

ANNUAL REPORT

FRANKLIN SMALL-MID CAP GROWTH VIP FUND

A Series of Franklin Templeton Variable Insurance
Products Trust

December 31, 2023



FRANKLIN
TEMPLETON

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

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

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

Not FDIC Insured | May Lose Value | No Bank Guarantee

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Franklin Small-Mid Cap Growth VIP Fund

This annual report for Franklin Small-Mid Cap Growth VIP Fund covers the fiscal year ended December 31, 2023.

Fund Overview

Q. What is the Fund's investment strategy?

A. The Fund seeks long-term capital growth. We use fundamental, bottom-up research to seek companies meeting our criteria of growth potential, quality and valuation. In seeking sustainable growth characteristics, we look for companies we believe can produce sustainable earnings and cash flow growth, evaluating the long-term market opportunity and competitive structure of an industry to target leaders and emerging leaders. We define quality companies as those with strong and improving competitive positions in attractive markets. We also believe important attributes of quality are experienced and talented management teams as well as financial strength reflected in the capital structure, gross and operating margins, free cash flow generation and returns on capital employed. Our valuation analysis includes a range of potential outcomes based on an assessment of multiple scenarios. In assessing value, we consider whether security prices fully reflect the balance of the sustainable growth opportunities relative to business and financial risks.

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 narrow benchmark, the Russell Midcap® Growth Index, posted a +25.87% total return for the same period.¹ The Fund's broad benchmark, the Standard & Poor's® 500 Index (S&P 500®), posted a +26.29% total return.¹

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

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

A. U.S. equities, as measured by the Standard & Poor's® 500 Index, posted a robust total return for the 12 months ended December 31, 2023. Several prominent bank failures in the early part of the year drove increased uncertainty among investors, but government intervention led to swift reorganizations and equities recovered from a brief decline. Technology-related stocks helped support the equity market amid cost-cutting efforts and investor optimism that artificial intelligence (AI) would lead to strong growth opportunities, particularly for the fast microchips that power new AI applications. Meanwhile, the economic outlook improved as inflation slowed and U.S. Treasury yields stabilized.

The U.S. economy was strong, posting solid gross domestic product growth in the first half of 2023 and then accelerating in the third quarter. Consumer spending continued to power the economy, helped by higher asset prices and increased wages. The labor market remained tight amid continued job growth, which helped send the U.S. unemployment rate down to a 54-year low of 3.4% before rising again to end the year at 3.7%, which was still low by historical standards. Inflation also cooled substantially, with the Consumer Price Index falling from an annual rate of 6.5% in December 2022 to 3.1% in November 2023. Rising wages and lower inflation bolstered consumer confidence, and the improving outlook on inflation led some investors to anticipate looser financial conditions in 2024. Nonetheless, interest rates were high during the 12-month period, translating to elevated borrowing costs for individuals and businesses, which dampened some economic activity, especially in the housing market.

In its efforts to reduce inflation, the U.S. Federal Reserve (Fed) restricted monetary policy during the period. The Fed raised the federal funds target rate four times, ending the period at a range of 5.25%–5.50% and pushing borrowing costs to their highest levels since 2001. However, at four of its meetings, the Fed declined to adjust interest rates, signaling that its rate-hiking cycle was at or near an end. Nonetheless, the Fed indicated at its December 2023 meeting that it would continue to reduce its U.S. Treasury and agency debt and mortgage-backed security holdings. Fed projections showed it may pivot in 2024, with the central bank forecasting three interest-rate cuts for the year.

1. Source: Morningstar. The Russell Midcap® Growth Index is market capitalization weighted and measures the performance of those Russell Midcap® Index companies with relatively higher price-to-book ratios and higher forecasted growth rates. The Standard & Poor's® 500 Index (S&P 500®) is a market capitalization-weighted index of 500 stocks designed to measure total U.S. equity market performance.

The indexes are unmanaged and include reinvestment of any income or distributions. They do not reflect any fees, expenses or sales charges. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio.

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).

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

A. We are patient, long-term growth investors. We identify critical secular themes/trends in each market sector and seek to identify the companies driving or benefitting from these trends. Equity market volatility is inevitable, and we patiently wait for markets to punish or reward stocks in an excessive manner relative to our view of fair value, and then we take the other side of that trade. Over the period, we meaningfully reduced our consumer discretionary exposure as several stocks had done quite well in the face of a looming recession. Other notable decreases occurred in the health care and real estate sectors. Noteworthy sector allocation increases were information technology (IT), communication services, consumer staples and financials, where we identified attractive individual secular investment opportunities.

Portfolio Composition

12/31/23

	% of Total Net Assets
Software	12.7%
Capital Markets	7.0%
Life Sciences Tools & Services	6.0%
Health Care Equipment & Supplies	5.7%
Hotels, Restaurants & Leisure	5.5%
IT Services	4.7%
Specialty Retail	4.6%
Professional Services	4.5%
Semiconductors & Semiconductor Equipment	4.1%
Aerospace & Defense	2.9%
Interactive Media & Services	2.5%
Oil, Gas & Consumable Fuels	2.2%
Biotechnology	2.1%
Building Products	1.9%
Other*	31.2%
Short-Term Investments & Other Net Assets	2.4%

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

Q. What were the leading contributors to performance?

A. The IT sector was a top contributor to relative performance over the reporting period. Within the sector, a leading contributor was cloud networking provider Arista Networks, which benefited from improved supply chains and artificial intelligence (AI) networking. We believe Arista's growing cloud business and superior open-source software-driven switches can continue to attract market share for the company. CrowdStrike Holdings was another IT sector position that delivered strong performance. The cybersecurity company continues to benefit from vendor

consolidation and momentum in large multi-product deals. We remain positive on CrowdStrike's fundamentals as we think cybersecurity budgets will continue to expand due to an elevated risk environment and a recovery in broader IT spending. In addition, an underweighting in Enphase Energy (not held by period-end) proved positive for relative returns. A slowdown in the residential solar market and rising competition have been headwinds for the solar chip manufacturer and weighed on shares. A top individual stock contributor was BellRing Brands in the consumer staples sector. Strong demand, improved production capacity and higher marketing investment helped to increase product distribution and household penetration for the nutrition products company. The company has also been benefiting from secular tailwinds that include more consumers focused on healthy eating; increased demand for convenience health foods; and a growing appeal for high protein solutions such as nutrition shakes.

