ANNUAL REPORT

FRANKLIN MUTUAL SHARES VIP FUND

A Series of Franklin Templeton Variable Insurance Products Trust

December 31, 2023

FRANKLIN TEMPLETON

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

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

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

Not FDIC Insured | May Lose Value | No Bank Guarantee

Contents

Franklin Mutual Shares VIP Fund

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

Fund Overview

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

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

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

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

Q. What were the overall market conditions during the Fund's reporting period?
A. U.S. equity markets ended 2023 how they began—with strong performance and investors optimistic that the U.S. Federal Reserve (Fed) might conclude its rate hiking campaign. However, markets fluctuated throughout the year, reflecting both thematic and idiosyncratic activity. From a thematic perspective, rising interest rates, which contributed to financial sector difficulty in March, roiled equity markets. Value indices, heavily weighted towards financial companies, began to lag their growth counterparts, defying consensus expectations that rising rates would dampen growth stock performance. Rates rose much of the year, though at a slower pace than in 2022. Higher bond yields had a negative impact on certain bond-proxy value sectors. The Fed paused rate increases towards the end of 2023. Continued inflationary pressure, the strength of which began to decrease in late 2023, also periodically weighed on investor sentiment. Conversely, pockets of positive employment and consumer spending data, many stronger-than-expected earnings reports contributed to upward market movement.

Q. How did we respond to these changing market conditions?
A. We view the current environment as a truly fundamentally driven stock picking market. As bottom-up investors, we look for dislocation in the markets to provide us with opportunities to buy over-discounted entities. Recently, we executed several strategic trades. We opened equity positions in WillScot Mobile Mini, AerCap Holdings, PNC Financial Services Group and International Flavors and Fragrances. We also increased our debt holdings by adding bonds issued by Michaels Companies and American Airlines, which we feel offer an attractive risk/return profile given the higher rate environment and credit profile of the issuers.

Performance Overview

You can find the Fund's one-year total return for all share classes in the Performance Summary. In comparison, the Fund's benchmark, the Russell 1000® Value Index, posted a +11.46% total return for the period under review.[1]

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

The index is unmanaged and includes reinvestment of any income or distributions. It does not reflect any fees, expenses or sales charges. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio.

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

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

Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. Inception date of the Fund may have preceded the effective dates of the subaccounts, contracts or their availability in all states.

Geographic Composition
12/31/23

	% of Total Net Assets
United States	88.6%
United Kingdom	3.5%
Switzerland	2.2%
Ireland	1.3%
Other*,†	0.0%
Short-Term Investments & Other Net Assets	4.4%

*Includes financial instruments determined to have no value.
†Rounds to less than 0.1%.

Top 10 Industries
12/31/23

	% of Total Net Assets
Banks	7.1%
Pharmaceuticals	6.6%
Financial Services	6.3%
Oil, Gas & Consumable Fuels	6.0%
Health Care Providers & Services	5.7%
Software	4.8%
Professional Services	4.0%
Media	4.0%
Health Care Equipment & Supplies	3.6%
Trading Companies & Distributors	3.4%

Q. What were the leading contributors to performance?
A. U.S. homebuilder DR Horton contributed to relative performance following another strong earnings report. The company's margins have remained resilient despite a higher mortgage rate environment. Cycle times continue to recover, as labor and material availability improve. DR Horton also provided strong fiscal 2024 guidance on an expected increase in home closings. U.S. industrials firm Parker-Hannifin was a major contributor in 2023, as the company reported consistently strong earnings during the year and its aerospace division was a standout. Although the company has significantly improved returns and reduced its cyclicality it trades at a sizable discount to high-quality peers despite its strong growth and returns profile. Social media platform Meta Platforms was a significant relative contributor. After it announced significant cost cuts in 2022, the stock responded positively and subsequent earnings reports were strong as Meta delivered on every metric investors cared about, including better engagement, better monetization of engagement, revenue acceleration, and operating expense discipline.

Top 10 Holdings
12/31/23

Company *Industry, Country*	% of Total Net Assets
JPMorgan Chase & Co. *Banks, United States*	3.3%
CVS Health Corp. *Health Care Providers & Services, United States*	2.6%
Kraft Heinz Co. (The) *Food Products, United States*	2.4%
Global Payments, Inc. *Financial Services, United States*	2.4%
CBRE Group, Inc. *Real Estate Management & Development, United States*	2.3%
Merck & Co., Inc. *Pharmaceuticals, United States*	2.3%
Brixmor Property Group, Inc. *Retail REITs, United States*	2.2%
Novartis AG *Pharmaceuticals, Switzerland*	2.2%
Medtronic plc *Health Care Equipment & Supplies, United States*	2.2%
Chevron Corp. *Oil, Gas & Consumable Fuels, United States*	2.2%

Q. What were the leading detractors from performance?
A. A position in U.S. bank SVB Financial was a major detractor after the bank failed in early 2023. The bank suffered from a rapid run on its deposits in March in the wake of its attempt to raise capital following losses on the sale of its U.S. Treasuries portfolio. U.K.-based tobacco company British American Tobacco (BAT) detracted from relative results. The stock struggled in the quarter and over the course of 2023 amid fears about increased U.S. regulatory risks, particularly surrounding menthol cigarettes. A federal ban could reduce earnings. Additionally, BAT's new chief executive lowered the company's earnings guidance for 2024 and 2025 as it invests more in heat not burn products and in the U.S. to bolster its position. As a result, BAT does not expect to return to mid-single digit growth until 2026. We believe that given the regulatory uncertainty in the U.S, challenges with new product categories and current challenges related to ESG investing, the stock may continue to face near-term headwinds. U.S.-based insurance firm Willis Towers Watson was a notable detractor. We exited the position as the company had not gained any traction on two of the three legs of our investment thesis—organic growth, margin expansion, and free cash flow improvement. While organic growth improved following significant hiring, margin

expansion has been fleeting and the company's free cash flow continues to come under pressure from restructuring charges.

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

The foregoing information reflects our analysis, opinions and portfolio holdings as of December 31, 2023, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

Performance Summary as of December 31, 2023[1]

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

Average Annual Total Return	**Class 1**	**Class 2**	**Class 4**
1-Year	+13.73%	+13.46%	+13.31%
5-Year	+8.10%	+7.81%	+7.71%
10-Year	+5.70%	+5.43%	+5.32%

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

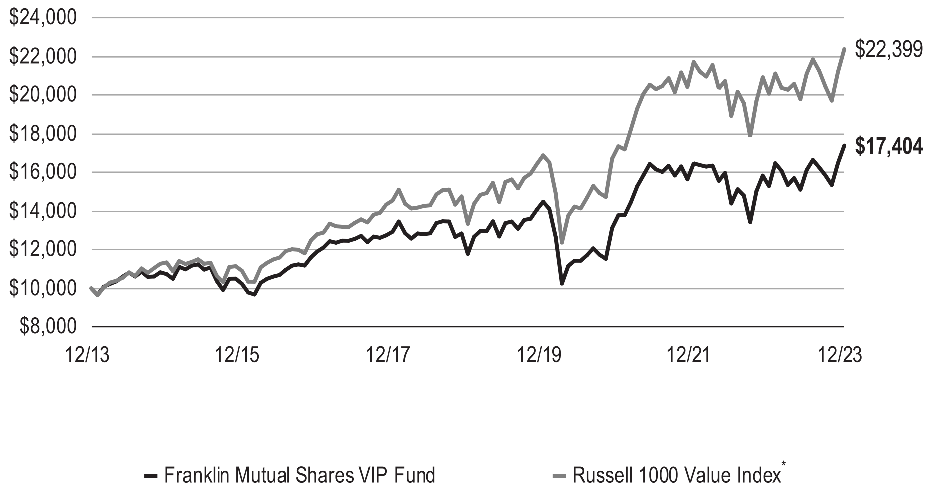
*Performance reflects the Fund's class operating expenses, but does **not** include any contract fees, expenses or sales charges. If they had been included, performance would be lower. These charges and deductions, particularly for variable life policies, can have a significant effect on contract values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

Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. Inception date of the Fund may have preceded the effective dates of the subaccounts, contracts or their availability in all states.

