

ANNUAL REPORT

# FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST

December 31, 2019



FRANKLIN  
TEMPLETON

**Internet Delivery of Shareholder Reports:** Effective January 1, 2021, as permitted by regulations adopted by the SEC, you may not be receiving paper copies of the Fund's annual or semiannual shareholder reports by mail, unless you specifically request them from the insurance company that offers your variable annuity or variable life insurance contract or your financial intermediary. Instead of delivering paper copies of the report, the insurance company may choose to make the reports available on a website, and will notify you by mail each time a shareholder report is posted and provide you with a website link to access the report. Instructions for requesting paper copies will be provided by your insurance company.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the insurance company or your financial intermediary electronically by following the instructions provided by the insurance company or by contacting your financial intermediary.

You may elect to receive all future Fund shareholder reports in paper free of charge from the insurance company. You can inform the insurance company or your financial intermediary that you wish to continue receiving paper copies of your shareholder reports by following the instructions provided by the insurance company or by contacting your financial intermediary. Your election to receive reports in paper will apply to all portfolio companies available under your contract with the insurance company.

This notice is not legally a part of the shareholder report.

# Franklin Templeton Variable Insurance Products Trust Annual Report

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**Not FDIC Insured | May Lose Value | No Bank Guarantee**

# Important Notes to Performance Information

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

When reviewing the index comparisons, please keep in mind that indexes have a number of inherent performance differentials over the funds. First, unlike the funds, which must hold a minimum amount of cash to maintain liquidity,

indexes do not have a cash component. Second, the funds are actively managed and, thus, are subject to management fees to cover salaries of securities analysts or portfolio managers in addition to other expenses. Indexes are unmanaged and do not include any commissions or other expenses typically associated with investing in securities. Third, indexes often contain a different mix of securities than the fund to which they are compared. Additionally, please remember that indexes are simply a measure of performance and cannot be invested in directly.

# Templeton Foreign VIP Fund

This annual report for Templeton Foreign VIP Fund covers the fiscal year ended December 31, 2019.

## Class 2 Performance Summary as of December 31, 2019

Average annual total return of Class 2 shares\* represents the average annual change in value, assuming reinvestment of dividends and capital gains. Average returns smooth out variations in returns, which can be significant; they are not the same as year-by-year results.

Periods ended 12/31/19	1-Year	5-Year	10-Year
Average Annual Total Return	+12.53%	+2.16%	+3.37%

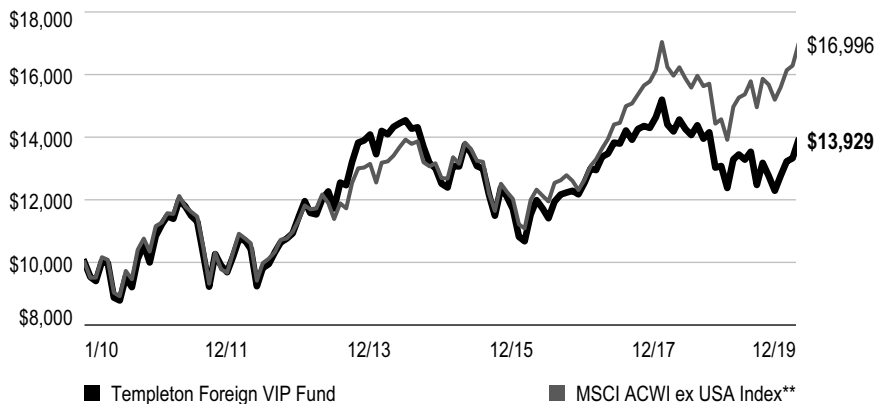
\*The Fund has a fee waiver associated with any investment it makes in a Franklin Templeton money fund and/or other Franklin Templeton fund, contractually guaranteed through 4/30/20. Fund investment results reflect the fee waiver; without this waiver, the results would have been lower.

*Performance reflects the Fund's Class 2 operating expenses, but does **not** include any contract fees, expenses or sales charges. If they had been included, performance would be lower. These charges and deductions, particularly for variable life policies, can have a significant effect on contract values and insurance benefits. See the contract prospectus for a complete description of these expenses, including sales charges.*

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

### Total Return Index Comparison for a Hypothetical \$10,000 Investment (1/1/10–12/31/19)

The graph below shows the change in value of a hypothetical \$10,000 investment in the Fund over the indicated period and includes reinvestment of any income or distributions. The Fund's performance\* is compared to the performance of the MSCI All Country World Index (ACWI) ex USA Index. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio. **Please see Important Notes to Performance Information preceding the Fund Summaries.**



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

## Fund Goal and Main Investments

The Fund seeks long-term capital growth. Under normal market conditions, the Fund invests at least 80% of its net assets in investments of issuers located outside the U.S., including those in emerging markets.

## Fund Risks

All investments involve risks, including possible loss of principal. Special risks are associated with foreign investing, including currency fluctuations, economic instability and political developments; investments in developing markets involve heightened risks related to the same factors. Currency rates may fluctuate significantly over short periods of time, and can reduce returns. Because the Fund may invest its assets in companies in a specific region, including Europe, it is subject to greater risks of adverse developments in that region and/or the surrounding regions than a fund that is more broadly diversified geographically. Current political and financial uncertainty surrounding the European Union may increase market volatility and the economic risk of investing in companies in Europe. Derivatives, including currency management strategies, involve costs and can create economic leverage in the portfolio which may result in significant volatility and cause the Fund to participate in losses (as well as enable gains) on an amount that exceeds the Fund's initial investment. The Fund may not achieve the anticipated benefits, and may realize losses when a counterparty fails to perform as promised. The Fund is actively managed but there is no guarantee that the manager's investment decisions will produce the desired results. The Fund's prospectus also includes a description of the main investment risks.

## Performance Overview

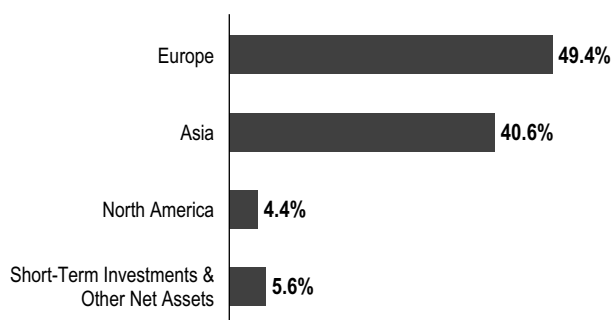
You can find the Fund's one-year total return in the Performance Summary. In comparison, the Fund's benchmark, the MSCI ACWI ex USA Index, posted a +22.13% total return for the same period.<sup>1</sup> Please note, index performance information is provided for reference and we do not attempt to track the index but rather undertake investments on the basis of fundamental research.

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

2. Source: U.S. Bureau of Labor Statistics.

## Geographic Composition

Based on Total Net Assets as of 12/31/19



## Economic and Market Overview

Global developed and emerging market stocks, as measured by the MSCI ACWI, posted strong returns during the reporting period. Although global economic growth slowed from 2018, interest-rate cuts from many central banks and the easing of trade tensions near period-end contributed to the generally positive environment for equities worldwide. Reflecting investor optimism and slowing but resilient economic growth, stocks advanced in every major region of the globe.

In the U.S., solid economic growth also supported equities, as healthy consumer spending and a strong labor market kept the economy afloat. The unemployment rate fell during the year, reaching 3.5% in September, November and December 2019, the lowest recorded unemployment rate in 50 years.<sup>2</sup> Wages also grew, albeit at a moderate pace, and inflation remained persistently low. In addition, deficit spending by the U.S. government boosted current growth at the expense of long-term debt. Despite the strength in the consumer sector, some parts of the economy struggled, particularly heavy industry. Annual industrial production contracted late in the reporting period, manufacturing output stalled and capital spending declined.