Top 10 Holdings

12/31/23

Company Industry	% of Total Net Assets
Dexcom, Inc. <i>Health Care Equipment & Supplies</i>	2.2%
CrowdStrike Holdings, Inc. <i>Software</i>	2.0%
Trane Technologies plc <i>Building Products</i>	1.9%
Ares Management Corp. <i>Capital Markets</i>	1.9%
Agilent Technologies, Inc. <i>Life Sciences Tools & Services</i>	1.9%
Paychex, Inc. <i>Professional Services</i>	1.8%
IDEXX Laboratories, Inc. <i>Health Care Equipment & Supplies</i>	1.7%
Gartner, Inc. <i>IT Services</i>	1.6%
Expedia Group, Inc. <i>Hotels, Restaurants & Leisure</i>	1.6%
Fair Isaac Corp. <i>Software</i>	1.6%

Q. What were the leading detractors from performance?

A. The financials sector was the biggest drag on relative returns over the period largely due to the collapse of two mid-sized U.S. banks in March—First Republic Bank and SVB Financial Group—which were held in the Fund and subsequently closed. A top individual detractor was Fanatics Holdings in the consumer discretionary sector. A combination of consumer softness and excess inventory from supply chain disruptions have led to slower revenue growth during 2023 for the sports merchandiser. However, we expect to see improvements in both the company's collectibles and commerce segments, which are key drivers of the

business. In the materials sector, Albemarle was among the bottom-most relative detractors as shares of the chemical manufacturer were pressured by a drop in lithium prices due to low demand and high supply. Albemarle is a global leader in the production of lithium, which is a key ingredient of electric car batteries.

Q. Were there any significant changes to the Fund during the reporting period?

A. We have not changed our long-held philosophy or investment process. We have further consolidated Fund holdings into our highest conviction stocks that pass our rigorous vetting process. The global economic volatility and slowdown exposed some holdings as less sturdy than we had anticipated. We are pleased to see the Fund perform significantly better than the benchmark and peers during 2023. There were no major structural changes to the Fund. The Fund's exposure to various sectors (Energy, Industrials, Consumer Staples, Financials and Communication Services) increased while exposure to the Materials, Consumer Discretionary and Health Care sectors declined. Sector weighting changes were largely due to performance, M&A activity and select stock trading activity. We added Jennifer Chen to the Fund's portfolio management team during the later stages of 2023 and we are excited about her addition to the team.

Thank you for your participation in Franklin Small-Mid Cap Growth VIP Fund. We look forward to serving your future investment needs.

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

Performance Summary as of December 31, 2023¹

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

Average Annual Total Return	Class 1	Class 2	Class 4
1-Year	+27.12%	+26.74%	+26.70%
5-Year	+13.82%	+13.51%	+13.41%
10-Year	+9.24%	+8.96%	+8.86%

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to 4/30/24 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice.

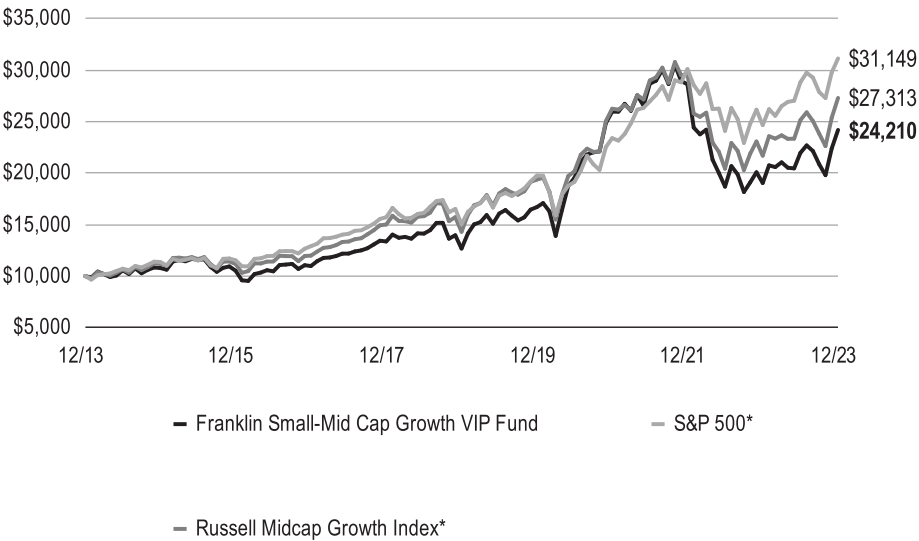
*Performance reflects the Fund's class operating expenses, but does **not** include any contract fees, expenses or sales charges. If they had been included, performance would be lower. These charges and deductions, particularly for variable life policies, can have a significant effect on contract values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

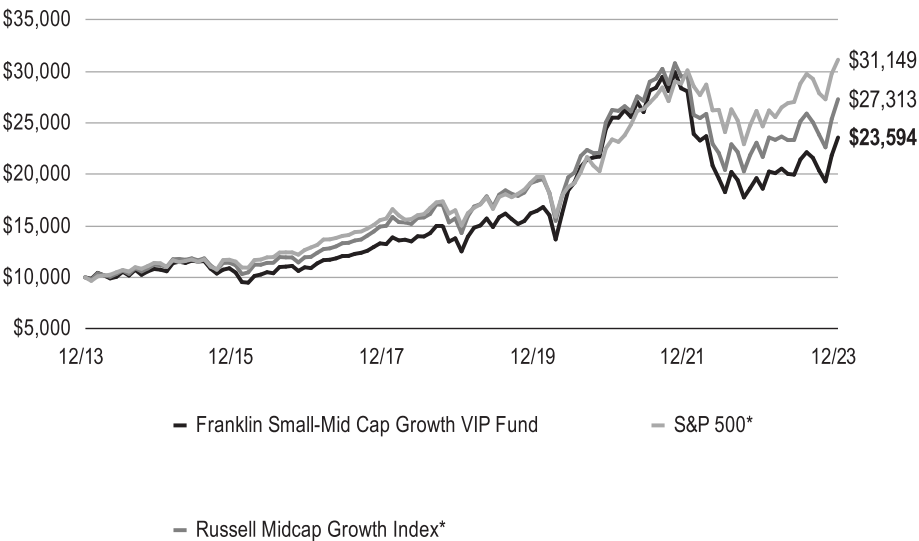
Total Return Index Comparison for a Hypothetical \$10,000 Investment (12/31/13–12/31/23)¹

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 Midcap[®] Growth Index and the Standard & Poor's[®] 500 Index (S&P 500[®]). 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)



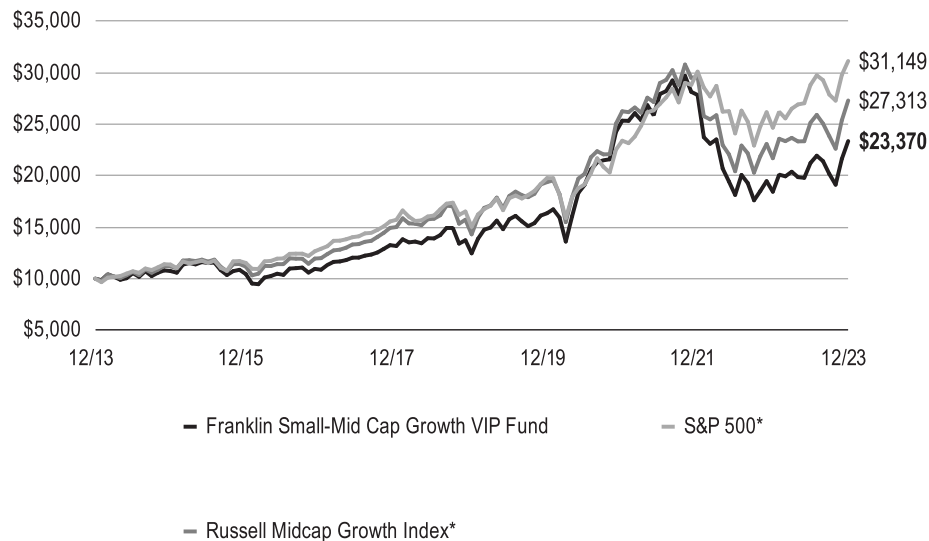
Class 2 (12/31/13–12/31/23)



¹Source: 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. **Small- and mid-cap stocks** involve greater risks and volatility than large-cap stocks. To the extent the portfolio invests in a **concentration of certain securities, regions or industries**, it is subject to increased volatility. **Liquidity risk** exists when securities or other investments become more difficult to sell, or are unable to be sold, at the price at which they have been valued. To the extent the Fund invests in **privately held companies** they present certain challenges and involve incremental risks as opposed to investments in public companies, such as dealing with the lack of available information about these companies as well as their general lack of liquidity. The manager may consider **environmental, social and governance (ESG) criteria** in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated. These and other risks are discussed in the Fund's prospectus.