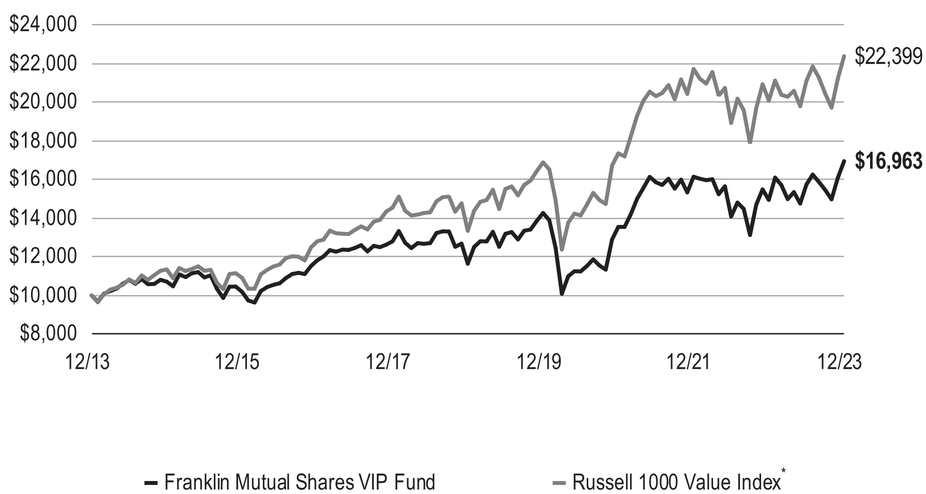
Total Return Index Comparison for a Hypothetical $10,000 Investment (12/31/13–12/31/23)[1]

The graphs below show the change in value of a hypothetical $10,000 investment in the Fund over the indicated period and include reinvestment of any income or distributions. The Fund's performance is compared to the performance of the Russell 1000® Value Index. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio.

Class 1 (12/31/13–12/31/23)



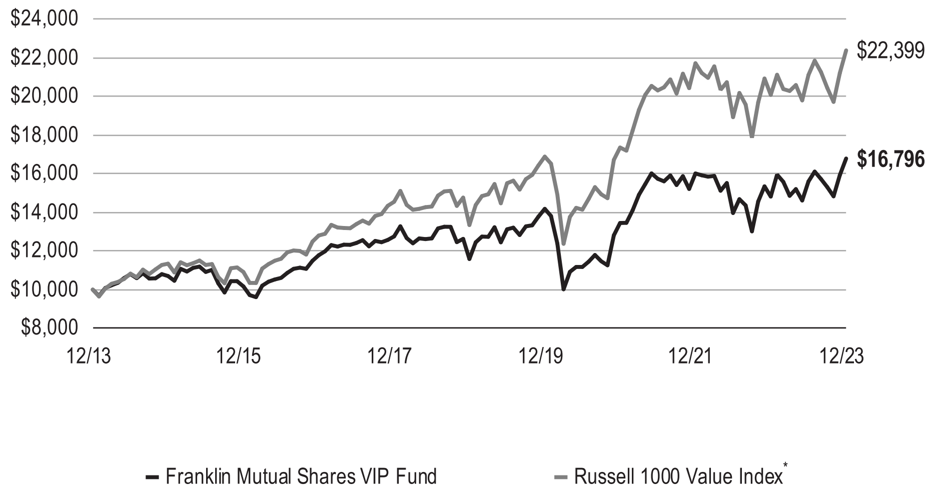
Class 2 (12/31/13–12/31/23)



*Source: FactSet

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

Class 4 (12/31/13–12/31/23)



Fund Risks

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

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

Your Fund's Expenses

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

Actual Fund Expenses

The table below provides information about the actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of ongoing Fund expenses but does not include the effect of ongoing Contract expenses, is used to calculate the "Ending Account Value." You can estimate the Fund-level expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by $1,000 (*if your account had an $8,600 value, then $8,600 ÷ $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 x $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.

		Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		
Share Class	**Beginning Account Value 7/1/23**	**Ending Account Value 12/31/23**	**Fund-Level Expenses Paid During Period 7/1/23–12/31/23[1,2]**	**Ending Account Value 12/31/23**	**Fund-Level Expenses Paid During Period 7/1/23–12/31/23[1,2]**	**Net Annualized Expense Ratio[2]**
1	$1,000	$1,078.90	$3.48	$1,021.86	$3.38	0.66%
2	$1,000	$1,077.10	$4.78	$1,020.60	$4.65	0.91%
4	$1,000	$1,076.30	$5.30	$1,020.10	$5.16	1.01%

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

Franklin Mutual Shares VIP Fund

	Year Ended December 31,				
	2023	2022	2021	2020	2019
Class 1					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	$15.53	$19.62	$16.93	$19.19	$17.71
Income from investment operations[a]:					
Net investment income[b]	0.35	0.32	0.27	0.55[c]	0.46
Net realized and unrealized gains (losses)	1.60	(1.99)	3.02	(1.68)	3.39
Total from investment operations	1.95	(1.67)	3.29	(1.13)	3.85
Less distributions from:					
Net investment income	(0.35)	(0.40)	(0.60)	(0.50)	(0.42)
Net realized gains	(1.39)	(2.02)	—	(0.63)	(1.95)
Total distributions	(1.74)	(2.42)	(0.60)	(1.13)	(2.37)
Net asset value, end of year	$15.74	$15.53	$19.62	$16.93	$19.19
Total return[d]	13.73%	(7.15)%	19.52%	(4.85)%	22.92%
Ratios to average net assets					
Expenses[e,f,g]	0.68%	0.66%	0.73%	0.73%	0.71%
Expenses - incurred in connection with securities sold short	—%[h]	—%[h]	0.02%	0.01%	0.02%
Net investment income	2.24%	1.82%	1.44%	3.48%[c]	2.35%
Supplemental data					
Net assets, end of year (000's)	$121,126	$105,334	$116,861	$157,734	$158,431
Portfolio turnover rate	50.67%	59.99%	47.31%[i]	36.96%	38.50%

[a]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.
[b]Based on average daily shares outstanding.
[c]Net investment income per share includes approximately $0.19 per share related to income received in the form of special dividends and EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 2.27%.
[d]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.
[e]Benefit of expense reduction rounds to less than 0.01%.
[f]Benefit of waiver and payments by affiliates rounds to less than 0.01%.
[g]Includes dividends and/or interest expense on securities sold short and security borrowing fees, if any. See below for the ratios of such expenses to average net assets for the periods presented. See Note 1(d).
[h]Rounds to less than 0.01%.
[i]Excludes the value of portfolio activity as a result of in-kind transactions.

Franklin Mutual Shares VIP Fund (continued)

	Year Ended December 31,				
	2023	2022	2021	2020	2019
Class 2					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	$15.16	$19.20	$16.59	$18.81	$17.40
Income from investment operations[a]:					
Net investment income[b]	0.31	0.27	0.22	0.51[c]	0.40
Net realized and unrealized gains (losses)	1.56	(1.95)	2.95	(1.65)	3.32
Total from investment operations	1.87	(1.68)	3.17	(1.14)	3.72
Less distributions from:					
Net investment income	(0.31)	(0.34)	(0.56)	(0.45)	(0.36)
Net realized gains	(1.39)	(2.02)	—	(0.63)	(1.95)
Total distributions	(1.70)	(2.36)	(0.56)	(1.08)	(2.31)
Net asset value, end of year	$15.33	$15.16	$19.20	$16.59	$18.81
Total return[d]	13.46%	(7.43)%	19.17%	(5.04)%	22.57%
Ratios to average net assets					
Expenses[e,f,g]	0.93%	0.91%	0.98%	0.98%	0.96%
Expenses - incurred in connection with securities sold short	—%[h]	—%[h]	0.02%	0.01%	0.02%
Net investment income	1.99%	1.55%	1.17%	3.25%[c]	2.10%
Supplemental data					
Net assets, end of year (000's)	$1,882,088	$1,786,501	$2,517,899	$2,620,645	$2,931,753
Portfolio turnover rate	50.67%	59.99%	47.31%[i]	36.96%	38.50%

[a]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.
[b]Based on average daily shares outstanding.
[c]Net investment income per share includes approximately $0.19 per share related to income received in the form of special dividends and EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 2.04%.
[d]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.
[e]Benefit of expense reduction rounds to less than 0.01%.
[f]Benefit of waiver and payments by affiliates rounds to less than 0.01%.
[g]Includes dividends and/or interest expense on securities sold short and security borrowing fees, if any. See below for the ratios of such expenses to average net assets for the periods presented. See Note 1(d).
[h]Rounds to less than 0.01%.
[i]Excludes the value of portfolio activity as a result of in-kind transactions.