The U.S. Federal Reserve (Fed) provided a substantial boost to equity markets early in the reporting period as it shifted to a more accommodative monetary policy. In January 2019, the Fed signaled the end of its tightening cycle and cut the federal funds rate three times thereafter, lowering it to a range of 1.50%–1.75%. Stocks responded positively to the interest-rate cuts and gained further in December 2019 after

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

the Fed indicated it would likely leave interest rates unchanged in 2020.

Growth slowed overall in the eurozone, particularly in Germany and Italy. Germany, which is heavily reliant on exports, was adversely affected by the trade conflict between the U.S. and China and the resulting slowdown in global trade. In Italy, political uncertainty and budget concerns caused the country's annual gross domestic product (GDP) growth to stall in 2019's first quarter before accelerating in the second quarter. Despite sluggish economic conditions, European developed market equities, as measured by the MSCI Europe Index, posted strong returns overall, as easing trade tensions buoyed investor optimism and an electoral victory by the Conservative Party in the U.K. alleviated uncertainty surrounding Brexit. Although the European Central Bank left its headline refinancing rate unchanged, it lowered the deposit rate and restarted its bond-buying stimulus program, further supporting stocks.

Economic growth in Asia was relatively solid overall, despite slowdowns in several large emerging market countries, such as China and India. Japan's economy grew amid the Bank of Japan's sizable stimulus program. The trade war between the U.S. and China provided the backdrop for Asian stocks, which rose and fell in sync with investor sentiment regarding a trade deal. A phase one trade agreement between the two countries reached in December 2019 propelled Asian developed and emerging market stocks, which ultimately ended with strong returns over the 12-month period, as measured by the MSCI All Country Asia Index.

Emerging market stocks overall experienced several sharp selloffs and subsequent rebounds throughout the reporting period before ending with gains. In aggregate, economic growth slowed somewhat from 2018 but remained solid, although there was some variation among individual countries. Many central banks in emerging markets cut interest rates throughout the reporting period which, along with resilient GDP growth, provided a supportive environment for equities. Russian stocks posted the highest returns among emerging markets as the threat of further sanctions receded and a solid fiscal environment reassured investors. Overall, global emerging markets, as measured by the MSCI Emerging Markets Index, posted robust returns for the period.

## Top 10 Holdings

12/31/19

<b>Company Sector/Industry, Country</b>	<b>% of Total Net Assets</b>
Samsung Electronics Co. Ltd. <i>Technology Hardware, Storage &amp; Peripherals, South Korea</i>	4.8%
BNP Paribas SA <i>Banks, France</i>	3.1%
ING Groep NV <i>Banks, Netherlands</i>	3.1%
Standard Chartered PLC <i>Banks, U.K.</i>	3.0%
CK Hutchison Holdings Ltd. <i>Industrial Conglomerates, Hong Kong</i>	2.7%
KB Financial Group Inc. <i>Banks, South Korea</i>	2.7%
BP PLC <i>Oil, Gas &amp; Consumable Fuels, U.K.</i>	2.5%
Bayer AG <i>Pharmaceuticals, Germany</i>	2.5%
Takeda Pharmaceutical Co. Ltd. <i>Pharmaceuticals, Japan</i>	2.4%
Wheaton Precious Metals Corp. <i>Metals &amp; Mining, Canada</i>	2.3%

## Investment Strategy

Our investment philosophy is bottom up, value oriented and long term. When choosing investments for the Fund, we generally focus on the market price of a company's securities relative to our evaluation of the company's potential long-term earnings, asset value and cash flow. Our analysis includes an assessment of the potential impacts of material environmental, social and governance (ESG) factors on the long-term risk and return profile of a company. We also consider a company's price/earnings ratio, price/cash flow ratio, profit margins and liquidation value.

The Fund may, from time to time, engage in currency-related derivatives to seek to hedge (protect) against currency risks. The Fund may also use a variety of equity-related derivatives for various purposes including enhancing Fund returns, increasing liquidity and gaining exposure to particular markets in more efficient or less expensive ways.

## Manager's Discussion

During the 12 months under review, stock selection in the information technology (IT) and materials sectors contributed to the Fund's performance relative to the MSCI ACWI ex USA Index.<sup>3</sup>

Within IT, key contributors to relative results included South Korean electronics firm Samsung Electronics, Netherlands-based semiconductor solutions company NXP Semiconductors, Swiss metering and smart grid solutions company Landis + Gyr Group (not part of the index) and Taiwanese integrated circuits and wafer semiconductor devices firm Taiwan Semiconductor Manufacturing. Samsung Electronics helped drive relative performance as its shares advanced after it posted better-than-expected earnings and projected a gradual recovery in the memory chip market as 5G wireless technology rolls out globally. We believe Samsung Electronics remains inexpensive for a global technology leader and could potentially benefit from a cyclical upswing in the memory chip segment and an increasing capital return program.

In materials, Canadian mining companies Wheaton Precious Metals and Alamos Gold (not part of the index) benefited relative performance. Shares of both companies rallied as the price of gold broke out of a six-year trading range. Anticipating an eventual move higher in gold prices given record-high debt levels, historically low interest rates, escalating geopolitical turmoil and renewed central bank buying, we maintained a modest precious metals allocation as a portfolio hedge and diversifier.

Other notable contributors to the Fund's relative performance included French lender BNP Paribas, which benefited from solid results at its fixed income unit and from more benign European economic conditions. In our view, BNP Paribas is a diverse, high-quality European bank with an excellent track record of managing credit risk and maintaining profitability in various economic conditions.

In contrast, stock selection in the communication services, health care and energy sectors, as well as overweightings in communication services and energy, detracted from the Fund's relative performance.<sup>4</sup>

Within communication services, Chinese language internet search company Baidu, Chinese telecommunication firm

China Telecom, Luxembourg-based satellite operator SES and German telecommunication firm Telefonica Deutschland Holding hurt relative results. China Telecom's shares declined amid concerns about elevated 5G capital expenditures and continued security scrutiny of Chinese telecommunication services companies. We continue to believe the stock offers undemanding valuations, attractive dividend yields and a solid competitive position in a secular growth market. Shares of SES declined as investors, in our view, reacted too negatively to a regulatory ruling that we believe will likely prove less value-destructive than initially feared. We remain positive on the stock given its strong balance sheet and healthy dividend yield, as well as our expectation of renewed growth from the firm's core business over a long-term investment horizon.

In health care, Israeli generic drugmaker Teva Pharmaceutical Industries (not held at period-end) declined amid legal and regulatory setbacks that, in our assessment, impaired the balance of risks, leading us to sell the stock.

In the energy sector, U.K.-based integrated energy firm BP, Canadian exploration and production company Husky Energy and U.K.-listed oil and natural gas producer Royal Dutch Shell dampened relative results. BP reported higher oil and gas production but disappointed investors hoping for a dividend increase. The company has made solid progress selling assets to shore up its balance sheet and, in our view, could potentially benefit from firmer oil prices and rising production following years of investment.

From a regional perspective, stock selection in North America, particularly in Canada, contributed to the Fund's relative performance. In contrast, stock selection in Asia, especially in China and Japan, detracted from relative performance. Stock selection in Europe also hindered performance, as relative weakness in the U.K., Germany and Italy more than offset relative strength in the Netherlands and France. In the Middle East and Africa region, our position in Israel hindered relative performance.

Thank you for your participation in Templeton Foreign VIP Fund. We look forward to serving your future investment needs.

