



FRANKLIN
TEMPLETON

Franklin Strategic Income VIP Fund

Financial Statements and Other Important Information

Annual | December 31, 2024

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Financial Highlights

Franklin Strategic Income VIP Fund

	Year Ended December 31,				
	2024	2023	2022	2021*	2020 ^a
Class 1					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$9.39	\$9.09	\$10.64	\$10.76	\$10.93
Income from investment operations ^b :					
Net investment income ^c	0.43	0.43	0.37	0.33	0.36
Net realized and unrealized gains (losses)	(0.04)	0.31	(1.49)	(0.08)	0.01
Total from investment operations	0.39	0.74	(1.12)	0.25	0.37
Less distributions from:					
Net investment income	(0.43)	(0.44)	(0.43)	(0.37)	(0.54)
Net asset value, end of year	\$9.35	\$9.39	\$9.09	\$10.64	\$10.76
Total return ^d	4.32%	8.37%	(10.46)%	2.28%	3.75%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.79%	0.84%	0.77%	0.78%	0.75%
Expenses net of waiver and payments by affiliates	0.78%	0.79% ^e	0.70% ^e	0.74% ^e	0.73% ^e
Net investment income	4.55%	4.67%	3.84%	3.11%	3.46%
Supplemental data					
Net assets, end of year (000's)	\$172,517	\$182,461	\$189,767	\$248,352	\$261,409
Portfolio turnover rate	86.89% ^f	59.05%	63.64%	58.28% ^f	114.19%
Portfolio turnover rate excluding mortgage dollar rolls ^g	37.38% ^f	58.37%	63.64%	43.00% ^f	73.45%

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

^aIncludes the consolidated operations of FT Holdings Corporation III.

^bThe amount shown for a share outstanding throughout the period may not correlate with the Consolidated 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.

^cBased on average daily shares outstanding.

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

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

^fExcludes the value of portfolio activity as a result of in-kind transactions. See Note 11 for current year information.

^gSee Note 1(g) regarding mortgage dollar rolls.

Franklin Strategic Income VIP Fund (continued)

	Year Ended December 31,				
	2024	2023	2022	2021 ^a	2020 ^a
Class 2					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$9.01	\$8.73	\$10.23	\$10.36	\$10.55
Income from investment operations ^b :					
Net investment income ^c	0.39	0.39	0.33	0.29	0.33
Net realized and unrealized gains (losses)	(0.04)	0.31	(1.43)	(0.07)	— ^d
Total from investment operations	0.35	0.70	(1.10)	0.22	0.33
Less distributions from:					
Net investment income	(0.41)	(0.42)	(0.40)	(0.35)	(0.52)
Net asset value, end of year	\$8.95	\$9.01	\$8.73	\$10.23	\$10.36
Total return ^e	4.02%	8.18%	(10.75)%	2.11%	3.43%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.04%	1.09%	1.02%	1.03%	1.01%
Expenses net of waiver and payments by affiliates	1.03%	1.04% ^f	0.95% ^f	0.99% ^f	0.99% ^f
Net investment income	4.30%	4.42%	3.59%	2.86%	3.23%
Supplemental data					
Net assets, end of year (000's)	\$68,010	\$73,436	\$73,617	\$89,733	\$100,758
Portfolio turnover rate	86.89% ^g	59.05%	63.64%	58.28% ^g	114.19%
Portfolio turnover rate excluding mortgage dollar rolls ^h	37.38% ^g	58.37%	63.64%	43.00% ^g	73.45%

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

^bIncludes the consolidated operations of FT Holdings Corporation III.

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

^dBased on average daily shares outstanding.

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

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

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

^hExcludes the value of portfolio activity as a result of in-kind transactions. See Note 11 for current year information.

ⁱSee Note 1(g) regarding mortgage dollar rolls.

Franklin Strategic Income VIP Fund (continued)

	Year Ended December 31,				
	2024	2023	2022	2021 ^a	2020 ^a
Class 4					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$9.31	\$9.01	\$10.54	\$10.66	\$10.83
Income from investment operations ^b :					
Net investment income ^c	0.39	0.39	0.33	0.29	0.32
Net realized and unrealized gains (losses)	(0.03)	0.31	(1.47)	(0.07)	0.01
Total from investment operations	0.36	0.70	(1.14)	0.22	0.33
Less distributions from:					
Net investment income	(0.40)	(0.40)	(0.39)	(0.34)	(0.50)
Net asset value, end of year	\$9.27	\$9.31	\$9.01	\$10.54	\$10.66
Total return ^d	3.98%	7.99%	(10.84)%	2.06%	3.34%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.14%	1.19%	1.12%	1.13%	1.10%
Expenses net of waiver and payments by affiliates	1.13%	1.14% ^e	1.05% ^e	1.09% ^e	1.09% ^e
Net investment income	4.20%	4.31%	3.48%	2.76%	3.12%
Supplemental data					
Net assets, end of year (000's)	\$35,001	\$36,147	\$37,419	\$50,381	\$51,709
Portfolio turnover rate	86.89% ^f	59.05%	63.64%	58.28% ^f	114.19%
Portfolio turnover rate excluding mortgage dollar rolls ^g	37.38% ^f	58.37%	63.64%	43.00% ^f	73.45%

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

^bIncludes the consolidated operations of FT Holdings Corporation III.

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

^dBased on average daily shares outstanding.

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

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

^gExcludes the value of portfolio activity as a result of in-kind transactions. See Note 11 for current year information.

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

Schedule of Investments, December 31, 2024

Franklin Strategic Income VIP Fund

	Country	Shares	Value
Common Stocks 0.0%†			
Broadline Retail 0.0%			
^{a,b,c} K2016470219 South Africa Ltd., A	South Africa	14,792,309	\$—
^{a,b,c} K2016470219 South Africa Ltd., B	South Africa	1,472,041	—
			—
Hotels, Restaurants & Leisure 0.0%†			
^b 24 Hour Fitness Worldwide, Inc.	United States	4,744	202
Machinery 0.0%†			
UTEX Industries, Inc.	United States	1,757	73,135
Oil, Gas & Consumable Fuels 0.0%†			
^b Amplify Energy Corp.	United States	431	2,586
Birch Permian Holdings, Inc.	United States	4,478	27,779
			30,365
Total Common Stocks (Cost \$1,107,368)			103,702
Management Investment Companies 0.7%			
Capital Markets 0.7%			
^{a,b,d,e} Franklin BSP Real Estate Credit BDC	United States	67,726	1,823,176
Total Management Investment Companies (Cost \$1,745,014)			1,823,176
Preferred Stocks 0.0%†			
Hotels, Restaurants & Leisure 0.0%†			
^b 24 Hour Fitness Worldwide, Inc.	United States	11,237	1,152
Total Preferred Stocks (Cost \$169)			1,152
Warrants			
Warrants 0.0%			
Machinery 0.0%			
^{a,b} UTEX Industries, Inc., 2/20/49	United States	150	—
Total Warrants (Cost \$132)			—
Principal Amount†			
Corporate Bonds 59.2%			
Aerospace & Defense 1.0%			
Boeing Co. (The),			
Senior Bond, 3.625%, 2/01/31	United States	700,000	635,835
Senior Note, 5.15%, 5/01/30	United States	700,000	690,707
^f Bombardier, Inc., Senior Note, 144A, 7%, 6/01/32	Canada	600,000	611,107
Howmet Aerospace, Inc., Senior Note, 4.85%, 10/15/31	United States	250,000	245,305
^f TransDigm, Inc., Senior Secured Note, 144A, 6%, 1/15/33	United States	700,000	686,596
			2,869,550
Air Freight & Logistics 0.2%			
FedEx Corp., Senior Bond, 4.05%, 2/15/48	United States	650,000	498,122
Automobile Components 0.8%			
^f Adient Global Holdings Ltd., Senior Secured Note, 144A, 7%, 4/15/28	United States	200,000	202,529
^f Allison Transmission, Inc., Senior Bond, 144A, 5.875%, 6/01/29	United States	800,000	795,781

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount ¹	Value
Corporate Bonds (continued)			
Automobile Components (continued)			
¹ Allison Transmission, Inc., (continued)			
Senior Bond, 144A, 3.75%, 1/30/31	United States	300,000	\$265,628
¹ Dornoch Debt Merger Sub, Inc., Senior Note, 144A, 6.625%, 10/15/29	United States	600,000	486,650
¹ ZF North America Capital, Inc., Senior Note, 144A, 6.75%, 4/23/30	Germany	400,000	385,092
			<u>2,135,680</u>
Automobiles 0.3%			
¹ Hyundai Capital America, Senior Note, 144A, 5.35%, 3/19/29 . .	United States	150,000	150,902
¹ Jaguar Land Rover Automotive plc, Senior Note, 144A, 5.5%, 7/15/29	United Kingdom	800,000	777,156
			<u>928,058</u>
Banks 6.2%			
¹ ABN AMRO Bank NV, Senior Non-Preferred Note, 144A, 6.339% to 9/17/26, FRN thereafter, 9/18/27	Netherlands	250,000	255,605
Banco Santander SA, Sub. Bond, 2.749%, 12/03/30	Spain	300,000	254,238
Bank of America Corp., Senior Bond, 4.571% to 4/26/32, FRN thereafter, 4/27/33 . . .	United States	800,000	760,609
Senior Note, 4.376% to 4/26/27, FRN thereafter, 4/27/28 . . .	United States	1,000,000	989,551
¹ BNP Paribas SA, Senior Non-Preferred Note, 144A, 2.219% to 6/08/25, FRN thereafter, 6/09/26	France	500,000	493,635
Senior Preferred Note, 144A, 5.176% to 1/08/29, FRN thereafter, 1/09/30	France	1,000,000	997,067
¹ BPCE SA, Senior Non-Preferred Note, 144A, 2.045% to 10/18/26, FRN thereafter, 10/19/27	France	800,000	757,439
Citigroup, Inc., Senior Note, 5.61% to 9/28/25, FRN thereafter, 9/29/26	United States	1,600,000	1,609,109
HSBC Holdings plc, Senior Bond, 2.848% to 6/03/30, FRN thereafter, 6/04/31 . . .	United Kingdom	800,000	702,701
Senior Bond, 2.522% to 4/21/30, FRN thereafter, 8/18/31 . . .	United Kingdom	300,000	255,560
Senior Note, 5.21% to 8/10/27, FRN thereafter, 8/11/28	United Kingdom	550,000	552,404
JPMorgan Chase & Co., Senior Bond, 3.2%, 6/15/26	United States	1,213,000	1,190,771
Senior Bond, 2.522% to 4/21/30, FRN thereafter, 4/22/31 . . .	United States	1,000,000	881,330
Senior Bond, 5.336% to 1/22/34, FRN thereafter, 1/23/35 . . .	United States	300,000	298,227
KeyBank NA, Senior Note, 4.15%, 8/08/25	United States	500,000	497,573
Mizuho Financial Group, Inc., Senior Note, 5.778% to 7/05/28, FRN thereafter, 7/06/29	Japan	500,000	511,825
Santander UK Group Holdings plc, Senior Note, 1.673% to 6/23/26, FRN thereafter, 6/14/27	United Kingdom	800,000	761,928
¹ Societe Generale SA, Senior Non-Preferred Bond, 144A, 2.889% to 6/08/31, FRN thereafter, 6/09/32	France	800,000	669,788
Senior Non-Preferred Note, 144A, 1.792% to 6/08/26, FRN thereafter, 6/09/27	France	700,000	666,451
Toronto-Dominion Bank (The), Senior Note, 4.693%, 9/15/27 . .	Canada	1,000,000	997,989
Truist Financial Corp., Senior Note, 5.9% to 10/27/25, FRN thereafter, 10/28/26	United States	800,000	806,394
¹ UniCredit SpA, Senior Preferred Bond, 144A, 3.127% to 6/02/31, FRN thereafter, 6/03/32	Italy	500,000	434,903
Wells Fargo & Co., Senior Note, 4.54% to 8/14/25, FRN thereafter, 8/15/26	United States	500,000	499,124
Senior Note, 6.303% to 10/22/28, FRN thereafter, 10/23/29 . .	United States	800,000	832,778

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount [†]	Value
Corporate Bonds (continued)			
Banks (continued)			
Wells Fargo & Co., (continued)			
Senior Note, 5.198% to 1/22/29, FRN thereafter, 1/23/30	United States	450,000	\$451,408
			17,128,407
Beverages 0.3%			
[†] Primo Water Holdings, Inc., Senior Note, 144A, 4.375%, 4/30/29	Canada	1,000,000	930,858
Biotechnology 0.5%			
Amgen, Inc.,			
Senior Bond, 4.2%, 3/01/33	United States	400,000	371,102
Senior Bond, 5.25%, 3/02/33	United States	700,000	695,120
[†] Grifols SA, Senior Note, 144A, 4.75%, 10/15/28	Spain	200,000	184,009
			1,250,231
Broadline Retail 0.1%			
^{a,f,g,h} K2016470219 South Africa Ltd., Senior Secured Note, 144A, PIK, 3%, 12/31/22	South Africa	1,036,360	—
^{a,f,g,h} K2016470260 South Africa Ltd., Senior Secured Note, 144A, PIK, 25%, 12/31/22	South Africa	564,697	—
[†] Wayfair LLC, Senior Secured Note, 144A, 7.25%, 10/31/29	United States	400,000	400,800
			400,800
Building Products 0.8%			
[†] Camelot Return Merger Sub, Inc., Senior Secured Note, 144A, 8.75%, 8/01/28	United States	300,000	287,802
[†] EMRLD Borrower LP / Emerald Co-Issuer, Inc., Senior Secured Note, 144A, 6.625%, 12/15/30	United States	900,000	902,325
[†] Miter Brands Acquisition Holdco, Inc. / MIWD Borrower LLC, Senior Secured Note, 144A, 6.75%, 4/01/32	United States	300,000	301,593
[†] Standard Building Solutions, Inc., Senior Note, 144A, 6.5%, 8/15/32	United States	100,000	100,246
[†] Standard Industries, Inc.,			
Senior Bond, 144A, 4.75%, 1/15/28	United States	500,000	478,923
Senior Bond, 144A, 3.375%, 1/15/31	United States	200,000	171,646
			2,242,535
Capital Markets 2.5%			
Deutsche Bank AG, Senior Preferred Note, 5.371%, 9/09/27 . . .	Germany	800,000	811,929
Goldman Sachs Group, Inc. (The),			
Senior Bond, 2.383% to 7/20/31, FRN thereafter, 7/21/32 . . .	United States	370,000	308,494
Senior Note, 4.387% to 6/14/26, FRN thereafter, 6/15/27	United States	300,000	298,388
Senior Note, 1.948% to 10/20/26, FRN thereafter, 10/21/27 . .	United States	1,000,000	949,187
[†] Jane Street Group / JSG Finance, Inc., Senior Secured Note, 144A, 6.125%, 11/01/32	United States	500,000	495,701
Morgan Stanley,			
Senior Bond, 3.591%, 7/22/28	United States	809,000	780,412
Senior Bond, 5.466% to 1/17/34, FRN thereafter, 1/18/35 . . .	United States	200,000	198,979
[†] MSCI, Inc., Senior Bond, 144A, 3.25%, 8/15/33	United States	1,200,000	1,014,685
[†] Prologis Targeted US Logistics Fund LP, Senior Note, 144A, 5.25%, 4/01/29	United States	250,000	252,895
[†] StoneX Group, Inc., Senior Secured Note, 144A, 7.875%, 3/01/31	United States	300,000	314,059
UBS Group AG,			
Senior Note, 4.55%, 4/17/26	Switzerland	400,000	398,797
[†] Senior Note, 144A, 6.373% to 7/14/25, FRN thereafter, 7/15/26	Switzerland	300,000	302,195

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount ^f	Value
Corporate Bonds (continued)			
Capital Markets (continued)			
UBS Group AG, (continued)			
^f Senior Note, 144A, 5.711% to 1/11/26, FRN thereafter, 1/12/27	Switzerland	700,000	\$705,264
			6,830,985
Chemicals 1.6%			
^f Avient Corp., Senior Note, 144A, 6.25%, 11/01/31	United States	200,000	197,496
^f Braskem Idesa SAPI, Senior Secured Bond, 144A, 6.99%, 2/20/32	Mexico	400,000	294,420
Celanese US Holdings LLC, Senior Note, 6.165%, 7/15/27	United States	450,000	456,856
^f Cerdia Finanz GmbH, Senior Secured Note, 144A, 9.375%, 10/03/31	Germany	300,000	312,951
^f Element Solutions, Inc., Senior Note, 144A, 3.875%, 9/01/28 . . .	United States	800,000	759,485
^f INEOS Quattro Finance 1 plc, Senior Note, 144A, 3.75%, 7/15/26	United Kingdom	800,000 EUR	825,955
^{f,g} Kobe US Midco 2, Inc., Senior Note, 144A, PIK, 9.25%, 11/01/26	United States	347,287	289,743
Nutrien Ltd., Senior Note, 4.9%, 3/27/28	Canada	100,000	100,002
^f Rain Carbon, Inc., Senior Secured Note, 144A, 12.25%, 9/01/29	United States	300,000	317,444
^f Syngenta Finance NV, Senior Note, 144A, 4.892%, 4/24/25	Switzerland	800,000	799,258
^f Yara International ASA, Senior Bond, 144A, 3.148%, 6/04/30 . . .	Brazil	100,000	89,837
			4,443,447
Commercial Services & Supplies 1.3%			
^f Allied Universal Holdco LLC, Senior Secured Note, 144A, 7.875%, 2/15/31	United States	700,000	716,331
^f Prime Security Services Borrower LLC / Prime Finance, Inc., Senior Secured Note, 144A, 3.375%, 8/31/27	United States	1,000,000	936,172
^f RR Donnelley & Sons Co., Senior Secured Note, 144A, 9.5%, 8/01/29	United States	400,000	406,631
^f Veritiv Operating Co., Senior Secured Note, 144A, 10.5%, 11/30/30	United States	150,000	161,735
^f Waste Management, Inc., Senior Note, 144A, 3.875%, 1/15/29 . .	United States	1,000,000	964,401
^f Wrangler Holdco Corp., Senior Note, 144A, 6.625%, 4/01/32 . . .	Canada	500,000	509,507
			3,694,777
Construction & Engineering 0.3%			
^f Arcosa, Inc., Senior Note, 144A, 4.375%, 4/15/29	United States	800,000	746,755
Construction Materials 0.2%			
^f Knife River Corp., Senior Note, 144A, 7.75%, 5/01/31	United States	500,000	521,334
Consumer Finance 0.8%			
AerCap Ireland Capital DAC / AerCap Global Aviation Trust, Senior Bond, 3.4%, 10/29/33	Ireland	800,000	681,755
^f FirstCash, Inc., Senior Note, 144A, 6.875%, 3/01/32	United States	600,000	603,198
General Motors Financial Co., Inc., Senior Bond, 5.45%, 9/06/34	United States	290,000	281,668
OneMain Finance Corp., Senior Note, 9%, 1/15/29	United States	600,000	636,696
			2,203,317
Consumer Staples Distribution & Retail 0.2%			
^f Cencosud SA, Senior Note, 144A, 5.95%, 5/28/31	Chile	200,000	199,828
^f US Foods, Inc., Senior Note, 144A, 6.875%, 9/15/28	United States	300,000	307,342
Senior Note, 144A, 5.75%, 4/15/33	United States	100,000	97,430
			604,600