Franklin Mutual Shares VIP Fund (continued)

	Year Ended December 31,				
	2023	**2022**	**2021**	**2020**	**2019**
Class 4					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	$15.34	$19.39	$16.75	$18.99	$17.55
Income from investment operations[a]:					
Net investment income[b]	0.29	0.26	0.20	0.49[c]	0.38
Net realized and unrealized gains (losses)	1.58	(1.97)	2.98	(1.66)	3.36
Total from investment operations	1.87	(1.71)	3.18	(1.17)	3.74
Less distributions from:					
Net investment income	(0.29)	(0.32)	(0.54)	(0.44)	(0.35)
Net realized gains	(1.39)	(2.02)	—	(0.63)	(1.95)
Total distributions	(1.68)	(2.34)	(0.54)	(1.07)	(2.30)
Net asset value, end of year	$15.53	$15.34	$19.39	$16.75	$18.99
Total return[d]	13.31%	(7.47)%	19.06%	(5.17)%	22.44%
Ratios to average net assets					
Expenses[e,f,g]	1.03%	1.01%	1.08%	1.08%	1.06%
Expenses - incurred in connection with securities sold short	—%[h]	—%[h]	0.02%	0.01%	0.02%
Net investment income	1.88%	1.47%	1.06%	3.13%[c]	2.00%
Supplemental data					
Net assets, end of year (000's)	$103,475	$99,603	$120,424	$116,704	$120,345
Portfolio turnover rate	50.67%	59.99%	47.31%[i]	36.96%	38.50%

[a]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.
[b]Based on average daily shares outstanding.
[c]Net investment income per share includes approximately $0.19 per share related to income received in the form of special dividends and EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.92%.
[d]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.
[e]Benefit of expense reduction rounds to less than 0.01%.
[f]Benefit of waiver and payments by affiliates rounds to less than 0.01%.
[g]Includes dividends and/or interest expense on securities sold short and security borrowing fees, if any. See below for the ratios of such expenses to average net assets for the periods presented. See Note 1(d).
[h]Rounds to less than 0.01%.
[i]Excludes the value of portfolio activity as a result of in-kind transactions.

Schedule of Investments, December 31, 2023

Franklin Mutual Shares VIP Fund

	Country	Shares	Value
Common Stocks 91.1%			
Air Freight & Logistics 2.1%			
United Parcel Service, Inc., B	United States	280,884	$44,163,391
Automobile Components 0.0%†			
[a,b,c]International Automotive Components Group Brazil LLC	Brazil	1,730,515	51,055
Automobiles 2.1%			
General Motors Co.	United States	1,217,808	43,743,663
Banks 7.0%			
Bank of America Corp.	United States	1,352,894	45,551,941
JPMorgan Chase & Co.	United States	414,247	70,463,415
PNC Financial Services Group, Inc. (The)	United States	209,469	32,436,274
			148,451,630
Building Products 1.8%			
Johnson Controls International plc	United States	653,885	37,689,931
Capital Markets 1.7%			
BlackRock, Inc.	United States	43,431	35,257,286
Construction & Engineering 1.9%			
[b]WillScot Mobile Mini Holdings Corp.	United States	881,177	39,212,377
Consumer Finance 2.2%			
Capital One Financial Corp.	United States	346,759	45,467,040
Containers & Packaging 1.6%			
International Paper Co.	United States	938,922	33,942,030
Diversified Telecommunication Services 0.4%			
[a,b,c]Windstream Holdings, Inc.	United States	643,835	8,134,092
Electronic Equipment, Instruments & Components 1.9%			
[b]Flex Ltd.	United States	1,307,696	39,832,420
Energy Equipment & Services 1.6%			
Schlumberger NV	United States	640,707	33,342,392
Entertainment 2.0%			
[b]Walt Disney Co. (The)	United States	473,981	42,795,745
Financial Services 6.3%			
[b]Fiserv, Inc.	United States	335,130	44,518,669
Global Payments, Inc.	United States	394,046	50,043,842
Voya Financial, Inc.	United States	533,765	38,943,495
			133,506,006
Food Products 2.4%			
Kraft Heinz Co. (The)	United States	1,389,285	51,375,759
Health Care Equipment & Supplies 3.6%			
Baxter International, Inc.	United States	779,277	30,126,849
Medtronic plc	United States	565,145	46,556,645
			76,683,494
Health Care Providers & Services 5.7%			
CVS Health Corp.	United States	694,875	54,867,330
Elevance Health, Inc.	United States	80,127	37,784,688
Humana, Inc.	United States	60,302	27,606,859
			120,258,877

Franklin Mutual Shares VIP Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Household Durables 1.8%			
DR Horton, Inc.	United States	246,879	$37,520,671
Insurance 2.9%			
Everest Group Ltd.	United States	89,152	31,522,364
Progressive Corp. (The)	United States	182,129	29,009,507
			60,531,871
Interactive Media & Services 1.0%			
[b]Meta Platforms, Inc., A	United States	60,831	21,531,741
Machinery 2.6%			
Dover Corp.	United States	138,100	21,241,161
Parker-Hannifin Corp.	United States	74,234	34,199,604
			55,440,765
Media 4.0%			
[b]Charter Communications, Inc., A	United States	111,938	43,508,062
Comcast Corp., A	United States	915,045	40,124,723
			83,632,785
Metals & Mining 0.8%			
United States Steel Corp.	United States	323,796	15,752,675
Oil, Gas & Consumable Fuels 6.0%			
BP plc.	United Kingdom	6,282,963	37,250,240
Chevron Corp.	United States	310,520	46,317,163
Williams Cos., Inc. (The)	United States	1,209,344	42,121,452
			125,688,855
Personal Care Products 1.8%			
Kenvue, Inc.	United States	1,716,544	36,957,192
Pharmaceuticals 6.5%			
GSK plc	United States	2,322,840	42,906,055
Merck & Co., Inc.	United States	436,876	47,628,222
Novartis AG, ADR	Switzerland	462,061	46,654,299
			137,188,576
Professional Services 3.4%			
KBR, Inc.	United States	622,792	34,508,905
SS&C Technologies Holdings, Inc.	United States	622,595	38,046,780
			72,555,685
Real Estate Management & Development 2.3%			
[b]CBRE Group, Inc., A	United States	527,356	49,091,570
Retail REITs 2.2%			
Brixmor Property Group, Inc.	United States	2,020,719	47,022,131
Software 3.3%			
Gen Digital, Inc.	United States	1,582,245	36,106,831
Oracle Corp.	United States	319,967	33,734,121
			69,840,952
Specialty Retail 0.0%†			
[a,b,c]Wayne Services Legacy, Inc.	United States	2,039	26,751
Textiles, Apparel & Luxury Goods 1.4%			
Tapestry, Inc.	United States	819,646	30,171,169

Franklin Mutual Shares VIP Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Tobacco 1.7%			
British American Tobacco plc	United Kingdom	1,224,728	$35,838,762
Trading Companies & Distributors 3.4%			
[b]AerCap Holdings NV	Ireland	381,562	28,357,688
Ferguson plc	United States	222,638	42,984,719
			71,342,407
Wireless Telecommunication Services 1.7%			
T-Mobile US, Inc.	United States	224,929	36,062,867
Total Common Stocks (Cost $1,452,640,803)			**1,920,104,613**
		Principal Amount*	
Corporate Bonds 1.7%			
Passenger Airlines 0.0%†			
[d]American Airlines, Inc., Senior Secured Note, 144A, 8.5%, 5/15/29	United States	123,000	129,965
Pharmaceuticals 0.1%			
[d]Bausch Health Americas, Inc., Senior Note, 144A, 8.5%, 1/31/27	United States	3,342,000	1,837,961
Professional Services 0.1%			
[d]CoreLogic, Inc., Senior Secured Note, 144A, 4.5%, 5/01/28	United States	2,896,000	2,539,749
Software 0.8%			
[d]Veritas US, Inc. / Veritas Bermuda Ltd., Senior Secured Note, 144A, 7.5%, 9/01/25	United States	20,563,000	16,992,142
Specialty Retail 0.7%			
[d]Staples, Inc.,			
Senior Note, 144A, 10.75%, 4/15/27	United States	10,575,000	7,716,138
Senior Secured Note, 144A, 7.5%, 4/15/26	United States	6,063,000	5,646,123
			13,362,261
Total Corporate Bonds (Cost $40,044,450)			**34,862,078**
[e]**Senior Floating Rate Interests 2.8%**			
Commercial Services & Supplies 0.8%			
[f]Neptune BidCo US, Inc.,			
First Lien, CME Term Loan, A, 10.257%, (3-month SOFR + 4.75%), 10/11/28	United States	11,237,132	10,290,010
First Lien, Dollar CME Term Loan, B, 10.507%, (3-month SOFR + 5%), 4/11/29	United States	5,997,930	5,494,764
			15,784,774
Passenger Airlines 0.4%			
[f]American Airlines, Inc., Initial CME Term Loan, 8.869%, (3-month SOFR + 3.5%), 6/04/29	United States	8,346,176	8,374,511
Professional Services 0.4%			
[f,g]CoreLogic, Inc., First Lien, Initial Term Loan, 8.97%, (1-month SOFR + 3.5%), 6/02/28	United States	8,954,354	8,737,972
[f]**Software 0.7%**			
Banff Guarantor, Inc., Second Lien, Initial Term Loan, 10.97%, (1-month SOFR + 5.5%), 2/27/26	United States	6,640,700	6,640,700
Quest Software US Holdings, Inc., Second Lien, Initial CME Term Loan, 13.033%, (3-month SOFR + 7.5%), 2/01/30	United States	13,032,127	7,870,427
			14,511,127