3. The IT sector comprises electronic equipment, instruments and components; semiconductors and semiconductor equipment; and technology hardware, storage and peripherals in the SOI. The materials sector comprises chemicals and metals and mining in the SOI.

4. The communication services sector comprises diversified telecommunication services, interactive media and services, media and wireless telecommunication services in the SOI. The health care sector comprises health care providers and services and pharmaceuticals in the SOI. The energy sector comprises energy equipment and services and oil, gas and consumable fuels in the SOI.



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*The foregoing information reflects our analysis, opinions and portfolio holdings as of December 31, 2019, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.*

## Class 2 Fund Expenses

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

### Actual Fund Expenses

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

### Hypothetical Example for Comparison with Other Mutual Funds

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

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

Share Class	Beginning Account Value 7/1/19	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 12/31/19	Fund-Level Expenses Paid During Period 7/1/19–12/31/19 <sup>1, 2</sup>	Ending Account Value 12/31/19	Fund-Level Expenses Paid During Period 7/1/19–12/31/19 <sup>1, 2</sup>	
Class 2	\$1,000	\$1,056.90	\$5.55	\$1,019.81	\$5.45	1.07%

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.

## Financial Highlights

### Templeton Foreign VIP Fund

	Year Ended December 31,				
	2019	2018	2017	2016	2015
<b>Class 1</b>					
<b>Per share operating performance</b> (for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$13.01	\$15.80	\$13.89	\$13.46	\$15.34
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup> . . . . .	0.44	0.29	0.30	0.33	0.31
Net realized and unrealized gains (losses) . . . . .	1.19	(2.64)	2.03	0.62	(1.16)
Total from investment operations . . . . .	1.63	(2.35)	2.33	0.95	(0.85)
Less distributions from:					
Net investment income . . . . .	(0.27)	(0.44)	(0.42)	(0.29)	(0.53)
Net realized gains . . . . .	(0.14)	—	—	(0.23)	(0.50)
Total distributions . . . . .	(0.41)	(0.44)	(0.42)	(0.52)	(1.03)
Net asset value, end of year . . . . .	\$14.23	\$13.01	\$15.80	\$13.89	\$13.46
Total return <sup>c</sup> . . . . .	12.84%	(15.27)%	17.02%	7.49%	(6.31)%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	0.85%	0.83%	0.82%	0.80%	0.78%
Expenses net of waiver and payments by affiliates . . . . .	0.83%	0.81%	0.81% <sup>d</sup>	0.78%	0.78% <sup>e</sup>
Net investment income . . . . .	3.25%	1.96%	1.99%	2.38%	2.05%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$121,948	\$114,784	\$152,684	\$133,218	\$214,172
Portfolio turnover rate . . . . .	28.52%	21.38%	26.81%	20.93%	15.15%

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

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return does not include fees, charges or expenses imposed by the variable annuity and life insurance contracts for which Franklin Templeton Variable Insurance Products Trust serves as an underlying investment vehicle.

<sup>d</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>e</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

**Templeton Foreign VIP Fund** (continued)

	Year Ended December 31,				
	2019	2018	2017	2016	2015
<b>Class 2</b>					
<b>Per share operating performance</b> (for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$12.74	\$15.47	\$13.61	\$13.20	\$15.05
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup> . . . . .	0.40	0.25	0.26	0.28	0.27
Net realized and unrealized gains (losses) . . . . .	1.16	(2.58)	1.98	0.62	(1.13)
Total from investment operations . . . . .	1.56	(2.33)	2.24	0.90	(0.86)
Less distributions from:					
Net investment income . . . . .	(0.23)	(0.40)	(0.38)	(0.26)	(0.49)
Net realized gains . . . . .	(0.14)	—	—	(0.23)	(0.50)
Total distributions . . . . .	(0.37)	(0.40)	(0.38)	(0.49)	(0.99)
Net asset value, end of year . . . . .	\$13.93	\$12.74	\$15.47	\$13.61	\$13.20
Total return <sup>c</sup> . . . . .	12.53%	(15.44)%	16.69%	7.18%	(6.49)%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	1.10%	1.08%	1.07%	1.05%	1.03%
Expenses net of waiver and payments by affiliates . . . . .	1.08%	1.06%	1.06% <sup>d</sup>	1.03%	1.03% <sup>e</sup>
Net investment income . . . . .	3.00%	1.71%	1.74%	2.13%	1.80%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$1,117,813	\$1,060,101	\$1,394,475	\$1,436,518	\$1,456,854
Portfolio turnover rate . . . . .	28.52%	21.38%	26.81%	20.93%	15.15%

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

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return does not include fees, charges or expenses imposed by the variable annuity and life insurance contracts for which Franklin Templeton Variable Insurance Products Trust serves as an underlying investment vehicle.

<sup>d</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>e</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

**Templeton Foreign VIP Fund** (continued)

	Year Ended December 31,				
	2019	2018	2017	2016	2015
<b>Class 4</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$12.96	\$15.71	\$13.71	\$13.29	\$15.16
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup> . . . . .	0.39	0.24	0.23	0.26	0.25
Net realized and unrealized gains (losses) . . . . .	1.20	(2.63)	2.03	0.63	(1.14)
Total from investment operations . . . . .	1.59	(2.39)	2.26	0.89	(0.89)
Less distributions from:					
Net investment income . . . . .	(0.21)	(0.36)	(0.26)	(0.24)	(0.48)
Net realized gains . . . . .	(0.14)	—	—	(0.23)	(0.50)
Total distributions . . . . .	(0.35)	(0.36)	(0.26)	(0.47)	(0.98)
Net asset value, end of year . . . . .	\$14.20	\$12.96	\$15.71	\$13.71	\$13.29
Total return <sup>c</sup> . . . . .	12.49%	(15.54)%	16.62%	7.09%	(6.65)%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	1.20%	1.18%	1.17%	1.15%	1.13%
Expenses net of waiver and payments by affiliates . . . . .	1.18%	1.16%	1.16% <sup>d</sup>	1.13%	1.13% <sup>e</sup>
Net investment income . . . . .	2.90%	1.61%	1.64%	2.03%	1.70%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$113,681	\$125,265	\$159,944	\$484,763	\$472,189
Portfolio turnover rate . . . . .	28.52%	21.38%	26.81%	20.93%	15.15%

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

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return does not include fees, charges or expenses imposed by the variable annuity and life insurance contracts for which Franklin Templeton Variable Insurance Products Trust serves as an underlying investment vehicle.

<sup>d</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>e</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