Your Fund's Expenses

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

Actual Fund Expenses

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

Hypothetical Example for Comparison with Other Mutual Funds

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

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

Share Class	Beginning Account Value 7/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 12/31/23	Fund-Level Expenses Paid During Period 7/1/23–12/31/23 ^{1,2}	Ending Account Value 12/31/23	Fund-Level Expenses Paid During Period 7/1/23–12/31/23 ^{1,2}	
1	\$1,000	\$1,101.40	\$4.35	\$1,021.07	\$4.18	0.82%
2	\$1,000	\$1,099.90	\$5.67	\$1,019.81	\$5.45	1.07%
4	\$1,000	\$1,099.80	\$6.20	\$1,019.30	\$5.97	1.17%

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 acquired fund fees and expenses.

Financial Highlights

Franklin Small-Mid Cap Growth 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	\$13.42	\$26.72	\$26.99	\$19.74	\$17.04
Income from investment operations ^a :					
Net investment income (loss) ^b	0.01	(0.03)	(0.15)	(0.07)	(0.04)
Net realized and unrealized gains (losses)	3.63	(9.01)	2.79	9.96	5.31
Total from investment operations	3.64	(9.04)	2.64	9.89	5.27
Less distributions from:					
Net realized gains	—	(4.26)	(2.91)	(2.64)	(2.57)
Net asset value, end of year	\$17.06	\$13.42	\$26.72	\$26.99	\$19.74
Total return ^c	27.12%	(33.52)%	10.25%	55.52%	31.80%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.83%	0.79%	0.83%	0.85%	0.84%
Expenses net of waiver and payments by affiliates ^d	0.82%	0.77%	0.82%	0.84%	0.83%
Net investment income (loss)	0.09%	(0.16)%	(0.55)%	(0.33)%	(0.19)%
Supplemental data					
Net assets, end of year (000's)	\$71,742	\$60,901	\$79,526	\$72,039	\$43,169
Portfolio turnover rate	43.03%	41.30%	43.35%	48.93%	59.07%

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

^bBased on average daily shares outstanding.

^cTotal 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.

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

Franklin Small-Mid Cap Growth 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	\$10.51	\$22.39	\$23.11	\$17.29	\$15.22
Income from investment operations ^a :					
Net investment (loss) ^b	(0.02)	(0.06)	(0.19)	(0.11)	(0.08)
Net realized and unrealized gains (losses)	2.83	(7.56)	2.38	8.57	4.72
Total from investment operations	2.81	(7.62)	2.19	8.46	4.64
Less distributions from:					
Net realized gains	—	(4.26)	(2.91)	(2.64)	(2.57)
Net asset value, end of year	\$13.32	\$10.51	\$22.39	\$23.11	\$17.29
Total return ^c	26.74%	(33.69)%	10.01%	55.09%	31.44%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.08%	1.04%	1.08%	1.10%	1.09%
Expenses net of waiver and payments by affiliates ^d	1.07%	1.02%	1.07%	1.09%	1.08%
Net investment (loss)	(0.16)%	(0.43)%	(0.80)%	(0.61)%	(0.44)%
Supplemental data					
Net assets, end of year (000's)	\$347,641	\$293,545	\$472,565	\$503,032	\$372,442
Portfolio turnover rate	43.03%	41.30%	43.35%	48.93%	59.07%

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

^bBased on average daily shares outstanding.

^cTotal 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.

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

Franklin Small-Mid Cap Growth 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	\$11.31	\$23.62	\$24.26	\$18.04	\$15.81
Income from investment operations ^a :					
Net investment (loss) ^b	(0.03)	(0.07)	(0.22)	(0.14)	(0.10)
Net realized and unrealized gains (losses)	3.05	(7.98)	2.49	9.00	4.90
Total from investment operations	3.02	(8.05)	2.27	8.86	4.80
Less distributions from:					
Net realized gains	—	(4.26)	(2.91)	(2.64)	(2.57)
Net asset value, end of year	\$14.33	\$11.31	\$23.62	\$24.26	\$18.04
Total return ^c	26.70%	(33.76)%	9.86%	55.01%	31.26%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.18%	1.14%	1.18%	1.20%	1.19%
Expenses net of waiver and payments by affiliates ^d	1.17%	1.12%	1.17%	1.19%	1.18%
Net investment (loss)	(0.26)%	(0.52)%	(0.90)%	(0.71)%	(0.54)%
Supplemental data					
Net assets, end of year (000's)	\$22,381	\$17,786	\$26,518	\$25,580	\$17,662
Portfolio turnover rate	43.03%	41.30%	43.35%	48.93%	59.07%

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

^bBased on average daily shares outstanding.

^cTotal 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.

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

Schedule of Investments, December 31, 2023

Franklin Small-Mid Cap Growth VIP Fund

	Country	Shares	Value
Common Stocks 96.2%			
Aerospace & Defense 2.9%			
^a Axon Enterprise, Inc.	United States	25,700	\$6,639,081
TransDigm Group, Inc.	United States	6,200	6,271,920
			12,911,001
Automobile Components 0.4%			
^a Mobileye Global, Inc., A.	Israel	44,600	1,932,072
Beverages 0.5%			
^a Celsius Holdings, Inc.	United States	43,100	2,349,812
Biotechnology 2.1%			
^a Alnylam Pharmaceuticals, Inc.	United States	14,100	2,698,881
^a BioMarin Pharmaceutical, Inc.	United States	13,400	1,292,028
^a Karuna Therapeutics, Inc.	United States	4,400	1,392,644
^a Neurocrine Biosciences, Inc.	United States	18,800	2,477,088
^a Vaxcyte, Inc.	United States	18,400	1,155,520
			9,016,161
Building Products 1.9%			
Trane Technologies plc	United States	34,800	8,487,720
Capital Markets 7.0%			
Ares Management Corp., A.	United States	69,800	8,300,616
Blue Owl Capital, Inc., A.	United States	186,000	2,771,400
LPL Financial Holdings, Inc.	United States	25,100	5,713,262
MSCI, Inc., A.	United States	11,700	6,618,105
Nasdaq, Inc.	United States	67,200	3,907,008
Tradeweb Markets, Inc., A.	United States	38,000	3,453,440
			30,763,831
Chemicals 0.7%			
Albemarle Corp.	United States	22,200	3,207,456
Commercial Services & Supplies 1.1%			
Republic Services, Inc., A.	United States	28,800	4,749,408
Communications Equipment 0.9%			
^a Arista Networks, Inc.	United States	17,200	4,050,772
Containers & Packaging 1.0%			
Avery Dennison Corp.	United States	20,500	4,144,280
Electrical Equipment 1.5%			
AMETEK, Inc.	United States	18,000	2,968,020
Rockwell Automation, Inc.	United States	12,100	3,756,808
			6,724,828
Electronic Equipment, Instruments & Components 1.2%			
Amphenol Corp., A.	United States	53,800	5,333,194
Energy Equipment & Services 0.6%			
Halliburton Co.	United States	73,100	2,642,565
Entertainment 1.5%			
^a ROBLOX Corp., A.	United States	148,000	6,766,560
Financial Services 1.5%			
^a Block, Inc., A.	United States	84,500	6,536,075
Food Products 1.8%			
^a Freshpet, Inc.	United States	37,000	3,210,120