Franklin Mutual Shares VIP Fund (continued)

	Country	Principal Amount*	Value
[e]**Senior Floating Rate Interests** (continued)			
Specialty Retail 0.5%			
[f,g]Michaels Cos., Inc. (The), Term Loan, B, 9.86%, (3-month SOFR + 4.25%), 4/15/28	United States	13,638,901	$11,374,844
Total Senior Floating Rate Interests (Cost $63,063,501)			**58,783,228**
		Shares	
Companies in Liquidation 0.0%			
[a,b,h]Bosgen Liquidating Trust c/o Verdolino and Lowey P.C., Contingent Distribution	Netherlands	347,093	—
[a,b,h]Walter Energy, Inc., Litigation Trust, Contingent Distribution	United States	6,301,000	—
Total Companies in Liquidation (Cost $–)			**—**
Total Long Term Investments (Cost $1,555,748,754)			**2,013,749,919**

Short Term Investments 4.2%

	Country	Principal Amount*	Value
U.S. Government and Agency Securities 4.2%			
[i]FHLB, 1/02/24	United States	89,200,000	89,148,462
Total U.S. Government and Agency Securities (Cost $89,187,116)			**89,148,462**
Total Short Term Investments (Cost $89,187,116)			**89,148,462**
Total Investments (Cost $1,644,935,870) 99.8%			**$2,102,898,381**
Other Assets, less Liabilities 0.2%			**3,790,336**
Net Assets 100.0%			**$2,106,688,717**

*The principal amount is stated in U.S. dollars unless otherwise indicated.
† Rounds to less than 0.1% of net assets.
[a] Fair valued using significant unobservable inputs. See Note 11 regarding fair value measurements.
[b] Non-income producing.
[c] See Note 8 regarding restricted securities.
[d] Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At December 31, 2023, the aggregate value of these securities was $34,862,078, representing 1.7% of net assets.
[e] See Note 1(f) regarding senior floating rate interests.
[f] The coupon rate shown represents the rate inclusive of any caps or floors, if applicable, in effect at period end.
[g] A portion or all of the security purchased on a delayed delivery basis. See Note 1(c).
[h] Contingent distributions represent the right to receive additional distributions, if any, during the reorganization of the underlying company. Shares represent total underlying principal of debt securities.
[i] The security was issued on a discount basis with no stated coupon rate.

Franklin Mutual Shares VIP Fund (continued)

At December 31, 2023, the Fund had the following futures contracts outstanding. See Note 1(d).

Futures Contracts

Description	Type	Number of Contracts	Notional Amount*	Expiration Date	Value/ Unrealized Appreciation (Depreciation)
Foreign exchange contracts					
Foreign Exchange GBP/USD	Short	112	$8,925,700	3/18/24	$(134,327)
Total Futures Contracts					$(134,327)

*As of period end.

At December 31, 2023, the Fund had the following forward exchange contracts outstanding. See Note 1(d).

Forward Exchange Contracts

Currency	Counter-party[a]	Type	Quantity	Contract Amount*	Settlement Date	Unrealized Appreciation	Unrealized Depreciation
OTC Forward Exchange Contracts							
British Pound	BOFA	Sell	74,419	94,626	1/17/24	$—	$(252)
British Pound	HSBK	Buy	136,870	167,106	1/17/24	7,390	—
British Pound	UBSW	Buy	169,647	206,104	1/17/24	10,180	—
British Pound	UBSW	Sell	4,173,428	5,082,693	1/17/24	—	(238,031)
British Pound	WFLA	Sell	80,000	101,848	1/17/24	—	(144)
Total Forward Exchange Contracts						$17,570	$(238,427)
Net unrealized appreciation (depreciation)							$(220,857)

*In U.S. dollars unless otherwise indicated.
[a]May be comprised of multiple contracts with the same counterparty, currency and settlement date.

See Note 9 regarding other derivative information.

See Abbreviations on page 30.

Statement of Assets and Liabilities

December 31, 2023

	Franklin Mutual Shares VIP Fund
Assets:	
Investments in securities:	
Cost - Unaffiliated issuers	$1,644,935,870
Value - Unaffiliated issuers	$2,102,898,381
Cash	631,573
Receivables:	
Investment securities sold	13,311,298
Capital shares sold	73,719
Dividends and interest	5,146,609
European Union tax reclaims (Note 1g.)	381,449
Deposits with brokers for:	
Futures contracts	224,770
Unrealized appreciation on OTC forward exchange contracts	17,570
Total assets	2,122,685,369
Liabilities:	
Payables:	
Investment securities purchased	13,179,040
Capital shares redeemed	810,893
Management fees	1,178,352
Distribution fees	420,018
Trustees' fees and expenses	2,557
Variation margin on futures contracts	13,300
Unrealized depreciation on OTC forward exchange contracts	238,427
Accrued expenses and other liabilities	154,065
Total liabilities	15,996,652
Net assets, at value	$2,106,688,717
Net assets consist of:	
Paid-in capital	$1,590,349,373
Total distributable earnings (losses)	516,339,344
Net assets, at value	$2,106,688,717

	Franklin Mutual Shares VIP Fund
Class 1:	
Net assets, at value	$121,126,483
Shares outstanding	7,697,527
Net asset value and maximum offering price per share	$15.74
Class 2:	
Net assets, at value	$1,882,087,658
Shares outstanding	122,765,978
Net asset value and maximum offering price per share	$15.33
Class 4:	
Net assets, at value	$103,474,576
Shares outstanding	6,661,671
Net asset value and maximum offering price per share	$15.53

Statement of Operations

for the year ended December 31, 2023

	Franklin Mutual Shares VIP Fund
Investment income:	
Dividends: (net of foreign taxes of $298,407)	
Unaffiliated issuers	$41,394,139
Interest:	
Unaffiliated issuers	16,859,938
Income from securities loaned:	
Unaffiliated entities (net of fees and rebates)	559,061
Other income (Note 1g)	377,297
Total investment income	59,190,435
Expenses:	
Management fees (Note 3a)	13,717,083
Distribution fees: (Note 3c)	
Class 2	4,556,455
Class 4	348,425
Custodian fees (Note 4)	2,293
Reports to shareholders fees	3,495
Professional fees	5,826
Trustees' fees and expenses	26,844
Dividends on securities sold short	27,210
Other	(23,334)
Total expenses	18,664,297
Expense reductions (Note 4)	(17,339)
Expenses waived/paid by affiliates	(3,291)
Net expenses	18,643,667
Net investment income	40,546,768
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Investments:	
Unaffiliated issuers	42,711,126
Foreign currency transactions	40,646
Forward exchange contracts	(1,329,414)
Futures contracts	(235,861)
Securities sold short	(1,750,089)
Net realized gain (loss)	39,436,408
Net change in unrealized appreciation (depreciation) on:	
Investments:	
Unaffiliated issuers	162,214,240
Translation of other assets and liabilities denominated in foreign currencies	21,398
Forward exchange contracts	965,635
Futures contracts	(245,673)
Net change in unrealized appreciation (depreciation)	162,955,600
Net realized and unrealized gain (loss)	202,392,008
Net increase (decrease) in net assets resulting from operations	$242,938,776

Statements of Changes in Net Assets

	Franklin Mutual Shares VIP Fund	
	Year Ended December 31, 2023	**Year Ended December 31, 2022**
Increase (decrease) in net assets:		
Operations:		
Net investment income	$40,546,768	$35,065,739
Net realized gain (loss)	39,436,408	173,243,573
Net change in unrealized appreciation (depreciation)	162,955,600	(401,747,852)
Net increase (decrease) in net assets resulting from operations	242,938,776	(193,438,540)
Distributions to shareholders:		
Class 1	(11,816,150)	(13,963,701)
Class 2	(192,811,695)	(244,802,646)
Class 4	(10,208,014)	(13,410,832)
Total distributions to shareholders	(214,835,859)	(272,177,179)
Capital share transactions: (Note 2)		
Class 1	13,018,501	10,288,541
Class 2	72,693,670	(309,666,229)
Class 4	1,435,740	1,247,512
Total capital share transactions	87,147,911	(298,130,176)
Net increase (decrease) in net assets	115,250,828	(763,745,895)
Net assets:		
Beginning of year	1,991,437,889	2,755,183,784
End of year	$2,106,688,717	$1,991,437,889

