Earned	\$6,443,420

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 ¹	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	118	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	118	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	118	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 ¹	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	118	Hess Corporation (exploration of oil and gas) (1993-present), Santander Holdings USA (holding company) (2019-present); and formerly , Santander Consumer USA Holdings, Inc. (consumer finance) (2016-2023); 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	118	Boeing Capital Corporation (aircraft financing) (2006-2010).
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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	118	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).
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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 ¹	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	109	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) (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) and 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 ¹	Other Directorships Held During at Least the Past 5 Years
Gregory E. Johnson² (1961) One Franklin Parkway San Mateo, CA 94403-1906	Chairman of the Board and Trustee	Chairman of the Board since 2023 and Trustee since 2013	128	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.³ (1940) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 1988	118	None
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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.

Ted P. Becker (1951) 280 Park Avenue New York, NY 10017	Chief Compliance Officer	Since June 2023	Not Applicable	Not Applicable
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Principal Occupation During at Least the Past 5 Years:

Vice President, Global Compliance of Franklin Templeton (since 2020); Chief Compliance Officer of Franklin Templeton Fund Adviser, LLC (since 2006); Chief Compliance Officer of certain funds associated with Legg Mason & Co. or its affiliates (since 2006); **formerly**, Director of Global Compliance at Legg Mason (2006-2020); Managing Director of Compliance of Legg Mason & Co. (2005-2020).

Susan Kerr (1949) 280 Park Avenue New York, NY 10017	Vice President - AML Compliance	Since 2021	Not Applicable	Not Applicable
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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, Franklin Distributors; 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 ¹	Other Directorships Held During at Least the Past 5 Years
Christopher Kings (1974) One Franklin Parkway San Mateo, CA 94403-1906	Chief Executive Officer - Finance and Administration	Since January 2024	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Vice President, Franklin Templeton Services, LLC; 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 and Secretary	Vice President since 2015 and since June 2023	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.				
Jeffrey W. White (1971) One Franklin Parkway San Mateo, CA 94403-1906	Chief Financial Officer, Chief Accounting Officer and Treasurer	Since January 2024	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Chief Financial Officer, Chief Accounting Officer & Treasurer and officer of certain funds in the Franklin Templeton/Legg Mason fund complex; and formerly , Director and Assistant Treasurer within Franklin Templeton Global Fund Tax and Fund Administration and Financial Reporting (2017-2023).				

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.

- Information is for the calendar year ended December 31, 2023, unless otherwise noted. 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 a major shareholder of Resources, which is the parent company of the Fund's investment manager and distributor.

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 to 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.

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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 Mutual Global Discovery VIP Fund

Investment Manager
Franklin Mutual Advisers, LLC.

Fund Administrator
Franklin Templeton Services, LLC

Distributor
Franklin
Distributors, LLC