

Release Date: 12-31-2018

# 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

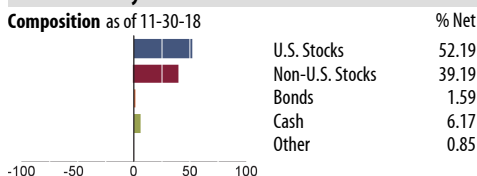
Gross Prospectus Expense Ratio	1.21%
Net Prospectus Expense Ratio	1.21%

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.

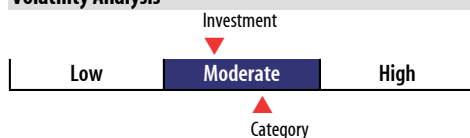
## Portfolio Analysis as of 11-30-18



**Top 20 Holdings** as of 11-30-18

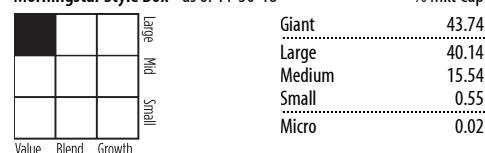
Company	% Assets
Medtronic PLC	3.47
Novartis AG ADR	3.27
Walt Disney Co	2.61
GlaxoSmithKline PLC	2.41
Eli Lilly and Co	2.35
Royal Dutch Shell PLC Class A	2.19
NN Group NV	2.17
Citizens Financial Group Inc	1.91
Merck & Co Inc	1.88
Citigroup Inc	1.82
Enel SpA	1.82
Wells Fargo & Co	1.81
Volkswagen AG Participating Preferred	1.77
Charter Communications Inc A	1.74
Samsung Electronics Co Ltd	1.74
Kinder Morgan Inc P	1.69
Check Point Software Technologies Ltd	1.68
Koninklijke KPN NV	1.57
Chubb Ltd	1.53
Walgreens Boots Alliance Inc	1.51
Total Number of Stock Holdings	92
Total Number of Bond Holdings	5
Annual Turnover Ratio %	17.49
Total Fund Assets (\$mil)	582.06

## 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 11-30-18



**Statistics** as of 11-30-18

Statistic	Stk Port Avg	S&P 500	Category
P/E Ratio	12.49	14.35	15.50
P/B Ratio	1.28	2.73	2.19
P/C Ratio	4.96	11.79	6.90
GeoAvgCap(\$mil)	46,995.83	93,688.30	68,988.37

**Risk Measures** as of 12-31-18

Metric	Port Avg	S&P 500	Category
3 Yr Std Dev	9.86	10.95	11.07
3 Yr Sharpe Ratio	0.20	0.76	0.46
3 Yr Alpha	-0.79	—	1.77
3 Yr Beta	0.71	—	0.83
3 Yr R-squared	68.36	—	75.17

## Top 10 Countries as of 11-30-18

Country	% Assets
United States	57.08
United Kingdom	12.58
Switzerland	7.34
Netherlands	5.01
France	3.62
Germany	3.25
Italy	1.95
Japan	1.95
South Korea	1.87
Finland	1.74

## 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