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount [†]	Value
Corporate Bonds (continued)			
Containers & Packaging 1.1%			
[†] Ardagh Packaging Finance plc / Ardagh Holdings USA, Inc., Senior Note, 144A, 5.25%, 8/15/27	United States	600,000	\$343,611
Senior Secured Note, 144A, 2.125%, 8/15/26	United States	200,000 EUR	185,811
[†] Intelligent Packaging Ltd. Finco, Inc. / Intelligent Packaging Ltd. Co-Issuer LLC, Senior Secured Note, 144A, 6%, 9/15/28	Canada	75,000	74,008
[†] Pactiv Evergreen Group Issuer LLC / Pactiv Evergreen Group Issuer, Inc., Senior Secured Note, 144A, 4.375%, 10/15/28	United States	500,000	500,068
[†] Sealed Air Corp., Senior Note, 144A, 6.125%, 2/01/28	United States	800,000	803,306
[†] Trivium Packaging Finance BV, Senior Secured Note, 144A, 5.5%, 8/15/26	Netherlands	700,000	692,647
WRKCo, Inc., Senior Bond, 3%, 6/15/33	United States	400,000	336,045
			2,935,496
Distributors 0.2%			
[†] Ritchie Bros Holdings, Inc., Senior Note, 144A, 7.75%, 3/15/31	Canada	300,000	314,097
Senior Secured Note, 144A, 6.75%, 3/15/28	Canada	200,000	204,728
			518,825
Diversified Consumer Services 0.3%			
Grand Canyon University, Secured Note, 5.125%, 10/01/28	United States	800,000	750,952
Diversified REITs 0.1%			
[†] Global Net Lease, Inc. / Global Net Lease Operating Partnership LP, Senior Note, 144A, 3.75%, 12/15/27	United States	400,000	365,443
Diversified Telecommunication Services 1.2%			
AT&T, Inc., Senior Bond, 3.65%, 9/15/59	United States	800,000	530,420
CCO Holdings LLC / CCO Holdings Capital Corp., Senior Bond, 4.5%, 5/01/32	United States	300,000	258,395
[†] Iliad Holding SASU, Senior Secured Note, 144A, 7%, 10/15/28	France	600,000	608,529
Senior Secured Note, 144A, 7%, 4/15/32	France	525,000	528,313
Telefonica Emisiones SA, Senior Bond, 4.895%, 3/06/48	Spain	150,000	127,285
Verizon Communications, Inc., Senior Note, 2.355%, 3/15/32	United States	1,000,000	829,570
[†] Virgin Media Secured Finance plc, Senior Secured Bond, 144A, 4.5%, 8/15/30	United Kingdom	400,000	345,934
			3,228,446
Electric Utilities 2.1%			
Duke Energy Corp., Senior Bond, 2.45%, 6/01/30	United States	600,000	526,218
Duke Energy Ohio, Inc., Senior Bond, 5.25%, 4/01/33	United States	100,000	99,859
Exelon Corp., Senior Bond, 4.05%, 4/15/30	United States	1,300,000	1,239,721
NextEra Energy Capital Holdings, Inc., Senior Note, 6.051%, 3/01/25	United States	370,000	370,687
[†] NRG Energy, Inc., Senior Note, 144A, 5.75%, 7/15/29	United States	400,000	390,848
Southern Co. (The), Senior Bond, 4.4%, 7/01/46	United States	400,000	331,333
Senior Note, 5.5%, 3/15/29	United States	700,000	714,452
Virginia Electric and Power Co., Senior Bond, 6.35%, 11/30/37	United States	85,000	90,725
[†] Vistra Operations Co. LLC, Senior Note, 144A, 4.375%, 5/01/29	United States	1,100,000	1,036,665
Senior Secured Bond, 144A, 4.3%, 7/15/29	United States	500,000	477,844

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount [†]	Value
Corporate Bonds (continued)			
Electric Utilities (continued)			
Xcel Energy, Inc., Senior Bond, 5.45%, 8/15/33	United States	500,000	\$496,265
			5,774,617
Electrical Equipment 0.3%			
Eaton Corp., Senior Bond, 4.15%, 3/15/33	United States	200,000	188,076
[†] Vertiv Group Corp., Senior Secured Note, 144A, 4.125%, 11/15/28	United States	800,000	755,802
			943,878
Electronic Equipment, Instruments & Components 1.0%			
CDW LLC / CDW Finance Corp., Senior Note, 3.25%, 2/15/29 . .	United States	900,000	829,896
Flex Ltd., Senior Bond, 4.875%, 5/12/30	United States	800,000	780,703
[†] TTM Technologies, Inc., Senior Note, 144A, 4%, 3/01/29	United States	800,000	743,100
[†] Zebra Technologies Corp., Senior Note, 144A, 6.5%, 6/01/32 . .	United States	300,000	304,595
			2,658,294
Energy Equipment & Services 0.6%			
[†] Kodiak Gas Services LLC, Senior Note, 144A, 7.25%, 2/15/29 . .	United States	600,000	612,595
[†] Nabors Industries, Inc., Senior Note, 144A, 8.875%, 8/15/31 . . .	United States	500,000	464,793
Transocean, Inc., Senior Bond, 6.8%, 3/15/38	United States	100,000	82,036
[†] Senior Note, 144A, 8.25%, 5/15/29	United States	100,000	98,057
[†] Senior Secured Note, 144A, 8.75%, 2/15/30	United States	510,000	528,166
			1,785,647
Entertainment 0.2%			
[†] Banjay Entertainment SAS, Senior Secured Note, 144A, 7%, 5/01/29	France	300,000 EUR	328,238
Senior Secured Note, 144A, 8.125%, 5/01/29	France	32,323	33,621
Warnermedia Holdings, Inc., Senior Note, 4.054%, 3/15/29	United States	300,000	279,224
			641,083
Financial Services 0.9%			
Corebridge Financial, Inc., Senior Note, 6.05%, 9/15/33	United States	500,000	517,496
[†] GGAM Finance Ltd., Senior Note, 144A, 8%, 6/15/28	Ireland	400,000	420,318
[†] Jefferson Capital Holdings LLC, Senior Note, 144A, 6%, 8/15/26	United States	700,000	701,332
[†] Nationstar Mortgage Holdings, Inc., Senior Bond, 144A, 5.75%, 11/15/31	United States	600,000	574,123
[†] PRA Group, Inc., Senior Note, 144A, 5%, 10/01/29	United States	400,000	366,306
			2,579,575
Food Products 1.0%			
[†] Bimbo Bakeries USA, Inc., Senior Bond, 144A, 4%, 5/17/51 . . .	Mexico	200,000	145,362
[†] Chobani Holdco II LLC, Senior Note, 144A, PIK, 8.75%, 10/01/29	United States	100,000	104,128
[†] Chobani LLC / Chobani Finance Corp., Inc., Senior Note, 144A, 7.625%, 7/01/29	United States	100,000	103,534
[†] Darling Ingredients, Inc., Senior Note, 144A, 6%, 6/15/30	United States	700,000	691,145
General Mills, Inc., Senior Note, 5.241%, 11/18/25	United States	150,000	150,003
JBS USA Holding Lux SARL / JBS USA Food Co. / JBS Lux Co. SARL, Senior Note, 2.5%, 1/15/27	United States	500,000	475,234
Senior Note, 3%, 2/02/29	United States	200,000	182,593
Senior Note, 3.625%, 1/15/32	United States	400,000	353,234
Mondelez International, Inc., Senior Bond, 4.75%, 8/28/34	United States	300,000	287,249

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount [†]	Value
Corporate Bonds (continued)			
Food Products (continued)			
[†] Post Holdings, Inc., Senior Secured Note, 144A, 6.25%, 2/15/32	United States	300,000	\$298,121
			2,790,603
Gas Utilities 0.1%			
Piedmont Natural Gas Co., Inc., Senior Bond, 3.35%, 6/01/50 . .	United States	300,000	198,291
Ground Transportation 0.9%			
[†] Ashtead Capital, Inc., Senior Bond, 144A, 5.8%, 4/15/34	United Kingdom	200,000	200,279
[†] Avis Budget Car Rental LLC / Avis Budget Finance, Inc., Senior Note, 144A, 8.25%, 1/15/30	United States	500,000	516,182
CSX Corp., Senior Bond, 4.1%, 3/15/44	United States	550,000	451,972
[†] First Student Bidco, Inc. / First Transit Parent, Inc., Senior Secured Note, 144A, 4%, 7/31/29	United States	500,000	459,413
[†] Watco Cos. LLC / Watco Finance Corp., Senior Note, 144A, 7.125%, 8/01/32	United States	300,000	309,525
[†] XPO, Inc., Senior Note, 144A, 7.125%, 2/01/32	United States	600,000	615,192
			2,552,563
Health Care Equipment & Supplies 0.9%			
[†] Bausch + Lomb Corp., Senior Secured Note, 144A, 8.375%, 10/01/28	United States	800,000	829,000
Baxter International, Inc., Senior Note, 2.272%, 12/01/28	United States	500,000	450,836
GE HealthCare Technologies, Inc., Senior Note, 5.6%, 11/15/25	United States	500,000	503,526
[†] Neogen Food Safety Corp., Senior Note, 144A, 8.625%, 7/20/30	United States	600,000	646,519
			2,429,881
Health Care Providers & Services 2.8%			
Centene Corp.,			
Senior Note, 4.25%, 12/15/27	United States	300,000	290,835
Senior Note, 2.45%, 7/15/28	United States	100,000	90,072
Senior Note, 4.625%, 12/15/29	United States	200,000	189,309
Senior Note, 3.375%, 2/15/30	United States	600,000	534,783
Senior Note, 2.625%, 8/01/31	United States	200,000	164,832
[†] CHS/Community Health Systems, Inc.,			
Secured Note, 144A, 6.875%, 4/15/29	United States	100,000	75,648
Senior Secured Note, 144A, 5.625%, 3/15/27	United States	700,000	672,583
Senior Secured Note, 144A, 6%, 1/15/29	United States	200,000	179,298
[†] Concentra Escrow Issuer Corp., Senior Note, 144A, 6.875%, 7/15/32	United States	200,000	204,442
CVS Health Corp.,			
Senior Bond, 1.75%, 8/21/30	United States	400,000	325,762
Senior Bond, 5.3%, 6/01/33	United States	500,000	479,510
Senior Bond, 2.7%, 8/21/40	United States	600,000	395,490
[†] DaVita, Inc., Senior Note, 144A, 4.625%, 6/01/30	United States	800,000	736,148
Elevance Health, Inc., Senior Bond, 3.7%, 9/15/49	United States	150,000	106,942
HCA, Inc., Senior Bond, 3.5%, 9/01/30	United States	1,300,000	1,181,212
Icon Investments Six DAC, Senior Secured Bond, 6%, 5/08/34 .	United States	200,000	202,028
[†] Kedrion SpA, Senior Secured Note, 144A, 6.5%, 9/01/29	Italy	700,000	660,565
[†] MPH Acquisition Holdings LLC, Senior Note, 144A, 5.75%, 11/01/28	United States	500,000	326,265
Tenet Healthcare Corp., Senior Secured Note, 6.125%, 6/15/30.	United States	900,000	894,031
			7,709,755

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount [†]	Value
Corporate Bonds (continued)			
Health Care REITs 0.3%			
Alexandria Real Estate Equities, Inc., Senior Bond, 5.25%, 5/15/36	United States	250,000	\$242,769
MPT Operating Partnership LP / MPT Finance Corp., Senior Bond, 5%, 10/15/27	United States	400,000	337,619
Senior Bond, 3.5%, 3/15/31	United States	300,000	189,327
			769,715
Health Care Technology 0.3%			
[†] QVIA, Inc., Senior Note, 144A, 6.5%, 5/15/30	United States	800,000	814,841
Hotel & Resort REITs 0.5%			
[†] Pebblebrook Hotel LP / PEB Finance Corp., Senior Note, 144A, 6.375%, 10/15/29	United States	200,000	198,161
[†] RHP Hotel Properties LP / RHP Finance Corp., Senior Note, 144A, 6.5%, 4/01/32	United States	700,000	704,104
[†] XHR LP, Senior Note, 144A, 6.625%, 5/15/30	United States	125,000	125,566
Senior Secured Note, 144A, 4.875%, 6/01/29	United States	400,000	377,687
			1,405,518
Hotels, Restaurants & Leisure 2.3%			
[†] 1011778 BC ULC / New Red Finance, Inc., Secured Bond, 144A, 4%, 10/15/30	Canada	700,000	626,670
[†] Allwyn Entertainment Financing UK plc, Senior Secured Note, 144A, 7.875%, 4/30/29	Czech Republic	600,000	618,957
[†] Caesars Entertainment, Inc., Senior Note, 144A, 4.625%, 10/15/29	United States	900,000	843,357
Senior Note, 144A, 6%, 10/15/32	United States	100,000	96,511
[†] Fertitta Entertainment LLC / Fertitta Entertainment Finance Co., Inc., Senior Note, 144A, 6.75%, 1/15/30	United States	500,000	461,694
[†] Great Canadian Gaming Corp., Senior Secured Note, 144A, 8.75%, 11/15/29	Canada	500,000	512,295
Marriott International, Inc., Senior Bond, 5.3%, 5/15/34	United States	250,000	248,229
[†] Papa John's International, Inc., Senior Note, 144A, 3.875%, 9/15/29	United States	300,000	269,189
[†] Royal Caribbean Cruises Ltd., Senior Note, 144A, 5.625%, 9/30/31	United States	100,000	98,431
Senior Note, 144A, 6%, 2/01/33	United States	600,000	599,007
[†] Six Flags Entertainment Corp. / Six Flags Theme Parks, Inc., Senior Secured Note, 144A, 6.625%, 5/01/32	United States	500,000	507,162
[†] Viking Cruises Ltd., Senior Note, 144A, 5.875%, 9/15/27	United States	300,000	298,728
Senior Note, 144A, 7%, 2/15/29	United States	300,000	301,949
[†] Wynn Resorts Finance LLC / Wynn Resorts Capital Corp., Senior Bond, 144A, 5.125%, 10/01/29	United States	500,000	479,261
Senior Note, 144A, 7.125%, 2/15/31	United States	300,000	312,635
			6,274,075
Household Durables 0.6%			
[†] LGI Homes, Inc., Senior Note, 144A, 8.75%, 12/15/28	United States	600,000	629,743
Toll Brothers Finance Corp., Senior Bond, 3.8%, 11/01/29	United States	640,000	603,089
[†] Weekley Homes LLC / Weekley Finance Corp., Senior Note, 144A, 4.875%, 9/15/28	United States	500,000	478,983
			1,711,815

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount [†]	Value
Corporate Bonds (continued)			
Household Products 0.3%			
[†] Central Garden & Pet Co., Senior Bond, 144A, 4.125%, 4/30/31	United States	500,000	\$442,633
[†] Energizer Holdings, Inc., Senior Note, 144A, 4.375%, 3/31/29 . .	United States	300,000	278,927
			721,560
Independent Power and Renewable Electricity Producers 1.4%			
[†] AES Andes SA, Senior Note, 144A, 6.3%, 3/15/29	Chile	500,000	503,089
[†] Atlantica Sustainable Infrastructure plc, Senior Note, 144A, 4.125%, 6/15/28	Spain	900,000	850,923
[†] Clearway Energy Operating LLC, Senior Note, 144A, 3.75%, 2/15/31	United States	500,000	435,748
Constellation Energy Generation LLC, Senior Bond, 6.125%, 1/15/34	United States	200,000	209,482
[†] Leeward Renewable Energy Operations LLC, Senior Note, 144A, 4.25%, 7/01/29	United States	1,000,000	916,430
[†] Talen Energy Supply LLC, Senior Secured Note, 144A, 8.625%, 6/01/30	United States	800,000	853,152
			3,768,824
Insurance 2.4%			
[†] Acrisure LLC / Acrisure Finance, Inc., Senior Note, 144A, 8.5%, 6/15/29	United States	300,000	314,073
Senior Secured Note, 144A, 7.5%, 11/06/30	United States	500,000	515,382
[†] AIA Group Ltd., Senior Bond, 144A, 4.95%, 4/04/33	Hong Kong	300,000	295,771
[†] Alliant Holdings Intermediate LLC / Alliant Holdings Co-Issuer, Senior Note, 144A, 7.375%, 10/01/32	United States	100,000	101,045
Senior Secured Note, 144A, 6.75%, 4/15/28	United States	600,000	603,439
Senior Secured Note, 144A, 7%, 1/15/31	United States	200,000	201,000
Arch Capital Group Ltd., Senior Bond, 3.635%, 6/30/50	United States	1,000,000	713,454
Arthur J Gallagher & Co., Senior Note, 5%, 2/15/32	United States	250,000	246,885
[†] Corebridge Global Funding, Secured Note, 144A, 5.9%, 9/19/28	United States	200,000	205,903
F&G Annuities & Life, Inc., Senior Note, 6.5%, 6/04/29	United States	200,000	204,335
[†] Metropolitan Life Global Funding I, Secured Note, 144A, 5.05%, 1/06/28	United States	1,100,000	1,106,836
Secured Note, 144A, 4.3%, 8/25/29	United States	300,000	292,200
[†] Northwestern Mutual Global Funding, Secured Note, 144A, 4.9%, 6/12/28	United States	600,000	600,587
[†] RGA Global Funding, Secured Note, 144A, 5.5%, 1/11/31	United States	700,000	707,790
[†] Sammons Financial Group, Inc., Senior Bond, 144A, 6.875%, 4/15/34	United States	400,000	418,790
			6,527,490
Interactive Media & Services 0.3%			
[†] Tencent Holdings Ltd., Senior Bond, 144A, 2.39%, 6/03/30	China	900,000	786,450
IT Services 0.8%			
[†] Cablevision Lightpath LLC, Senior Secured Note, 144A, 3.875%, 9/15/27	United States	900,000	856,323
[†] Fortress Intermediate 3, Inc., Senior Secured Note, 144A, 7.5%, 6/01/31	United States	300,000	306,277
[†] Gartner, Inc., Senior Note, 144A, 4.5%, 7/01/28	United States	700,000	682,626
Senior Note, 144A, 3.625%, 6/15/29	United States	400,000	371,902
			2,217,128
Life Sciences Tools & Services 0.1%			
[†] Fortrea Holdings, Inc., Senior Secured Note, 144A, 7.5%, 7/01/30	United States	400,000	401,164

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount [†]	Value
Corporate Bonds (continued)			
Machinery 0.9%			
[†] ATS Corp., Senior Note, 144A, 4.125%, 12/15/28	Canada	400,000	\$372,259
[†] Esab Corp., Senior Note, 144A, 6.25%, 4/15/29	United States	300,000	304,107
Hillenbrand, Inc., Senior Note, 6.25%, 2/15/29	United States	300,000	300,180
[†] Manitowoc Co., Inc. (The), Secured Note, 144A, 9.25%, 10/01/31	United States	300,000	307,882
Parker-Hannifin Corp., Senior Note, 4.25%, 9/15/27	United States	400,000	395,848
[†] Terex Corp., Senior Note, 144A, 6.25%, 10/15/32	United States	900,000	883,283
			2,563,559
Media 2.1%			
Charter Communications Operating LLC / Charter Communications Operating Capital Corp., Senior Secured Bond, 2.8%, 4/01/31			
	United States	1,300,000	1,096,836
[†] Clear Channel Outdoor Holdings, Inc., Senior Note, 144A, 7.75%, 4/15/28	United States	400,000	361,381
Senior Secured Note, 144A, 5.125%, 8/15/27	United States	200,000	192,742
Senior Secured Note, 144A, 7.875%, 4/01/30	United States	200,000	206,078
Comcast Corp., Senior Bond, 4.8%, 5/15/33	United States	600,000	583,067
[†] CSC Holdings LLC, Senior Bond, 144A, 3.375%, 2/15/31	United States	400,000	282,439
[†] Directv Financing LLC / Directv Financing Co-Obligor, Inc., Senior Secured Note, 144A, 5.875%, 8/15/27	United States	700,000	682,755
Fox Corp., Senior Bond, 6.5%, 10/13/33	United States	1,200,000	1,265,158
[†] McGraw-Hill Education, Inc., Senior Secured Note, 144A, 7.375%, 9/01/31	United States	500,000	512,342
[†] Outfront Media Capital LLC / Outfront Media Capital Corp., Senior Bond, 144A, 4.625%, 3/15/30	United States	300,000	277,456
Senior Secured Note, 144A, 7.375%, 2/15/31	United States	200,000	209,223
			5,669,477
Metals & Mining 1.1%			
[†] Cleveland-Cliffs, Inc., Senior Note, 144A, 7%, 3/15/32	United States	300,000	295,008
[†] Constellium SE, Senior Note, 144A, 3.75%, 4/15/29	United States	400,000	362,424
Senior Note, 144A, 6.375%, 8/15/32	United States	200,000	193,808
[†] Indonesia Asahan Aluminium PT / Mineral Industri Indonesia Persero PT, Senior Bond, 144A, 5.45%, 5/15/30	Indonesia	700,000	698,138
[†] Novelis Corp., Senior Bond, 144A, 4.75%, 1/30/30	United States	300,000	277,238
Senior Note, 144A, 3.25%, 11/15/26	United States	300,000	286,018
[†] POSCO, Senior Note, 144A, 5.625%, 1/17/26	South Korea	850,000	855,630
			2,968,264
Multi-Utilities 0.6%			
Dominion Energy, Inc., A, Senior Note, 4.35%, 8/15/32	United States	1,150,000	1,080,276
DTE Energy Co., Senior Note, 4.875%, 6/01/28	United States	600,000	598,096
			1,678,372
Oil, Gas & Consumable Fuels 6.6%			
[†] Aker BP ASA, Senior Bond, 144A, 3.1%, 7/15/31	Norway	900,000	777,689
[†] Antero Resources Corp., Senior Note, 144A, 7.625%, 2/01/29 . .	United States	598,000	612,589
[†] Calumet Specialty Products Partners LP / Calumet Finance Corp., Senior Secured Note, 144A, 9.25%, 7/15/29	United States	400,000	414,995
Canadian Natural Resources Ltd., Senior Bond, 2.95%, 7/15/30	Canada	850,000	755,366
Cheniere Energy, Inc., Senior Note, 5.65%, 4/15/34	United States	200,000	201,282
[†] Civitas Resources, Inc., Senior Note, 144A, 8.375%, 7/01/28	United States	300,000	311,945

