

Release Date: 03-31-2019

Franklin VIPT Mutual Global Discovery VIP Fund — Class 2

Investment Strategy from investment's prospectus

The investment seeks capital appreciation. The fund invests primarily in equity securities (including securities convertible into, or that the investment manager expects to be exchanged for, common or preferred stock) of U.S. and foreign companies that the investment manager believes are available at market prices less than their value based on certain recognized or objective criteria (intrinsic value). Following this value-oriented strategy, the fund invests primarily in undervalued securities. The advisor presently does not intend to invest more than a portion (no more than 25%) of its assets in securities of issuers located in emerging market countries.

Past name: Franklin Mutual Global Discov Secs Cl2.

Category Description: World Large Stock

World large stock portfolios invest in a variety of international stocks that are larger. World-stock portfolios have few geographical limitations. It is common for these portfolios to invest the majority of their assets in developed markets, with the remainder divided among the globe's smaller markets. These portfolios typically have 20%-60% of assets in U.S. stocks.

Operations

Fund Inception Date	01-06-99
Initial Share Class Inception Date	11-08-96
Advisor	Franklin Mutual Advisers, LLC
Subadvisor	—

Fees and Expenses as of 05-01-18

Gross Prospectus Expense Ratio	1.21%
Net Prospectus Expense Ratio	1.21%

Waiver Data	Type	Exp.Date	%

Portfolio Manager(s)

Peter A. Langerman, CPA. M.S., New York University (Stern). B.A., Yale University. Since 2009.
 Timothy Rankin, CFA. B.A., Columbia University. Since 2010.

Portfolio Analysis as of 02-28-19

Composition as of 02-28-19

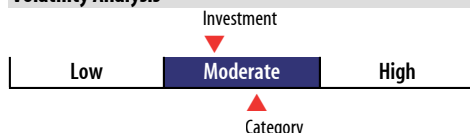
	% Net
U.S. Stocks	50.80
Non-U.S. Stocks	39.77
Bonds	4.35
Cash	4.19
Other	0.89

-100 -50 0 50 100

Top 20 Holdings as of 02-28-19

	% Assets
Novartis AG ADR	3.13
Medtronic PLC	2.97
Walt Disney Co	2.67
GlaxoSmithKline PLC	2.30
NN Group NV	2.25
Royal Dutch Shell PLC Class A	2.24
Citizens Financial Group Inc	2.04
Enel SpA	2.01
Samsung Electronics Co Ltd	1.96
Merck & Co Inc	1.92
Kinder Morgan Inc P	1.89
Charter Communications Inc A	1.81
Volkswagen AG Participating Preferred	1.79
Citigroup Inc	1.79
Eli Lilly and Co	1.68
Wells Fargo & Co	1.65
The Hartford Financial Services Group Inc	1.64
Check Point Software Technologies Ltd	1.64
Chubb Ltd	1.53
Cognizant Technology Solutions Corp A	1.44
Total Number of Stock Holdings	85
Total Number of Bond Holdings	15
Annual Turnover Ratio %	29.84
Total Fund Assets (\$mil)	579.52

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

	% Mkt Cap
Giant	44.20
Large	39.88
Medium	15.33
Small	0.55
Micro	0.03

Statistics as of 02-28-19

	Stk Port Avg	S&P 500	Category
P/E Ratio	11.65	17.05	15.42
P/B Ratio	1.21	2.97	2.16
P/C Ratio	3.52	8.80	9.05
GeoAvgCap(\$mil)	47,088.72	105,009.98	67,209.80

Risk Measures as of 03-31-19

	Port Avg	S&P 500	Category
3 Yr Std Dev	9.67	10.73	10.68
3 Yr Sharpe Ratio	0.62	1.12	0.82
3 Yr Alpha	0.74	—	2.68
3 Yr Beta	0.74	—	0.86
3 Yr R-squared	65.28	—	73.40

Top 10 Countries as of 02-28-19

	% Assets
United States	57.24
United Kingdom	13.52
Switzerland	7.18
Netherlands	4.74
Germany	3.71
France	3.17
Italy	2.13
South Korea	2.08
Japan	2.03
Canada	1.79

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