

Templeton VIPT Global Bond VIP Fund — Class 2

Investment Strategy from investment's prospectus

The investment seeks high current income consistent with preservation of capital; capital appreciation is a secondary objective. Under normal market conditions, the fund invests at least 80% of its net assets in "bonds." Bonds include debt securities of any maturity, such as bonds, notes, bills and debentures. The fund invests predominantly in bonds issued by governments, government-related entities and government agencies located around the world. Bonds may be denominated and issued in the local currency or another currency. The fund is non-diversified.

Past name: Templeton Global Bond Sec Cl2.

Category Description: Global Bond

World bond portfolios typically invest 40% or more of their assets in fixed-income instruments issued outside of the U.S. These portfolios invest primarily in investment-grade rated issues, but their strategies can vary. Some follow a conservative approach, sticking with high-quality bonds from developed markets. Others are more adventurous, owning some lower-quality bonds from developed or emerging markets. Some portfolios invest exclusively outside the U.S., while others invest in both U.S. and non-U.S. bonds. Many consistently maintain significant allocations to non-U.S. dollar currencies, while others have the flexibility to make sizeable adjustments between their U.S. dollar and non-U.S. currency exposures.

Operations

Fund Inception Date	01-06-99
Initial Share Class Inception Date	01-24-89
Advisor	Franklin Advisers, Inc.
Subadvisor	—

Fees and Expenses as of 05-01-23

Gross Prospectus Expense Ratio	0.79%
Net Prospectus Expense Ratio	0.77%

Waiver Data	Type	Exp.Date	%
Management Fee	—		0.02

Portfolio Manager(s)

Michael J. Hasenstab, Ph.D., Australian National University. B.A., Carleton College. Since 2001.
 Calvin Ho, Ph.D., University of California Berkeley. B.A., University of California Berkeley. Since 2018.

Portfolio Analysis as of 05-31-23

Composition as of 05-31-23

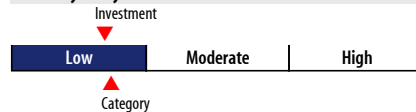


	% Assets
U.S. Stocks	0.00
Non-U.S. Stocks	0.00
Bonds	88.88
Cash	11.16
Other	0.00

Top 20 Holdings as of 05-31-23

	% Assets
United States Treasury Notes 3.5% 02-15-33	9.51
Indonesia (Republic of) 7% 02-15-33	6.32
Franklin IFT Money Market	5.09
Japan (Government Of) 0% 09-20-23	3.42
The Republic of Korea 1.375% 09-10-24	3.37
Australia (Commonwealth of) 0.5% 09-21-26	3.16
Japan (Government Of) 0% 02-20-24	3.11
Norway (Kingdom Of) 3% 03-14-24	3.05
Secretaria Tesouro Nacional 0% 01-01-25	2.82
Malaysia (Government Of) 3.899% 11-16-27	2.79
India (Republic of) 7.1% 04-18-29	2.79
Secretaria Tesouro Nacional 9.9192% 01-01-27	2.71
Japan (Government Of) 0% 11-10-23	2.54
Singapore (Republic of) 2.625% 08-01-32	2.17
Mexico (United Mexican States) 7.5% 05-26-33	1.99
Germany (Federal Republic Of) 0% 10-18-23	1.72
The Republic of Korea 2.25% 09-10-23	1.67
Colombia (Republic of) 7.5% 08-26-26	1.67
Queensland Treasury Corporation 2% 08-22-33	1.58
The Republic of Korea 1.875% 03-10-24	1.53
Total Number of Stock Holdings	—
Total Number of Bond Holdings	79
Annual Turnover Ratio %	14.78
Total Fund Assets (\$mil)	1,620.55

Volatility Analysis



In the past, this investment has shown a relatively small range of fluctuations relative to other investments. Based on this measure, currently more than two thirds of all investments have shown higher levels of risk. Consequently, this investment may appeal to investors looking for a conservative investment strategy.

Morningstar Style Box™ as of 05-31-23



Average Effective Duration	2.20
Average Effective Maturity	2.55

Risk Measures as of 06-30-23

	Port Avg	BC Aggr	Category
3 Yr Std Dev	7.37	6.17	8.08
3 Yr Sharpe Ratio	-0.68	-0.89	-0.62
3 Yr Alpha	0.02	—	1.31
3 Yr Beta	0.92	—	1.16
3 Yr R-squared	58.90	—	78.42

Morningstar Sectors as of 05-31-23

	%Fund	%Category
Government	90.14	57.09
Corporate	0.00	17.33
Securitized	0.00	7.20
Municipal	0.00	0.09
Cash and Equivalents	9.86	8.07
Other	0.00	10.21

Credit Analysis as of 03-31-23

	%Bonds
AAA	32
AA	10
A	19
BBB	24
BB	6
B	0
Below B	1
NR/NA	8

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