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount [†]	Value
Corporate Bonds (continued)			
Oil, Gas & Consumable Fuels (continued)			
[†] Civitas Resources, Inc., (continued)			
Senior Note, 144A, 8.625%, 11/01/30	United States	100,000	\$104,816
Senior Note, 144A, 8.75%, 7/01/31	United States	400,000	417,513
[†] Coronado Finance Pty. Ltd., Senior Secured Note, 144A, 9.25%, 10/01/29	Australia	200,000	203,066
[†] CrownRock LP / CrownRock Finance, Inc., Senior Note, 144A, 5%, 5/01/29	United States	800,000	810,617
[†] DT Midstream, Inc., Senior Bond, 144A, 4.375%, 6/15/31	United States	700,000	639,199
Energy Transfer LP,			
Senior Bond, 3.75%, 5/15/30	United States	200,000	186,701
[†] Senior Note, 144A, 6%, 2/01/29	United States	400,000	405,979
EnLink Midstream LLC,			
Senior Bond, 5.375%, 6/01/29	United States	1,100,000	1,100,750
[†] Senior Note, 144A, 5.625%, 1/15/28	United States	100,000	101,248
[†] EQM Midstream Partners LP, Senior Note, 144A, 7.5%, 6/01/27	United States	100,000	102,046
[†] Galaxy Pipeline Assets Bidco Ltd., Senior Secured Bond, 144A, 2.16%, 3/31/34	United Arab Emirates	309,716	266,018
[†] Harbour Energy plc, Senior Note, 144A, 5.5%, 10/15/26	United Kingdom	200,000	199,962
[†] Hess Midstream Operations LP, Senior Note, 144A, 6.5%, 6/01/29	United States	300,000	303,187
[†] Hilcorp Energy I LP / Hilcorp Finance Co.,			
Senior Bond, 144A, 6%, 2/01/31	United States	500,000	464,274
Senior Bond, 144A, 6.25%, 4/15/32	United States	200,000	184,947
[†] Kinetik Holdings LP, Senior Note, 144A, 5.875%, 6/15/30	United States	800,000	788,039
[†] Kraken Oil & Gas Partners LLC, Senior Note, 144A, 7.625%, 8/15/29	United States	400,000	385,380
[†] Matador Resources Co.,			
Senior Note, 144A, 6.5%, 4/15/32	United States	600,000	594,226
Senior Note, 144A, 6.25%, 4/15/33	United States	200,000	194,325
MPLX LP, Senior Note, 2.65%, 8/15/30	United States	1,500,000	1,313,234
Sabine Pass Liquefaction LLC, Senior Secured Note, 4.5%, 5/15/30	United States	1,600,000	1,550,844
Sunoco LP / Sunoco Finance Corp.,			
Senior Note, 6%, 4/15/27	United States	500,000	499,373
Senior Note, 4.5%, 5/15/29	United States	900,000	849,139
[†] Var Energi ASA, Senior Bond, 144A, 8%, 11/15/32	Norway	1,000,000	1,124,754
[†] Venture Global Calcasieu Pass LLC,			
Senior Secured Bond, 144A, 4.125%, 8/15/31	United States	300,000	268,896
Senior Secured Note, 144A, 3.875%, 8/15/29	United States	300,000	275,842
[†] Venture Global LNG, Inc., Senior Secured Note, 144A, 8.375%, 6/01/31	United States	700,000	730,773
[†] Viper Energy, Inc., Senior Note, 144A, 7.375%, 11/01/31	United States	400,000	419,084
[†] Vital Energy, Inc., Senior Note, 144A, 7.875%, 4/15/32	United States	700,000	674,213
			18,232,311
Paper & Forest Products 0.3%			
Suzano Austria GmbH,			
Senior Bond, 3.75%, 1/15/31	Brazil	700,000	618,232
DM3N, Senior Bond, 3.125%, 1/15/32	Brazil	400,000	332,130
			950,362
Passenger Airlines 0.6%			
[†] American Airlines, Inc. / AAdvantage Loyalty IP Ltd., Senior Secured Note, 144A, 5.75%, 4/20/29	United States	900,000	893,229
[†] Delta Air Lines, Inc. / SkyMiles IP Ltd., Senior Secured Note, 144A, 4.5%, 10/20/25	United States	368,000	365,808
[†] OneSky Flight LLC, Senior Note, 144A, 8.875%, 12/15/29	United States	200,000	200,369

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount [†]	Value
Corporate Bonds (continued)			
Passenger Airlines (continued)			
†United Airlines, Inc., Senior Secured Note, 144A, 4.375%, 4/15/26	United States	143,097	\$140,812
			1,600,218
Personal Care Products 1.0%			
†BellRing Brands, Inc., Senior Note, 144A, 7%, 3/15/30	United States	500,000	512,941
†Coty, Inc. / HFC Prestige Products, Inc. / HFC Prestige International US LLC, Senior Secured Note, 144A, 4.75%, 1/15/29	United States	800,000	763,108
Estee Lauder Cos., Inc. (The), Senior Bond, 4.65%, 5/15/33 . . .	United States	1,000,000	955,310
†Prestige Brands, Inc., Senior Bond, 144A, 3.75%, 4/01/31	United States	500,000	439,346
			2,670,705
Pharmaceuticals 1.3%			
†Bayer US Finance II LLC, Senior Bond, 144A, 4.375%, 12/15/28	Germany	889,000	855,480
†Endo Finance Holdings, Inc., Senior Secured Note, 144A, 8.5%, 4/15/31	United States	400,000	424,313
†Organon & Co. / Organon Foreign Debt Co-Issuer BV, Senior Bond, 144A, 5.125%, 4/30/31	United States	300,000	269,934
Senior Secured Note, 144A, 4.125%, 4/30/28	United States	700,000	658,266
Pfizer Investment Enterprises Pte. Ltd., Senior Bond, 4.75%, 5/19/33	United States	345,000	335,366
Royalty Pharma plc, Senior Bond, 3.3%, 9/02/40	United States	500,000	362,272
Teva Pharmaceutical Finance Netherlands III BV, Senior Note, 5.125%, 5/09/29	Israel	700,000	684,215
			3,589,846
Residential REITs 0.2%			
AvalonBay Communities, Inc., Senior Bond, 2.45%, 1/15/31 . . .	United States	500,000	434,071
Software 0.3%			
†McAfee Corp., Senior Note, 144A, 7.375%, 2/15/30	United States	800,000	777,993
Specialized REITs 0.3%			
†Iron Mountain, Inc., Senior Note, 144A, 7%, 2/15/29	United States	900,000	920,261
Specialty Retail 0.1%			
AutoNation, Inc., Senior Bond, 4.75%, 6/01/30	United States	200,000	193,274
Technology Hardware, Storage & Peripherals 0.5%			
Dell International LLC / EMC Corp., Senior Bond, 5.4%, 4/15/34	United States	900,000	898,334
Hewlett Packard Enterprise Co., Senior Note, 4.85%, 10/15/31 .	United States	500,000	487,856
			1,386,190
Textiles, Apparel & Luxury Goods 0.4%			
†Hanesbrands, Inc., Senior Note, 144A, 9%, 2/15/31	United States	800,000	853,788
Tapestry, Inc., Senior Bond, 5.5%, 3/11/35	United States	200,000	194,637
			1,048,425
Tobacco 0.7%			
Altria Group, Inc., Senior Bond, 3.4%, 5/06/30	United States	1,200,000	1,101,580
Philip Morris International, Inc., Senior Bond, 5.375%, 2/15/33 .	United States	800,000	801,925
			1,903,505
Trading Companies & Distributors 1.1%			
†EquipmentShare.com, Inc., Secured Note, 144A, 8.625%, 5/15/32	United States	700,000	732,409

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount [†]	Value
Corporate Bonds (continued)			
Trading Companies & Distributors (continued)			
[†] H&E Equipment Services, Inc., Senior Note, 144A, 3.875%, 12/15/28	United States	600,000	\$549,025
[†] Herc Holdings, Inc., Senior Note, 144A, 6.625%, 6/15/29	United States	500,000	506,765
[†] United Rentals North America, Inc., Senior Bond, 144A, 6.125%, 3/15/34	United States	500,000	496,714
[†] WESCO Distribution, Inc., Senior Note, 144A, 6.375%, 3/15/29	United States	700,000	710,231
Senior Note, 144A, 6.625%, 3/15/32	United States	100,000	101,762
			3,096,906
Transportation Infrastructure 0.0%[†]			
[†] Rutas 2 and 7 Finance Ltd., Senior Secured Bond, 144A, Zero Cpn., 9/30/36	United States	160,000	113,704
Wireless Telecommunication Services 1.0%			
[†] Connect Finco SARL / Connect US Finco LLC, Senior Secured Note, 144A, 9%, 9/15/29	United Kingdom	500,000	456,027
^a Digicel Group Holdings Ltd., Zero Cpn., 11/17/33	Bermuda	11,456	446
Zero Cpn., 11/17/33	Bermuda	29,771	834
Zero Cpn., 11/17/33	Bermuda	242	160
T-Mobile USA, Inc., Senior Bond, 3.3%, 2/15/51	United States	500,000	330,081
Senior Note, 3.875%, 4/15/30	United States	1,300,000	1,223,924
[†] Zegona Finance plc, Senior Secured Note, 144A, 8.625%, 7/15/29	United Kingdom	600,000	638,260
			2,649,732
Total Corporate Bonds (Cost \$170,490,203)			163,138,560
ⁱSenior Floating Rate Interests 2.6%			
Air Freight & Logistics 0.1%			
[†] Rand Parent LLC, First Lien, CME Term Loan, B, 8.079%, (3-month SOFR + 3.75%), 3/18/30	United States	131,233	132,176
^jAutomobile Components 0.1%			
DexKo Global, Inc., First Lien, Closing Date Dollar CME Term Loan, 8.34%, (3-month SOFR + 3.75%), 10/04/28	United States	36,701	34,788
First Brands Group LLC, First Lien, 2021 CME Term Loan, 9.847%, (3-month SOFR + 5%), 3/30/27	United States	78,306	73,738
First Brands Group LLC, Second Lien, 2021 CME Term Loan, 13.347%, (3-month SOFR + 8.5%), 3/30/28	United States	107,744	98,047
Highline Aftermarket Acquisition LLC, First Lien, 2024-1 Refinancing CME Term Loan, 8.357%, (1-month SOFR + 4%), 11/09/27	United States	45,603	46,002
TI Group Automotive Systems LLC, First Lien, 2021 Refinancing CME Term Loan, B, 7.721%, (1-month SOFR + 3.25%), 12/16/26	United States	30,826	30,913
			283,488
Automobiles 0.0%[†]			
[†] American Trailer World Corp., First Lien, CME Term Loan, B, 8.207%, (1-month SOFR + 3.75%), 3/03/28	United States	78,730	70,286
Beverages 0.0%[†]			
[†] Triton Water Holdings, Inc., First Lien, Initial CME Term Loan, 7.84%, (3-month SOFR + 3.25%), 3/31/28	United States	55,852	56,362

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount ¹	Value
ⁱSenior Floating Rate Interests (continued)			
Broadline Retail 0.0%[†]			
ⁱ Peer Holding III BV, First Lien, CME Term Loan, B5, 7.329%, (3-month SOFR + 3%), 7/01/31	Netherlands	51,238	\$51,591
^jBuilding Products 0.1%			
AZZ, Inc., First Lien, Initial CME Term Loan, 6.857%, (1-month SOFR + 2.5%), 5/14/29	United States	64,603	64,937
Cornerstone Building Brands, Inc., First Lien, CME Term Loan, C, 8.897%, (1-month SOFR + 4.5%), 5/15/31	United States	123,288	119,089
EMRLD Borrower LP, First Lien, Second Amendment Incremental CME Term Loan, 6.829%, (3-month SOFR + 2.5%), 8/04/31	United States	35,414	35,599
Quikrete Holdings, Inc., First Lien, CME Term Loan, B2, 6.607%, (1-month SOFR + 2.25%), 3/19/29	United States	42,414	42,441
Summit Materials LLC, First Lien, CME Term Loan, B2, 6.147%, (1-month SOFR + 1.75%), 1/12/29	United States	19,325	19,373
			281,439
ⁱCapital Markets 0.1%			
AAL Delaware Holdco, Inc., First Lien, Initial CME Term Loan, 7.857%, (1-month SOFR + 3.5%), 7/30/31	United States	25,909	26,152
Al Aqua Merger Sub, Inc., First Lien, Initial CME Term Loan, B, 8.053%, (1-month SOFR + 3.5%), 7/31/28	United States	60,074	60,200
Citadel Securities LP, First Lien, 2024 CME Term Loan, 6.329%, (3-month SOFR + 2%), 10/31/31	United States	42,527	42,701
Edelman Financial Engines Center LLC (The), First Lien, 2024 Refinancing CME Term Loan, 7.823%, (1-month SOFR + 3.25%), 4/07/28	United States	25,861	26,049
First Eagle Holdings, Inc., First Lien, CME Term Loan, B2, 7.329%, (3-month SOFR + 3%), 3/05/29	United States	119,100	119,491
Jane Street Group LLC, First Lien, Extended CME Term Loan, 6.395%, (3-month SOFR + 2%), 12/15/31	United States	42,299	42,213
			316,806
ⁱChemicals 0.2%			
A-AP Buyer, Inc., First Lien, Initial CME Term Loan, 7.607%, (1-month SOFR + 3.25%), 9/09/31	United States	25,597	25,837
Albaugh LLC, First Lien, Initial CME Term Loan, 8.107%, (1-month SOFR + 3.75%), 4/06/29	United States	39,795	39,721
Hexion Holdings Corp., First Lien, 2024 Refinancing CME Term Loan, 8.447%, (1-month SOFR + 4%), 3/15/29	United States	75,751	75,888
Hexion Holdings Corp., Second Lien, Initial CME Term Loan, 11.895%, (1-month SOFR + 7.438%), 3/15/30	United States	50,408	48,055
INEOS US Finance LLC, First Lien, 2030 Dollar CME Term Loan, 7.935%, (1-month SOFR + 3.25%), 2/18/30	Luxembourg	84,339	84,821
INEOS US Petrochem LLC, First Lien, New CME Term Loan, B1, 8.707%, (1-month SOFR + 4.25%), 4/02/29	United States	41,976	42,343
LSF11 A5 HoldCo LLC, First Lien, 2024 Refinancing CME Term Loan, 7.971%, (1-month SOFR + 3.5%), 10/16/28	United States	65,692	66,179
Lummus Technology Holdings V LLC, First Lien, 2024 CME Term Loan, B, 7.857%, (1-month SOFR + 3.5%), 12/31/29	United States	29,810	30,076
Nouryon Finance BV, First Lien, November 2024 Dollar CME Term Loan, B2, 7.657%, (3-month SOFR + 3.25%), 4/03/28	Netherlands	52,084	52,746
SCIH Salt Holdings, Inc., First Lien, Incremental CME Term Loan, B1, 7.583%, (1-month SOFR + 3%; 3-month SOFR + 3%), 3/16/27	United States	42,300	42,467
Vibrantz Technologies, Inc., First Lien, Initial CME Term Loan, 9.058%, (3-month SOFR + 4.25%), 4/23/29	United States	109,549	108,211
			616,344

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount [†]	Value
[†]Senior Floating Rate Interests (continued)			
[†]Commercial Services & Supplies 0.1%			
Allied Universal Holdco LLC, First Lien, Initial US Dollar CME Term Loan, 8.207%, (1-month SOFR + 3.75%), 5/12/28	United States	66,562	\$66,862
CCI Buyer, Inc., First Lien, Initial CME Term Loan, 8.329%, (3-month SOFR + 4%), 12/17/27	United States	86,871	87,065
Pitney Bowes, Inc., First Lien, Refinancing CME Term Loan, B, 8.471%, (1-month SOFR + 4%), 3/17/28	United States	127,031	127,984
Spin Holdco, Inc., First Lien, Initial CME Term Loan, 8.706%, (3-month SOFR + 4%), 3/06/28	United States	109,021	92,303
			374,214
[†]Construction & Engineering 0.1%			
Chromalloy Corp., First Lien, CME Term Loan, 8.354%, (3-month SOFR + 3.75%), 3/27/31	United States	59,700	59,849
Construction Partners, Inc., First Lien, Closing Date CME Term Loan, 6.845%, (1-month SOFR + 2.5%), 11/03/31	United States	10,239	10,310
Radar Bidco SARL, First Lien, USD CME Term Loan, B2, 8.34%, (3-month SOFR + 3.75%), 4/04/31	Luxembourg	41,875	42,433
			112,592
Consumer Finance 0.1%			
[†] Neon Maple US Debt Mergersub, Inc., First Lien, CME Term Loan, B1, 7.444%, (1-month SOFR + 3%), 11/17/31	United States	122,754	123,157
[†]Containers & Packaging 0.1%			
Berlin Packaging LLC, First Lien, 2024 Replacement CME Term Loan, 8.308%, (1-month SOFR + 3.75%; 3-month SOFR + 3.75%), 6/09/31	United States	119,700	120,538
Charter Next Generation, Inc., First Lien, 2024 Replacement CME Term Loan, 7.525%, (1-month SOFR + 3%), 11/29/30	United States	41,999	42,278
Klockner Pentaplast of America, Inc., First Lien, USD CME Term Loan, B, 9.723%, (6-month SOFR + 4.725%), 2/09/26	Luxembourg	146,353	134,279
Pactiv Evergreen Group Holdings, Inc., First Lien, CME Term Loan, B4, 6.857%, (1-month SOFR + 2.5%), 9/25/28	United States	28,029	28,182
			325,277
Diversified Consumer Services 0.0%[†]			
[†] WW International, Inc., First Lien, Initial CME Term Loan, 7.971%, (1-month SOFR + 3.5%), 4/13/28	United States	64,646	14,739
Diversified Telecommunication Services 0.0%[†]			
[†] Altice France SA, First Lien, CME Term Loan, B14, 10.156%, (3-month SOFR + 5.5%), 8/15/28	France	26,357	21,237
Electrical Equipment 0.0%[†]			
[†] Roper Industrial Products Investment Co. LLC, First Lien, Dollar CME Term Loan, D, 7.194%, (1-month SOFR + 2.75%), 11/22/29	United States	61,360	61,590
Entertainment 0.0%[†]			
[†] Playtika Holding Corp., First Lien, CME Term Loan, B1, 7.221%, (1-month SOFR + 2.75%), 3/13/28	United States	43,691	43,875
[†]Food Products 0.1%			
Aspire Bakeries Holdings LLC, First Lien, Initial CME Term Loan, 8.607%, (1-month SOFR + 4.25%), 12/22/30	United States	44,007	44,502
[†] Froneri International Ltd., First Lien, CME Term Loan, B4, 6.357%, (1-month SOFR + 2%), 9/17/31	United Kingdom	116,788	117,039
Primary Products Finance LLC, First Lien, CME Term Loan, B, 8.248%, (3-month SOFR + 3.5%), 4/02/29	United States	74,072	74,367