## Statement of Investments, December 31, 2019

## Templeton Foreign VIP Fund

	Country	Shares	Value
<b>Common Stocks 94.4%</b>			
<b>Aerospace &amp; Defense 1.3%</b>			
BAE Systems PLC . . . . .	United Kingdom	2,299,513	\$ 17,201,492
<b>Auto Components 1.4%</b>			
Cie Generale des Etablissements Michelin SCA . . . . .	France	158,794	19,428,477
<b>Automobiles 1.3%</b>			
Hero Motocorp Ltd. . . . .	India	154,059	5,274,667
Isuzu Motors Ltd. . . . .	Japan	1,085,800	12,978,644
			18,253,311
<b>Banks 17.8%</b>			
Bank of Ireland Group PLC . . . . .	Ireland	2,346,131	12,844,877
BNP Paribas SA . . . . .	France	717,204	42,491,615
Hana Financial Group Inc. . . . .	South Korea	540,193	17,243,334
ING Groep NV . . . . .	Netherlands	3,440,596	41,239,182
Kasikornbank PCL, fgn. . . . .	Thailand	1,860,000	9,403,090
KB Financial Group Inc., ADR . . . . .	South Korea	871,106	36,037,655
Shinhan Financial Group Co. Ltd. . . . .	South Korea	366,922	13,759,694
Standard Chartered PLC . . . . .	United Kingdom	4,362,317	41,160,126
Sumitomo Mitsui Financial Group Inc. . . . .	Japan	732,300	27,209,822
			241,389,395
<b>Beverages 2.0%</b>			
Kirin Holdings Co. Ltd. . . . .	Japan	841,800	18,513,016
Suntory Beverage & Food Ltd. . . . .	Japan	217,100	9,079,544
			27,592,560
<b>Building Products 1.1%</b>			
Compagnie de Saint-Gobain . . . . .	France	373,982	15,308,177
<b>Capital Markets 0.5%</b>			
UBS Group AG . . . . .	Switzerland	540,632	6,830,183
<b>Chemicals 2.7%</b>			
Johnson Matthey PLC . . . . .	United Kingdom	580,290	23,026,210
Lotte Chemical Corp. . . . .	South Korea	67,855	13,148,487
			36,174,697
<b>Construction &amp; Engineering 0.5%</b>			
Sinopec Engineering Group Co. Ltd. . . . .	China	11,734,000	7,017,240
<b>Diversified Telecommunication Services 3.1%</b>			
China Telecom Corp. Ltd., H. . . . .	China	40,444,357	16,660,856
Singapore Telecommunications Ltd. . . . .	Singapore	6,240,400	15,633,473
Telefonica Deutschland Holding AG . . . . .	Germany	3,133,398	9,080,045
			41,374,374
<b>Electric Utilities 0.5%</b>			
<sup>a</sup> Korea Electric Power Corp. . . . .	South Korea	267,802	6,440,277
<b>Electronic Equipment, Instruments &amp; Components 0.9%</b>			
Landis+Gyr Group AG . . . . .	Switzerland	120,834	12,574,778

Templeton Foreign VIP Fund (continued)

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Energy Equipment &amp; Services 1.8%</b>			
SBM Offshore NV . . . . .	Netherlands	960,511	\$ 17,870,169
Tenaris SA . . . . .	Italy	570,849	6,433,795
			<u>24,303,964</u>
<b>Food &amp; Staples Retailing 3.1%</b>			
Matsumotokiyoshi Holdings Co. Ltd. . . . .	Japan	347,500	13,541,868
Seven & i Holdings Co. Ltd. . . . .	Japan	360,100	13,264,139
Sundrug Co. Ltd. . . . .	Japan	410,400	14,935,652
			<u>41,741,659</u>
<b>Health Care Providers &amp; Services 0.8%</b>			
Sinopharm Group Co. Ltd., H . . . . .	China	2,794,800	10,203,927
<b>Household Durables 1.6%</b>			
Panasonic Corp. . . . .	Japan	2,272,100	21,524,058
<b>Industrial Conglomerates 2.7%</b>			
CK Hutchison Holdings Ltd. . . . .	Hong Kong	3,873,500	36,934,031
<b>Interactive Media &amp; Services 1.3%</b>			
<sup>a</sup> Baidu Inc., ADR . . . . .	China	138,230	17,472,272
<b>Marine 0.6%</b>			
A.P. Moeller-Maersk AS, B . . . . .	Denmark	5,208	7,509,675
<b>Media 0.8%</b>			
SES SA, IDR . . . . .	Luxembourg	809,562	11,348,541
<b>Metals &amp; Mining 5.1%</b>			
Alamos Gold Inc., A . . . . .	Canada	3,063,752	18,443,787
Sumitomo Metal Mining Co. Ltd. . . . .	Japan	603,700	19,687,259
Wheaton Precious Metals Corp. . . . .	Canada	1,040,700	30,966,154
			<u>69,097,200</u>
<b>Multi-Utilities 2.7%</b>			
E.ON SE . . . . .	Germany	1,722,486	18,397,339
Veolia Environnement SA . . . . .	France	671,188	17,846,607
			<u>36,243,946</u>
<b>Oil, Gas &amp; Consumable Fuels 11.8%</b>			
BP PLC . . . . .	United Kingdom	5,505,186	34,385,976
Eni SpA . . . . .	Italy	1,751,379	27,194,707
Equinor ASA . . . . .	Norway	1,032,386	20,641,839
Galp Energia SGPS SA, B . . . . .	Portugal	844,528	14,111,729
Husky Energy Inc. . . . .	Canada	1,163,600	9,336,757
Royal Dutch Shell PLC, B. . . . .	United Kingdom	1,043,010	30,936,779
Total SA . . . . .	France	418,732	23,103,681
			<u>159,711,468</u>
<b>Pharmaceuticals 11.6%</b>			
Astellas Pharma Inc. . . . .	Japan	596,100	10,257,253
Bayer AG . . . . .	Germany	412,732	33,700,713
Merck KGaA . . . . .	Germany	175,053	20,681,594
Novartis AG . . . . .	Switzerland	128,920	12,243,836
Roche Holding AG . . . . .	Switzerland	79,825	25,903,013

**Templeton Foreign VIP Fund** (continued)

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Pharmaceuticals</b> (continued)			
Sanofi . . . . .	France	209,983	\$ 21,104,205
Takeda Pharmaceutical Co. Ltd. . . . .	Japan	816,694	32,555,035
			<u>156,445,649</u>
<b>Real Estate Management &amp; Development 3.1%</b>			
CK Asset Holdings Ltd. . . . .	Hong Kong	3,078,200	22,220,493
Mitsui Fudosan Co. Ltd. . . . .	Japan	767,500	18,870,578
Swire Pacific Ltd., A . . . . .	Hong Kong	90,800	843,643
			<u>41,934,714</u>
<b>Semiconductors &amp; Semiconductor Equipment 5.2%</b>			
Infineon Technologies AG . . . . .	Germany	590,665	13,453,370
NXP Semiconductors NV. . . . .	Netherlands	221,300	28,162,637
Taiwan Semiconductor Manufacturing Co. Ltd. . . . .	Taiwan	2,587,000	28,628,163
			<u>70,244,170</u>
<b>Specialty Retail 1.0%</b>			
Kingfisher PLC . . . . .	United Kingdom	4,640,268	13,336,392
<b>Technology Hardware, Storage &amp; Peripherals 4.8%</b>			
Samsung Electronics Co. Ltd. . . . .	South Korea	1,337,964	64,583,942
<b>Wireless Telecommunication Services 3.3%</b>			
China Mobile Ltd. . . . .	China	1,821,000	15,306,841
Vodafone Group PLC, ADR . . . . .	United Kingdom	1,512,103	29,228,951
			<u>44,535,792</u>
<b>Total Common Stocks (Cost \$1,116,248,012)</b> . . . . .			<u>1,276,756,361</u>
<b>Short Term Investments (Cost \$70,825,763) 5.2%</b>			
<b>Money Market Funds 5.2%</b>			
<sup>b,c</sup> Institutional Fiduciary Trust Money Market Portfolio, 1.26% . . . . .	United States	70,825,763	70,825,763
<b>Total Investments (Cost \$1,187,073,775) 99.6%</b> . . . . .			1,347,582,124
<b>Other Assets, less Liabilities 0.4%</b> . . . . .			5,859,442
<b>Net Assets 100.0%</b> . . . . .			<u>\$1,353,441,566</u>

See Abbreviations on page TF-23.

<sup>a</sup>Non-income producing.

<sup>b</sup>See Note 3(e) regarding investments in affiliated management investment companies.

<sup>c</sup>The rate shown is the annualized seven-day effective yield at period end.