Franklin Small-Mid Cap Growth VIP Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Food Products (continued)			
Lamb Weston Holdings, Inc.	United States	41,500	\$4,485,735
			7,695,855
Ground Transportation 1.3%			
Old Dominion Freight Line, Inc.	United States	14,250	5,775,953
Health Care Equipment & Supplies 5.7%			
^a Dexcom, Inc.	United States	77,052	9,561,383
^a IDEXX Laboratories, Inc.	United States	13,550	7,520,927
^a Inari Medical, Inc.	United States	40,900	2,655,228
^a Penumbra, Inc.	United States	22,300	5,609,342
			25,346,880
Health Care Providers & Services 0.6%			
^a HealthEquity, Inc.	United States	38,300	2,539,290
Health Care Technology 1.6%			
^a Certara, Inc.	United States	39,900	701,841
^a Veeva Systems, Inc., A	United States	33,800	6,507,176
			7,209,017
Hotels, Restaurants & Leisure 5.5%			
^a Cava Group, Inc.	United States	29,100	1,250,718
Darden Restaurants, Inc.	United States	34,200	5,619,060
^a DoorDash, Inc., A	United States	42,900	4,242,381
^a Expedia Group, Inc.	United States	47,200	7,164,488
Wingstop, Inc.	United States	14,800	3,797,384
Wynn Resorts Ltd.	United States	24,500	2,232,195
			24,306,226
Household Durables 0.6%			
^a NVR, Inc.	United States	382	2,674,172
Industrial REITs 0.8%			
Terreno Realty Corp.	United States	57,150	3,581,590
Insurance 1.0%			
Arthur J Gallagher & Co.	United States	20,000	4,497,600
Interactive Media & Services 2.5%			
^a Match Group, Inc.	United States	110,024	4,015,876
^a Pinterest, Inc., A	United States	190,000	7,037,600
			11,053,476
IT Services 4.7%			
^a Cloudflare, Inc., A	United States	54,400	4,529,344
^a EPAM Systems, Inc.	United States	16,900	5,025,046
^a Gartner, Inc.	United States	16,000	7,217,760
^a MongoDB, Inc., A	United States	10,000	4,088,500
			20,860,650
Leisure Products 1.5%			
^{a,b,c} Fanatics Holdings, Inc.	United States	94,539	6,610,010
Life Sciences Tools & Services 6.0%			
^a 10X Genomics, Inc., A.	United States	52,400	2,932,304
Agilent Technologies, Inc.	United States	58,800	8,174,964
^a Mettler-Toledo International, Inc.	United States	4,580	5,555,357
^a Repligen Corp.	United States	27,900	5,016,420

Franklin Small-Mid Cap Growth VIP Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Life Sciences Tools & Services (continued)			
West Pharmaceutical Services, Inc.	United States	14,100	\$4,964,892
			26,643,937
Machinery 1.9%			
IDEX Corp.	United States	18,650	4,049,102
Xylem, Inc.	United States	36,000	4,116,960
			8,166,062
Media 0.8%			
New York Times Co. (The), A.	United States	70,600	3,458,694
Oil, Gas & Consumable Fuels 2.2%			
Cheniere Energy, Inc.	United States	31,900	5,445,649
Hess Corp.	United States	10,600	1,528,096
Targa Resources Corp.	United States	33,200	2,884,084
			9,857,829
Passenger Airlines 0.8%			
Delta Air Lines, Inc.	United States	85,400	3,435,642
Personal Care Products 1.3%			
^a BellRing Brands, Inc.	United States	75,600	4,190,508
^{a,d} Oddity Tech Ltd., A	Israel	30,500	1,419,165
			5,609,673
Pharmaceuticals 0.7%			
^a Jazz Pharmaceuticals plc	United States	24,300	2,988,900
Professional Services 4.5%			
Paychex, Inc.	United States	66,500	7,920,815
TransUnion	United States	72,400	4,974,604
Verisk Analytics, Inc., A	United States	28,200	6,735,852
			19,631,271
Residential REITs 0.9%			
Equity LifeStyle Properties, Inc.	United States	57,700	4,070,158
Semiconductors & Semiconductor Equipment 4.1%			
^{a,d} ARM Holdings plc, ADR	United States	23,800	1,788,451
^a Lattice Semiconductor Corp.	United States	71,255	4,915,882
Monolithic Power Systems, Inc.	United States	10,550	6,654,729
^a Onto Innovation, Inc.	United States	8,400	1,284,360
^a SiTime Corp.	United States	25,700	3,137,456
^a Wolfspeed, Inc.	United States	10,400	452,504
			18,233,382
Software 12.7%			
^a Alkami Technology, Inc.	United States	88,525	2,146,731
^a ANSYS, Inc.	United States	19,300	7,003,584
^a Arteris, Inc.	United States	146,100	860,529
^a Atlassian Corp., A	United States	16,600	3,948,476
^a BILL Holdings, Inc.	United States	35,848	2,924,838
^a CrowdStrike Holdings, Inc., A.	United States	35,000	8,936,200
^a Datadog, Inc., A	United States	39,200	4,758,096
^a Fair Isaac Corp.	United States	6,100	7,100,461
^a HubSpot, Inc.	United States	11,300	6,560,102
^a Monday.com Ltd.	United States	15,400	2,892,274
^a Synopsys, Inc.	United States	7,550	3,887,571