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount ¹	Value
ⁱSenior Floating Rate Interests (continued)			
^jFood Products (continued)			
Simply Good Foods USA, Inc., First Lien, Initial CME Term Loan, 6.957%, (1-month SOFR + 2.5%), 3/17/27	United States	6,709	\$6,776
			242,684
^jGround Transportation 0.0%[†]			
Albion Financing 3 SARL, First Lien, 2024 Amended USD CME Term Loan, 9.898%, (3-month SOFR + 4.75%), 8/17/29	Luxembourg	14,182	14,348
First Student Bidco, Inc., First Lien, CME Term Loan, B, 6.892%, (3-month SOFR + 2.5%), 7/21/28	United States	21,872	21,940
First Student Bidco, Inc., First Lien, Initial CME Term Loan, C, 6.892%, (3-month SOFR + 2.5%), 7/21/28	United States	6,686	6,707
WWEX UNI TopCo Holdings LLC, First Lien, Initial CME Term Loan, 8.329%, (3-month SOFR + 4%), 7/26/28	United States	59,846	60,286
			103,281
^jHealth Care Equipment & Supplies 0.0%[†]			
Medline Borrower LP, First Lien, Dollar Incremental CME Term Loan, 6.607%, (1-month SOFR + 2.25%), 10/23/28	United States	52,693	52,939
US Radiology Specialists, Inc. (US Outpatient Imaging Services, Inc.), First Lien, CME Term Loan, 9.079%, (3-month SOFR + 4.75%), 12/15/27	United States	39,698	40,011
			92,950
^jHealth Care Providers & Services 0.2%			
ADMI Corp., First Lien, Amendment No. 4 Refinancing CME Term Loan, 7.846%, (1-month SOFR + 3.375%), 12/23/27	United States	104,838	102,937
Charlotte Buyer, Inc., First Lien, First Refinancing CME Term Loan, 9.202%, (1-month SOFR + 4.75%), 2/11/28	United States	65,452	65,931
CNT Holdings I Corp., First Lien, Initial CME Term Loan, 8.085%, (3-month SOFR + 3.5%), 11/08/27	United States	27,867	28,083
Medical Solutions Holdings, Inc., First Lien, CME Term Loan, 8.185%, (3-month SOFR + 3.5%), 11/01/28	United States	67,519	48,145
Pacific Dental Services, Inc., First Lien, CME Term Loan, 7.125%, (1-month SOFR + 2.75%), 3/17/31	United States	42,475	42,820
Phoenix Guarantor, Inc., First Lien, CME Term Loan, B5, 6.857%, (1-month SOFR + 2.5%), 2/21/31	United States	49,875	50,115
⁹ Radiology Partners, Inc., First Lien, CME Term Loan, B, PIK, 8.275%, (3-month SOFR + 3.5%), 1/31/29	United States	99,761	98,672
Surgery Center Holdings, Inc., First Lien, 2024 Refinancing CME Term Loan, 7.089%, (1-month SOFR + 2.75%), 12/19/30	United States	6,093	6,148
US Anesthesia Partners, Inc., First Lien, Initial CME Term Loan, 8.917%, (1-month SOFR + 4.25%), 10/02/28	United States	102,828	102,466
Waystar Technologies, Inc., First Lien, Initial CME Term Loan, 7.323%, (1-month SOFR + 2.75%), 10/22/29	United States	19,856	19,972
			565,289
^jHotels, Restaurants & Leisure 0.2%			
⁹ 24 Hour Fitness Worldwide, Inc., First Lien, Exit CME Term Loan, PIK, 9.59%, (3-month SOFR + 5%), 12/29/25	United States	247,801	98,164
Bally's Corp., First Lien, CME Term Loan, B, 8.143%, (3-month SOFR + 3.25%), 10/02/28	United States	118,640	112,501
Caesars Entertainment, Inc., First Lien, 2023 Incremental CME Term Loan, B, 6.607%, (1-month SOFR + 2.25%), 2/06/30	United States	43,404	43,494
Dave & Buster's, Inc., First Lien, 2024 Refinancing CME Term Loan, B, 7.813%, (1-month SOFR + 3.25%), 6/29/29	United States	33,645	33,138
Entain plc, First Lien, CME Term Loan, B3, 7.079%, (3-month SOFR + 2.75%), 10/31/29	United Kingdom	49,750	49,952

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount [†]	Value
[†]Senior Floating Rate Interests (continued)			
[†]Hotels, Restaurants & Leisure (continued)			
Golden State Foods LLC, First Lien, Initial CME Term Loan, 8.774%, (1-month SOFR + 4.25%), 10/07/31	United States	33,898	\$34,242
Great Canadian Gaming Corp., First Lien, CME Term Loan, B, 9.087%, (3-month SOFR + 4.75%), 11/01/29	Canada	56,737	56,772
Hilton Grand Vacations Borrower LLC, First Lien, Initial CME Term Loan, 6.857%, (1-month SOFR + 2.5%), 8/02/28	United States	25,890	26,018
Ontario Gaming GTA LP, First Lien, CME Term Loan, B, 8.579%, (3-month SOFR + 4.25%), 8/01/30	Canada	21,023	21,092
Scientific Games Holdings LP, First Lien, 2024 Refinancing Dollar CME Term Loan, 7.59%, (3-month SOFR + 3%), 4/04/29	United States	129,513	129,983
Whatabrands LLC, First Lien, 2024 CME Term Loan, B, 7.323%, (1-month SOFR + 2.75%), 8/03/28	United States	28,294	28,396
			633,752
Household Durables 0.0%[†]			
[†] Hunter Douglas, Inc., First Lien, CME Term Loan, B1, 8.021%, (3-month SOFR + 3.5%), 2/25/29	Netherlands	21,142	21,158
[†]Independent Power and Renewable Electricity Producers 0.0%[†]			
Calpine Construction Finance Co. LP, First Lien, Refinancing CME Term Loan, 6.357%, (1-month SOFR + 2%), 7/19/30 . . .	United States	50,000	49,948
Calpine Corp., First Lien, CME Term Loan, 6.573%, (1-month SOFR + 2%), 1/31/31	United States	49,875	49,898
			99,846
[†]Insurance 0.2%			
Acrisure LLC, First Lien, CME Term Loan, B6, 7.313%, (1-month SOFR + 3%), 11/06/30	United States	29,634	29,719
AssuredPartners, Inc., First Lien, 2024 CME Term Loan, 7.857%, (1-month SOFR + 3.5%), 2/14/31	United States	82,119	82,388
Asurion LLC, First Lien, New CME Term Loan, B10, 8.457%, (1-month SOFR + 4%), 8/21/28	United States	25,013	24,979
Asurion LLC, First Lien, New CME Term Loan, B11, 8.707%, (1-month SOFR + 4.25%), 8/21/28	United States	9,125	9,145
Asurion LLC, Second Lien, New CME Term Loan, B4, 9.721%, (1-month SOFR + 5.25%), 1/19/29	United States	60,815	58,881
Broadstreet Partners, Inc., First Lien, 2024 CME Term Loan, B, 7.573%, (1-month SOFR + 3%), 6/16/31	United States	122,606	123,168
Sedgwick Claims Management Services, Inc., First Lien, 2024 CME Term Loan, 7.585%, (3-month SOFR + 3%), 7/31/31 . . .	United States	69,341	69,845
			398,125
IT Services 0.0%[†]			
[†] Fortress Intermediate 3, Inc., First Lien, Initial CME Term Loan, 7.857%, (1-month SOFR + 3.5%), 6/27/31	United States	21,909	22,005
Leisure Products 0.0%[†]			
[†] GBT US III LLC, First Lien, Restatement Date CME Term Loan, 7.626%, (3-month SOFR + 3%), 7/28/31	United States	33,241	33,445
[†]Machinery 0.1%			
CPM Holdings, Inc., First Lien, Initial CME Term Loan, 9.053%, (1-month SOFR + 4.5%), 9/28/28	United States	119,098	115,806
SunSource Borrower LLC, First Lien, First Refinancing CME Term Loan, 8.457%, (1-month SOFR + 4%), 3/25/31	United States	45,227	45,424
			161,230

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount [†]	Value
ⁱSenior Floating Rate Interests (continued)			
^jMedia 0.1%			
Cengage Learning, Inc., First Lien, 2024 Refinancing CME Term Loan, 7.956%, (1-month SOFR + 3.5%; 3-month SOFR + 3.5%), 3/24/31	United States	52,466	\$52,803
Gray Television, Inc., First Lien, CME Term Loan, D, 7.667%, (1-month SOFR + 3%), 12/01/28	United States	81,176	75,225
MH Sub I LLC (Micro Holding Corp.), First Lien, CME Term Loan, 8.823%, (1-month SOFR + 4.25%), 5/03/28	United States	26,665	26,710
			<u>154,738</u>
^jOil, Gas & Consumable Fuels 0.1%			
EPIC Crude Services LP, First Lien, CME Term Loan, 7.656%, (3-month SOFR + 3%), 10/15/31	United States	74,766	75,514
UGI Energy Services LLC, First Lien, Initial CME Term Loan, 7.963%, (12-month SOFR + 2.75%), 2/22/30	United States	84,079	84,587
			<u>160,101</u>
^jPassenger Airlines 0.1%			
AAdvantage Loyalty IP Ltd., First Lien, Initial CME Term Loan, 9.629%, (3-month SOFR + 4.75%), 4/20/28	United States	33,140	34,078
American Airlines, Inc., First Lien, Initial CME Term Loan, 6.959%, (6-month SOFR + 2.25%), 6/04/29	United States	64,000	64,199
AS Mileage Plan IP Ltd., First Lien, Initial CME Term Loan, 6.656%, (3-month SOFR + 2%), 10/01/31	United States	68,474	68,902
United Airlines, Inc., First Lien, CME Term Loan, B, 6.635%, (3-month SOFR + 2%), 2/24/31	United States	44,420	44,623
			<u>211,802</u>
^jPharmaceuticals 0.0%[†]			
Jazz Financing Lux SARL, First Lien, Dollar CME Term Loan, B2, 6.607%, (1-month SOFR + 2.25%), 5/05/28	United States	65,234	65,478
Organon & Co., First Lien, Dollar CME Term Loan, 7.737%, (12-month SOFR + 2.5%), 5/19/31	United States	31,126	31,269
			<u>96,747</u>
^jProfessional Services 0.1%			
EAB Global, Inc., First Lien, CME Term Loan, 7.607%, (1-month SOFR + 3.25%), 8/16/28	United States	119,100	119,710
Soliant Lower Intermediate LLC, First Lien, Initial CME Term Loan, 8.107%, (1-month SOFR + 3.75%), 7/18/31	United States	42,365	42,154
			<u>161,864</u>
^jSoftware 0.2%			
Adeia, Inc., First Lien, CME Term Loan, B, 7.37%, (1-month SOFR + 3%), 6/08/28	United States	104,166	104,513
Central Parent LLC, First Lien, 2024 Refinancing CME Term Loan, 7.579%, (3-month SOFR + 3.25%), 7/06/29	United States	59,850	59,136
^k Clover Holdings 2 LLC, First Lien, Initial CME Term Loan, 8.428%, (3-month SOFR + 4%), 11/03/31	United States	23,753	24,050
ConnectWise LLC, First Lien, Initial CME Term Loan, 8.09%, (3-month SOFR + 3.5%), 9/29/28	United States	45,221	45,575
Genesys Cloud Services Holdings II LLC, First Lien, CME Term Loan, B, 7.357%, (1-month SOFR + 3%), 12/01/27	United States	62,236	62,836
Imprivata, Inc., First Lien, 2024 Refinancing CME Term Loan, 8.085%, (3-month SOFR + 3.5%), 12/01/27	United States	28,724	28,954
McAfee Corp., First Lien, CME Term Loan, B1, 7.37%, (1-month SOFR + 3%), 3/01/29	United States	66,907	67,049

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount [†]	Value
[†]Senior Floating Rate Interests (continued)			
[†]Software (continued)			
Polaris Newco LLC, First Lien, Dollar CME Term Loan, 8.847%, (3-month SOFR + 4%), 6/02/28	United States	19,232	\$19,290
Rocket Software, Inc., First Lien, CME Term Loan, 8.823%, (1-month SOFR + 4.25%), 11/28/28	United States	42,907	43,280
			454,683
[†]Specialty Retail 0.2%			
Evergreen Acqco 1 LP, First Lien, Initial CME Term Loan, 8.077%, (3-month SOFR + 3.75%), 4/26/28	United States	43,920	44,091
^g GNC Holdings, Inc., Second Lien, CME Term Loan, PIK, 10.457%, (1-month SOFR + 6%), 10/07/26	United States	317,494	222,948
Great Outdoors Group LLC, First Lien, CME Term Loan, B1, 8.221%, (1-month SOFR + 3.75%), 3/06/28	United States	46,580	46,894
RealTruck Group, Inc., First Lien, Initial CME Term Loan, 7.971%, (1-month SOFR + 3.5%), 1/31/28	United States	65,068	63,251
Restoration Hardware, Inc., First Lien, 2022 Incremental CME Term Loan, 7.707%, (1-month SOFR + 3.25%), 10/20/28	United States	89,123	89,012
White Cap Supply Holdings LLC, First Lien, CME Term Loan, C, 7.823%, (1-month SOFR + 3.25%), 10/19/29	United States	80,312	80,566
			546,762
[†]Textiles, Apparel & Luxury Goods 0.0%[†]			
Flash Charm, Inc., First Lien, CME Term Loan, B2, 8.071%, (3-month SOFR + 3.5%), 3/02/28	United States	59,887	58,928
Hanesbrands, Inc., First Lien, Initial CME Term Loan, B, 8.107%, (1-month SOFR + 3.75%), 3/08/30	United States	25,475	25,730
			84,658
[†]Transportation Infrastructure 0.0%[†]			
LaserShip, Inc., First Lien, CME Term Loan, B1, 9.278%, (3-month SOFR + 4.5%), 8/10/29	United States	34,778	26,605
LaserShip, Inc., First Lien, CME Term Loan, D, 9.278%, (3-month SOFR + 4.5%), 8/10/29	United States	25,149	8,865
			35,470
Total Senior Floating Rate Interests (Cost \$7,340,828)			7,165,763
[†]Marketplace Loans 0.5%			
^aFinancial Services 0.5%			
Total Marketplace Loans (Cost \$1,653,570)			1,392,974
Foreign Government and Agency Securities 2.1%			
[†] African Export-Import Bank (The), Senior Bond, 144A, 3.994%, 9/21/29	Supranational ^m	1,400,000	1,292,287
[†] Banque Ouest Africaine de Developpement, Senior Bond, 144A, 5%, 7/27/27	Supranational ^m	1,200,000	1,168,455
Colombia Government Bond, Senior Bond, 9.85%, 6/28/27	Colombia	5,315,000,000 COP	1,185,465
[†] Comision Federal de Electricidad, Senior Bond, 144A, 3.348%, 2/09/31	Mexico	1,000,000	829,372
[†] Electricite de France SA, Senior Note, 144A, 5.7%, 5/23/28	France	200,000	203,315
[†] Korea Electric Power Corp., Senior Note, 144A, 5.375%, 4/06/26	South Korea	300,000	301,565
Petroleos Mexicanos, Senior Note, 10%, 2/07/33	Mexico	300,000	311,752
[†] Romania Government Bond, Senior Bond, 144A, 6.125%, 1/22/44	Romania	500,000	445,597
Total Foreign Government and Agency Securities (Cost \$6,940,437)			5,737,808

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount [†]	Value
U.S. Government and Agency Securities 19.7%			
FFCB, 2.1%, 2/25/36.	United States	805,000	\$598,549
U.S. Treasury Bonds,			
3%, 2/15/48.	United States	1,450,000	1,064,131
3.375%, 11/15/48.	United States	500,000	390,689
U.S. Treasury Notes,			
4.125%, 1/31/25.	United States	3,250,000	3,249,300
1.5%, 2/15/25.	United States	9,800,000	9,765,958
ⁿ Index Linked, 0.625%, 1/15/26.	United States	2,800,000	3,668,950
3.875%, 1/15/26.	United States	3,050,000	3,040,136
4%, 2/15/26.	United States	11,200,000	11,172,237
3.625%, 5/15/26.	United States	400,000	396,764
2.25%, 2/15/27.	United States	1,400,000	1,343,736
2.75%, 7/31/27.	United States	3,850,000	3,708,583
3.875%, 11/30/27.	United States	4,000,000	3,955,480
2.875%, 5/15/28.	United States	2,500,000	2,388,497
3.125%, 11/15/28.	United States	2,900,000	2,775,648
2.625%, 2/15/29.	United States	1,000,000	935,165
3.5%, 1/31/30.	United States	1,750,000	1,679,320
4.125%, 8/31/30.	United States	2,600,000	2,560,532
2.875%, 5/15/32.	United States	1,300,000	1,167,863
2.75%, 8/15/32.	United States	500,000	443,571
Total U.S. Government and Agency Securities (Cost \$54,938,725)			54,305,109
Asset-Backed Securities 2.1%			
Commercial Services & Supplies 0.1%			
^{†i} Galaxy XXVIII CLO Ltd., 2018-28A, C, 144A, FRN, 6.868%, (3-month SOFR + 2.212%), 7/15/31.	United States	250,000	250,733
Financial Services 2.0%			
^{†e} Consumer Loan Underlying Bond Certificate Issuer Trust I, 2019-51, PT, 144A, FRN, 11.212%, 1/15/45.	United States	4,285	4,228
2019-52, PT, 144A, FRN, 8.705%, 1/15/45.	United States	5,734	5,143
2019-S8, PT, 144A, FRN, 10.075%, 1/15/45.	United States	1,343	1,318
2020-2, PT, 144A, FRN, 10.34%, 3/15/45.	United States	7,073	6,750
2020-7, PT, 144A, FRN, 10.796%, 4/17/45.	United States	5,114	4,261
^{†j} Dryden 75 CLO Ltd., 2019-75A, AR2, 144A, FRN, 5.958%, (3-month SOFR + 1.302%), 4/15/34.	United States	2,400,000	2,402,588
^{†h} Home Partners of America Trust, 2021-2, B, 144A, 2.302%, 12/17/26.	United States	1,219,914	1,148,747
2021-3, B, 144A, 2.649%, 1/17/41.	United States	435,727	393,311
^{†j} LCM XVII LP, 17A, BRR, 144A, FRN, 6.518%, (3-month SOFR + 1.862%), 10/15/31.	United States	350,000	350,991
^{†i} Octagon Investment Partners 36 Ltd., 2018-1A, A1, 144A, FRN, 5.888%, (3-month SOFR + 1.232%), 4/15/31.	United States	308,685	309,186
^{†e} Prosper Pass-Thru Trust III, 2020-PT1, A, 144A, FRN, 8.796%, 3/15/26.	United States	4,373	3,414
2020-PT2, A, 144A, FRN, 9.444%, 4/15/26.	United States	4,962	3,964
2020-PT3, A, 144A, FRN, 7.183%, 5/15/26.	United States	1,984	1,662
^{†j} Voya CLO Ltd., 2013-2A, BR, 144A, FRN, 6.737%, (3-month SOFR + 2.112%), 4/25/31.	United States	780,000	782,922
			5,418,485
Passenger Airlines 0.0%[†]			
United Airlines Pass-Through Trust, 2020-1, B, 4.875%, 7/15/27.	United States	40,000	39,952
Total Asset-Backed Securities (Cost \$5,816,324)			5,709,170

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount [†]	Value
Commercial Mortgage-Backed Securities 1.6%			
Financial Services 1.6%			
^o PBANK, 2020-BN26, XA, IO, FRN, 1.203%, 3/15/63	United States	3,000,583	\$142,575
^o PBBCMS Mortgage Trust, 2024-5C31, XA, IO, FRN, 1.061%, 12/15/57	United States	4,214,000	193,012
^o Benchmark Mortgage Trust, P 2020-B22, XA, IO, FRN, 1.505%, 1/15/54	United States	2,919,935	206,485
2023-V3, A3, FRN, 6.363%, 7/15/56	United States	70,000	72,677
P 2024-V12, XA, IO, FRN, 0.847%, 12/15/57	United States	5,600,000	207,588
^o PBMO Mortgage Trust, 2024-5C8, XA, IO, FRN, 1.021%, 12/15/57	United States	5,159,000	226,715
^u BX Commercial Mortgage Trust, 2021-VOLT, A, 144A, FRN, 5.212%, (1-month SOFR + 0.814%), 9/15/36	United States	250,000	249,627
2021-VOLT, B, 144A, FRN, 5.462%, (1-month SOFR + 1.064%), 9/15/36	United States	400,000	398,708
2022-LP2, A, 144A, FRN, 5.41%, (1-month SOFR + 1.013%), 2/15/39	United States	655,295	655,827
CFCRE Commercial Mortgage Trust, 2016-C7, A3, 3.839%, 12/10/54	United States	280,000	272,424
Citigroup Commercial Mortgage Trust, 2016-P4, A2, 2.45%, 7/10/49	United States	180,288	175,869
CSAIL Commercial Mortgage Trust, 2015-C3, A4, 3.718%, 8/15/48	United States	220,000	218,243
^o P 2021-C20, XA, IO, FRN, 0.991%, 3/15/54	United States	4,344,073	197,819
GS Mortgage Securities Trust, 2016-GS2, A4, 3.05%, 5/10/49 . .	United States	130,000	127,121
JPMBB Commercial Mortgage Securities Trust, 2015-C31, A3, 3.801%, 8/15/48	United States	319,445	316,576
2016-C1, A5, 3.576%, 3/17/49	United States	424,000	417,896
JPMDB Commercial Mortgage Securities Trust, 2017-C5, A4, 3.414%, 3/15/50	United States	292,983	284,259
Wells Fargo Commercial Mortgage Trust, 2015-C31, A4, 3.695%, 11/15/48	United States	150,000	148,577
			4,511,998
Total Commercial Mortgage-Backed Securities (Cost \$4,490,889)			4,511,998
Mortgage-Backed Securities 12.3%			
^q Federal Home Loan Mortgage Corp. (FHLMC) Adjustable Rate 0.0% [†]			
FHLMC, 6.348%, (1-year CMT T-Note +/- MBS Margin), 1/01/33	United States	3,794	3,849
Federal Home Loan Mortgage Corp. (FHLMC) Fixed Rate 4.6%			
FHLMC Gold Pool, 30 Year, 5%, 4/01/34 - 8/01/35	United States	57,126	56,831
FHLMC Gold Pool, 30 Year, 5.5%, 6/01/33 - 1/01/35	United States	31,107	31,193
FHLMC Gold Pool, 30 Year, 6%, 4/01/33 - 2/01/36	United States	44,309	45,138
FHLMC Gold Pool, 30 Year, 6.5%, 11/01/27 - 7/01/32	United States	2,976	3,057
FHLMC Gold Pool, 30 Year, 7%, 4/01/30	United States	604	627
FHLMC Gold Pool, 30 Year, 7.5%, 8/01/30	United States	88	90
FHLMC Pool, 30 Year, 2%, 3/01/52	United States	3,492,497	2,727,980
FHLMC Pool, 30 Year, 4%, 6/01/52	United States	2,390,991	2,190,031
FHLMC Pool, 30 Year, 4.5%, 8/01/52	United States	5,495,141	5,174,261
FHLMC Pool, 30 Year, 5.5%, 11/01/52	United States	2,632,050	2,599,608
			12,828,816
^q Federal National Mortgage Association (FNMA) Adjustable Rate 0.0% [†]			
FNMA, 6.729%, (1-year CMT T-Note +/- MBS Margin), 12/01/34	United States	15,579	16,021
Federal National Mortgage Association (FNMA) Fixed Rate 6.5%			
FNMA, 20 Year, 5%, 4/01/30	United States	8,900	8,932
FNMA, 30 Year, 3%, 9/01/48 - 9/01/51	United States	1,621,987	1,400,924