Notes to Financial Statements

Franklin Mutual Shares VIP Fund

1. Organization and Significant Accounting Policies

Franklin Templeton Variable Insurance Products Trust (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company, consisting of eighteen separate funds. The Trust follows the accounting and reporting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946, Financial Services – Investment Companies (ASC 946) and applies the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP), including, but not limited to, ASC 946. Franklin Mutual Shares 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 Board has designated the Fund’s investment manager as the valuation designee and has responsibility for oversight of valuation. The investment manager is assisted by the Fund’s administrator in performing this responsibility, including leading the cross-functional Valuation Committee (VC). The Fund may utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

Equity securities and derivative financial instruments listed on an exchange or on the NASDAQ National Market System are valued at the last quoted sale price or the official closing price of the day, respectively. Foreign equity securities are valued as of the close of trading on the foreign stock exchange on which the security is primarily traded, or as of 4 p.m. Eastern time. The value is then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at 4 p.m. Eastern time on the day that the value of the security is determined. Over-the-counter (OTC) securities are valued within the range of the most recent quoted bid and ask prices. Securities that trade in multiple markets or on multiple exchanges are valued according to the broadest and most representative market. Certain equity securities are valued based upon fundamental characteristics or relationships to similar securities.

Debt securities generally trade in the OTC market rather than on a securities exchange. The Fund's pricing services use multiple valuation techniques to determine fair value. In instances where sufficient market activity exists, the pricing services may utilize a market-based approach through which quotes from market makers are used to determine fair value. In instances where sufficient market activity may not exist or is limited, the pricing services also utilize proprietary valuation models which may consider market characteristics such as benchmark yield curves, credit spreads, estimated default rates, anticipated market interest rate volatility, coupon rates, anticipated timing of principal repayments, underlying collateral, and other unique security features in order to estimate the relevant cash flows, which are then discounted to calculate the fair value.

Certain derivative financial instruments trade in the OTC market. The Fund's pricing services use various techniques including industry standard option pricing models and proprietary discounted cash flow models to determine the fair value of those instruments. The Fund's net benefit or obligation under the derivative contract, as measured by the fair value of the contract, is included in net assets.

The Fund has procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the Fund primarily employs a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, and other relevant 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

Franklin Mutual Shares VIP Fund (continued)

1. Organization and Significant Accounting Policies
(continued)

a. Financial Instrument Valuation (continued)

inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

Trading in securities on foreign securities stock exchanges and OTC markets may be completed before 4 p.m. Eastern time. In addition, trading in certain foreign markets may not take place on every Fund's business day. Events can occur between the time at which trading in a foreign security is completed and 4 p.m. Eastern time that might call into question the reliability of the value of a portfolio security held by the Fund. As a result, differences may arise between the value of the Fund's portfolio securities as determined at the foreign market close and the latest indications of value at 4 p.m. Eastern time. In order to minimize the potential for these differences, an independent pricing service may be used to adjust the value of the Fund's portfolio securities to the latest indications of fair value at 4 p.m. Eastern time. At December 31, 2023, certain securities may have been fair valued using these procedures, in which case the securities were categorized as Level 2 within the fair value hierarchy (referred to as “market level fair value”). See the Fair Value Measurements note for more information.

When the last day of the reporting period is a non-business day, certain foreign markets may be open on those days that the Fund's NAV is not calculated, which could result in differences between the value of the Fund's portfolio securities on the last business day and the last calendar day of the reporting period. Any security valuation changes due to an open foreign market are adjusted and reflected by the Fund for financial reporting purposes.

b. Foreign Currency Translation

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

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

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

c. Securities Purchased on a Delayed Delivery Basis

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

d. Derivative Financial Instruments

The Fund invested in derivative financial instruments in order to manage risk or gain exposure to various other investments or markets. Derivatives are financial contracts based on an underlying or notional amount, require no initial investment or an initial net investment that is smaller than would normally be required to have a similar response to changes in market factors, and require or permit net settlement. Derivatives contain various risks including the potential inability of the counterparty to fulfill their obligations under the terms of the contract, the potential for an illiquid secondary market, and/or the potential for market movements which expose the Fund to gains or losses in

Franklin Mutual Shares VIP Fund (continued)

1. Organization and Significant Accounting Policies (continued)

d. Derivative Financial Instruments (continued)

excess of the amounts shown in the Statement of Assets and Liabilities. Realized gain and loss and unrealized appreciation and depreciation on these contracts for the period are included in the Statement of Operations.

Derivative counterparty credit risk is managed through a formal evaluation of the creditworthiness of all potential counterparties. The Fund attempts to reduce its exposure to counterparty credit risk on OTC derivatives, whenever possible, by entering into International Swaps and Derivatives Association (ISDA) master agreements with certain counterparties. These agreements contain various provisions, including but not limited to collateral requirements, events of default, or early termination. Termination events applicable to the counterparty include certain deteriorations in the credit quality of the counterparty. Termination events applicable to the Fund include failure of the Fund to maintain certain net asset levels and/or limit the decline in net assets over various periods of time. In the event of default or early termination, the ISDA master agreement gives the non-defaulting party the right to net and close-out all transactions traded, whether or not arising under the ISDA agreement, to one net amount payable by one counterparty to the other. However, absent an event of default or early termination, OTC derivative assets and liabilities are presented gross and not offset in the Statement of Assets and Liabilities. Early termination by the counterparty may result in an immediate payment by the Fund of any net liability owed to that counterparty under the ISDA agreement. At December 31, 2023, the Fund had OTC derivatives in a net liability position of $228,247.

Collateral requirements differ by type of derivative. Collateral or initial margin requirements are set by the broker or exchange clearing house for exchange traded and centrally cleared derivatives. Initial margin deposited is held at the exchange and can be in the form of cash and/or securities. For OTC derivatives traded under an ISDA master agreement, posting of collateral is required by either the Fund or the applicable counterparty if the total net exposure of all OTC derivatives with the applicable counterparty exceeds the minimum transfer amount, which typically ranges from $100,000 to $250,000, and can vary depending on the counterparty and the type of agreement. Generally, collateral is determined at the close of Fund business each day and any additional collateral required due to changes in derivative values may be delivered by the Fund or the counterparty the next business day, or within a few business days. Collateral pledged and/or received by the Fund for OTC derivatives, if any, is held in segregated accounts with the Fund's custodian/counterparty broker and can be in the form of cash and/or securities. Unrestricted cash may be invested according to the Fund's investment objectives. To the extent that the amounts due to the Fund from its counterparties are not subject to collateralization or are not fully collateralized, the Fund bears the risk of loss from counterparty non-performance.

The Fund entered into exchange traded futures contracts primarily to manage exposure to certain foreign currencies. A futures contract is an agreement between the Fund and a counterparty to buy or sell an asset at a specified price on a future date. Required initial margins are pledged by the Fund, and the daily change in fair value is accounted for as a variation margin payable or receivable in the Statement of Assets and Liabilities.

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

See Note 9 regarding other derivative information.

e. Securities Sold Short

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

The Fund is required to establish a margin account with the broker lending the security sold short. While the short sale is outstanding, the broker retains the proceeds of the short sale to the extent necessary to meet margin requirements until the short position is closed out. A deposit must also be maintained with the Fund's custodian/counterparty broker consisting of cash and/or securities having a value equal to a specified percentage of the value of the securities sold

Franklin Mutual Shares VIP Fund (continued)

1. Organization and Significant Accounting Policies
(continued)

e. Securities Sold Short (continued)

short. The Fund is obligated to pay fees for borrowing the securities sold short and is required to pay the counterparty any dividends and/or interest due on securities sold short. Such dividends and/or interest and any security borrowing fees are recorded as an expense to the Fund. At December 31, 2023, the Fund had no securities sold short.

f. Senior Floating Rate Interests

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

g. Income and Deferred Taxes

It is the Fund's policy to qualify as a regulated investment company under the Internal Revenue Code. The Fund intends to distribute to shareholders substantially all of its taxable income and net realized gains to relieve it from federal income and if applicable, excise taxes. As a result, no provision for U.S. federal income taxes is required.

The Fund may be subject to foreign taxation related to income received, capital gains on the sale of securities and certain foreign currency transactions in the foreign jurisdictions in which it invests. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Fund invests. When a capital gain tax is determined to apply, the Fund records an estimated deferred tax liability in an amount that would be payable if the securities were disposed of on the valuation date.