Franklin Small-Mid Cap Growth VIP Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Software (continued)			
^a Workday, Inc., A	United States	18,900	\$5,217,534
			56,236,396
Specialized REITs 0.9%			
SBA Communications Corp., A	United States	15,457	3,921,286
Specialty Retail 4.6%			
^a Burlington Stores, Inc.	United States	23,800	4,628,624
^a Five Below, Inc.	United States	20,150	4,295,174
Ross Stores, Inc.	United States	44,100	6,102,999
Tractor Supply Co.	United States	24,537	5,276,191
			20,302,988
Textiles, Apparel & Luxury Goods 0.8%			
^a Lululemon Athletica, Inc.	United States	6,700	3,425,643
Trading Companies & Distributors 1.6%			
Fastenal Co.	United States	108,500	7,027,545
Total Common Stocks (Cost \$298,724,232)			424,775,860
Convertible Preferred Stocks 1.3%			
Diversified Consumer Services 0.2%			
^{a,b,c} Newsela, Inc., D	United States	48,915	901,223
Software 1.1%			
^{a,b,c} Benchling, Inc., F	United States	35,200	598,437
^{a,b,c} Blaize, Inc., D	United States	11,970	48,179
^{a,b,c} Blaize, Inc., D	United States	194,302	782,062
^{a,b,c} Blaize, Inc., D-2	United States	82,758	219,911
^{a,b,c} Databricks, Inc., G	United States	25,878	1,902,033
^{a,b,c} OneTrust LLC, C.	United States	82,367	1,453,491
			5,004,113
Total Convertible Preferred Stocks (Cost \$7,884,932)			5,905,336
Warrants			
Warrants 0.0%[†]			
Software 0.0%[†]			
^{a,b,c} Blaize, Inc., 9/19/25	United States	8,275	1,418
^{a,b,c} Blaize, Inc., 12/09/25	United States	1	—
^{a,b} Blaize, Inc., 8/23/33	United States	1	—
^{a,b,c} Blaize, Inc., D, 2/28/24	United States	26,474	—
			1,418
Total Warrants (Cost \$7)			1,418
Principal Amount*			
Convertible Bonds 0.0%[†]			
Software 0.0%[†]			
^b Blaize, Inc., 10%, 1/03/25	United States	195,400	195,400
Total Convertible Bonds (Cost \$195,400)			195,400

Franklin Small-Mid Cap Growth VIP Fund (continued)

	Country	Principal Amount*	Value
Corporate Bonds 0.1%			
Software 0.1%			
^{b,c} Blaize, Inc., 10%, 12/09/24	United States	64,369	\$64,375
Total Corporate Bonds (Cost \$64,368)			64,375
Total Long Term Investments (Cost \$306,868,939)			430,942,389
Short Term Investments 3.4%			
	Country	Shares	Value
Money Market Funds 2.7%			
^{e,f} Institutional Fiduciary Trust - Money Market Portfolio, 5.034%	United States	11,615,433	11,615,433
Total Money Market Funds (Cost \$11,615,433)			11,615,433
^gInvestments from Cash Collateral Received for Loaned Securities 0.7%			
Money Market Funds 0.7%			
^{e,f} Institutional Fiduciary Trust - Money Market Portfolio, 5.034%	United States	3,185,475	3,185,475
Total Investments from Cash Collateral Received for Loaned Securities (Cost \$3,185,475)			3,185,475
Total Short Term Investments (Cost \$14,800,908)			14,800,908
Total Investments (Cost \$321,669,847) 101.0%			\$445,743,297
Other Assets, less Liabilities (1.0)%			(3,980,113)
Net Assets 100.0%			\$441,763,184

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

† Rounds to less than 0.1% of net assets.

^a Non-income producing.

^b Fair valued using significant unobservable inputs. See Note 9 regarding fair value measurements.

^c See Note 7 regarding restricted securities.

^d A portion or all of the security is on loan at December 31, 2023. See Note 1(c).

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

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

^g See Note 1(c) regarding securities on loan.

Statement of Assets and Liabilities

December 31, 2023

**Franklin Small-
Mid Cap Growth
VIP Fund**

Assets:

Investments in securities:

Cost - Unaffiliated issuers	\$306,868,939
Cost - Non-controlled affiliates (Note 3e)	14,800,908

Value - Unaffiliated issuers (Includes securities loaned of \$3,042,994)	\$430,942,389
Value - Non-controlled affiliates (Note 3e)	14,800,908

Cash	4,406
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Receivables:

Capital shares sold	15,379
Dividends and interest	221,463

Total assets	445,984,545
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Liabilities:

Payables:

Capital shares redeemed	597,424
Management fees	285,945
Distribution fees	78,169
Trustees' fees and expenses	446

Payable upon return of securities loaned (Note 1c)	3,185,475
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Accrued expenses and other liabilities	73,902
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Total liabilities	4,221,361
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Net assets, at value	\$441,763,184
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Net assets consist of:

Paid-in capital	\$329,344,013
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Total distributable earnings (losses)	112,419,171
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Net assets, at value	\$441,763,184
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**Franklin Small-
Mid Cap Growth
VIP Fund**

Class 1:

Net assets, at value	\$71,741,627
Shares outstanding	4,206,179

Net asset value and maximum offering price per share	\$17.06
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Class 2:

Net assets, at value	\$347,640,736
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Shares outstanding	26,093,694
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Net asset value and maximum offering price per share	\$13.32
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Class 4:

Net assets, at value	\$22,380,821
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Shares outstanding	1,562,072
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Net asset value and maximum offering price per share	\$14.33
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Statement of Operations

for the year ended December 31, 2023

**Franklin Small-
Mid Cap Growth
VIP Fund**

Investment income:	
Dividends:	
Unaffiliated issuers	\$2,600,112
Non-controlled affiliates (Note 3e)	949,486
Income from securities loaned:	
Unaffiliated entities (net of fees and rebates)	29,130
Non-controlled affiliates (Note 3e)	36,153
Total investment income	<u>3,614,881</u>
Expenses:	
Management fees (Note 3a)	3,207,679
Distribution fees: (Note 3c)	
Class 2	796,452
Class 4	66,644
Custodian fees (Note 4)	1,203
Reports to shareholders fees	31,646
Professional fees	65,571
Trustees' fees and expenses	4,699
Other	33,274
Total expenses	<u>4,207,168</u>
Expense reductions (Note 4)	(62)
Expenses waived/paid by affiliates (Note 3e)	<u>(73,814)</u>
Net expenses	<u>4,133,292</u>
Net investment income (loss)	<u>(518,411)</u>
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Investments:	
Unaffiliated issuers	15,586,585
Foreign currency transactions	574
Net realized gain (loss)	<u>15,587,159</u>
Net change in unrealized appreciation (depreciation) on:	
Investments:	
Unaffiliated issuers	<u>80,176,175</u>
Net realized and unrealized gain (loss)	<u>95,763,334</u>
Net increase (decrease) in net assets resulting from operations	<u>\$95,244,923</u>

Statements of Changes in Net Assets

	Franklin Small-Mid Cap Growth VIP Fund	
	Year Ended December 31, 2023	Year Ended December 31, 2022
Increase (decrease) in net assets:		
Operations:		
Net investment income (loss)	\$(518,411)	\$(1,629,759)
Net realized gain (loss)	15,587,159	(27,503,917)
Net change in unrealized appreciation (depreciation)	80,176,175	(163,693,691)
Net increase (decrease) in net assets resulting from operations	95,244,923	(192,827,367)
Distributions to shareholders:		
Class 1	—	(13,727,212)
Class 2	—	(86,996,421)
Class 4	—	(4,892,046)
Total distributions to shareholders	—	(105,615,679)
Capital share transactions: (Note 2)		
Class 1	(4,995,094)	22,252,629
Class 2	(20,706,621)	64,583,757
Class 4	(12,293)	5,230,808
Total capital share transactions	(25,714,008)	92,067,194
Net increase (decrease) in net assets	69,530,915	(206,375,852)
Net assets:		
Beginning of year	372,232,269	578,608,121
End of year	\$441,763,184	\$372,232,269

