

Release Date: 09-30-2018

# Templeton VIPT Foreign VIP Fund — Class 2

## Investment Strategy from investment's prospectus

The investment seeks long-term capital growth. The fund invests at least 80% of its net assets in investments of issuers located outside the U.S., including those in emerging markets. It invests predominantly in equity securities, primarily to predominantly in common stock. While there are no set percentage targets, the fund invests predominantly in large to medium capitalization companies and may invest a portion in smaller companies. The fund also invests in American, European and Global Depository Receipts. It may have significant positions in particular countries or sectors.

Past name: Templeton Foreign Securities CI2.

## Category Description: Foreign Large Value

Foreign large-value funds invest mainly in big international stocks that are less expensive than the market as a whole. Most of these funds divide their assets among a dozen or more developed markets, including Japan, Britain, France, and Germany. They tend to invest the rest in emerging markets such as Hong Kong, Brazil, Mexico and Thailand. These funds typically will have less than 20% of assets invested in U.S. Stocks.

## Operations

Fund Inception Date	05-01-97
Initial Share Class Inception Date	05-01-92
Advisor	Templeton Investment Counsel LLC
Subadvisor	—

## Fees and Expenses as of 05-01-18

Gross Prospectus Expense Ratio	1.09%
Net Prospectus Expense Ratio	1.08%

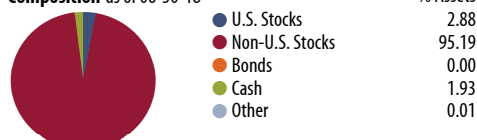
Waiver Data	Type	Exp.Date	%
Expense Ratio	Contractual	04-30-19	0.01

## Portfolio Manager(s)

Peter A. Nori, CFA. M.B.A., University of San Francisco, 1989. B.S., University of San Francisco, 1986. Since 1999.  
 Matthew R. Nagle, CPA. M.B.A., New York University. B.B.A., Siena College. Since 2018.

## Portfolio Analysis as of 06-30-18

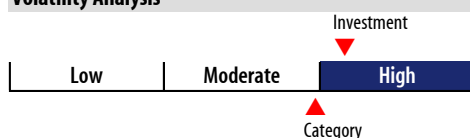
### Composition as of 06-30-18



### Top 20 Holdings as of 06-30-18

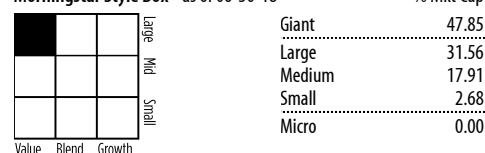
Company	% Assets
Samsung Electronics Co Ltd	3.58
BP PLC	3.26
Royal Dutch Shell PLC B	2.93
Teva Pharmaceutical Industries Ltd ADR	2.55
Wheaton Precious Metals Corp	2.37
Standard Chartered PLC	2.28
Baidu Inc ADR	2.19
SoftBank Group Corp	2.18
Roche Holding AG Dividend Right Cert.	2.09
BNP Paribas	2.02
Sanofi SA	1.94
HSBC Holdings PLC	1.84
Eni SpA	1.83
Astellas Pharma Inc	1.68
SES SA DR	1.57
Bayer AG	1.55
Johnson Matthey PLC	1.54
China Telecom Corp Ltd H Shares	1.54
CK Hutchison Holdings Ltd	1.40
Barclays PLC	1.38
Total Number of Stock Holdings	86
Total Number of Bond Holdings	—
Annual Turnover Ratio %	26.81
Total Fund Assets (\$mil)	1,500.50

## Volatility Analysis



In the past, this investment has shown a wide range of price fluctuations relative to other investments. This investment may experience significant price increases in favorable markets or undergo large price declines in adverse markets. Some of this risk may be offset by owning other investments that follow different investment strategies.

## Morningstar Style Box™ as of 06-30-18



## Statistics as of 06-30-18

Statistic	Stk Port Avg	S&P 500	Category
P/E Ratio	12.11	17.98	11.83
P/B Ratio	1.23	3.17	1.27
P/C Ratio	3.31	13.67	2.76
GeoAvgCap(\$mil)	31,985.43	109,557.79	31,592.98

## Risk Measures as of 09-30-18

Metric	Port Avg	S&P 500	Category
3 Yr Std Dev	11.39	9.18	10.91
3 Yr Sharpe Ratio	0.58	1.69	0.69
3 Yr Alpha	-2.47	—	-1.02
3 Yr Beta	1.00	—	0.92
3 Yr R-squared	90.44	—	85.49

## Top 10 Countries as of 06-30-18

Country	% Assets
United Kingdom	20.83
Japan	11.97
China	10.43
France	8.07
Germany	7.90
South Korea	6.26
Canada	5.98
Switzerland	5.47
United States	2.94
Israel	2.60

## Notes

This material is authorized for client use only when preceded or accompanied by a Disclosure Statement, a product prospectus, a fund prospectus and/or informational brochure containing more complete information. These can be obtained from your investment professional and should be read carefully before investing or sending money.

NOT A DEPOSIT — NOT FDIC INSURED — NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY — NOT GUARANTEED BY THE INSTITUTION — MAY GO DOWN IN VALUE