

Release Date: 03-31-2019

Franklin Allocation VIP Fund — Class 2

Investment Strategy from investment's prospectus

The investment seeks capital appreciation; income is a secondary objective. The fund is a "fund of funds" meaning that it seeks to achieve its investment goals by investing its assets in a combination of Class 1 shares of the Franklin Income VIP Fund, Franklin Mutual Shares VIP Fund and Templeton Growth VIP Fund (underlying funds). It makes equal allocations to each of the underlying funds on a fixed percentage basis.

Past name: Franklin Templeton VIP Fdng Fds Allc Cl2.

Category Description: Allocation—70% to 85% Equity

Funds in allocation categories seek to provide both income and capital appreciation by investing in multiple asset classes, including stocks, bonds, and cash. These portfolios are dominated by domestic holdings and have equity exposures between 70% and 85%..

Operations

Fund Inception Date	07-02-07
Initial Share Class Inception Date	07-02-07
Advisor	Franklin Templeton Services LLC
Subadvisor	—

Fees and Expenses as of 05-01-18

Gross Prospectus Expense Ratio	1.03%
Net Prospectus Expense Ratio	1.01%

Waiver Data

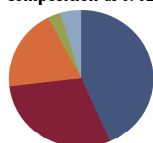
Type	Exp.Date	%	
Expense Ratio	Contractual	04-30-19	0.02

Portfolio Manager(s)

Thomas A. Nelson, CFA. B.S., University of Delaware, 1986. Since 2012.
 May Tong, CFA. B.S., Boston College, Carrol School of Management. Since 2019.

Portfolio Analysis as of 02-28-19

Composition as of 02-28-19

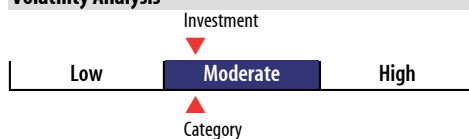


	% Assets
U.S. Stocks	43.75
Non-U.S. Stocks	29.83
Bonds	19.40
Cash	2.83
Other	4.81

Top 3 Holdings as of 02-28-19

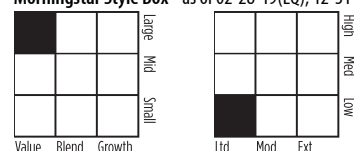
	% Assets
Franklin Income VIP 1	33.55
Templeton Growth VIP 1	33.25
Franklin Mutual Shares VIP 1	33.20
Total Number of Stock Holdings	—
Total Number of Bond Holdings	—
Annual Turnover Ratio %	2.23
Total Fund Assets (\$mil)	840.93

Volatility Analysis



In the past, this investment has shown a relatively moderate range of price fluctuations relative to other investments. This investment may experience larger or smaller price declines or price increases depending on market conditions. Some of this risk may be offset by owning other investments with different portfolio makeups or investment strategies.

Morningstar Style Box™ as of 02-28-19(EQ); 12-31-18(F-I)



Statistics as of 02-28-19

	Stk Port Avg	S&P 500	Category
P/E Ratio	12.25	17.05	15.77
P/B Ratio	1.38	2.97	2.18
P/C Ratio	4.57	8.80	7.68
GeoAvgCap(\$mil)	49,561.90	105,009.98	50,817.52

Risk Measures as of 03-31-19

	Port Avg	S&P 500	Category
3 Yr Std Dev	8.95	10.73	8.96
3 Yr Sharpe Ratio	0.73	1.12	0.81
3 Yr Alpha	-2.28	—	-1.83
3 Yr Beta	1.33	—	1.35
3 Yr R-squared	82.22	—	86.96

Morningstar Sectors as of 02-28-19

	%Fund	S&P 500 %
Cyclical	33.31	32.26
Basic Materials	3.25	2.46
Consumer Cyclical	6.73	11.90
Financial Services	21.93	15.40
Real Estate	1.40	2.50
Sensitive	37.55	42.16
Communication Services	8.55	3.56
Energy	11.98	5.43
Industrials	6.81	10.23
Technology	10.21	22.94
Defensive	29.16	25.59
Consumer Defensive	8.44	7.77
Healthcare	16.97	14.49
Utilities	3.75	3.33

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