## Statement of Assets and Liabilities

December 31, 2019

	<b>Templeton Foreign VIP Fund</b>
<b>Assets:</b>	
Investments in securities:	
Cost - Unaffiliated issuers . . . . .	\$1,116,248,012
Cost - Non-controlled affiliates (Note 3e) . . . . .	70,825,763
Value - Unaffiliated issuers . . . . .	\$1,276,756,361
Value - Non-controlled affiliates (Note 3e) . . . . .	70,825,763
Receivables:	
Investment securities sold . . . . .	494,328
Capital shares sold . . . . .	70,547
Dividends . . . . .	8,442,994
European Union tax reclaims . . . . .	851,866
Other assets . . . . .	165
Total assets . . . . .	1,357,442,024
<b>Liabilities:</b>	
Payables:	
Investment securities purchased . . . . .	1,689,770
Capital shares redeemed . . . . .	737,263
Management fees . . . . .	886,909
Distribution fees . . . . .	267,257
Reports to shareholders . . . . .	202,736
Accrued expenses and other liabilities . . . . .	216,523
Total liabilities . . . . .	4,000,458
Net assets, at value . . . . .	\$1,353,441,566
Net assets consist of:	
Paid-in capital . . . . .	\$1,199,267,363
Total distributable earnings (losses) . . . . .	154,174,203
Net assets, at value . . . . .	\$1,353,441,566
<b>Class 1:</b>	
Net assets, at value . . . . .	\$ 121,947,913
Shares outstanding . . . . .	8,568,140
Net asset value and maximum offering price per share . . . . .	\$14.23
<b>Class 2:</b>	
Net assets, at value . . . . .	\$1,117,813,122
Shares outstanding . . . . .	80,216,519
Net asset value and maximum offering price per share . . . . .	\$13.93
<b>Class 4:</b>	
Net assets, at value . . . . .	\$ 113,680,531
Shares outstanding . . . . .	8,008,045
Net asset value and maximum offering price per share . . . . .	\$14.20

## Statement of Operations

for the year ended December 31, 2019

	<b>Templeton Foreign VIP Fund</b>
Investment income:	
Dividends: (net of foreign taxes)*	
Unaffiliated issuers . . . . .	\$ 52,458,556
Non-controlled affiliates (Note 3e) . . . . .	1,028,147
Interest:	
Unaffiliated issuers . . . . .	4,197
Income from securities loaned:	
Non-controlled affiliates (Note 3e) . . . . .	254,421
Total investment income . . . . .	<u>53,745,321</u>
Expenses:	
Management fees (Note 3a) . . . . .	10,579,830
Distribution fees: (Note 3c)	
Class 2 . . . . .	2,711,228
Class 4 . . . . .	397,414
Custodian fees (Note 4) . . . . .	136,162
Reports to shareholders . . . . .	253,150
Professional fees . . . . .	105,663
Trustees' fees and expenses . . . . .	7,868
Other . . . . .	48,047
Total expenses . . . . .	14,239,362
Expenses waived/paid by affiliates (Note 3e) . . . . .	<u>(244,795)</u>
Net expenses . . . . .	13,994,567
Net investment income . . . . .	<u>39,750,754</u>
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Investments:	
Unaffiliated issuers . . . . .	(42,774,216)
Foreign currency transactions . . . . .	<u>(165,905)</u>
Net realized gain (loss) . . . . .	<u>(42,940,121)</u>
Net change in unrealized appreciation (depreciation) on:	
Investments:	
Unaffiliated issuers . . . . .	161,088,553
Translation of other assets and liabilities denominated in foreign currencies . . . . .	<u>(44,012)</u>
Net change in unrealized appreciation (depreciation) . . . . .	161,044,541
Net realized and unrealized gain (loss) . . . . .	<u>118,104,420</u>
Net increase (decrease) in net assets resulting from operations . . . . .	<u>\$157,855,174</u>

\*Foreign taxes withheld on dividends . . . . . \$ 4,376,801

## Statements of Changes in Net Assets

	<b>Templeton Foreign VIP Fund</b>	
	<b>Year Ended December 31,</b>	
	<b>2019</b>	<b>2018</b>
Increase (decrease) in net assets:		
Operations:		
Net investment income . . . . .	\$ 39,750,754	\$ 26,739,957
Net realized gain (loss) . . . . .	(42,940,121)	97,768,736
Net change in unrealized appreciation (depreciation) . . . . .	161,044,541	(367,924,342)
Net increase (decrease) in net assets resulting from operations . . . . .	157,855,174	(243,415,649)
Distributions to shareholders:		
Class 1 . . . . .	(3,542,825)	(3,961,619)
Class 2 . . . . .	(29,727,357)	(33,465,356)
Class 4 . . . . .	(2,819,837)	(3,521,973)
Total distributions to shareholders . . . . .	(36,090,019)	(40,948,948)
Capital share transactions: (Note 2)		
Class 1 . . . . .	(3,622,678)	(12,722,479)
Class 2 . . . . .	(41,982,881)	(102,793,664)
Class 4 . . . . .	(22,867,835)	(7,072,417)
Total capital share transactions . . . . .	(68,473,394)	(122,588,560)
Net increase (decrease) in net assets . . . . .	53,291,761	(406,953,157)
Net assets:		
Beginning of year . . . . .	1,300,149,805	1,707,102,962
End of year . . . . .	\$1,353,441,566	\$1,300,149,805

# Notes to Financial Statements

## Templeton Foreign 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 and applies the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP). Templeton Foreign 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. 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 Fund's administrator has responsibility for oversight of valuation, 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 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.

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

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, book values, and other relevant information for the investment to determine the fair value of the investment. An income-based valuation approach may also be used in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

Trading in securities on foreign securities stock exchanges and OTC markets may be completed before 4 p.m. Eastern time. In addition, trading in certain foreign markets may not take place on every Fund's business day. Occasionally, events 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, the VC monitors price movements following the close of trading in foreign stock markets through a series of country specific market proxies (such as baskets of American Depositary Receipts, futures contracts and exchange traded funds). These price movements are measured against established trigger thresholds for each specific market proxy to assist in determining if an event has occurred that may call into question the reliability of the values of the foreign securities held by the Fund. If such an event occurs, the securities may be valued using fair value procedures, which may include the use of independent pricing services.

## Templeton Foreign VIP Fund (continued)

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 significant security valuation changes due to an open foreign market are adjusted and reflected by the Fund for financial reporting purposes.

### b. Foreign Currency Translation

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the exchange rate of such currencies against U.S. dollars on the date of valuation. The Fund may enter into foreign currency exchange contracts to facilitate transactions denominated in a foreign currency. Purchases and sales of securities, income and expense items denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date. Portfolio securities and assets and liabilities denominated in foreign currencies contain risks that those currencies will decline in value relative to the U.S. dollar. Occasionally, events may impact the availability or reliability of foreign exchange rates used to convert the U.S. dollar equivalent value. If such an event occurs, the foreign exchange rate will be valued at fair value using procedures established and approved by the Board.

The Fund does not separately report the effect of changes in foreign exchange rates from changes in market prices on securities held. Such changes are included in net realized and unrealized gain or loss from investments in the Statement of Operations.

Realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the recorded amounts of dividends, interest, and foreign withholding taxes and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in foreign exchange rates on foreign denominated assets and liabilities other than investments in securities held at the end of the reporting period.

### c. Securities Lending

The Fund participates in an agency based securities lending program to earn additional income. The Fund receives cash collateral 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. The collateral 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 the 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, 2019, the Fund had no securities on loan.