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

The Fund may recognize an income tax liability related to its uncertain tax positions under U.S. GAAP when the uncertain tax position has a less than 50% probability that it will be sustained upon examination by the tax authorities based on its technical merits. As of December 31, 2023, the Fund has determined that no tax liability is required in its financial statements related to uncertain tax positions for any open tax years (or expected to be taken in future tax years). Open tax years are those that remain subject to examination and are based on the statute of limitations in each jurisdiction in which the Fund invests.

h. Security Transactions, Investment Income, Expenses and Distributions

Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on a specific identification basis. Interest income and estimated expenses are accrued daily. Amortization of premium and accretion of discount on debt securities are included in interest income. Paydown gains and losses are recorded as an adjustment to interest income. Facility fees are recognized as income over the expected term of the loan.

Dividend income and dividends declared on securities sold short are recorded on the ex-dividend date except for certain dividends from securities where the dividend rate is not available. In such cases, the dividend is recorded as soon as the information is received by the Fund. Distributions to shareholders are recorded on the ex-dividend date. Distributable earnings are determined according to income tax regulations (tax basis) and may differ from earnings recorded in accordance with U.S. GAAP. These differences may be permanent or temporary. Permanent differences are reclassified among capital accounts to reflect their tax

Franklin Mutual Shares VIP Fund (continued)

1. Organization and Significant Accounting Policies (continued)

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

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.

i. Accounting Estimates

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

j. Guarantees and Indemnifications

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

2. Shares of Beneficial Interest

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

	Year Ended December 31, 2023		Year Ended December 31, 2022	
	Shares	Amount	Shares	Amount
Class 1 Shares:				
Shares sold	563,969	$8,877,366	393,296	$6,327,171
Shares issued in reinvestment of distributions	828,622	11,816,150	997,407	13,963,701
Shares redeemed	(478,742)	(7,675,015)	(564,521)	(10,002,331)
Net increase (decrease)	913,849	$13,018,501	826,182	$10,288,541
Class 2 Shares:				
Shares sold	27,293,330	$418,428,934	6,305,441	$105,384,367
Shares issued in reinvestment of distributions	13,871,345	192,811,695	17,894,930	244,802,646
Shares redeemed	(36,204,922)	(538,546,959)	(37,562,712)	(659,853,242)
Net increase (decrease)	4,959,753	$72,693,670	(13,362,341)	$(309,666,229)

Franklin Mutual Shares VIP Fund (continued)

2. Shares of Beneficial Interest (continued)

	Year Ended December 31, 2023		Year Ended December 31, 2022	
	Shares	Amount	Shares	Amount
Class 4 Shares:				
Shares sold	525,023	$8,070,089	365,503	$6,240,405
Shares issued in reinvestment of distributions	724,487	10,208,014	968,991	13,410,832
Shares redeemed	(1,080,175)	(16,842,363)	(1,051,773)	(18,403,725)
Net increase (decrease)	169,335	$1,435,740	282,721	$1,247,512

3. Transactions with Affiliates

Franklin Resources, Inc. is the holding company for various subsidiaries that together are referred to as Franklin Templeton. Certain officers and trustees of the Fund are also officers and/or directors of the following subsidiaries:

Subsidiary	Affiliation
Franklin Mutual Advisers, LLC (Franklin Mutual)	Investment manager
Franklin Templeton Services, LLC (FT Services)	Administrative manager
Franklin Distributors, LLC (Distributors)	Principal underwriter
Franklin Templeton Investor Services, LLC (Investor Services)	Transfer agent

a. Management Fees

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

Annualized Fee Rate	Net Assets
0.675%	Up to and including $5 billion
0.645%	Over $5 billion, up to and including $10 billion
0.625%	Over $10 billion, up to and including $15 billion
0.595%	Over $15 billion, up to and including $20 billion
0.585%	Over $20 billion, up to and including $25 billion
0.565%	Over $25 billion, up to and including $30 billion
0.555%	Over $30 billion, up to and including $35 billion
0.545%	In excess of $35 billion

For the year ended December 31, 2023, the gross effective investment management fee rate was 0.675% of the Fund’s average daily net assets.

b. Administrative Fees

Under an agreement with Franklin Mutual, FT Services provides administrative services to the Fund. The fee is paid by Franklin Mutual based on the Fund's average daily net assets, and is not an additional expense of the Fund.

Franklin Mutual Shares VIP Fund (continued)

3. Transactions with Affiliates (continued)

c. Distribution Fees

The Board has adopted a distribution plans for Class 2 and Class 4 shares pursuant to Rule 12b-1 under the 1940 Act. Under the Fund's compensation distribution plans, the Fund pays Distributors for costs incurred in connection with the servicing, sale and distribution of the Fund's shares up to 0.35% per year of its average daily net assets of each class. The Board has agreed to limit the current rate to 0.25% per year for Class 2. The plan year, for purposes of monitoring compliance with the maximum annual plan rates, is February 1 through January 31.

d. Transfer Agent Fees

Investor Services, under terms of an agreement, performs shareholder servicing for the Fund and is not paid by the Fund for the services.

4. Expense Offset Arrangement

The Fund has previously entered into an arrangement with its custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Fund's custodian expenses. During the year ended December 31, 2023, the custodian fees were reduced as noted in the Statement of Operations. Effective July 10, 2023, earned credits, if any, will be recognized as income.

5. Income Taxes

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

	2023	2022
Distributions paid from:		
Ordinary income	$38,513,393	$92,274,164
Long term capital gain	176,322,466	179,903,015
	$214,835,859	$272,177,179

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

Cost of investments	$1,670,478,305
Unrealized appreciation	$486,968,303
Unrealized depreciation	(54,903,411)
Net unrealized appreciation (depreciation)	$432,064,892
Distributable earnings:	
Undistributed ordinary income	$43,449,236
Undistributed long term capital gains	40,413,963
Total distributable earnings	$83,863,199

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

Franklin Mutual Shares VIP Fund (continued)

6. Investment Transactions

Purchases and sales of investments (excluding short term securities and securities sold short) for the year ended December 31, 2023, aggregated $991,886,080 and $1,140,939,726, respectively.

7. Credit Risk and Defaulted Securities

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

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

8. Restricted Securities

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

At December 31, 2023, investments in restricted securities, excluding securities exempt from registration under the 1933 Act, were as follows:

Shares	Issuer	Acquisition Date	Cost	Value
Franklin Mutual Shares VIP Fund				
1,730,515	International Automotive Components Group Brazil LLC	4/13/06 – 12/26/08	$1,149,241	$51,055
2,039	Wayne Services Legacy, Inc.	1/22/20	—	26,751
643,835	Windstream Holdings, Inc.	9/21/20 – 6/09/23	5,263,806	8,134,092
	Total Restricted Securities (Value is 0.4% of Net Assets)		$6,413,047	$8,211,898

9. Other Derivative Information

At December 31, 2023, investments in derivative contracts are reflected in the Statement of Assets and Liabilities as follows:

	Asset Derivatives		Liability Derivatives	
Derivative Contracts Not Accounted for as Hedging Instruments	**Statement of Assets and Liabilities Location**	**Fair Value**	**Statement of Assets and Liabilities Location**	**Fair Value**
Franklin Mutual Shares VIP Fund				
Foreign exchange contracts				
	Variation margin on futures contracts	$—	Variation margin on futures contracts	$134,327[a]
	Unrealized appreciation on OTC forward exchange contracts	17,570	Unrealized depreciation on OTC forward exchange contracts	238,427

Franklin Mutual Shares VIP Fund (continued)

9. Other Derivative Information (continued)

Derivative Contracts Not Accounted for as Hedging Instruments	Asset Derivatives: Statement of Assets and Liabilities Location	Asset Derivatives: Fair Value	Liability Derivatives: Statement of Assets and Liabilities Location	Liability Derivatives: Fair Value
Franklin Mutual Shares VIP Fund (continued)				
Total		$17,570		$372,754

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

For the year ended December 31, 2023, the effect of derivative contracts in the Statement of Operations was as follows:

Derivative Contracts Not Accounted for as Hedging Instruments	Statement of Operations Location	Net Realized Gain (Loss) for the Year	Statement of Operations Location	Net Change in Unrealized Appreciation (Depreciation) for the Year
Franklin Mutual Shares VIP Fund				
	Net realized gain (loss) from:		Net change in unrealized appreciation (depreciation) on:	
Foreign exchange contracts				
	Futures contracts	$(235,861)	Futures contracts	$(245,673)
	Forward exchange contracts	(1,329,414)	Forward exchange contracts	965,635
Total		$(1,565,275)		$719,962

For the year ended December 31, 2023, the average month end notional amount of futures contracts represented $10,623,894. The average month end contract value of forward exchange contracts was $14,078,260.

