

Franklin VIPT Small-Mid Cap Growth VIP Fund — Class 1

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 small-capitalization (small-cap) and mid-capitalization (mid-cap) companies. It invests predominantly in equity securities, predominantly

Past name: Franklin Small-Mid Cap Gr Secs C1.

Category Description: Mid-Cap Growth

Some mid-cap growth funds invest in stocks of all sizes, thus leading to a mid-cap profile, but others focus on midsize companies. Mid-cap growth funds target firms that are projected to grow faster than other mid-cap stocks, therefore commanding relatively higher prices. Many of these stocks are found in the volatile technology, health-care and service sectors.

Operations

Fund Inception Date	11-01-95
Initial Share Class Inception Date	11-01-95
Advisor	Franklin Advisers, Inc.
Subadvisor	—

Fees and Expenses as of 08-16-23

Gross Prospectus Expense Ratio	.8500%
Net Prospectus Expense Ratio	.8400%

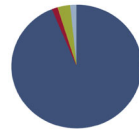
Waiver Data	Type	Exp.Date	%
Management Fee	Contractual		0.01

Portfolio Manager(s)

Michael McCarthy, CFA. B.A., University of California Los Angeles. Since 1995.
John P. Scandalios, CFA. M.B.A., University of California, Los Angeles. B.A., University of California, Los Angeles. Since 2016.

Portfolio Analysis as of 02-29-24

Composition as of 02-29-24



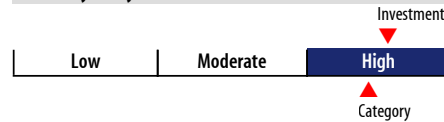
	% Assets
U.S. Stocks	93.75
Non-U.S. Stocks	1.44
Bonds	0.04
Cash	3.10
Other	1.67

Top 10 Holdings as of 02-29-24

	% Assets
CrowdStrike Holdings Inc Class A	2.29
Trane Technologies PLC Class A	2.15
Ares Management Corp Ordinary Shares - Class A	1.95
DexCom Inc	1.94
Gartner Inc	1.86
Agilent Technologies Inc	1.79
Paychex Inc	1.79
Fastenal Co	1.73
Axon Enterprise Inc	1.73
IDEXX Laboratories Inc	1.71
Veeva Systems Inc Class A	1.67
Monolithic Power Systems Inc	1.62
Verisk Analytics Inc	1.59
HubSpot Inc	1.53
Pinterest Inc Class A	1.53
DoorDash Inc Ordinary Shares - Class A	1.48
Fanatics Holdings Inc	1.48
LPL Financial Holdings Inc	1.47
Ansys Inc	1.46
Block Inc Class A	1.45

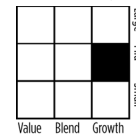
Total Number of Stock Holdings	98
Total Number of Bond Holdings	1
Annual Turnover Ratio %	41.30
Total Fund Assets (\$mil)	457.64

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 02-29-24



	% Mkt Cap
Giant	0.00
Large	13.59
Medium	74.43
Small	10.65
Micro	1.33

Statistics as of 02-29-24

	Stk Port Avg	S&P 500	Category
P/E Ratio	30.85	21.23	28.90
P/B Ratio	6.24	4.01	4.89
P/C Ratio	18.61	14.45	18.38
GeoAvgCap(\$mil)	24,969.13	270,108.49	22,541.90

Risk Measures as of 03-31-24

	Port Avg	S&P 500	Category
3 Yr Std Dev	22.39	17.60	22.26
3 Yr Sharpe Ratio	-0.03	0.54	0.04
3 Yr Alpha	-11.41	—	-10.07
3 Yr Beta	1.13	—	1.11
3 Yr R-squared	79.08	—	79.51

Morningstar Sectors as of 02-29-24

	%Fund	S&P 500 %
Cyclical	24.62	27.72
Basic Materials	0.00	2.09
Consumer Cyclical	13.15	10.79
Financial Services	9.02	12.53
Real Estate	2.45	2.31
Sensitive	54.41	51.66
Communication Services	6.18	8.89
Energy	2.92	3.71
Industrials	19.60	8.23
Technology	25.71	30.83
Defensive	20.97	20.62
Consumer Defensive	3.65	5.93
Healthcare	17.32	12.56
Utilities	0.00	2.13

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