### d. 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.

## Templeton Foreign VIP Fund (continued)

### 1. Organization and Significant Accounting Policies (continued)

#### d. Income and Deferred Taxes (continued)

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). These additional filings are subject to various administrative proceedings by the local jurisdictions' tax authorities within the European Union, as well as a number of related judicial proceedings. 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. 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 shareholders, the Fund must either amend historic tax reporting to shareholders or 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, 2019, 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.

#### e. 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. Dividend income is recorded on the ex-dividend date except for certain dividends from securities where the dividend rate is not

available. In such cases, the dividend is recorded as soon as the information is received by the Fund. Distributions to shareholders are recorded on the ex-dividend date. Distributable earnings are determined according to income tax regulations (tax basis) and may differ from earnings recorded in accordance with U.S. GAAP. These differences may be permanent or temporary. Permanent differences are reclassified among capital accounts to reflect their tax character. These reclassifications have no impact on net assets or the results of operations. Temporary differences are not reclassified, as they may reverse in subsequent periods.

Common expenses incurred by the Trust are allocated among the Funds based on the ratio of net assets of each Fund to the combined net assets of the Trust or based on the ratio of number of shareholders of each Fund to the combined number of shareholders of the Trust. Fund specific expenses are charged directly to the Fund that incurred the expense.

Realized and unrealized gains and losses and net investment income, excluding class specific expenses, are allocated daily to each class of shares based upon the relative proportion of net assets of each class. Differences in per share distributions by class are generally due to differences in class specific expenses.

#### f. 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.

#### g. 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.

**Templeton Foreign VIP Fund** (continued)

**2. Shares of Beneficial Interest**

At December 31, 2019, there were an unlimited number of shares authorized (without par value). Transactions in the Fund's shares were as follows:

	Year Ended December 31,			
	2019		2018	
	Shares	Amount	Shares	Amount
<b>Class 1 Shares:</b>				
Shares sold . . . . .	315,303	\$ 4,277,207	438,905	\$ 6,719,723
Shares issued in reinvestment of distributions . . . . .	273,789	3,542,825	263,056	3,961,619
Shares redeemed . . . . .	(844,252)	(11,442,710)	(1,543,257)	(23,403,821)
Net increase (decrease) . . . . .	(255,160)	\$ (3,622,678)	(841,296)	\$ (12,722,479)
<b>Class 2 Shares:</b>				
Shares sold . . . . .	7,564,257	\$ 99,786,234	7,214,702	\$ 104,866,589
Shares issued in reinvestment of distributions . . . . .	2,342,581	29,727,357	2,265,765	33,465,356
Shares redeemed . . . . .	(12,910,655)	(171,496,472)	(16,372,436)	(241,125,609)
Net increase (decrease) . . . . .	(3,003,817)	\$ (41,982,881)	(6,891,969)	\$(102,793,664)
<b>Class 4 Shares:</b>				
Shares sold . . . . .	784,963	\$ 10,500,046	1,564,942	\$ 23,205,250
Shares issued in reinvestment of distributions . . . . .	218,085	2,819,837	234,330	3,521,973
Shares redeemed . . . . .	(2,661,084)	(36,187,718)	(2,311,503)	(33,799,640)
Net increase (decrease) . . . . .	(1,658,036)	\$ (22,867,835)	(512,231)	\$ (7,072,417)

**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
Templeton Investment Counsel, LLC (TIC)	Investment manager
Franklin Templeton Services, LLC (FT Services)	Administrative manager
Franklin Templeton Distributors, Inc. (Distributors)	Principal underwriter
Franklin Templeton Investor Services, LLC (Investor Services)	Transfer agent

**Templeton Foreign VIP Fund** (continued)

**3. Transactions with Affiliates** (continued)

**a. Management Fees**

The Fund pays an investment management fee to TIC based on the average daily net assets of the Fund as follows:

<b>Annualized Fee Rate</b>	<b>Net Assets</b>
0.900%	Up to and including \$200 million
0.810%	Over \$200 million, up to and including \$700 million
0.775%	Over \$700 million, up to and including \$1.2 billion
0.750%	Over \$1.2 billion, up to and including \$1.3 billion
0.675%	Over \$1.3 billion, up to and including \$10 billion
0.655%	Over \$10 billion, up to and including \$15 billion
0.635%	Over \$15 billion, up to and including \$20 billion
0.615%	In excess of \$20 billion

For the year ended December 31, 2019, the gross effective investment management fee rate was 0.803% of the Fund's average daily net assets.

**b. Administrative Fees**

Under an agreement with TIC, FT Services provides administrative services to the Fund. The fee is paid by TIC 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 0.25% and 0.35% per year of its average daily net assets of Class 2 and Class 4, respectively. 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.



**Templeton Foreign VIP Fund** (continued)

**e. Investments in Affiliated Management Investment Companies**

The Fund invests in one or more affiliated management investment companies for purposes other than 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, 2019, the Fund held investments in affiliated management investment companies as follows:

	Value at Beginning of Year	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Year	Number of Shares Held at End of Year	Investment Income
<b>Non-Controlled Affiliates</b>								Dividends
Institutional Fiduciary Trust Money Market Portfolio, 1.26%	\$49,866,794	\$282,622,675	\$(261,663,706)	\$ —	\$ —	\$70,825,763	70,825,763	\$1,028,147
								Income from securities loaned
Institutional Fiduciary Trust Money Market Portfolio, 1.26%	13,003,937	336,062,006	(349,065,943)	—	—	—	—	254,421
<b>Total Affiliated Securities</b>	<b>\$62,870,731</b>	<b>\$618,684,681</b>	<b>\$(610,729,649)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$70,825,763</b>		<b>\$1,282,568</b>

**4. Expense Offset Arrangement**

The Fund has entered into an arrangement with its custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Fund's custodian expenses. During the year ended December 31, 2019, there were no credits earned.

**5. Income Taxes**

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

At December 31, 2019, the capital loss carryforwards were as follows:

Capital loss carryforwards not subject to expiration:

Long term	\$43,306,383
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The tax character of distributions paid during the years ended December 31, 2019 and 2018, was as follows:

	2019	2018
Distributions paid from:		
Ordinary income	\$24,584,858	\$ 40,948,948
Long term capital gain	11,505,161	—
	<u>\$36,090,019</u>	<u>\$ 40,948,948</u>

**Templeton Foreign VIP Fund** (continued)

**5. Income Taxes** (continued)

At December 31, 2019, the cost of investments and net unrealized appreciation (depreciation) for income tax purposes were as follows:

Cost of investments . . . . .	<u>\$1,190,574,785</u>
Unrealized appreciation . . . . .	\$ 241,602,360
Unrealized depreciation . . . . .	<u>(84,595,021)</u>
Net unrealized appreciation (depreciation) . . . . .	<u>\$ 157,007,339</u>
Distributable earnings:	
Undistributed ordinary income . . . . .	<u>\$ 39,574,338</u>

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatment of foreign currency transactions.

**6. Investment Transactions**

Purchases and sales of investments (excluding short term securities) for the year ended December 31, 2019, aggregated \$356,343,297 and \$450,547,584, respectively.

**7. 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. Current political and financial uncertainty surrounding the European Union may increase market volatility and the economic risk of investing in securities in Europe. In addition, certain foreign securities may not be as liquid as U.S. securities.

**8. 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 billion (Global Credit Facility) which matured on February 7, 2020. 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 7, 2020, the Borrowers renewed the Global Credit Facility for a one year term, maturing February 5, 2021, for a total of \$2 billion.

Under the terms of the Global Credit Facility, the Fund shall, in addition to interest charged on any borrowings made by the Fund and other costs incurred by the Fund, pay its share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon its relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee of 0.15% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses in the Statement of Operations. During the year ended December 31, 2019, the Fund did not use the Global Credit Facility.