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount [†]	Value
Mortgage-Backed Securities (continued)			
Federal National Mortgage Association (FNMA) Fixed Rate (continued)			
FNMA, 30 Year, 4%, 2/01/49	United States	501,245	\$468,116
FNMA, 30 Year, 4.5%, 5/01/48	United States	1,045,183	998,795
FNMA, 30 Year, 6%, 8/01/53	United States	2,455,697	2,470,529
FNMA, 30 Year, 6.5%, 5/01/31 - 10/01/37	United States	30,366	31,328
[†] Uniform Mortgage-Backed Securities, 2%, TBA, 1/25/55	United States	10,860,000	8,451,286
[†] Uniform Mortgage-Backed Securities, 5%, TBA, 1/25/55	United States	4,150,000	4,005,708
			17,835,618
Government National Mortgage Association (GNMA) Fixed Rate 1.2%			
GNMA I, Single-family, 30 Year, 5%, 11/15/33 - 7/15/34	United States	56,652	56,437
GNMA I, Single-family, 30 Year, 7%, 10/15/28 - 2/15/29	United States	6,508	6,546
GNMA I, Single-family, 30 Year, 7.5%, 9/15/30	United States	447	461
GNMA II, 30 Year, 6.5%, 2/20/34	United States	1,088	1,072
GNMA II, Single-family, 30 Year, 5%, 9/20/33 - 11/20/33	United States	15,921	15,853
[†] GNMA II, Single-family, 30 Year, 5%, 1/15/55	United States	3,170,000	3,075,519
GNMA II, Single-family, 30 Year, 6%, 11/20/34	United States	24,828	25,809
GNMA II, Single-family, 30 Year, 6.5%, 4/20/31 - 1/20/33	United States	9,200	9,413
GNMA II, Single-family, 30 Year, 7.5%, 1/20/28 - 4/20/32	United States	2,479	2,540
			3,193,650
Total Mortgage-Backed Securities (Cost \$35,215,001)			33,877,954
Residential Mortgage-Backed Securities 2.3%			
Financial Services 2.3%			
[†] BRAVO Residential Funding Trust, 2019-2, A3, 144A, FRN, 3.5%, 10/25/44	United States	231,648	219,132
[†] CIM Trust, 2019-INV1, A1, 144A, FRN, 4%, 2/25/49	United States	52,852	49,895
2019-INV2, A3, 144A, FRN, 4%, 5/25/49	United States	145,207	134,333
[†] COLT Mortgage Loan Trust, 2022-4, A1, 144A, FRN, 4.301%, 3/25/67	United States	319,361	309,640
[†] FNMA Connecticut Avenue Securities, 2015-C01, 1M2, FRN, 8.983%, (30-day SOFR Average + 4.414%), 2/25/25	United States	82,225	82,703
2015-C02, 1M2, FRN, 8.683%, (30-day SOFR Average + 4.114%), 5/25/25	United States	286,260	289,450
2015-C03, 1M2, FRN, 9.683%, (30-day SOFR Average + 5.114%), 7/25/25	United States	417,095	425,208
2016-C01, 1M2, FRN, 11.433%, (30-day SOFR Average + 6.864%), 8/25/28	United States	47,982	50,365
2017-C04, 2M2, FRN, 7.533%, (30-day SOFR Average + 2.964%), 11/25/29	United States	291,301	299,627
[†] J.P. Morgan Mortgage Trust, 2021-13, A4, 144A, FRN, 2.5%, 4/25/52	United States	1,109,803	974,663
2021-15, A4, 144A, FRN, 2.5%, 6/25/52	United States	356,590	311,291
2021-6, A4, 144A, FRN, 2.5%, 10/25/51	United States	656,119	577,546
[†] Mill City Mortgage Loan Trust, 2018-4, A1B, 144A, FRN, 3.5%, 4/25/66	United States	415,568	406,255
[†] OBX Trust, 2021-J3, A4, 144A, FRN, 2.5%, 10/25/51	United States	231,620	203,009
[†] Provident Funding Associates LLP, 2021-J1, A3, 144A, FRN, 2.5%, 2/20/49	United States	780,326	678,419
[†] Provident Funding Mortgage Trust, 2019-1, A2, 144A, FRN, 3%, 12/25/49	United States	131,257	110,799

Franklin Strategic Income VIP Fund (continued)

	Country	Principal Amount ^f	Value
Residential Mortgage-Backed Securities (continued)			
Financial Services (continued)			
^{f,o} PSMC Trust, 2021-3, A3, 144A, FRN, 2.5%, 8/25/51	United States	1,383,660	\$1,224,232
			6,346,567
Total Residential Mortgage-Backed Securities (Cost \$7,120,860)			6,346,567
		Shares	
Escrows and Litigation Trusts 0.0%[†]			
^{a,b} K2016470219 South Africa Ltd., Escrow Account.	South Africa	72,822	—
^b Mesquite Energy, Inc., Escrow Account.	United States	243,000	4,556
Total Escrows and Litigation Trusts (Cost \$243,000)			4,556
Total Long Term Investments (Cost \$297,102,520)			284,118,489
Short Term Investments 1.2%			
	Country	Shares	Value
Money Market Funds 1.2%			
^{d,s} Institutional Fiduciary Trust - Money Market Portfolio, 4.183% . .	United States	3,347,828	3,347,828
Total Money Market Funds (Cost \$3,347,828)			3,347,828
Total Short Term Investments (Cost \$3,347,828)			3,347,828
Total Investments (Cost \$300,450,348) 104.3%			\$287,466,317
Other Assets, less Liabilities (4.3)%			(11,938,737)
Net Assets 100.0%			\$275,527,580

Franklin Strategic Income VIP Fund (continued)

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

† Rounds to less than 0.1% of net assets.

‡ Fair valued using significant unobservable inputs. See Note 12 regarding fair value measurements.

§ Non-income producing.

|| See Note 7 regarding restricted securities.

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

‡ Security is a business development company. See Note 1(f).

† Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At December 31, 2024, the aggregate value of these securities was \$116,645,784, representing 42.3% of net assets.

§ Income may be received in additional securities and/or cash.

¶ Defaulted security or security for which income has been deemed uncollectible. See Note 6.

|| See Note 1(h) regarding senior floating rate interests.

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

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

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

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

¶ Principal amount of security, redemption price at maturity, and/or coupon payments are adjusted for inflation. See Note 1(k).

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

¶ Investment in an interest-only security entitles holders to receive only the interest payment on the underlying instruments. The principal amount shown is the notional amount of the underlying instruments.

¶ Adjustable Rate Mortgage-Backed Security (ARM); the rate shown is the effective rate at period end. ARM rates are not based on a published reference rate and spread; they are based on the weighted average rates of the underlying mortgage loans, less the applicable servicing and guarantee fees (MBS margin).

† Security purchased on a to-be-announced (TBA) basis. See Note 1(c).

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

Schedule of Investments, December 31, 2024

Franklin Strategic Income VIP Fund

At December 31, 2024, the Fund had the following marketplace loans outstanding. See Note 1(i).

Description	Principal Amount	Value	Description	Principal Amount	Value
Marketplace Loans - 0.5%					
Freedom Financial Asset Management LLC			Prosper Funding LLC (continued)		
APP-11695285.FP.FTS.B, 9.74%, 2/07/25 .	\$ 626	\$ 626	1644821.PS.FTS.B, 16.18%, 10/26/26 . . .	\$ 6,474	\$ 6,440
APP-13704982.FP.FTS.B, 21.99%, 5/25/25 .	1,435	1,460	1657248.PS.FTS.B, 10.5%, 10/29/26	11,157	11,050
APP-14969419.FP.FTS.B, 9.74%, 6/01/25 .	5,456	5,474	1646507.PS.FTS.B, 16%, 11/02/26	7,699	7,656
APP-11657858.FP.FTS.B, 17.49%, 1/30/26 .	5,990	6,305	1654273.PS.FTS.B, 11.4%, 11/05/26	6,771	6,673
APP-11752447.FP.FTS.B, 9.99%, 2/05/26 .	12,622	12,765	1661067.PS.FTS.B, 12.3%, 11/05/26	4,768	2,511
APP-11823715.FP.FTS.B, 14.99%, 2/05/26 .	7,753	7,908	1661382.PS.FTS.B, 16.7%, 11/05/26	2,415	2,443
APP-11795510.FP.FTS.B, 12.49%, 2/11/26 .	6,232	6,318	1660956.PS.FTS.B, 18.25%, 11/05/26 . . .	3,446	3,484
APP-11819292.FP.FTS.B, 18.99%, 3/31/26 .	5,285	5,489	1651610.PS.FTS.B, 10.8%, 11/08/26	4,702	4,637
APP-14159522.FP.FTS.B, 10.34%, 6/15/26 .	9,132	9,260	1645643.PS.FTS.B, 18.5%, 11/10/26	5,520	5,635
APP-14167786.FP.FTS.B, 10.34%, 6/17/26 .	14,683	14,893	1647191.PS.FTS.B, 16.32%, 11/12/26 . . .	5,924	5,893
APP-14974854.FP.FTS.B, 16.49%, 7/10/26 .	9,089	9,332	1660294.PS.FTS.B, 15.2%, 11/25/26	5,740	5,674
APP-11124654.FP.FTS.B, 19.49%, 12/18/26 .	23,754	24,665	1645601.PS.FTS.B, 26.13%, 11/26/26 . . .	2,758	2,882
APP-11605924.FP.FTS.B, 11.74%, 12/20/26 .	21,792	22,140	1686756.PS.FTS.B, 20.08%, 12/16/26 . . .	3,910	3,963
APP-11803939.FP.FTS.B, 10.99%, 2/10/27 .	17,087	17,370	1674281.PS.FTS.B, 21%, 12/17/26	1,305	1,343
APP-11806622.FP.FTS.B, 18.99%, 2/11/27 .	5,425	5,608	1675325.PS.FTS.B, 14%, 12/20/26	8,877	8,795
APP-11798689.FP.FTS.B, 16.99%, 2/12/27 .	10,434	10,670	1673693.PS.FTS.B, 12.5%, 1/01/27	7,042	6,943
APP-12249339.FP.FTS.B, 19.49%, 3/13/27 .	3,844	3,872	1695804.PS.FTS.B, 10.8%, 1/04/27	2,413	2,370
APP-12139734.FP.FTS.B, 13.49%, 3/14/27 .	8,353	8,527	1701348.PS.FTS.B, 11.1%, 1/13/27	2,422	2,384
APP-12106231.FP.FTS.B, 11.74%, 3/22/27 .	22,130	22,554	1688537.PS.FTS.B, 13.7%, 1/13/27	5,251	5,192
APP-13685540.FP.FTS.B, 13.59%, 5/20/27 .	20,446	20,858	1702140.PS.FTS.B, 11.55%, 1/14/27	7,306	7,192
APP-13701830.FP.FTS.B, 20.24%, 5/21/27 .	17,963	18,830	1701774.PS.FTS.B, 19.3%, 1/16/27	4,290	4,339
APP-13668745.FP.FTS.B, 23.99%, 5/23/27 .	1,017	1,018	1692578.PS.FTS.B, 13.1%, 1/20/27	1,971	1,943
APP-13628442.FP.FTS.B, 17.99%, 5/24/27 .	10,146	10,524	1694423.PS.FTS.B, 15%, 1/24/27	7,619	7,560
APP-14967059.FP.FTS.B, 11.99%, 6/01/27 .	2,756	2,760	1702129.PS.FTS.B, 12.7%, 1/25/27	3,458	3,412
APP-14058204.FP.FTS.B, 11.59%, 6/05/27 .	7,466	7,582	1709019.PS.FTS.B, 19%, 1/25/27	6,384	6,510
APP-14057383.FP.FTS.B, 11.34%, 6/15/27 .	20,162	20,524	1691666.PS.FTS.B, 11.88%, 2/08/27	4,104	4,032
APP-14163864.FP.FTS.B, 11.34%, 6/19/27 .	22,400	22,824	1714696.PS.FTS.B, 12.6%, 2/15/27	4,190	4,121
APP-14867762.FP.FTS.B, 14.24%, 7/10/27 .	9,831	10,006	1711397.PS.FTS.B, 18.15%, 2/22/27	9,784	9,691
APP-14975701.FP.FTS.B, 11.74%, 7/15/27 .	11,510	11,712	1752507.PS.FTS.B, 25.9%, 4/05/27	4,049	4,113
APP-14861817.FP.FTS.B, 11.99%, 11/05/27 .	13,080	13,306	1750201.PS.FTS.B, 19.9%, 4/06/27	5,893	5,920
APP-11746986.FP.FTS.B, 18.99%, 12/19/34 .	438	440	1750603.PS.FTS.B, 14.29%, 4/07/27	2,777	2,724
		335,620	1743635.PS.FTS.B, 13.1%, 4/13/27	6,291	6,159
LendingClub Corp. - LCX			1753401.PS.FTS.B, 16.9%, 4/15/27	9,509	9,671
165313131.LC.FTS.B, 11.02%, 2/03/25 . . .	3,375	386	1700734.PS.FTS.B, 16.2%, 1/17/28	17,907	4,165
165954765.LC.FTS.B, 20.55%, 3/20/25 . . .	1,659	1,673	1716949.PS.FTS.B, 11.77%, 1/31/28	11,622	5,808
		2,059	1654279.PS.FTS.B, 12.4%, 11/11/34	20	10
LendingClub Corp. - LCX PM			1695034.PS.FTS.B, 14.89%, 1/13/35	90	90
170715926.LC.FTS.B, 16.08%, 10/25/25 . .	3,431	3,421	1701351.PS.FTS.B, 16.1%, 1/13/35	69	69
174329530.LC.FTS.B, 20.49%, 2/03/26 . . .	3,310	3,349	1702155.PS.FTS.B, 15.21%, 1/14/35	170	171
		6,770	1705446.PS.FTS.B, 21.69%, 1/20/35	73	74
Prosper Funding LLC			1688531.PS.FTS.B, 16.02%, 1/26/35	601	604
1714693.PS.FTS.B, 12.4%, 2/15/25	501	501			204,079
1708034.PS.FTS.B, 20.01%, 2/15/25	357	360	Upgrade, Inc. - Card		
1722483.PS.FTS.B, 15.4%, 2/16/25	4,624	—	992236828.UG.FTS.B, 29.49%, 4/01/25 . .	4	4
1718530.PS.FTS.B, 24.4%, 2/28/25	482	486	992264434.UG.FTS.B, 29.49%, 4/02/25 . .	4	4
1752829.PS.FTS.B, 18.09%, 4/11/25	280	280	992318841.UG.FTS.B, 19.99%, 4/03/25 . .	76	76
1750364.PS.FTS.B, 18.5%, 4/15/25	1,408	1,403	992307437.UG.FTS.B, 28.98%, 4/03/25 . .	42	41
1759842.PS.FTS.B, 22.9%, 4/15/25	668	670	992323515.UG.FTS.B, 29.49%, 4/03/25 . .	13	13
1605968.PS.FTS.B, 14.29%, 8/17/26	3,112	3,096	992336856.UG.FTS.B, 29.49%, 4/03/25 . .	6	6
1605959.PS.FTS.B, 18.73%, 8/17/26	5,113	5,068	992345330.UG.FTS.B, 29.49%, 4/03/25 . .	76	77
1624202.PS.FTS.B, 11.79%, 9/21/26	7,947	7,869	992423485.UG.FTS.B, 29.49%, 4/03/25 . .	5	6
			992457494.UG.FTS.B, 17.99%, 4/04/25 . .	86	86
			992245824.UG.FTS.B, 16.99%, 4/05/25 . .	12	12

Franklin Strategic Income VIP Fund (continued)