Notes to Financial Statements

Franklin Small-Mid Cap Growth 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 Small-Mid Cap Growth 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 listed on an exchange or on the NASDAQ National Market System are valued at the last quoted sale price or the official closing price of the day, respectively. Foreign equity securities are valued as of the close of trading

on the foreign stock exchange on which the security is primarily traded, or as of 4 p.m. Eastern time. The value is then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at 4 p.m. Eastern time on the day that the value of the security is determined. Over-the-counter (OTC) securities are valued within the range of the most recent quoted bid and ask prices. Securities that trade in multiple markets or on multiple exchanges are valued according to the broadest and most representative market. Certain equity securities are valued based upon fundamental characteristics or relationships to similar securities.

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

The Fund has procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the Fund primarily employs a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, and other relevant information for the investment to determine the fair value of the investment. An income-based valuation approach may also be used in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

Trading in securities on foreign securities stock exchanges and OTC markets may be completed before 4 p.m. Eastern time. In addition, trading in certain foreign markets may not take place on every Fund's business day. Events can occur between the time at which trading in a foreign security is completed and 4 p.m. Eastern time that might call into question the reliability of the value of a portfolio security held by the Fund. As a result, differences may arise between the value of the Fund's portfolio securities as determined at the foreign market close and the latest indications of value at 4 p.m. Eastern time. In order to minimize the potential for these differences, an independent pricing service may be used to adjust the value of the Fund's portfolio securities to the latest indications of fair value at 4 p.m. Eastern time.

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

Franklin Small-Mid Cap Growth VIP Fund (continued)

1. Organization and Significant Accounting Policies (continued)

a. Financial Instrument Valuation (continued)

securities on the last business day and the last calendar day of the reporting period. Any security valuation changes due to an open foreign market are adjusted and reflected by the Fund for financial reporting purposes.

b. Foreign Currency Translation

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

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

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

c. Securities Lending

The Fund participates in an agency based securities lending program to earn additional income. The Fund receives collateral in the form of cash and/or U.S. Government and Agency securities against the loaned securities in an amount equal to at least 102% of the fair value of the loaned securities. Collateral is maintained over the life of the loan in an amount not less than 100% of the fair value of loaned securities, as determined at the close of Fund business each day; any additional collateral required due to changes in security values is delivered to the Fund on the next business day. Any cash collateral received is deposited into a joint cash account with other funds and is used to invest in a money market fund managed by Franklin Advisers, Inc., an affiliate of the Fund. The Fund may receive income from the investment of cash collateral, in addition to lending fees and rebates paid by the borrower. Income from securities loaned, net of fees paid to the securities lending agent and/or third-party vendor, is reported separately in the Statement of Operations. The Fund bears the market risk with respect to any cash collateral investment, securities loaned, and the risk that the agent may default on its obligations to the Fund. If the borrower defaults on its obligation to return the securities loaned, the Fund has the right to repurchase the securities in the open market using the collateral received. The securities lending agent has agreed to indemnify the Fund in the event of default by a third party borrower.

d. Income and Deferred Taxes

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

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

Franklin Small-Mid Cap Growth VIP Fund (continued)

1. Organization and Significant Accounting Policies (continued)

d. Income and Deferred Taxes (continued)

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.

e. Security Transactions, Investment Income, Expenses and Distributions

Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on a specific identification basis. Estimated expenses are accrued daily. Dividend income is recorded on the ex-dividend date except for certain dividends from securities where the dividend rate is not available. In such cases, the dividend is recorded as soon as the information is received by the Fund. Distributions to shareholders are recorded on the ex-dividend date. Distributable earnings are determined according to income tax regulations (tax basis) and may differ from earnings recorded in accordance with U.S. GAAP. These differences may be permanent or temporary. Permanent differences are reclassified among capital accounts to reflect their tax character. These reclassifications have no impact on net assets or the results of operations. Temporary differences are not reclassified, as they may reverse in subsequent periods.

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:

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

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

f. Accounting Estimates

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

g. Guarantees and Indemnifications

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

Franklin Small-Mid Cap Growth VIP Fund (continued)

2. Shares of Beneficial Interest (continued)

	Year Ended December 31, 2023		Year Ended December 31, 2022	
	Shares	Amount	Shares	Amount
Class 1 Shares:				
Shares sold	476,888	\$7,125,858	821,804	\$13,714,783
Shares issued in reinvestment of distributions	—	—	1,042,309	13,727,212
Shares redeemed	(807,978)	(12,120,952)	(303,137)	(5,189,366)
Net increase (decrease)	(331,090)	\$(4,995,094)	1,560,976	\$22,252,629
Class 2 Shares:				
Shares sold	2,714,239	\$31,998,778	1,666,536	\$23,136,529
Shares issued in reinvestment of distributions	—	—	8,421,725	86,996,421
Shares redeemed	(4,549,047)	(52,705,399)	(3,269,675)	(45,549,193)
Net increase (decrease)	(1,834,808)	\$(20,706,621)	6,818,586	\$64,583,757
Class 4 Shares:				
Shares sold	247,168	\$3,216,520	222,601	\$3,473,405
Shares issued in reinvestment of distributions	—	—	439,932	4,892,046
Shares redeemed	(257,072)	(3,228,813)	(213,169)	(3,134,643)
Net increase (decrease)	(9,904)	\$(12,293)	449,364	\$5,230,808

3. Transactions with Affiliates

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

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

a. Management Fees

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

Annualized Fee Rate	Net Assets
0.800%	Up to and including \$500 million
0.700%	Over \$500 million, up to and including \$1 billion
0.650%	Over \$1 billion, up to and including \$1.5 billion
0.600%	Over \$1.5 billion, up to and including \$6.5 billion
0.575%	Over \$6.5 billion, up to and including \$11.5 billion
0.550%	Over \$11.5 billion, up to and including \$16.5 billion
0.540%	Over \$16.5 billion, up to and including \$19 billion
0.530%	Over \$19 billion, up to and including \$21.5 billion
0.520%	In excess of \$21.5 billion

Franklin Small-Mid Cap Growth VIP Fund (continued)

3. Transactions with Affiliates (continued)

a. Management Fees (continued)

For the year ended December 31, 2023, the gross effective investment management fee rate was 0.800% of the Fund's average daily net assets.

b. Administrative Fees

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

c. Distribution Fees

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

d. Transfer Agent Fees

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

e. Investments in Affiliated Management Investment Companies

The Fund invests in one or more affiliated management investment companies. As defined in the 1940 Act, an investment is deemed to be a "Controlled Affiliate" of a fund when a fund owns, either directly or indirectly, 25% or more of the affiliated fund's outstanding shares or has the power to exercise control over management or policies of such fund. The Fund does not invest for purposes of exercising a controlling influence over the management or policies. Management fees paid by the Fund are waived on assets invested in the affiliated management investment companies, as noted in the Statement of Operations, in an amount not to exceed the management and administrative fees paid directly or indirectly by each affiliate. During the year ended December 31, 2023, the Fund held investments in affiliated management investment companies as follows:

	Value at Beginning of Year	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Year	Number of Shares Held at End of Year	Investment Income
Franklin Small-Mid Cap Growth VIP Fund								
Non-Controlled Affiliates								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 5.034%	\$23,592,470	\$82,889,286	\$(94,866,323)	\$—	\$—	\$11,615,433	11,615,433	\$949,486
Non-Controlled Affiliates								
								Income from securities loaned
Institutional Fiduciary Trust - Money Market Portfolio, 5.034%	\$204,218	\$13,851,126	\$(10,869,869)	\$—	\$—	\$3,185,475	3,185,475	\$36,153
Total Affiliated Securities . . .	\$23,796,688	\$96,740,412	\$(105,736,192)	\$—	\$—	\$14,800,908		\$985,639

Franklin Small-Mid Cap Growth VIP Fund (continued)

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

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

At December 31, 2023, the capital loss carryforwards were as follows:

Capital loss carryforwards not subject to expiration:

Short term	\$9,025,095
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For tax purposes, capital losses may be carried over to offset future capital gains. During the year ended December 31, 2023, the Fund utilized \$15,456,203 of capital loss carryforwards.

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	—	\$17,659,604
Long term capital gain	—	87,956,075
	—	\$105,615,679

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

Cost of investments	\$324,299,031
Unrealized appreciation	\$133,874,387
Unrealized depreciation	(12,430,121)
Net unrealized appreciation (depreciation)	\$121,444,266

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

6. Investment Transactions

Purchases and sales of investments (excluding short term securities) for the year ended December 31, 2023, aggregated \$164,411,817 and \$179,785,550, respectively.

At December 31, 2023, in connection with securities lending transactions, the Fund loaned equity investments and received \$3,185,475 of cash collateral. The gross amount of recognized liability for such transactions is included in payable upon return of securities loaned in the Statement of Assets and Liabilities. The agreements can be terminated at any time.

Franklin Small-Mid Cap Growth VIP Fund (continued)

7. 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:

Principal Amount*/ Shares/ Warrants	Issuer	Acquisition Date	Cost	Value
Franklin Small-Mid Cap Growth VIP Fund				
35,200	Benchling, Inc., F	10/20/21	\$1,150,910	\$598,437
64,369	^a Blaize, Inc., 10%, 12/09/24	1/19/23	64,368	64,375
1	^a Blaize, Inc., 12/09/25	1/19/23	6	—
8,275	^a Blaize, Inc., 9/19/25	9/20/22 - 9/22/22	—	1,418
206,272	^a Blaize, Inc., D	3/02/21 - 11/09/21	2,154,000	830,241
26,474	^a Blaize, Inc., D, 2/28/24	3/01/21 - 11/09/21	—	—
82,758	^a Blaize, Inc., D-2	4/01/22 - 9/20/22	399,999	219,911
25,878	Databricks, Inc., G	2/01/21	1,529,975	1,902,033
94,539	Fanatics Holdings, Inc.	8/13/20 - 3/22/21	1,669,739	6,610,010
48,915	Newsela, Inc., D	1/21/21	1,034,807	901,223
82,367	OneTrust LLC, C	4/01/21	1,615,242	1,453,491
Total Restricted Securities (Value is 2.9% of Net Assets).			\$9,619,046	\$12,581,139

*In U.S. dollars unless otherwise indicated.

^aThe Fund also invests in unrestricted securities of the issuer, valued at \$195,400 as of December 31, 2023.

8. Credit Facility

The Fund, together with other U.S. registered and foreign investment funds (collectively, Borrowers), managed by Franklin Templeton, are borrowers in a joint syndicated senior unsecured credit facility totaling \$2.675 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 Small-Mid Cap Growth VIP Fund (continued)**9. Fair Value Measurements**

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

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

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

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

	Level 1	Level 2	Level 3	Total
Franklin Small-Mid Cap Growth VIP Fund				
Assets:				
Investments in Securities:				
Common Stocks:				
Aerospace & Defense	\$12,911,001	\$—	\$—	\$12,911,001
Automobile Components	1,932,072	—	—	1,932,072
Beverages	2,349,812	—	—	2,349,812
Biotechnology	9,016,161	—	—	9,016,161
Building Products	8,487,720	—	—	8,487,720
Capital Markets	30,763,831	—	—	30,763,831
Chemicals	3,207,456	—	—	3,207,456
Commercial Services & Supplies	4,749,408	—	—	4,749,408
Communications Equipment	4,050,772	—	—	4,050,772
Containers & Packaging	4,144,280	—	—	4,144,280
Electrical Equipment	6,724,828	—	—	6,724,828
Electronic Equipment, Instruments & Components	5,333,194	—	—	5,333,194
Energy Equipment & Services	2,642,565	—	—	2,642,565
Entertainment	6,766,560	—	—	6,766,560
Financial Services	6,536,075	—	—	6,536,075
Food Products	7,695,855	—	—	7,695,855
Ground Transportation	5,775,953	—	—	5,775,953
Health Care Equipment & Supplies	25,346,880	—	—	25,346,880
Health Care Providers & Services	2,539,290	—	—	2,539,290
Health Care Technology	7,209,017	—	—	7,209,017
Hotels, Restaurants & Leisure	24,306,226	—	—	24,306,226
Household Durables	2,674,172	—	—	2,674,172
Industrial REITs	3,581,590	—	—	3,581,590
Insurance	4,497,600	—	—	4,497,600
Interactive Media & Services	11,053,476	—	—	11,053,476
IT Services	20,860,650	—	—	20,860,650
Leisure Products	—	—	6,610,010	6,610,010
Life Sciences Tools & Services	26,643,937	—	—	26,643,937
Machinery	8,166,062	—	—	8,166,062
Media	3,458,694	—	—	3,458,694
Oil, Gas & Consumable Fuels	9,857,829	—	—	9,857,829
Passenger Airlines	3,435,642	—	—	3,435,642
Personal Care Products	5,609,673	—	—	5,609,673
Pharmaceuticals	2,988,900	—	—	2,988,900

Franklin Small-Mid Cap Growth VIP Fund (continued)

9. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
Franklin Small-Mid Cap Growth VIP Fund (continued)				
Assets: (continued)				
Investments in Securities:				
Common Stocks:				
Professional Services	\$19,631,271	\$—	\$—	\$19,631,271
Residential REITs	4,070,158	—	—	4,070,158
Semiconductors & Semiconductor Equipment	18,233,382	—	—	18,233,382
Software	56,236,396	—	—	56,236,396
Specialized REITs	3,921,286	—	—	3,921,286
Specialty Retail	20,302,988	—	—	20,302,988
Textiles, Apparel & Luxury Goods	3,425,643	—	—	3,425,643
Trading Companies & Distributors	7,027,545	—	—	7,027,545
Convertible Preferred Stocks	—	—	5,905,336	5,905,336
Warrants	—	—	1,418 ^a	1,418
Convertible Bonds	—	—	195,400	195,400
Corporate Bonds	—	—	64,375	64,375
Short Term Investments	14,800,908	—	—	14,800,908
Total Investments in Securities	\$432,966,758	\$—	\$12,776,539	\$445,743,297

^aIncludes financial instruments determined to have no value.