**Templeton Foreign VIP Fund** (continued)

**9. 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.

At December 31, 2019, all of the Fund's investments in financial instruments carried at fair value were valued using Level 1 inputs. For detailed categories, see the accompanying Statement of Investments.

**10. Subsequent Events**

The Fund has evaluated subsequent events through the issuance of the financial statements and determined that no events have occurred that require disclosure other than those already disclosed in the financial statements.

**Abbreviations**

**Selected Portfolio**

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**ADR** American Depositary Receipt

**IDR** International Depositary Receipt

## Report of Independent Registered Public Accounting Firm

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

### ***Opinion on the Financial Statements***

We have audited the accompanying statement of assets and liabilities, including the statement of investments, of Templeton Foreign VIP Fund (the "Fund") as of December 31, 2019, the related statement of operations for the year ended December 31, 2019, the statement of changes in net assets for each of the two years in the period ended December 31, 2019, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2019 (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, 2019, 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, 2019 and the financial highlights for each of the five years in the period ended December 31, 2019 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, 2019 by correspondence with the custodian, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

San Francisco, California  
February 20, 2020

We have served as the auditor of one or more investment companies in the Franklin Templeton Group of Funds since 1948.

## Tax Information (unaudited)

### Templeton Foreign VIP Fund

Under Section 852(b)(3)(C) of the Internal Revenue Code, the Fund hereby reports the maximum amount allowable but no less than \$11,505,161 as a long term capital gain dividend for the fiscal year ended December 31, 2019.

At December 31, 2019, more than 50% of the Fund's total assets were invested in securities of foreign issuers. In most instances, foreign taxes were withheld from income paid to the Fund on these investments. The Fund elects to treat foreign taxes paid as allowed under Section 853 of the Internal Revenue Code. This election will allow shareholders of record as of the 2020 distribution date, to treat their proportionate share of foreign taxes paid by the Fund as having been paid directly by them. The shareholder shall consider these amounts as foreign taxes paid in the tax year in which they receive the Fund distribution.

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## Index Descriptions

The indexes are unmanaged and include reinvestment of any income or distributions (after the deduction of certain withholding taxes for the NR or Net Return Index). They do not reflect any fees, expenses or sales charges.

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

See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

**Bloomberg Barclays 1-3 Month U.S. Treasury Bill Index** measures the performance of U.S. Treasury bills that have a remaining maturity of greater than or equal to one month and less than three months.

**Bloomberg Barclays U.S. Aggregate Bond Index** is a market capitalization-weighted index representing the U.S. investment-grade, fixed-rate, taxable bond market with index components for government and corporate, mortgage pass-through and asset-backed securities. All issues included are SEC registered, taxable, dollar denominated and nonconvertible, must have at least one year to final maturity and must be rated investment grade (Baa3/BBB-/BBB- or higher) using the middle rating of Moody's, Standard & Poor's and Fitch, respectively.

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

**Bloomberg Barclays U.S. Corporate High Yield Bond Index** measures the U.S. dollar-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and Standard & Poor's is Ba1/BB+/BB+ or below.

**Bloomberg Barclays U.S. Government Index: Intermediate Component** is the intermediate component of the Barclays U.S. Government Index, which includes public obligations of the U.S. Treasury with at least one year to final maturity and publicly issued debt of U.S. government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. government.

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

**Bloomberg Barclays U.S. Treasury Index** measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury with at least one year until final maturity.

**Consumer Price Index (CPI)** is a commonly used measure of the inflation rate.

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

**FTSE World Government Bond Index** is a market capitalization-weighted index consisting of investment-grade world government bond markets.

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

**Lipper Multi-Sector Income Funds Classification Average** is calculated by averaging the total returns of all funds within the Lipper Multi-Sector Income Funds Classification in the Lipper Open-End underlying funds universe. Lipper Multi-Sector Income Funds are defined as funds that seek current income by allocation of assets among different fixed income securities sectors (not primarily in one sector except for defensive purposes), including U.S. and foreign governments, with a significant portion rated below investment grade. For the 12-month period ended 12/31/19, there were 324 funds in this category. Lipper calculations do not include contract fees, expenses or sales charges, and may have been different if such charges had been considered.

**Lipper VIP General U.S. Government Funds Classification Average** is an equally weighted average calculation of performance figures for all funds within the Lipper General U.S. Government Funds classification in the Lipper VIP underlying funds universe. Lipper General U.S. Government

Funds invest primarily in U.S. government and agency issues. For the 12-month period ended 12/31/19, there were 26 funds in this category. Lipper calculations do not include contract fees, expenses or sales charges, and may have been different if such charges had been considered.

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

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

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

**MSCI Europe, Australasia, Far East (EAFE) Index** is a free float-adjusted market capitalization-weighted index designed to measure the equity market performance of developed markets, excluding the U.S. and Canada.

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

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

**MSCI World Index** is a free float-adjusted, market capitalization-weighted index designed to measure equity market performance in global developed markets.

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

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

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

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

**Russell 3000® Growth Index** is market capitalization weighted and measures performance of those Russell 3000® Index companies with relatively higher price-to-book ratios and higher forecasted growth rates.

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

**Russell Midcap® Index** is market capitalization weighted and measures performance of the smallest companies in the Russell 1000® Index, which represents a modest amount of the Russell 1000® Index's total market capitalization.

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

**Standard & Poor's®/International Finance Corporation Investable (S&P/IFCI) Composite Index** is a free float-adjusted, market capitalization-weighted index designed to measure equity performance in global emerging markets.



## 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 fund complex, are shown below. Generally, each board member serves until that person's successor is elected and qualified.

### Independent Board Members

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
<b>Harris J. Ashton (1932)</b> One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 1988	134	Bar-S Foods (meat packing company) (1981-2010).
<b>Principal Occupation During at Least the Past 5 Years:</b> Director of various companies; and <b>formerly</b> , 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).				
<b>Terrence J. Checki (1945)</b> One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2017	113	Hess Corporation (exploration of oil and gas) (2014-present).
<b>Principal Occupation During at Least the Past 5 Years:</b> 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) and member of various other boards of trustees and advisory boards; and <b>formerly</b> , 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).				
<b>Mary C. Choksi (1950)</b> One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2014	134	Avis Budget Group Inc. (car rental) (2007-present), Omnicom Group Inc. (advertising and marketing communications services) (2011-present) and White Mountains Insurance Group, Ltd. (holding company) (2017-present)
<b>Principal Occupation During at Least the Past 5 Years:</b> Director of various companies; and <b>formerly</b> , 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).				
<b>Edith E. Holiday (1952)</b> One Franklin Parkway San Mateo, CA 94403-1906	Lead Independent Trustee	Trustee since 2005 and Lead Independent Trustee since March 2019	134	Hess Corporation (exploration of oil and gas) (1993-present), Canadian National Railway (railroad) (2001-present), White Mountains Insurance Group, Ltd. (holding company) (2004-present), Santander Consumer USA Holdings, Inc. (consumer finance) (2016-present), RTI International Metals, Inc. (manufacture and distribution of titanium) (1999-2015) and H.J. Heinz Company (processed foods and allied products) (1994-2013).
<b>Principal Occupation During at Least the Past 5 Years:</b> Director or Trustee of various companies and trusts; and <b>formerly</b> , 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).				