See Note 1(d) regarding derivative financial instruments.

10. Credit Facility

The Fund, together with other U.S. registered and foreign investment funds (collectively, Borrowers), managed by Franklin Templeton, are borrowers in a joint syndicated senior unsecured credit facility totaling $2.675 billion (Global Credit Facility) which matured on February 2, 2024. This Global Credit Facility provides a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests. Effective February 2, 2024, the Borrowers renewed the Global Credit Facility for a one-year term, maturing January 31, 2025, for a total of $2.675 billion.

Under the terms of the Global Credit Facility, the Fund shall, in addition to interest charged on any borrowings made by the Fund and other costs incurred by the Fund, pay its share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon its relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee of 0.15% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses in the Statement of Operations. During the year ended December 31, 2023, the Fund did not use the Global Credit Facility.

Franklin Mutual Shares VIP Fund (continued)

11. Fair Value Measurements

The Fund follows a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Fund's own market assumptions (unobservable inputs). These inputs are used in determining the value of the Fund's financial instruments and are summarized in the following fair value hierarchy:

- Level 1 – quoted prices in active markets for identical financial instruments
- Level 2 – other significant observable inputs (including quoted prices for similar financial instruments, interest rates, prepayment speed, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining the fair value of financial instruments)

The input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level.

A summary of inputs used as of December 31, 2023, in valuing the Fund's assets and liabilities carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
Franklin Mutual Shares VIP Fund				
Assets:				
Investments in Securities:				
Common Stocks:				
Air Freight & Logistics	$44,163,391	$—	$—	$44,163,391
Automobile Components	—	—	51,055	51,055
Automobiles	43,743,663	—	—	43,743,663
Banks	148,451,630	—	—	148,451,630
Building Products	37,689,931	—	—	37,689,931
Capital Markets	35,257,286	—	—	35,257,286
Construction & Engineering	39,212,377	—	—	39,212,377
Consumer Finance	45,467,040	—	—	45,467,040
Containers & Packaging	33,942,030	—	—	33,942,030
Diversified Telecommunication Services	—	—	8,134,092	8,134,092
Electronic Equipment, Instruments & Components	39,832,420	—	—	39,832,420
Energy Equipment & Services	33,342,392	—	—	33,342,392
Entertainment	42,795,745	—	—	42,795,745
Financial Services	133,506,006	—	—	133,506,006
Food Products	51,375,759	—	—	51,375,759
Health Care Equipment & Supplies	76,683,494	—	—	76,683,494
Health Care Providers & Services	120,258,877	—	—	120,258,877
Household Durables	37,520,671	—	—	37,520,671
Insurance	60,531,871	—	—	60,531,871
Interactive Media & Services	21,531,741	—	—	21,531,741
Machinery	55,440,765	—	—	55,440,765
Media	83,632,785	—	—	83,632,785
Metals & Mining	15,752,675	—	—	15,752,675
Oil, Gas & Consumable Fuels	88,438,615	37,250,240	—	125,688,855
Personal Care Products	36,957,192	—	—	36,957,192
Pharmaceuticals	94,282,521	42,906,055	—	137,188,576
Professional Services	72,555,685	—	—	72,555,685
Real Estate Management & Development	49,091,570	—	—	49,091,570
Retail REITs	47,022,131	—	—	47,022,131
Software	69,840,952	—	—	69,840,952
Specialty Retail	—	—	26,751	26,751
Textiles, Apparel & Luxury Goods	30,171,169	—	—	30,171,169
Tobacco	—	35,838,762	—	35,838,762

Franklin Mutual Shares VIP Fund (continued)

11. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
Franklin Mutual Shares VIP Fund (continued)				
Assets: (continued)				
Investments in Securities:				
Common Stocks:				
Trading Companies & Distributors	$71,342,407	$—	$—	$71,342,407
Wireless Telecommunication Services	36,062,867	—	—	36,062,867
Corporate Bonds	—	34,862,078	—	34,862,078
Senior Floating Rate Interests	—	58,783,228	—	58,783,228
Companies in Liquidation	—	—	—[a]	—
Short Term Investments	—	89,148,462	—	89,148,462
Total Investments in Securities	$1,795,897,658	$298,788,825[b]	$8,211,898	$2,102,898,381
Other Financial Instruments:				
Forward exchange contracts	$—	$17,570	$—	$17,570
Total Other Financial Instruments	$—	$17,570	$—	$17,570
Liabilities:				
Other Financial Instruments:				
Forward exchange contracts	$—	$238,427	$—	$238,427
Futures contracts	134,327	—	—	134,327
Total Other Financial Instruments	$134,327	$238,427	$—	$372,754

[a]Includes financial instruments determined to have no value.
[b]Includes foreign securities valued at $115,995,057, which were categorized as Level 2 as a result of the application of market level fair value procedures. See the Financial Instrument Valuation note for more information.

A reconciliation in which Level 3 inputs are used in determining fair value is presented when there are significant Level 3 assets and/or liabilities at the beginning and/or end of the year.

12. Subsequent Events

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

Abbreviations

Counterparty	
BOFA	Bank of America Corp.
HSBK	HSBC Bank plc
UBSW	UBS AG
WFLA	Wells Fargo Bank NA

Currency	
GBP	British Pound

Selected Portfolio	
ADR	American Depositary Receipt
CME	Chicago Mercantile Exchange
FHLB	Federal Home Loan Banks
REIT	Real Estate Investment Trust
SOFR	Secured Overnight Financing Rate

Report of Independent Registered Public Accounting Firm

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

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Franklin Mutual Shares VIP Fund (one of the funds constituting Franklin Templeton Variable Insurance Products Trust, referred to hereafter as the “Fund”) as of December 31, 2023, the related statement of operations for the year ended December 31, 2023, the statements of changes in net assets for each of the two years in the period ended December 31, 2023, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2023 (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2023, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2023 and the financial highlights for each of the five years in the period ended December 31, 2023 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2023 by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
San Francisco, California
February 20, 2024

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

Tax Information (unaudited)

Franklin Mutual Shares VIP Fund

By mid-February, tax information related to a shareholder's proportionate share of distributions paid during the preceding calendar year will be received, if applicable. Please also refer to www.franklintempleton.com for per share tax information related to any distributions paid during the preceding calendar year. Shareholders are advised to consult with their tax advisors for further information on the treatment of these amounts on their tax returns.

The following tax information for the Fund is required to be furnished to shareholders with respect to income earned and distributions paid during its fiscal year.

The Fund hereby reports the following amounts, or if subsequently determined to be different, the maximum allowable amounts, for the fiscal year ended December 31, 2023:

	Pursuant to:	**Amount Reported**
Long-Term Capital Gain Dividends Distributed	§852(b)(3)(C)	$176,322,466
Income Eligible for Dividends Received Deduction (DRD)	§854(b)(1)(A)	$26,744,590
Interest Earned from Federal Obligations	Note (1)	$3,947,285

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

Board Members and Officers

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

Independent Board Members

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member[1]	Other Directorships Held During at Least the Past 5 Years
Harris J. Ashton (1932) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 1988	118	Bar-S Foods (meat packing company) (1981-2010).

Principal Occupation During at Least the Past 5 Years:
Director of various companies; and **formerly**, Director, RBC Holdings, Inc. (bank holding company) (until 2002); and President, Chief Executive Officer and Chairman of the Board, General Host Corporation (nursery and craft centers) (until 1998).

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member[1]	Other Directorships Held During at Least the Past 5 Years
Terrence J. Checki (1945) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2017	118	Hess Corporation (exploration of oil and gas) (2014-present).

Principal Occupation During at Least the Past 5 Years:
Member of the Council on Foreign Relations (1996-present); Member of the National Committee on U.S.-China Relations (1999-present); member of the board of trustees of the Economic Club of New York (2013-present); member of the board of trustees of the Foreign Policy Association (2005-present); member of the board of directors of Council of the Americas (2007-present) and the Tallberg Foundation (2018-present); and **formerly**, Executive Vice President of the Federal Reserve Bank of New York and Head of its Emerging Markets and Internal Affairs Group and Member of Management Committee (1995-2014); and Visiting Fellow at the Council on Foreign Relations (2014).

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member[1]	Other Directorships Held During at Least the Past 5 Years
Mary C. Choksi (1950) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2014	118	Omnicom Group Inc. (advertising and marketing communications services) (2011-present) and White Mountains Insurance Group, Ltd. (holding company) (2017-present); and **formerly**, Avis Budget Group Inc. (car rental) (2007-2020).