Description	Principal Amount	Value	Description	Principal Amount	Value
Marketplace Loans (continued)					
Upgrade, Inc. - Card (continued)			Upstart Network, Inc. (continued)		
992239267.UG.FTS.B, 19.21%, 4/05/25 . .	\$ 285	\$ 288	L2675462.UP.FTS.B, 19.44%, 2/22/25 . . .	\$ 211	\$ 198
992442455.UG.FTS.B, 19.21%, 4/05/25 . .	315	317	L2675655.UP.FTS.B, 20.76%, 2/22/25 . . .	72	71
992349565.UG.FTS.B, 19.8%, 4/05/25 . . .	66	66	L2675586.UP.FTS.B, 20.97%, 2/22/25 . . .	634	627
992350427.UG.FTS.B, 19.8%, 4/05/25 . . .	142	144	FW2675117.UP.FTS.B, 22.39%, 2/22/25 . .	81	79
992254243.UG.FTS.B, 19.99%, 4/05/25 . .	32	32	FW2675719.UP.FTS.B, 24.19%, 2/22/25 . .	156	154
992336548.UG.FTS.B, 19.99%, 4/05/25 . .	211	213	FW2675613.UP.FTS.B, 24.49%, 2/22/25 . .	1,093	556
992357555.UG.FTS.B, 19.99%, 4/05/25 . .	28	28	FW2676140.UP.FTS.B, 29.13%, 2/22/25 . .	259	68
992379889.UG.FTS.B, 19.99%, 4/05/25 . .	178	179	L2981596.UP.FTS.B, 7.13%, 4/20/25 . . .	610	603
992453559.UG.FTS.B, 20.46%, 4/05/25 . .	2	2	FW2982315.UP.FTS.B, 15.15%, 4/20/25 . .	174	172
992438360.UG.FTS.B, 27.99%, 4/05/25 . .	51	3	FW2465119.UP.FTS.B, 19.64%, 6/19/25 . .	903	891
992246882.UG.FTS.B, 28.98%, 4/05/25 . .	306	99	L2466210.UP.FTS.B, 20.93%, 6/19/25 . . .	4,593	3,888
992253878.UG.FTS.B, 28.98%, 4/05/25 . .	154	154	L1914732.UP.FTS.B, 17.66%, 8/25/25 . . .	2,161	2,132
992262040.UG.FTS.B, 28.98%, 4/05/25 . .	33	34	L1739715.UP.FTS.B, 9.65%, 9/20/26 . . .	10,143	9,871
992266496.UG.FTS.B, 28.98%, 4/05/25 . .	10	10	L1739019.UP.FTS.B, 13.76%, 9/20/26 . . .	2,596	1,660
992267371.UG.FTS.B, 28.98%, 4/05/25 . .	190	193	L1736636.UP.FTS.B, 14.78%, 9/20/26 . . .	6,096	5,959
992270480.UG.FTS.B, 28.98%, 4/05/25 . .	25	25	FW1739526.UP.FTS.B, 17.22%, 9/20/26 . .	3,598	3,552
992283659.UG.FTS.B, 28.98%, 4/05/25 . .	40	41	L1738899.UP.FTS.B, 19.15%, 9/20/26 . . .	6,916	6,784
992284271.UG.FTS.B, 28.98%, 4/05/25 . .	319	323	L1739140.UP.FTS.B, 21.45%, 9/20/26 . . .	1,378	1,352
992286835.UG.FTS.B, 28.98%, 4/05/25 . .	14	14	L1739562.UP.FTS.B, 22.68%, 9/20/26 . . .	3,212	3,153
992293208.UG.FTS.B, 28.98%, 4/05/25 . .	4	4	L1738904.UP.FTS.B, 24.36%, 9/20/26 . . .	3,390	3,330
992300547.UG.FTS.B, 28.98%, 4/05/25 . .	18	19	L1915447.UP.FTS.B, 20.32%, 10/25/26 . . .	2,614	2,569
992308269.UG.FTS.B, 28.98%, 4/05/25 . .	21	22	L1915560.UP.FTS.B, 20.46%, 10/25/26 . . .	2,437	2,394
992324031.UG.FTS.B, 28.98%, 4/05/25 . .	119	121	L1915468.UP.FTS.B, 23.09%, 10/25/26 . .	2,504	2,463
992348005.UG.FTS.B, 28.98%, 4/05/25 . .	79	80	FW1915175.UP.FTS.B, 23.46%, 10/25/26 . .	253	249
992435220.UG.FTS.B, 28.98%, 4/05/25 . .	32	6	L1897015.UP.FTS.B, 23.49%, 10/25/26 . . .	6,061	5,962
992452469.UG.FTS.B, 28.98%, 4/05/25 . .	43	44	L1915604.UP.FTS.B, 24.04%, 10/25/26 . . .	559	550
992304458.UG.FTS.B, 29.46%, 4/05/25 . .	11	11	L1915081.UP.FTS.B, 25.35%, 10/25/26 . . .	1,445	1,422
992239318.UG.FTS.B, 29.49%, 4/05/25 . .	19	20	FW1908593.UP.FTS.B, 28.41%, 10/25/26 . .	11,598	3,037
992254667.UG.FTS.B, 29.49%, 4/05/25 . .	56	56	FW1915312.UP.FTS.B, 31.22%, 10/25/26 . .	2,253	2,198
992256966.UG.FTS.B, 29.49%, 4/05/25 . .	111	112	L2024110.UP.FTS.B, 7.78%, 11/16/26 . . .	7,713	7,494
992267222.UG.FTS.B, 29.49%, 4/05/25 . .	53	54	L2052804.UP.FTS.B, 9.15%, 11/16/26 . . .	17,374	16,888
992271134.UG.FTS.B, 29.49%, 4/05/25 . .	47	3	L2053787.UP.FTS.B, 10.61%, 11/16/26 . . .	2,233	2,176
992275086.UG.FTS.B, 29.49%, 4/05/25 . .	77	78	L2052126.UP.FTS.B, 12.52%, 11/16/26 . . .	7,326	7,143
992288356.UG.FTS.B, 29.49%, 4/05/25 . .	85	87	L2055857.UP.FTS.B, 12.9%, 11/16/26 . . .	5,521	5,383
992289258.UG.FTS.B, 29.49%, 4/05/25 . .	31	31	L2054559.UP.FTS.B, 14.24%, 11/16/26 . . .	4,763	639
992302260.UG.FTS.B, 29.49%, 4/05/25 . .	30	31	L2055412.UP.FTS.B, 14.29%, 11/16/26 . . .	1,422	1,386
992318568.UG.FTS.B, 29.49%, 4/05/25 . .	17	18	FW2056157.UP.FTS.B, 15.18%, 11/16/26 . .	4,263	4,198
992340414.UG.FTS.B, 29.49%, 4/05/25 . .	23	23	FW2055789.UP.FTS.B, 15.22%, 11/16/26 . .	7,100	6,928
992359163.UG.FTS.B, 29.49%, 4/05/25 . .	20	20	L2052051.UP.FTS.B, 15.75%, 11/16/26 . . .	2,147	2,115
992379445.UG.FTS.B, 29.49%, 4/05/25 . .	40	40	FW2053732.UP.FTS.B, 16.83%, 11/16/26 . .	484	477
992428186.UG.FTS.B, 29.49%, 4/05/25 . .	486	491	L2056403.UP.FTS.B, 18.49%, 11/16/26 . . .	936	916
992444794.UG.FTS.B, 29.49%, 4/05/25 . .	1,598	98	FW2055175.UP.FTS.B, 19.05%, 11/16/26 . .	8,917	8,727
992445820.UG.FTS.B, 29.49%, 4/05/25 . .	25	26	L2052101.UP.FTS.B, 20.05%, 11/16/26 . . .	13,503	3,159
992455533.UG.FTS.B, 29.49%, 4/05/25 . .	226	229	L2047823.UP.FTS.B, 23.05%, 11/16/26 . . .	2,183	2,139
992260350.UG.FTS.B, 28.98%, 7/03/25 . .	25	26	L2053900.UP.FTS.B, 23.81%, 11/16/26 . . .	525	514
992273307.UG.FTS.B, 28.98%, 8/03/25 . .	344	24	L2055855.UP.FTS.B, 25.11%, 11/16/26 . . .	1,050	1,029
992278455.UG.FTS.B, 29.49%, 8/03/25 . .	118	122	L2056364.UP.FTS.B, 25.24%, 11/16/26 . . .	746	732
992304263.UG.FTS.B, 29.49%, 10/03/25 . .	81	—	L2049616.UP.FTS.B, 25.29%, 11/16/26 . . .	645	632
992302422.UG.FTS.B, 29.49%, 2/03/27 . .	113	118	L2052082.UP.FTS.B, 25.42%, 11/16/26 . . .	801	785
992330039.UG.FTS.B, 22.97%, 4/03/27 . .	546	550	FW2054089.UP.FTS.B, 26.17%, 11/16/26 . .	1,076	1,056
992293228.UG.FTS.B, 28.98%, 5/03/29 . .	113	112	FW2046105.UP.FTS.B, 29.67%, 11/16/26 . .	2,527	2,483
		5,166	FW2057500.UP.FTS.B, 30.64%, 11/16/26 . .	4,770	4,687
Upstart Network, Inc.			FW2054534.UP.FTS.B, 31.22%, 11/16/26 . .	680	668
FW2676316.UP.FTS.B, 6.01%, 2/22/25 . . .	355	351	FW2057162.UP.FTS.B, 32.15%, 11/16/26 . .	5,319	5,230
L2675909.UP.FTS.B, 9.72%, 2/22/25	158	156	L2055269.UP.FTS.B, 19.56%, 11/20/26 . . .	11,392	11,151
L2675302.UP.FTS.B, 10.61%, 2/22/25	548	541	L2242254.UP.FTS.B, 7.13%, 12/13/26 . . .	4,431	4,304
L2675455.UP.FTS.B, 14.81%, 2/22/25	98	97	L2242685.UP.FTS.B, 9%, 12/13/26	6,815	6,622
			L2242651.UP.FTS.B, 11.78%, 12/13/26 . . .	7,068	6,881

Franklin Strategic Income VIP Fund (continued)

Description	Principal Amount	Value	Description	Principal Amount	Value
Marketplace Loans (continued)					
Upstart Network, Inc. (continued)			Upstart Network, Inc. (continued)		
L2241857.UP.FTS.B, 11.98%, 12/13/26 . . .	\$ 5,686	\$ 5,535	FW2464901.UP.FTS.B, 27.8%, 1/19/27 . . .	\$ 3,494	\$ 3,438
L2242098.UP.FTS.B, 12.31%, 12/13/26 . . .	3,321	3,233	FW2466130.UP.FTS.B, 28.33%, 1/19/27 . .	748	737
L2242668.UP.FTS.B, 12.46%, 12/13/26 . . .	10,456	10,183	FW2465882.UP.FTS.B, 28.77%, 1/19/27 . .	831	817
L2241756.UP.FTS.B, 12.69%, 12/13/26 . . .	2,529	2,464	FW2464452.UP.FTS.B, 30.15%, 1/19/27 . .	1,036	73
L2241856.UP.FTS.B, 13.04%, 12/13/26 . . .	7,355	3,268	FW2465848.UP.FTS.B, 30.66%, 1/19/27 . .	1,129	1,113
L2241825.UP.FTS.B, 13.8%, 12/13/26 . . .	12,288	11,995	FW2464665.UP.FTS.B, 30.79%, 1/19/27 . .	841	828
L2242202.UP.FTS.B, 14.09%, 12/13/26 . . .	8,052	7,846	FW2465741.UP.FTS.B, 30.94%, 1/19/27 . .	1,039	1,024
L2239758.UP.FTS.B, 14.15%, 12/13/26 . . .	5,583	5,440	FW2466073.UP.FTS.B, 30.97%, 1/19/27 . .	600	591
L2241610.UP.FTS.B, 15.37%, 12/13/26 . . .	3,698	3,636	FW2466141.UP.FTS.B, 32%, 1/19/27	3,755	3,702
L2242447.UP.FTS.B, 16.94%, 12/13/26 . . .	3,048	423	FW1738592.UP.FTS.B, 28.44%, 2/20/27 . .	3,467	3,410
L2241045.UP.FTS.B, 17.22%, 12/13/26 . . .	4,284	4,216	L2635721.UP.FTS.B, 6%, 2/22/27	1,502	1,330
L2242791.UP.FTS.B, 17.38%, 12/13/26 . . .	7,584	7,409	L2675715.UP.FTS.B, 6.52%, 2/22/27	4,731	4,548
L2241989.UP.FTS.B, 17.5%, 12/13/26 . . .	1,315	1,294	FW2676020.UP.FTS.B, 6.82%, 2/22/27 . . .	3,610	3,471
L2242119.UP.FTS.B, 18.59%, 12/13/26 . . .	2,303	2,268	FW2676337.UP.FTS.B, 8.57%, 2/22/27 . . .	5,829	5,663
FW2241711.UP.FTS.B, 21.36%, 12/13/26 . .	6,872	6,718	FW2675837.UP.FTS.B, 9.42%, 2/22/27 . . .	3,426	3,330
L2230478.UP.FTS.B, 21.97%, 12/13/26 . . .	4,033	3,945	FW2675651.UP.FTS.B, 9.54%, 2/22/27 . . .	3,343	3,249
L2242489.UP.FTS.B, 22.19%, 12/13/26 . . .	11,573	11,316	FW2675315.UP.FTS.B, 9.86%, 2/22/27 . . .	13,993	13,625
L2232043.UP.FTS.B, 23.76%, 12/13/26 . . .	2,985	2,922	FW2675769.UP.FTS.B, 11.04%, 2/22/27 . .	17,025	16,573
L2242200.UP.FTS.B, 24.08%, 12/13/26 . . .	3,159	3,092	FW2675417.UP.FTS.B, 12.04%, 2/22/27 . .	4,314	4,201
L2241600.UP.FTS.B, 24.51%, 12/13/26 . . .	1,958	929	FW2675303.UP.FTS.B, 12.76%, 2/22/27 . .	7,698	7,497
L2242322.UP.FTS.B, 25.22%, 12/13/26 . . .	515	504	L2676179.UP.FTS.B, 13.92%, 2/22/27	8,530	1,124
L2241994.UP.FTS.B, 25.4%, 12/13/26	968	948	L2675483.UP.FTS.B, 14.22%, 2/22/27	2,391	2,331
L2242162.UP.FTS.B, 25.7%, 12/13/26	944	925	L2675701.UP.FTS.B, 15.05%, 2/22/27	3,626	3,535
FW2241764.UP.FTS.B, 27.11%, 12/13/26 . .	2,642	2,589	FW2675787.UP.FTS.B, 15.6%, 2/22/27 . . .	4,970	4,896
FW2242232.UP.FTS.B, 27.33%, 12/13/26 . .	2,048	2,009	FW2676119.UP.FTS.B, 15.87%, 2/22/27 . .	2,384	2,349
FW2242379.UP.FTS.B, 28.85%, 12/13/26 . .	2,836	2,782	FW2674729.UP.FTS.B, 15.98%, 2/22/27 . .	2,546	2,483
FW2242580.UP.FTS.B, 31.01%, 12/13/26 . .	722	2	FW2675367.UP.FTS.B, 16.08%, 2/22/27 . .	5,978	266
FW2241624.UP.FTS.B, 31.84%, 12/13/26 . .	2,680	2,632	L2675286.UP.FTS.B, 16.53%, 2/22/27	8,334	8,212
L2240058.UP.FTS.B, 26.7%, 12/27/26	5,463	391	FW2676101.UP.FTS.B, 16.63%, 2/22/27 . . .	6,009	3,732
FW2465936.UP.FTS.B, 5.53%, 1/19/27 . . .	20,259	19,480	FW2676275.UP.FTS.B, 16.64%, 2/22/27 . .	12,133	7,504
L2465582.UP.FTS.B, 5.92%, 1/19/27	1,491	1,439	FW2673151.UP.FTS.B, 16.69%, 2/22/27 . .	2,675	2,636
L2465889.UP.FTS.B, 6.5%, 1/19/27	2,727	2,623	L2676056.UP.FTS.B, 17.4%, 2/22/27	2,155	2,125
FW2466269.UP.FTS.B, 6.87%, 1/19/27 . . .	2,293	2,206	L2675889.UP.FTS.B, 18.95%, 2/22/27	27,582	27,186
L2465776.UP.FTS.B, 7.08%, 1/19/27	6,896	6,636	FW2675506.UP.FTS.B, 19.13%, 2/22/27 . .	5,947	5,829
FW2465536.UP.FTS.B, 7.64%, 1/19/27 . . .	9,262	8,998	FW2675598.UP.FTS.B, 19.23%, 2/22/27 . .	3,297	3,232
L2465633.UP.FTS.B, 8.28%, 1/19/27	951	576	L2676048.UP.FTS.B, 19.28%, 2/22/27 . . .	19,794	19,403
L2465717.UP.FTS.B, 8.6%, 1/19/27	1,796	1,746	FW2675827.UP.FTS.B, 19.75%, 2/22/27 . .	2,521	556
FW2464781.UP.FTS.B, 9.13%, 1/19/27 . . .	4,485	4,359	FW2675725.UP.FTS.B, 19.97%, 2/22/27 . .	3,331	3,285
FW2465681.UP.FTS.B, 9.16%, 1/19/27 . . .	4,996	4,856	FW2676447.UP.FTS.B, 21.12%, 2/22/27 . .	4,231	4,175
L2465458.UP.FTS.B, 9.24%, 1/19/27	893	877	L2676182.UP.FTS.B, 21.37%, 2/22/27	141	73
L2466129.UP.FTS.B, 9.84%, 1/19/27	9,531	9,277	L2675653.UP.FTS.B, 22.41%, 2/22/27	2,429	2,387
L2465666.UP.FTS.B, 10.14%, 1/19/27	1,196	1,163	FW2674944.UP.FTS.B, 22.84%, 2/22/27 . .	5,142	5,053
FW2464664.UP.FTS.B, 10.42%, 1/19/27 . . .	3,840	3,739	FW2675190.UP.FTS.B, 23.05%, 2/22/27 . .	3,452	3,395
L2463372.UP.FTS.B, 11.09%, 1/19/27	2,420	2,357	FW2675530.UP.FTS.B, 23.25%, 2/22/27 . .	1,719	1,689
L2465414.UP.FTS.B, 11.1%, 1/19/27	2,905	2,829	FW2676351.UP.FTS.B, 24.32%, 2/22/27 . .	3,522	523
L2465634.UP.FTS.B, 14.68%, 1/19/27	3,716	3,638	FW2675911.UP.FTS.B, 24.61%, 2/22/27 . .	1,742	1,714
FW2465337.UP.FTS.B, 15.21%, 1/19/27 . . .	795	783	L2676213.UP.FTS.B, 25.44%, 2/22/27 . . .	1,558	1,533
L2465986.UP.FTS.B, 15.77%, 1/19/27	805	503	FW2676003.UP.FTS.B, 25.6%, 2/22/27 . . .	1,163	1,144
FW2466368.UP.FTS.B, 16.6%, 1/19/27 . . .	1,811	1,767	FW2675282.UP.FTS.B, 26.25%, 2/22/27 . .	29,369	28,908
L2465805.UP.FTS.B, 18.87%, 1/19/27	11,586	11,421	L2676015.UP.FTS.B, 26.95%, 2/22/27 . . .	558	548
L2466099.UP.FTS.B, 19.62%, 1/19/27	353	348	FW2675720.UP.FTS.B, 27.06%, 2/22/27 . .	1,962	1,932
L2465928.UP.FTS.B, 20.32%, 1/19/27	1,618	1,586	FW2675330.UP.FTS.B, 27.13%, 2/22/27 . .	1,963	1,933
L2466007.UP.FTS.B, 21.7%, 1/19/27	2,517	2,468	FW2675561.UP.FTS.B, 27.52%, 2/22/27 . .	4,297	4,232
FW2466202.UP.FTS.B, 23.59%, 1/19/27 . . .	1,684	1,654	FW2675991.UP.FTS.B, 27.58%, 2/22/27 . .	1,706	121
L2458881.UP.FTS.B, 24.14%, 1/19/27	2,492	2,447	FW2675198.UP.FTS.B, 30.64%, 2/22/27 . .	4,245	4,186
L2466086.UP.FTS.B, 25.1%, 1/19/27	1,881	1,849	FW2675958.UP.FTS.B, 30.93%, 2/22/27 . .	862	847
FW2465954.UP.FTS.B, 25.21%, 1/19/27 . . .	1,542	1,515	FW2676100.UP.FTS.B, 31.11%, 2/22/27 . .	979	963
FW2465642.UP.FTS.B, 25.73%, 1/19/27 . . .	2,571	2,527	FW2676065.UP.FTS.B, 31.64%, 2/22/27 . .	5,961	5,882

Franklin Strategic Income VIP Fund (continued)

Description	Principal Amount	Value
Marketplace Loans (continued)		
Upstart Network, Inc. (continued)		
FW2675468.UP.FTS.B, 31.91%, 2/22/27 . .	\$ 4,781	\$ 4,718
FW2675534.UP.FTS.B, 32.24%, 2/22/27 . .	5,542	5,470
FW2676248.UP.FTS.B, 25.38%, 3/05/27 . .	2,008	1,978
L2057382.UP.FTS.B, 22.46%, 4/16/27 . . .	1,342	1,315
L2057372.UP.FTS.B, 23.63%, 4/16/27 . . .	4,365	2,744
FW2055364.UP.FTS.B, 30.66%, 4/16/27 . .	5,435	388
FW2056081.UP.FTS.B, 30.81%, 4/16/27 . .	1,262	1,246
L2981847.UP.FTS.B, 12.88%, 4/20/27 . . .	5,464	3,260
FW2981800.UP.FTS.B, 15.54%, 4/20/27 . .	11,526	6,919
L2981666.UP.FTS.B, 17.74%, 4/20/27 . . .	26,239	25,955
L2982362.UP.FTS.B, 19.25%, 4/20/27 . . .	1,269	1,257
FW2982412.UP.FTS.B, 19.87%, 4/20/27 . .	7,064	6,963
FW2980149.UP.FTS.B, 20.02%, 4/20/27 . .	3,401	2,079
FW2982427.UP.FTS.B, 20.52%, 4/20/27 . .	13,868	13,600
FW2980976.UP.FTS.B, 25.24%, 4/20/27 . .	8,978	8,880
FW2981812.UP.FTS.B, 25.87%, 4/20/27 . .	1,996	1,976
L2981818.UP.FTS.B, 25.89%, 4/20/27 . . .	6,006	5,959
L2981438.UP.FTS.B, 25.94%, 4/20/27 . . .	1,876	1,858
FW2982630.UP.FTS.B, 27.01%, 4/20/27 . .	2,079	2,060
FW2982476.UP.FTS.B, 28.13%, 4/20/27 . .	19,580	12,488
FW2982596.UP.FTS.B, 28.27%, 4/20/27 . .	956	948
FW2982248.UP.FTS.B, 30.44%, 4/20/27 . .	3,409	2,171
FW2980005.UP.FTS.B, 30.65%, 4/20/27 . .	958	950
FW2982470.UP.FTS.B, 30.66%, 4/20/27 . .	1,497	1,486
FW2981459.UP.FTS.B, 31.69%, 4/20/27 . .	6,173	6,131
L2981618.UP.FTS.B, 6.67%, 4/22/27	6,837	3,935
FW2982593.UP.FTS.B, 14.46%, 4/25/27 . .	4,452	4,357
L2241971.UP.FTS.B, 20.32%, 5/13/27 . . .	2,270	951
L2241640.UP.FTS.B, 22.44%, 5/13/27 . . .	1,760	820
L2242418.UP.FTS.B, 25.33%, 5/13/27 . . .	6,820	491
L2465861.UP.FTS.B, 5.83%, 6/19/27	16,509	9,271
FW2451492.UP.FTS.B, 6.07%, 6/19/27 . . .	25,403	24,346
FW2465871.UP.FTS.B, 12.64%, 6/19/27 . .	5,561	700
L2465105.UP.FTS.B, 22.96%, 6/19/27 . . .	35,772	2,607
FW2464742.UP.FTS.B, 26.31%, 6/19/27 . .	896	880
FW1739404.UP.FTS.B, 26.55%, 7/20/27 . .	1,804	37
FW2676429.UP.FTS.B, 14.76%, 7/22/27 . .	15,934	1,988
L2676160.UP.FTS.B, 25.17%, 7/22/27 . . .	9,238	1,334
FW2675109.UP.FTS.B, 27.79%, 7/22/27 . .	5,283	158
L2465923.UP.FTS.B, 24.48%, 11/19/27 . . .	32,105	2,284
L2675381.UP.FTS.B, 18.91%, 12/22/27 . .	10,385	1,361
FW2675485.UP.FTS.B, 24.08%, 12/22/27 .	2,830	2,758
L2982002.UP.FTS.B, 25.37%, 2/20/28 . . .	5,059	4,989
L2241741.UP.FTS.B, 14.61%, 12/13/34 . .	868	—
L2465958.UP.FTS.B, 5.34%, 1/19/35	133	131
L2460890.UP.FTS.B, 5.68%, 1/19/35	232	230
L2465895.UP.FTS.B, 5.84%, 1/19/35	106	105
L2464359.UP.FTS.B, 6.66%, 1/19/35	183	181
L2466095.UP.FTS.B, 7.07%, 1/19/35	93	92
FW2465710.UP.FTS.B, 7.96%, 1/19/35 . . .	34	34
L2465847.UP.FTS.B, 8.05%, 1/19/35	926	916
L2464723.UP.FTS.B, 20.66%, 1/19/35 . . .	161	159
L2465879.UP.FTS.B, 21.67%, 1/19/35 . . .	171	12
		839,280
Total Marketplace Loans (Cost 1,653,570)		\$1,392,974

Schedule of Investments, December 31, 2024

Franklin Strategic Income VIP Fund

At December 31, 2024, the Fund had the following futures contracts outstanding. See Note 1(d).