## Independent Board Members (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
<b>J. Michael Luttig (1954)</b> One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2009	134	Boeing Capital Corporation (aircraft financing) (2006-2013).
<b>Principal Occupation During at Least the Past 5 Years:</b> Executive Vice President, Counselor and Senior Advisor to Boeing Chairman and Board of Directors, The Boeing Company (aerospace company) (2019-present); member of the Executive Council, The Boeing Company (2006-present) and <b>formerly</b> , General Counsel, The Boeing Company (2006-2019) and Federal Appeals Court Judge, U.S. Court of Appeals for the Fourth Circuit (1991-2006).				
<b>Larry D. Thompson (1945)</b> One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2007	134	The Southern Company (energy company) (2014-present; previously 2010-2012), Graham Holdings Company (education and media organization) (2011-present) and Cbeyond, Inc. (business communications provider) (2010-2012).
<b>Principal Occupation During at Least the Past 5 Years:</b> Director of various companies; Counsel, Finch McCranie, LLP (law firm) (2015-present); Independent Compliance Monitor and Auditor, Volkswagen AG (manufacturer of automobiles and commercial vehicles) (2017-present); John A. Sibley Professor of Corporate and Business Law, University of Georgia School of Law (2015-present; previously 2011-2012); and <b>formerly</b> , 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).				

## Interested Board Members and Officers

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
<b>**Gregory E. Johnson (1961)</b> One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2013	146	None
<b>Principal Occupation During at Least the Past 5 Years:</b> Chairman of the Board, Member – Office of the Chairman, Director and Chief Executive Officer, 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 39 of the investment companies in Franklin Templeton; Vice Chairman, Investment Company Institute; and <b>formerly</b> , President, Franklin Resources, Inc. (1994-2015).				
<b>**Rupert H. Johnson, Jr. (1940)</b> One Franklin Parkway San Mateo, CA 94403-1906	Chairman of the Board, and Trustee	Chairman of the Board since 2013, and Trustee since 1988	134	None
<b>Principal Occupation During at Least the Past 5 Years:</b> Vice Chairman, Member – Office of the Chairman and Director, Franklin Resources, Inc.; Director, Franklin Advisers, Inc.; Senior Vice President, Franklin Advisory Services, LLC; and officer and/or director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of 37 of the investment companies in Franklin Templeton.				
<b>Alison E. Baur (1964)</b> One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2012	Not Applicable	Not Applicable
<b>Principal Occupation During at Least the Past 5 Years:</b> Deputy General Counsel, Franklin Templeton; and officer of some of the other subsidiaries of Franklin Resources, Inc. and of 41 of the investment companies in Franklin Templeton.				

## Interested Board Members and Officers (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
<b>Gaston Gardey (1967)</b> One Franklin Parkway San Mateo, CA 94403-1906	Treasurer, Chief Financial Officer and Chief Accounting Officer	Since 2009	Not Applicable	Not Applicable
<b>Principal Occupation During at Least the Past 5 Years:</b> Treasurer, U.S. Fund Administration & Reporting, Franklin Templeton; and officer of 24 of the investment companies in Franklin Templeton.				
<b>Steven J. Gray (1955)</b> One Franklin Parkway San Mateo, CA 94403-1906	Vice President and Co-Secretary	Vice President since 2009 and Co-Secretary since 2019	Not Applicable	Not Applicable
<b>Principal Occupation During at Least the Past 5 Years:</b> Senior Associate General Counsel, Franklin Templeton; Vice President, Franklin Templeton Distributors, Inc. and FASA, LLC; and officer of 41 of the investment companies in Franklin Templeton.				
<b>Matthew T. Hinkle (1971)</b> One Franklin Parkway San Mateo, CA 94403-1906	Chief Executive Officer – Finance and Administration	Since 2017	Not Applicable	Not Applicable
<b>Principal Occupation During at Least the Past 5 Years:</b> Senior Vice President, Franklin Templeton Services, LLC; officer of 41 of the investment companies in Franklin Templeton; and <b>formerly</b> , Vice President, Global Tax (2012-April 2017) and Treasurer/Assistant Treasurer, Franklin Templeton (2009-2017).				
Robert Lim (1948) One Franklin Parkway San Mateo, CA 94403-1906	Vice President – AML Compliance	Since 2016	Not Applicable	Not Applicable
<b>Principal Occupation During at Least the Past 5 Years:</b> Vice President, Franklin Templeton Companies, LLC; Chief Compliance Officer, Franklin Templeton Distributors, Inc. and Franklin Templeton Investor Services, LLC; and officer of 41 of the investment companies in Franklin Templeton.				
<b>Edward D. Perks (1970)</b> One Franklin Parkway San Mateo, CA 94403-1906	President and Chief Executive Officer – Investment Management	Since 2018	Not Applicable	Not Applicable
<b>Principal Occupation During at Least the Past 5 Years:</b> President and Director, Franklin Advisers, Inc.; and officer of eight of the investment companies in Franklin Templeton (since December 2018).				
<b>Robert C. Rosselot (1960)</b> 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Chief Compliance Officer	Since 2013	Not Applicable	Not Applicable
<b>Principal Occupation During at Least the Past 5 Years:</b> Director, Global Compliance, Franklin Templeton; Vice President, Franklin Templeton Companies, LLC; officer of 41 of the investment companies in Franklin Templeton; and <b>formerly</b> , Senior Associate General Counsel, Franklin Templeton (2007-2013); and Secretary and Vice President, Templeton Group of Funds (2004-2013).				
<b>Navid J. Tofigh (1972)</b> One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2015	Not Applicable	Not Applicable
<b>Principal Occupation During at Least the Past 5 Years:</b> Associate General Counsel, Franklin Templeton; and officer of 41 of the investment companies in Franklin Templeton.				

## Interested Board Members and Officers (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
<b>Craig S. Tyle (1960)</b> One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2005	Not Applicable	Not Applicable
<b>Principal Occupation During at Least the Past 5 Years:</b> General Counsel, Executive Vice President, Franklin Resources, Inc.; and officer of some of the other subsidiaries of Franklin Resources, Inc. and of 41 of the investment companies in Franklin Templeton.				
<b>Lori A. Weber (1964)</b> 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Vice President and Co-Secretary	Vice President since 2011 and Co-Secretary since January 2019	Not Applicable	Not Applicable

**Principal Occupation During at Least the Past 5 Years:**  
Senior Associate General Counsel, Franklin Templeton; Assistant Secretary, Franklin Resources, Inc.; Vice President and Secretary, Templeton Investment Counsel, LLC; and officer of 41 of the investment companies in Franklin Templeton.

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

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

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

Note 2: Effective March 12, 2019, John B. Wilson ceased to be a trustee of the Trust.

Note 3: Officer information is current as of the date of this report. It is possible that after this date, information about officers may change.

The Sarbanes-Oxley Act of 2002 and Rules adopted by the Securities and Exchange Commission require the Fund to disclose whether the Fund's Audit Committee includes at least one member who is an audit committee financial expert within the meaning of such Act and Rules. The Fund's Board has determined that there is at least one such financial expert on the Audit Committee and has designated Mary C. Choksi as its audit committee financial expert. The Board believes that Ms. Choksi qualifies as such an expert in view of her extensive business background and experience. She currently serves as a director of Avis Budget Group, Inc. (2007-present) 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](http://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](http://franklintempleton.com) and posted on the U.S. Securities and Exchange Commission's website at [sec.gov](http://sec.gov) and reflect the most recent 12-month period ended June 30.

### Quarterly Statement of Investments

The Trust files a complete statement 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](http://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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**Variable Product Funds**

70100 Ameriprise Financial Center  
Minneapolis, MN 55474

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U.S. POSTAGE  
**PAID**  
RIVERSOURCE  
LIFE INSURANCE  
COMPANY

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

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

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



**Annual Report**  
**Franklin Templeton Variable Insurance Products Trust**

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

**Fund Administrator**  
Franklin Templeton Services, LLC

**Distributor**  
Franklin Templeton Distributors,  
Inc.