Principal Occupation During at Least the Past 5 Years:
Director of various companies; and **formerly**, Founder and Senior Advisor, Strategic Investment Group (investment management group) (2015-2017); Founding Partner and Senior Managing Director, Strategic Investment Group (1987-2015); Founding Partner and Managing Director, Emerging Markets Management LLC (investment management firm) (1987-2011); and Loan Officer/Senior Loan Officer/Senior Pension Investment Officer, World Bank Group (international financial institution) (1977-1987).

Independent Board Members (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member[1]	Other Directorships Held During at Least the Past 5 Years
Edith E. Holiday (1952) One Franklin Parkway San Mateo, CA 94403-1906	Lead Independent Trustee	Trustee since 2005 and Lead Independent Trustee since 2019	118	Hess Corporation (exploration of oil and gas) (1993-present), Santander Holdings USA (holding company) (2019-present); and **formerly**, Santander Consumer USA Holdings, Inc. (consumer finance) (2016-2023); Canadian National Railway (railroad) (2001-2021), White Mountains Insurance Group, Ltd. (holding company) (2004-2021), RTI International Metals, Inc. (manufacture and distribution of titanium) (1999-2015) and H.J. Heinz Company (processed foods and allied products) (1994-2013).

Principal Occupation During at Least the Past 5 Years:
Director or Trustee of various companies and trusts; and **formerly**, Assistant to the President of the United States and Secretary of the Cabinet (1990-1993); General Counsel to the United States Treasury Department (1989-1990); and Counselor to the Secretary and Assistant Secretary for Public Affairs and Public Liaison-United States Treasury Department (1988-1989).

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member[1]	Other Directorships Held During at Least the Past 5 Years
J. Michael Luttig (1954) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2009	118	Boeing Capital Corporation (aircraft financing) (2006-2010).

Principal Occupation During at Least the Past 5 Years:
Counselor and Special Advisor to the CEO and Board of Directors of The Coca-Cola Company (beverage company) (2021-present); and **formerly**, Counselor and Senior Advisor to the Chairman, CEO, and Board of Directors, of The Boeing Company (aerospace company), and member of the Executive Council (2019-2020); Executive Vice President, General Counsel and member of the Executive Council, The Boeing Company (2006-2019); and Federal Appeals Court Judge, United States Court of Appeals for the Fourth Circuit (1991-2006).

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member[1]	Other Directorships Held During at Least the Past 5 Years
Larry D. Thompson (1945) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2007	118	Graham Holdings Company (education and media organization) (2011-2021); The Southern Company (energy company) (2014-2020; previously 2010-2012) and Cbeyond, Inc. (business communications provider) (2010-2012).

Principal Occupation During at Least the Past 5 Years:
Director of various companies; Counsel, Finch McCranie, LLP (law firm) (2015-present); John A. Sibley Professor of Corporate and Business Law, University of Georgia School of Law (2015-present; previously 2011-2012); and **formerly**, Independent Compliance Monitor and Auditor, Volkswagen AG (manufacturer of automobiles and commercial vehicles) (2017-2020); Executive Vice President - Government Affairs, General Counsel and Corporate Secretary, PepsiCo, Inc. (consumer products) (2012-2014); Senior Vice President - Government Affairs, General Counsel and Secretary, PepsiCo, Inc. (2004-2011); Senior Fellow of The Brookings Institution (2003-2004); Visiting Professor, University of Georgia School of Law (2004); and Deputy Attorney General, U.S. Department of Justice (2001-2003).

Independent Board Members (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member[1]	Other Directorships Held During at Least the Past 5 Years
Valerie M. Williams (1956) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2021	109	Omnicom Group, Inc. (advertising and marketing communications services) (2016-present), DTE Energy Co. (gas and electric utility) (2018-present), Devon Energy Corporation (exploration and production of oil and gas) (2021-present); and **formerly**, WPX Energy, Inc. (exploration and production of oil and gas) (2018-2021).

Principal Occupation During at Least the Past 5 Years:
Director of various companies; and **formerly**, Regional Assurance Managing Partner, Ernst & Young LLP (public accounting) (2005-2016) and various roles of increasing responsibility at Ernst & Young (1981-2005).

Interested Board Members and Officers

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member[1]	Other Directorships Held During at Least the Past 5 Years
Gregory E. Johnson[2] (1961) One Franklin Parkway San Mateo, CA 94403-1906	Chairman of the Board and Trustee	Chairman of the Board since 2023 and Trustee since 2013	128	None

Principal Occupation During at Least the Past 5 Years:
Executive Chairman, Chairman of the Board and Director, Franklin Resources, Inc.; officer and/or director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of certain funds in the Franklin Templeton/Legg Mason fund complex; Vice Chairman, Investment Company Institute; and **formerly**, Chief Executive Officer (2013-2020) and President (1994-2015) Franklin Resources, Inc.

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member[1]	Other Directorships Held During at Least the Past 5 Years
Rupert H. Johnson, Jr.[3] (1940) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 1988	118	None

Principal Occupation During at Least the Past 5 Years:
Director (Vice Chairman), Franklin Resources, Inc.; Director, Franklin Advisers, Inc.; and officer and/or director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of certain funds in the Franklin Templeton/Legg Mason fund complex.

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member[1]	Other Directorships Held During at Least the Past 5 Years
Ted P. Becker (1951) 280 Park Avenue New York, NY 10017	Chief Compliance Officer	Since June 2023	Not Applicable	Not Applicable

Principal Occupation During at Least the Past 5 Years:
Vice President, Global Compliance of Franklin Templeton (since 2020); Chief Compliance Officer of Franklin Templeton Fund Adviser, LLC (since 2006); Chief Compliance Officer of certain funds associated with Legg Mason & Co. or its affiliates (since 2006); **formerly**, Director of Global Compliance at Legg Mason (2006-2020); Managing Director of Compliance of Legg Mason & Co. (2005-2020).

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member[1]	Other Directorships Held During at Least the Past 5 Years
Susan Kerr (1949) 280 Park Avenue New York, NY 10017	Vice President - AML Compliance	Since 2021	Not Applicable	Not Applicable

Principal Occupation During at Least the Past 5 Years:
Senior Compliance Analyst, Franklin Templeton; Chief Anti-Money Laundering Compliance Officer, Legg Mason & Co., or its affiliates; Anti Money Laundering Compliance Officer; Senior Compliance Officer, Franklin Distributors; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.

Interested Board Members and Officers (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member[1]	Other Directorships Held During at Least the Past 5 Years
Christopher Kings (1974) One Franklin Parkway San Mateo, CA 94403-1906	Chief Executive Officer - Finance and Administration	Since January 2024	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Vice President, Franklin Templeton Services, LLC; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.				
Edward D. Perks (1970) One Franklin Parkway San Mateo, CA 94403-1906	President and Chief Executive Officer - Investment Management	Since 2018	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: President and Director, Franklin Advisers, Inc.; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.				
Navid J. Tofigh (1972) One Franklin Parkway San Mateo, CA 94403-1906	Vice President and Secretary	Vice President since 2015 and since June 2023	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Associate General Counsel, Franklin Templeton; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.				
Jeffrey W. White (1971) One Franklin Parkway San Mateo, CA 94403-1906	Chief Financial Officer, Chief Accounting Officer and Treasurer	Since January 2024	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Chief Financial Officer, Chief Accounting Officer & Treasurer and officer of certain funds in the Franklin Templeton/Legg Mason fund complex; and **formerly**, Director and Assistant Treasurer within Franklin Templeton Global Fund Tax and Fund Administration and Financial Reporting (2017-2023).				

Note 1: Rupert H. Johnson, Jr. is the uncle of Gregory E. Johnson.
Note 2: Officer information is current as of the date of this report. It is possible that after this date, information about officers may change.
1. Information is for the calendar year ended December 31, 2023, unless otherwise noted. We base the number of portfolios on each separate series of the U.S. registered investment companies within the Franklin Templeton/Legg Mason fund complex. These portfolios have a common investment manager or affiliated investment managers.
2. 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.
3. Rupert H. Johnson, Jr. is considered to be an interested person of the Fund under the federal securities laws due to his position as an officer and director and a major shareholder of Resources, which is the parent company of the Fund's investment manager and distributor.

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

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

Shareholder Information

Proxy Voting Policies and Procedures

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

Quarterly Schedule of Investments

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

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.

FRANKLIN TEMPLETON

Annual Report
Franklin Mutual Shares VIP Fund

Investment Manager
Franklin Mutual Advisers, LLC.

Fund Administrator
Franklin Templeton Services, LLC

Distributor
Franklin Distributors, LLC

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