Futures Contracts

Description	Type	Number of Contracts	Notional Amount*	Expiration Date	Value/ Unrealized Appreciation (Depreciation)
Interest rate contracts					
U.S. Treasury 10 Year Notes	Long	33	\$3,588,750	3/20/25	\$(63,469)
U.S. Treasury 10 Year Ultra Notes	Short	39	4,341,188	3/20/25	91,962
U.S. Treasury 5 Year Notes	Long	21	2,232,398	3/31/25	(19,172)
U.S. Treasury Long Bonds	Short	25	2,846,094	3/20/25	103,869
U.S. Treasury Ultra Bonds	Long	8	951,250	3/20/25	(54,637)
Total Futures Contracts					\$58,553

*As of period end.

At December 31, 2024, the Fund had the following forward exchange contracts outstanding. See Note 1(d).

Forward Exchange Contracts

Currency	Counter-party ^a	Type	Quantity	Contract Amount*	Settlement Date	Unrealized Appreciation	Unrealized Depreciation
OTC Forward Exchange Contracts							
Euro	JPHQ	Sell	930,000	1,013,945	1/21/25	\$49,896	\$—
Columbian Peso	JPHQ	Sell	5,400,000,000	1,308,536	2/18/25	90,507	—
Euro	JPHQ	Sell	370,000	393,584	2/20/25	9,554	—
Total Forward Exchange Contracts						\$149,957	\$—
Net unrealized appreciation (depreciation)						\$149,957	

*In U.S. dollars unless otherwise indicated.

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

Franklin Strategic Income VIP Fund (continued)

At December 31, 2024, the Fund had the following credit default swap contracts outstanding. See Note 1(d).

Credit Default Swap Contracts

Description	Periodic Payment Rate Received (Paid)	Payment Frequency	Counter- party	Maturity Date	Notional Amount ^(a)	Value	Upfront Payments (Receipts)	Unrealized Appreciation (Depreciation)	Rating ^(b)
Centrally Cleared Swap Contracts									
Contracts to Sell Protection^{(c)(d)}									
Traded Index									
CDX.NA.HY.41	5.00%	Quarterly		12/20/28	7,750,000	\$621,060	\$(2,218)	\$623,278	Non- Investment Grade
Total Centrally Cleared Swap Contracts						\$621,060	\$(2,218)	\$623,278	
OTC Swap Contracts									
Contracts to Sell Protection^{(c)(d)}									
Single Name									
Carnival Corp.	1.00%	Quarterly	CITI	6/20/27	780,000	3,745	(69,687)	73,432	BB
Total OTC Swap Contracts						\$3,745	\$(69,687)	\$73,432	
Total Credit Default Swap Contracts						\$624,805	\$(71,905)	\$696,710	

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

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

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

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

At December 31, 2024, the Fund had the following total return swap contracts outstanding. See Note 1(d).

Total Return Swap Contracts

Underlying Instruments	Financing Rate	Payment Frequency	Counter- party	Maturity Date	Notional Value*	Value/ Unrealized Appreciation (Depreciation)
OTC Swap Contracts						
Long^(a)						
Markit iBoxx USD Liquid Leveraged Loans Total						
Return Index	1-day SOFR	Quarterly	BNDP	6/20/25	5,525,000	\$6,322
Total Return Swap Contracts						\$6,322

*In U.S. dollars unless otherwise indicated.

^(a)The Fund receives the total return on the underlying instrument and pays a variable financing rate.

See Note 9 regarding other derivative information.

See Abbreviations on page 55.

Statement of Assets and Liabilities

December 31, 2024

**Franklin
Strategic
Income VIP
Fund**

Assets:

Investments in securities:

Cost - Unaffiliated issuers	\$295,357,506
Cost - Non-controlled affiliates (Note 3e)	5,092,842
Value - Unaffiliated issuers	\$282,295,313
Value - Non-controlled affiliates (Note 3e)	5,171,004

Cash	165,698
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Receivables:

Investment securities sold	90,940
Capital shares sold	77,161
Dividends and interest	3,748,602
Deposits with brokers for:	
TBA transactions	290,000
Futures contracts	112,455
Variation margin on futures contracts	3,313
Variation margin on centrally cleared swap contracts	6,837
Unrealized appreciation on OTC forward exchange contracts	149,957
Unrealized appreciation on OTC swap contracts	79,754
Deferred tax benefit	135,841

Total assets	292,326,875
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Liabilities:

Payables:

Investment securities purchased	228,026
Payable for purchases of TBA securities (Note 1c)	15,961,099
Capital shares redeemed	114,746
Management fees	145,895
Distribution fees	25,065
Professional fees	113,373
Trustees' fees and expenses	123
OTC swap contracts (upfront receipts \$148,200)	69,687
Accrued expenses and other liabilities	141,281

Total liabilities	16,799,295
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Net assets, at value	\$275,527,580
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Net assets consist of:

Paid-in capital	\$364,391,708
Total distributable earnings (losses)	(88,864,128)
Net assets, at value	\$275,527,580

Statement of Assets and Liabilities (continued)

December 31, 2024

	Franklin Strategic Income VIP Fund
Class 1:	
Net assets, at value	\$172,516,790
Shares outstanding	18,456,086
Net asset value and maximum offering price per share ^a	\$9.35
Class 2:	
Net assets, at value	\$68,010,148
Shares outstanding	7,598,289
Net asset value and maximum offering price per share ^a	\$8.95
Class 4:	
Net assets, at value	\$35,000,642
Shares outstanding	3,776,312
Net asset value and maximum offering price per share ^a	\$9.27

^aNet asset value per share may not recalculate due to rounding.

Statement of Operations

for the year ended December 31, 2024

**Franklin
Strategic
Income VIP
Fund**

Investment income:	
Dividends:	
Unaffiliated issuers	\$22,814
Non-controlled affiliates (Note 3e)	286,325
Interest:	
Unaffiliated issuers	15,004,686
Income from securities loaned:	
Unaffiliated entities (net of fees and rebates)	8,319
Total investment income	15,322,144
Expenses:	
Management fees (Note 3a)	1,794,875
Distribution fees: (Note 3c)	
Class 2	181,653
Class 4	127,079
Professional fees	141,149
Trustees' fees and expenses	3,236
Marketplace lending fees (Note 1i)	279,796
Other	47,636
Total expenses	2,575,424
Expenses waived/paid by affiliates (Note 3e)	(19,867)
Net expenses	2,555,557
Net investment income	12,766,587
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Investments:	
Unaffiliated issuers	(1,041,587)
Non-controlled affiliates (Note 3e)	(1,084,209)
Foreign currency transactions	1,094
Forward exchange contracts	(220,156)
Futures contracts	41,579
TBA sale commitments	17,817
Swap contracts	737,435
Net realized gain (loss)	(1,548,027)
Net change in unrealized appreciation (depreciation) on:	
Investments:	
Unaffiliated issuers	(99,752)
Non-controlled affiliates (Note 3e)	950,622
Translation of other assets and liabilities denominated in foreign currencies	(1,403)
Forward exchange contracts	266,320
Futures contracts	(325,895)
Swap contracts	(37,625)
Net change in unrealized appreciation (depreciation)	752,267
Net realized and unrealized gain (loss)	(795,760)
Net increase (decrease) in net assets resulting from operations	\$11,970,827

*Includes losses from redemption in-kind (Note 11).

Statements of Changes in Net Assets

	Franklin Strategic Income VIP Fund	
	Year Ended December 31, 2024	Year Ended December 31, 2023
Increase (decrease) in net assets:		
Operations:		
Net investment income	\$12,766,587	\$13,477,348
Net realized gain (loss)	(1,548,027)	(12,342,789)
Net change in unrealized appreciation (depreciation)	752,267	22,010,128
Net increase (decrease) in net assets resulting from operations	11,970,827	23,144,687
Distributions to shareholders:		
Class 1	(8,092,061)	(8,689,427)
Class 2	(3,314,844)	(3,367,493)
Class 4	(1,550,557)	(1,589,451)
Total distributions to shareholders	(12,957,462)	(13,646,371)
Capital share transactions: (Note 2)		
Class 1	(9,451,014)	(13,339,042)
Class 2	(5,045,612)	(2,438,182)
Class 4	(1,033,362)	(2,479,463)
Total capital share transactions	(15,529,988)	(18,256,687)
Net increase (decrease) in net assets	(16,516,623)	(8,758,371)
Net assets:		
Beginning of year	292,044,203	300,802,574
End of year	\$275,527,580	\$292,044,203

Notes to Financial Statements

Franklin Strategic Income VIP Fund

1. Organization and Significant Accounting Policies

Franklin Templeton Variable Insurance Products Trust (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company, consisting of eighteen separate funds. The Trust follows the accounting and reporting guidance in Financial Accounting Standards Board (FASB) Accounting 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 Strategic Income VIP Fund (Fund) is included in this report. Shares of the Fund are generally sold only to insurance company separate accounts to fund the benefits of variable life insurance policies or variable annuity contracts. At December 31, 2024, 74.8% of the Fund's shares were held through one insurance company. Investment activities of these insurance company separate accounts could have a material impact on the Fund. The Fund offers three classes of shares: Class 1, Class 2 and Class 4. Each class of shares may differ by its distribution fees, voting rights on matters affecting a single class and its exchange privilege.

The following summarizes the Fund's significant accounting policies.

a. Financial Instrument Valuation

The Fund's investments in financial instruments are carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Fund calculates the net asset value (NAV) per share each business day as of 4 p.m. Eastern time or the regularly scheduled close of the New York Stock Exchange (NYSE), whichever is earlier. Under compliance policies and procedures approved by the Trust's Board of Trustees (the Board), the Board has designated the Fund's investment manager as the valuation designee and has responsibility for oversight of valuation. The investment manager is assisted by the Fund's administrator in performing this responsibility, including leading the cross-functional Valuation Committee (VC). The Fund may utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

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

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

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

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

Franklin Strategic Income VIP Fund (continued)

1. Organization and Significant Accounting Policies (continued)

a. Financial Instrument Valuation (continued)

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

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

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

b. Foreign Currency Translation

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the exchange rate of such currencies against U.S. dollars on the date of valuation. The Fund may

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

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

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

c. Securities Purchased on a When-Issued, Forward Commitment or Delayed Delivery Basis and TBA Basis

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

Franklin Strategic Income VIP Fund (continued)**1. Organization and Significant Accounting Policies**
(continued)**d. Derivative Financial Instruments**

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

Derivative counterparty credit risk is managed through a formal evaluation of the creditworthiness of all potential counterparties. The Fund attempts to reduce its exposure to counterparty credit risk on OTC derivatives, whenever possible, by entering into International Swaps and Derivatives Association (ISDA) master agreements with certain counterparties. These agreements contain various provisions, including but not limited to collateral requirements, events of default, or early termination. Termination events applicable to the counterparty include certain deteriorations in the credit quality of the counterparty. Termination events applicable to the Fund include failure of the Fund to maintain certain net asset levels and/or limit the decline in net assets over various periods of time. In the event of default or early termination, the ISDA master agreement gives the non-defaulting party the right to net and close-out all transactions traded, whether or not arising under the ISDA agreement, to one net amount payable by one counterparty to the other. However, absent an event of default or early termination, OTC derivative assets and liabilities are presented gross and not offset in the Statement of Assets and Liabilities. Early termination by the counterparty may result in an immediate payment by the Fund of any net liability owed to that counterparty under the ISDA agreement. At December 31, 2024, the Fund had no OTC derivatives in a net liability position for such contracts.

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

The Fund entered into exchange traded futures contracts primarily to manage and/or gain exposure to interest rate risk. A futures contract is an agreement between the Fund and a counterparty to buy or sell an asset at a specified price on a future date. Required initial margins are pledged by the Fund, and the daily change in fair value is accounted for as a variation margin payable or receivable in the Statement of Assets and Liabilities. Futures contracts outstanding at period end, if any, are listed in the Fund's Schedule of Investments.

The Fund entered into OTC forward exchange contracts primarily to manage and/or gain exposure to certain foreign currencies. A forward exchange contract is an agreement between the Fund and a counterparty to buy or sell a foreign currency at a specific exchange rate on a future date. Forward exchange contracts outstanding at period end, if any, are listed in the Fund's Schedule of Investments.

The Fund entered into credit default swap contracts primarily to manage and/or gain exposure to credit risk. A credit default swap is an agreement between the Fund and a counterparty whereby the buyer of the contract receives

Franklin Strategic Income VIP Fund (continued)

1. Organization and Significant Accounting Policies (continued)

d. Derivative Financial Instruments (continued)

credit protection and the seller of the contract guarantees the credit worthiness of a referenced debt obligation. These agreements may be privately negotiated in the over-the-counter market (OTC credit default swaps) or may be executed in a multilateral trade facility platform, such as a registered exchange (centrally cleared credit default swaps). The underlying referenced debt obligation may be a single issuer of corporate or sovereign debt, a credit index, a basket of issuers or indices, or a tranche of a credit index or basket of issuers or indices. In the event of a default of the underlying referenced debt obligation, the buyer is entitled to receive the notional amount of the credit default swap contract from the seller in exchange for the referenced debt obligation, a net settlement amount equal to the notional amount of the credit default swap less the recovery value of the referenced debt obligation, or other agreed upon amount. For centrally cleared credit default swaps, required initial margins are pledged by the Fund, and the daily change in fair value is accounted for as a variation margin payable or receivable in the Statement of Assets and Liabilities. Over the term of the contract, the buyer pays the seller a periodic stream of payments, provided that no event of default has occurred. Such periodic payments are accrued daily as an unrealized appreciation or depreciation until the payments are made, at which time they are realized. Upfront payments and receipts are reflected in the Statement of Assets and Liabilities and represent compensating factors between stated terms of the credit default swap agreement and prevailing market conditions (credit spreads and other relevant factors). These upfront payments and receipts are amortized over the term of the contract as a realized gain or loss in the Statement of Operations. Credit default swap contracts outstanding at period end, if any, are listed in the Fund's Schedule of Investments.

The Fund entered into OTC total return swap contracts primarily to manage and/or gain exposure to credit risk of an underlying instrument such as a stock, bond, index or basket of securities or indices. A total return swap is an agreement between the Fund and a counterparty to exchange a return linked to an underlying instrument for a floating or fixed rate payment, both based upon a notional amount. Over the term of the contract, contractually required payments to be paid or received are accrued daily and recorded as unrealized appreciation or depreciation until the payments are made, at

which time they are recognized as realized gain or loss. Total return swap contracts outstanding at period end, if any, are listed in the Fund's Schedule of Investments.

See Note 9 regarding other derivative information.

e. 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. The Fund may receive income from the investment of cash collateral, in addition to lending fees paid by the borrower. Income from securities loaned, net of fees paid to the securities lending agent and/or third-party vendor, is reported separately in the Statement of Operations. The Fund bears the market risk with respect to any cash collateral investment, securities loaned, and the risk that the agent may default on its obligations to the Fund. If the borrower defaults on its obligation to return the securities loaned, the Fund has the right to repurchase the securities in the open market using the collateral received. The securities lending agent has agreed to indemnify the Fund in the event of default by a third party borrower. At December 31, 2024, the Fund had no securities on loan.

f. Business Development Companies

The Fund may invest in securities of closed-end investment companies that have elected to be treated as a business development company under the 1940 Act. The Fund may purchase a business development company to gain exposure to the securities in the underlying portfolio. The risks of owning a business development company generally reflect the risks of owning the underlying securities. Business development companies have expenses that reduce their value.

g. Mortgage Dollar Rolls

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

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

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

h. Senior Floating Rate Interests

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

i. Marketplace Lending

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

then posts the borrowing requests online, giving investors the opportunity to purchase the loans based on factors such as the interest rates and expected yields of the loans, the borrower background data, and the credit rating assigned by the platform.

When the Fund invests in these loans, it usually purchases all rights, title and interest in the loans pursuant to a loan purchase agreement directly from the platform. The platform or a third-party servicer typically continues to service the loans, collecting payments and distributing them to the Fund, less any servicing fees assessed. The servicer is typically responsible for taking actions against a borrower in the event of a default on the loan. Servicing fees, along with other administration fees, are included in marketplace lending fees in the Statement of Operations. The Fund, as an investor in a loan, would be entitled to receive payment only from the borrower and would not be able to recover any deficiency from the platform, except under very narrow circumstances. The loans in which the Fund may invest are unsecured.

j. Income and Deferred Taxes

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

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

The Fund may recognize an income tax liability related to its uncertain tax positions under U.S. GAAP when the uncertain tax position has a less than 50% probability that it will be sustained upon examination by the tax authorities based on its technical merits. As of December 31, 2024, 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

Franklin Strategic Income VIP Fund (continued)

1. Organization and Significant Accounting Policies (continued)

j. Income and Deferred Taxes (continued)

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.

k. Security Transactions, Investment Income, Expenses and Distributions

Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on a specific identification basis. Interest income (including interest income from payment-in-kind securities, if any) and estimated expenses are accrued daily. Amortization of premium and accretion of discount on debt securities are included in interest income. Paydown gains and losses are recorded as an adjustment to interest income. The Fund may receive other income from investments in senior secured corporate loans or unfunded commitments, including amendment fees, consent fees or commitment fees. These fees are recorded as income when received by the Fund. Facility fees are recognized as income over the expected term of the loan. Dividend income is recorded on the ex-dividend date except for certain dividends from securities where the dividend rate is not available. In such cases, the dividend is recorded as soon as the information is received by the Fund. Distributions to shareholders are recorded on the ex-dividend date. Distributable earnings are determined according to income tax regulations (tax basis) and may differ from earnings recorded in accordance with U.S. GAAP. These differences may be permanent or temporary. Permanent differences are reclassified among capital accounts to reflect their tax character. These reclassifications have no impact on net assets or the results of operations. Temporary differences are not reclassified, as they may reverse in subsequent periods.

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

Realized and unrealized gains and losses and net investment income, excluding class specific expenses, are allocated daily to each class of shares based upon the

relative proportion of net assets of each class. Differences in per share distributions by class are generally due to differences in class specific expenses.