A reconciliation in which Level 3 inputs are used in determining fair value is presented when there are significant Level 3 assets and/or liabilities at the beginning and/or end of the year. At December 31, 2023, the reconciliation is as follows:

	Balance at Beginning of Year	Purchases ^a	Sales	Transfer Into Level 3	Transfer Out of Level 3	Net Accretion (Amortiza- tion)	Net Realized Gain (Loss)	Net Unrealized Appreciation (Depreciation)	Balance at End of Year	Net Change in Unrealized Appreciation (Depreciation) on Assets Held at Year End
Franklin Small-Mid Cap Growth VIP Fund										
Assets:										
Investments in Securities:										
Common Stocks:										
Leisure Products	\$7,201,036	\$—	\$—	\$—	\$—	\$—	\$—	\$(591,026)	\$6,610,010	\$(591,026)
Convertible Preferred Stocks:										
Diversified Consumer Services	679,820	—	—	—	—	—	—	221,403	901,223	221,403
Software	3,620,472	—	—	—	—	—	—	1,383,641	5,004,113	1,383,641
Warrants:										
Software	1,365	6 ^b	—	—	—	—	—	47	1,418 ^b	47
Convertible Bonds:										
Software	—	195,400	—	—	—	—	—	—	195,400	—
Corporate Bonds:										
Software	—	64,369	—	—	—	—	—	6	64,375	6
Total Investments in Securities	\$11,502,693	\$259,775	\$—	\$—	\$—	\$—	\$—	\$1,014,071	\$12,776,539	\$1,014,071

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

^bIncludes financial instruments determined to have no value.

Significant unobservable valuation inputs for material Level 3 assets and/or liabilities and impact to fair value as a result of changes in unobservable valuation inputs as of December 31, 2023, are as follows:

Franklin Small-Mid Cap Growth VIP Fund (continued)

9. Fair Value Measurements (continued)

Description	Fair Value at End of Year	Valuation Technique	Unobservable Inputs	Amount	Impact to Fair Value if Input Increases ^a
Franklin Small-Mid Cap Growth VIP Fund					
Assets:					
Investments in Securities:					
Common Stocks:					
Leisure Products.	\$6,610,010	Market comparables	Discount of lack of marketability	14.6%	Decrease
			EV / revenue multiple	4.9x	Increase
All Other Investments	6,166,529 ^{b,c}				
Total	\$12,776,539				

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

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

^cIncludes financial instruments determined to have no value.

Abbreviations List

EV - Enterprise value

10. Subsequent Events

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

Selected Portfolio

ADR	American Depositary Receipt
REIT	Real Estate Investment Trust

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Franklin Templeton Variable Insurance Products Trust and Shareholders of Franklin Small-Mid Cap Growth VIP Fund

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Franklin Small-Mid Cap Growth 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 transfer agent. 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 Small-Mid Cap Growth 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 amount, or if subsequently determined to be different, the maximum allowable amount, for the fiscal year ended December 31, 2023:

	Pursuant to:	Amount Reported
Income Eligible for Dividends Received Deduction (DRD)	§854(b)(1)(A)	\$2,240,361

Board Members and Officers

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

Independent Board Members

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member ¹	Other Directorships Held During at Least the Past 5 Years
Harris J. Ashton (1932) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 1988	118	Bar-S Foods (meat packing company) (1981-2010).
Principal Occupation During at Least the Past 5 Years: Director of various companies; and formerly , Director, RBC Holdings, Inc. (bank holding company) (until 2002); and President, Chief Executive Officer and Chairman of the Board, General Host Corporation (nursery and craft centers) (until 1998).				
Terrence J. Checki (1945) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2017	118	Hess Corporation (exploration of oil and gas) (2014-present).
Principal Occupation During at Least the Past 5 Years: Member of the Council on Foreign Relations (1996-present); Member of the National Committee on U.S.-China Relations (1999-present); member of the board of trustees of the Economic Club of New York (2013-present); member of the board of trustees of the Foreign Policy Association (2005-present); member of the board of directors of Council of the Americas (2007-present) and the Tallberg Foundation (2018-present); and formerly , Executive Vice President of the Federal Reserve Bank of New York and Head of its Emerging Markets and Internal Affairs Group and Member of Management Committee (1995-2014); and Visiting Fellow at the Council on Foreign Relations (2014).				
Mary C. Choksi (1950) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2014	118	Omnicom Group Inc. (advertising and marketing communications services) (2011-present) and White Mountains Insurance Group, Ltd. (holding company) (2017-present); and formerly , Avis Budget Group Inc. (car rental) (2007-2020).
Principal Occupation During at Least the Past 5 Years: Director of various companies; and formerly , Founder and Senior Advisor, Strategic Investment Group (investment management group) (2015-2017); Founding Partner and Senior Managing Director, Strategic Investment Group (1987-2015); Founding Partner and Managing Director, Emerging Markets Management LLC (investment management firm) (1987-2011); and Loan Officer/Senior Loan Officer/Senior Pension Investment Officer, World Bank Group (international financial institution) (1977-1987).				

Independent Board Members (continued)

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

Principal Occupation During at Least the Past 5 Years:

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

J. Michael Luttig (1954) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2009	118	Boeing Capital Corporation (aircraft financing) (2006-2010).
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Principal Occupation During at Least the Past 5 Years:

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

Larry D. Thompson (1945) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2007	118	Graham Holdings Company (education and media organization) (2011-2021); The Southern Company (energy company) (2014-2020; previously 2010-2012) and Cbeyond, Inc. (business communications provider) (2010-2012).
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Principal Occupation During at Least the Past 5 Years:

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

Independent Board Members (continued)

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

Principal Occupation During at Least the Past 5 Years:

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

Interested Board Members and Officers

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member ¹	Other Directorships Held During at Least the Past 5 Years
Gregory E. Johnson² (1961) One Franklin Parkway San Mateo, CA 94403-1906	Chairman of the Board and Trustee	Chairman of the Board since 2023 and Trustee since 2013	128	None

Principal Occupation During at Least the Past 5 Years:

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

Rupert H. Johnson, Jr.³ (1940) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 1988	118	None
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Principal Occupation During at Least the Past 5 Years:

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

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

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

Susan Kerr (1949) 280 Park Avenue New York, NY 10017	Vice President - AML Compliance	Since 2021	Not Applicable	Not Applicable
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Principal Occupation During at Least the Past 5 Years:

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

Interested Board Members and Officers (continued)

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

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

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

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.

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

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

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



**FRANKLIN
TEMPLETON**

Annual Report
Franklin Small-Mid Cap Growth VIP Fund

Investment Manager
Franklin Advisers, Inc.

Fund Administrator
Franklin Templeton Services, LLC

Distributor
Franklin
Distributors, LLC