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

l. 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.

m. 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 Strategic Income VIP Fund (continued)**2. Shares of Beneficial Interest**

At December 31, 2024, there were an unlimited number of shares authorized (without par value). Transactions in the Fund's shares were as follows:

	Year Ended December 31, 2024		Year Ended December 31, 2023	
	Shares	Amount	Shares	Amount
Class 1 Shares:				
Shares sold	799,640	\$7,486,031	648,257	\$5,911,104
Shares issued in reinvestment of distributions	891,196	8,092,061	969,802	8,689,427
Shares redeemed	(2,674,742)	(25,029,106)	(3,059,801)	(27,939,573)
Net increase (decrease)	(983,906)	\$(9,451,014)	(1,441,742)	\$(13,339,042)
Class 2 Shares:				
Shares sold	1,524,842	\$13,708,559	1,067,725	\$9,356,499
Shares issued in reinvestment of distributions	381,017	3,314,844	391,114	3,367,491
Shares redeemed	(2,461,400)	(22,069,015)	(1,733,208)	(15,162,172)
Net increase (decrease)	(555,541)	\$(5,045,612)	(274,369)	\$(2,438,182)
Class 4 Shares:				
Shares sold	273,885	\$2,541,636	189,962	\$1,705,548
Shares issued in reinvestment of distributions	171,902	1,550,557	178,389	1,589,451
Shares redeemed	(552,406)	(5,125,555)	(638,200)	(5,774,462)
Net increase (decrease)	(106,619)	\$(1,033,362)	(269,849)	\$(2,479,463)

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

Franklin Strategic Income VIP Fund (continued)

3. Transactions with Affiliates (continued)

a. Management Fees

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

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

For the year ended December 31, 2024, the gross effective investment management fee rate was 0.625% 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 0.25% and 0.35% per year of its average daily net assets of Class 2 and Class 4, respectively. The plan year, for purposes of monitoring compliance with the maximum annual plan rates, is February 1 through January 31.

d. Transfer Agent Fees

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

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, 2024, the Fund held investments in affiliated management investment companies as follows:

Franklin Strategic Income VIP Fund (continued)

3. Transactions with Affiliates (continued)

e. Investments in Affiliated Management Investment Companies (continued)

	Value at Beginning of Year	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Year	Number of Shares Held at End of Year	Investment Income
Franklin Strategic Income VIP Fund								
Non-Controlled Affiliates								
								Dividends
Franklin BSP Real Estate Credit BDC	\$—	\$1,745,014	\$—	\$—	\$78,162	\$1,823,176	67,726	\$—
Franklin Floating Rate Income Fund	9,243,211	—	(9,031,462) ^a	(1,084,209)	872,460	—	—	56,658
Institutional Fiduciary Trust - Money Market Portfolio, 4.183%	6,941,880	53,148,973	(56,743,025)	—	—	3,347,828	3,347,828	229,667
Total Affiliated Securities . . .	\$16,185,091	\$54,893,987	\$(65,774,487)	\$(1,084,209)	\$950,622	\$5,171,004		\$286,325

^aIncludes in-kind activity. See Note 11.

4. Income Taxes

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

At December 31, 2024, the capital loss carryforwards were as follows:

Capital loss carryforwards not subject to expiration:

Short term	\$8,842,619
Long term	77,440,676
Total capital loss carryforwards	\$86,283,295

During the year ended December 31, 2024, the Fund utilized \$571,410 of capital loss carryforwards.

The tax character of distributions paid during the years ended December 31, 2024 and 2023, was as follows:

	2024	2023
Distributions paid from:		
Ordinary income	\$12,957,462	\$13,646,371

At December 31, 2024, the cost of investments, net unrealized appreciation (depreciation) and undistributed ordinary income for income tax purposes were as follows:

Cost of investments	\$302,769,713
Unrealized appreciation	\$3,325,110
Unrealized depreciation	(17,788,869)
Net unrealized appreciation (depreciation)	\$14,463,759
Distributable earnings:	
Undistributed ordinary income	\$12,057,353

Franklin Strategic Income VIP Fund (continued)

4. Income Taxes (continued)

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

5. Investment Transactions

Purchases and sales of investments (excluding short term securities) for the year ended December 31, 2024, aggregated \$258,375,332 and \$254,157,296, respectively.

6. Credit Risk and Defaulted Securities

At December 31, 2024, the Fund had 30.0% of its portfolio invested in high yield securities, senior secured floating rate loans, or other securities rated below investment grade and unrated securities. These securities may be more sensitive to economic conditions causing greater price volatility and are potentially subject to a greater risk of loss due to default than higher rated securities.

The Fund held defaulted securities and/or other securities for which the income has been deemed uncollectible. At December 31, 2024, the aggregate value of these securities represents less than 0.1% of the Fund's net assets. The Fund discontinues accruing income on securities for which income has been deemed uncollectible and provides an estimate for losses on interest receivable. The securities have been identified in the accompanying Schedule of Investments.

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, 2024, investments in restricted securities, excluding securities exempt from registration under the 1933 Act, were as follows:

Shares	Issuer	Acquisition Date	Cost	Value
Franklin Strategic Income VIP Fund				
14,792,309	^a K2016470219 South Africa Ltd., A	2/08/13 - 2/01/17	\$114,768	\$—
1,472,041	^a K2016470219 South Africa Ltd., B	2/01/17	1,093	—
Total Restricted Securities (Value is —% of Net Assets)			\$115,861	\$—

^aThe Fund also invests in unrestricted securities of the issuer, valued at \$— as of December 31, 2024.

Franklin Strategic Income VIP Fund (continued)**8. Unfunded Capital Commitments**

The Fund enters into certain capital commitments and may be obligated to perform on such agreements at a future date. The Fund monitors these commitments and assesses the probability of required performance. For any agreements whose probability of performance is determined to be greater than remote, the Fund assesses the fair value of the commitment. In instances where the probability of performance is greater than remote and the performance under the commitment would result in a material unrealized loss, the Fund recognizes such losses in the Statement of Assets and Liabilities and the Statement of Operations.

At December 31, 2024, the Fund had an unfunded capital commitment with a maximum amount of \$879,986, for which no depreciation has been recognized.

9. Other Derivative Information

At December 31, 2024, investments in derivative contracts are reflected in the Statement of Assets and Liabilities as follows:

Derivative Contracts Not Accounted for as Hedging Instruments	Asset Derivatives		Liability Derivatives	
	Statement of Assets and Liabilities Location	Fair Value	Statement of Assets and Liabilities Location	Fair Value
Franklin Strategic Income VIP Fund				
Interest rate contracts				
	Variation margin on futures contracts	\$195,831 ^a	Variation margin on futures contracts	\$137,278 ^a
Foreign exchange contracts . . .				
	Unrealized appreciation on OTC forward exchange contracts	149,957	Unrealized depreciation on OTC forward exchange contracts	—
Credit contracts.				
	Variation margin on centrally cleared swap contracts	623,278 ^b	Variation margin on centrally cleared swap contracts	—
	OTC swap contracts (upfront payments)	—	OTC swap contracts (upfront receipts)	69,687
	Unrealized appreciation on OTC swap contracts	79,754	Unrealized depreciation on OTC swap contracts	—
Total		<u>\$1,048,820</u>		<u>\$206,965</u>

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

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

Franklin Strategic Income VIP Fund (continued)

9. Other Derivative Information (continued)

For the year ended December 31, 2024, the effect of derivative contracts in the Statement of Operations was as follows:

Derivative Contracts Not Accounted for as Hedging Instruments	Statement of Operations Location	Net Realized Gain (Loss) for the Year	Statement of Operations Location	Net Change in Unrealized Appreciation (Depreciation) for the Year
Franklin Strategic Income VIP Fund				
	Net realized gain (loss) from:		Net change in unrealized appreciation (depreciation) on:	
Interest rate contracts				
	Futures contracts	\$41,579	Futures contracts	\$(325,895)
Foreign exchange contracts				
	Forward exchange contracts	(220,156)	Forward exchange contracts	266,320
Credit contracts				
	Swap contracts	737,435	Swap contracts	(37,625)
Total		<u>\$558,858</u>		<u>\$(97,200)</u>

For the year ended December 31, 2024, the average month end notional amount of futures contracts and swap contracts represented \$29,107,521 and \$11,151,154, respectively. The average month end contract value of forward exchange contracts was \$3,750,712.

See Note 1(d) regarding derivative financial instruments.

See Abbreviations on page 55.

10. Credit Facility

The Fund, together with other U.S. registered and foreign investment funds (collectively, Borrowers), managed by Franklin Templeton, are borrowers in a joint syndicated senior unsecured credit facility totaling \$2.675 billion (Global Credit Facility) which matured on January 31, 2025. 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 January 31, 2025, the Borrowers renewed the Global Credit Facility for a one-year term, maturing January 30, 2026, for a total of \$2.995 billion.

Under the terms of the Global Credit Facility, the Fund may, 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, 2024, the Fund did not use the Global Credit Facility.

11. Redemption In-Kind

During the year ended December 31, 2024, the Fund realized \$1,084,209 of net losses resulting from in-kind transactions in which the Fund redeemed shares of the Franklin Floating Rate Income Fund, a series of Franklin Floating Rate Master Trust, for securities held by the underlying fund rather than for cash.

Franklin Strategic Income VIP Fund (continued)

12. Fair Value Measurements

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

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

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

A summary of inputs used as of December 31, 2024, in valuing the Fund's assets and liabilities carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
Franklin Strategic Income VIP Fund				
Assets:				
Investments in Securities:				
Common Stocks:				
Broadline Retail	\$—	\$—	\$ ^a	\$—
Hotels, Restaurants & Leisure	—	202	—	202
Machinery	—	73,135	—	73,135
Oil, Gas & Consumable Fuels	2,586	27,779	—	30,365
Management Investment Companies	—	—	1,823,176	1,823,176
Preferred Stocks	—	1,152	—	1,152
Warrants	—	—	— ^a	—
Corporate Bonds:				
Aerospace & Defense	—	2,869,550	—	2,869,550
Air Freight & Logistics	—	498,122	—	498,122
Automobile Components	—	2,135,680	—	2,135,680
Automobiles	—	928,058	—	928,058
Banks	—	17,128,407	—	17,128,407
Beverages	—	930,858	—	930,858
Biotechnology	—	1,250,231	—	1,250,231
Broadline Retail	—	400,800	— ^a	400,800
Building Products	—	2,242,535	—	2,242,535
Capital Markets	—	6,830,985	—	6,830,985
Chemicals	—	4,443,447	—	4,443,447
Commercial Services & Supplies	—	3,694,777	—	3,694,777
Construction & Engineering	—	746,755	—	746,755
Construction Materials	—	521,334	—	521,334
Consumer Finance	—	2,203,317	—	2,203,317
Consumer Staples Distribution & Retail	—	604,600	—	604,600
Containers & Packaging	—	2,935,496	—	2,935,496
Distributors	—	518,825	—	518,825
Diversified Consumer Services	—	750,952	—	750,952
Diversified REITs	—	365,443	—	365,443
Diversified Telecommunication Services	—	3,228,446	—	3,228,446
Electric Utilities	—	5,774,617	—	5,774,617
Electrical Equipment	—	943,878	—	943,878
Electronic Equipment, Instruments & Components	—	2,658,294	—	2,658,294
Energy Equipment & Services	—	1,785,647	—	1,785,647

Franklin Strategic Income VIP Fund (continued)

12. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
Franklin Strategic Income VIP Fund (continued)				
Assets: (continued)				
Investments in Securities: (continued)				
Corporate Bonds: (continued)				
Entertainment	\$—	\$641,083	\$—	\$641,083
Financial Services	—	2,579,575	—	2,579,575
Food Products	—	2,790,603	—	2,790,603
Gas Utilities	—	198,291	—	198,291
Ground Transportation	—	2,552,563	—	2,552,563
Health Care Equipment & Supplies	—	2,429,881	—	2,429,881
Health Care Providers & Services	—	7,709,755	—	7,709,755
Health Care REITs	—	769,715	—	769,715
Health Care Technology	—	814,841	—	814,841
Hotel & Resort REITs	—	1,405,518	—	1,405,518
Hotels, Restaurants & Leisure	—	6,274,075	—	6,274,075
Household Durables	—	1,711,815	—	1,711,815
Household Products	—	721,560	—	721,560
Independent Power and Renewable Electricity Producers	—	3,768,824	—	3,768,824
Insurance	—	6,527,490	—	6,527,490
Interactive Media & Services	—	786,450	—	786,450
IT Services	—	2,217,128	—	2,217,128
Life Sciences Tools & Services	—	401,164	—	401,164
Machinery	—	2,563,559	—	2,563,559
Media	—	5,669,477	—	5,669,477
Metals & Mining	—	2,968,264	—	2,968,264
Multi-Utilities	—	1,678,372	—	1,678,372
Oil, Gas & Consumable Fuels	—	18,232,311	—	18,232,311
Paper & Forest Products	—	950,362	—	950,362
Passenger Airlines	—	1,600,218	—	1,600,218
Personal Care Products	—	2,670,705	—	2,670,705
Pharmaceuticals	—	3,589,846	—	3,589,846
Residential REITs	—	434,071	—	434,071
Software	—	777,993	—	777,993
Specialized REITs	—	920,261	—	920,261
Specialty Retail	—	193,274	—	193,274
Technology Hardware, Storage & Peripherals	—	1,386,190	—	1,386,190
Textiles, Apparel & Luxury Goods	—	1,048,425	—	1,048,425
Tobacco	—	1,903,505	—	1,903,505
Trading Companies & Distributors	—	3,096,906	—	3,096,906
Transportation Infrastructure	—	113,704	—	113,704
Wireless Telecommunication Services	—	2,648,292	1,440	2,649,732
Senior Floating Rate Interests	—	7,165,763	—	7,165,763
Marketplace Loans	—	—	1,392,974	1,392,974
Foreign Government and Agency Securities	—	5,737,808	—	5,737,808
U.S. Government and Agency Securities	—	54,305,109	—	54,305,109
Asset-Backed Securities	—	5,709,170	—	5,709,170
Commercial Mortgage-Backed Securities	—	4,511,998	—	4,511,998
Mortgage-Backed Securities	—	33,877,954	—	33,877,954
Residential Mortgage-Backed Securities	—	6,346,567	—	6,346,567
Escrows and Litigation Trusts	—	4,556	— ^a	4,556
Short Term Investments	3,347,828	—	—	3,347,828
Total Investments in Securities	\$3,350,414	\$280,898,313	\$3,217,590	\$287,466,317

Franklin Strategic Income VIP Fund (continued)

12. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
Franklin Strategic Income VIP Fund (continued)				
Assets: (continued)				
Other Financial Instruments:				
Forward Exchange Contracts	\$—	\$149,957	\$—	\$149,957
Futures Contracts	195,831	—	—	195,831
Swap Contracts	—	703,032	—	703,032
Total Other Financial Instruments	\$195,831	\$852,989	\$—	\$1,048,820
Liabilities:				
Other Financial Instruments:				
Futures Contracts	\$137,278	\$—	\$—	\$137,278
Total Other Financial Instruments	\$137,278	\$—	\$—	\$137,278

^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, 2024, the reconciliation is as follows:

	Balance at Beginning of Year	Purchases ^a	Sales ^b	Transfer Into Level 3 ^c	Transfer Out of Level 3	Net Accretion (Amortiza- tion)	Net Realized Gain (Loss)	Net Unrealized Appreciation (Depreciation)	Balance at End of Year	Net Change in Unrealized Appreciation (Depreciation) on Assets Held at Year End
Franklin Strategic Income VIP Fund										
Assets:										
Investments in Securities:										
Common Stocks:										
Broadline Retail	\$— ^d	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$— ^d	\$—
Management Investment Companies:										
Capital Markets	—	1,745,015	—	—	—	—	—	78,161	1,823,176	78,161
Warrants:										
Machinery	—	132	—	—	—	—	—	(132)	— ^d	(132)
Corporate Bonds:										
Broadline Retail	— ^d	—	—	—	—	—	—	—	— ^d	—
Wireless Telecommunication Services	—	—	(4,699)	6,192	—	1,019	3,388	(4,460)	1,440	(4,040)
Marketplace Loans:										
Financial Services . . .	3,684,351	33,210	(2,427,797)	—	—	—	(4,358)	107,568	1,392,974	(99,300)
Escrows and Litigation Trusts:										
— ^d	—	—	—	—	—	—	—	—	— ^d	—
Total Investments in Securities	\$3,684,351	\$1,778,357	\$(2,432,496)	\$6,192	\$—	\$1,019	\$(970)	\$181,137	\$3,217,590	\$(25,311)

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

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

^cTransferred into Level 3 as a result of the unavailability of a quoted market price in an active market for identical securities or as a result of the unreliability of the foreign exchange rate and other significant observable valuation inputs. May include amounts related to a corporate action.

^dIncludes financial instruments determined to have no value.

Franklin Strategic Income VIP Fund (continued)

12. Fair Value Measurements (continued)

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, 2024, are as follows:

Description	Fair Value at End of Year	Valuation Technique	Unobservable Inputs	Amount / Range (Weighted Average) ^a	Impact to Fair Value if Input Increases ^b
Franklin Strategic Income VIP Fund					
Assets:					
Investments in Securities:					
Marketplace Loans:					
Financial Services	\$1,392,974	Discounted cash flow	Loss-adjusted discount rate	2.1% – 12.6% (8.2%)	Decrease
			Projected loss rate	0.2% – 80.3% (21.4%)	Decrease
All Other Investments	1,824,616 ^{c,d}				
Total	\$3,217,590				

^aWeighted based on the relative fair value of the financial instruments.

^bRepresents 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.

^cIncludes 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.

^dIncludes financial instruments determined to have no value.

13. Operating Segments

The Fund has adopted the FASB Accounting Standards Update (ASU) 2023-07, *Segment Reporting (Topic 280) - Improvements to Reportable Segment Disclosures*. The update is limited to disclosure requirements and does not impact the Fund's financial position or results of operations.

The Fund operates as a single operating segment, which is an investment portfolio. The Fund's Investment manager serves as the Chief Operating Decision Maker (CODM), evaluating fund-wide results and performance under a unified investment strategy. The CODM uses these measures to assess fund performance and allocate resources effectively. Internal reporting provided to the CODM aligns with the accounting policies and measurement principles used in the financial statements.

For information regarding segment assets, segment profit or loss, and significant expenses, refer to the Statement of Assets and Liabilities and the Statement of Operations, along with the related notes to the financial statements. The Schedule of Investments provides details of the Fund's investments that generate returns such as interest, dividends, and realized and unrealized gains or losses. Performance metrics, including portfolio turnover and expense ratios, are disclosed in the Financial Highlights.

14. Subsequent Events

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

Franklin Strategic Income VIP Fund (continued)

Abbreviations

Counterparty

BNDP	BNP Paribas SA
CITI	Citibank NA
JPHQ	JPMorgan Chase Bank NA

Currency

COP	Colombian Peso
EUR	Euro
USD	United States Dollar

Index

CDX.NA.HY.	
Series number	CDX North America High Yield Index

Selected Portfolio

BDC	Business Development Company
CLO	Collateralized Loan Obligation
	Constant Monthly U.S. Treasury Securities Yield Curve Rate Index
CMT	
FFCB	Federal Farm Credit Banks Funding Corp.
FHLMC	Federal Home Loan Mortgage Corp.
FNMA	Federal National Mortgage Association
FRN	Floating Rate Note
GNMA	Government National Mortgage Association
MBS	Mortgage-Backed Security
PIK	Payment-In-Kind
REIT	Real Estate Investment Trust
SOFR	Secured Overnight Financing Rate
T-Note	Treasury Note

Report of Independent Registered Public Accounting Firm

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

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Franklin Strategic Income VIP Fund (one of the funds constituting Franklin Templeton Variable Insurance Products Trust, referred to hereafter as the "Fund") as of December 31, 2024, the related statement of operations for the year ended December 31, 2024, the statements of changes in net assets for each of the two years in the period ended December 31, 2024, including the related notes, and the financial highlights for each of the three years in the period ended December 31, 2024 and the consolidated financial highlights for each of the two years in the period ended December 31, 2021 (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, 2024, 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, 2024, the financial highlights for each of the three years in the period ended December 31, 2024 and the consolidated financial highlights for each of the two years in the period ended December 31, 2021 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, 2024 by correspondence with the custodians, private placement agents, transfer agent, agent banks and brokers; when replies were not received from agent banks, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP
San Francisco, California
February 20, 2025

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

Tax Information (unaudited)

Franklin Strategic Income VIP Fund

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

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

The Fund hereby reports the following amounts, or if subsequently determined to be different, the maximum allowable amounts, for the fiscal year ended December 31, 2024:

	Pursuant to:	Amount Reported
Income Eligible for Dividends Received Deduction (DRD)	§854(b)(1)(A)	\$22,814
Interest Earned from Federal Obligations	Note (1)	\$2,533,487

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

Changes In and Disagreements with Accountants

For the period covered by this report

Not applicable.

Results of Meeting(s) of Shareholders

For the period covered by this report

Not applicable.

Remuneration Paid to Directors, Officers and Others

For the period covered by this report

Refer to the financial statements included herein.

Board Approval of Management and Subadvisory Agreements

For the period covered by this report

Not applicable.

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