

# Franklin VIPT Income VIP Fund — Class 1

## Investment Strategy from investment's prospectus

The investment seeks to maximize income while maintaining prospects for capital appreciation. The fund invests in a diversified portfolio of debt and equity securities. It may shift its investments from one asset class to another based on the investment manager's analysis of the best opportunities for the fund's portfolio in a given market. The fund may invest up to 100% of its total assets in debt securities that are rated below investment grade (also known as "junk bonds"), including a portion in defaulted securities. It may also invest up to 25% of its assets in foreign securities, either directly or through depository receipts.

Past name: Franklin Income Securities CI1.

## Category Description: Allocation—30% to 50% 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 30% and 50%.

## Operations

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

## Fees and Expenses as of 05-01-21

Gross Prospectus Expense Ratio	0.48%
Net Prospectus Expense Ratio	0.47%

## Waiver Data

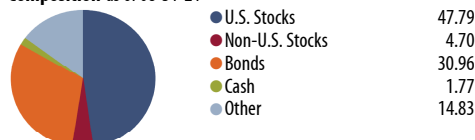
Type	Exp.Date	%	
Expense Ratio	Contractual	04-30-22	0.01

## Portfolio Manager(s)

Edward D. Perks, CFA, B.A., Yale University. Since 2002.  
Todd Brighton. Since 2017.

## Portfolio Analysis as of 08-31-21

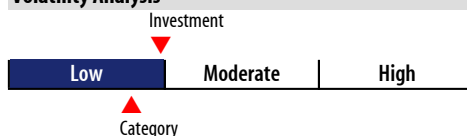
### Composition as of 08-31-21



### Top 20 Holdings as of 08-31-21

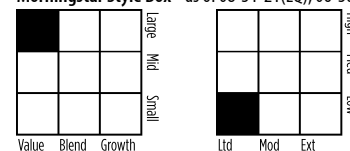
Company	% Assets
Procter & Gamble Co	2.22
Community Health Systems Incorporated 6.88% 04-15-29	2.03
Merck & Co Inc	2.02
PepsiCo Inc	1.96
Honeywell International Inc	1.94
Exxon Mobil Corp	1.90
Coca-Cola Co	1.81
Pfizer Inc	1.80
Southern Co	1.65
Dominion Energy Inc	1.53
Duke Energy Corp	1.52
National Bank Of Canada Pfd 0% 01-26-22	1.50
United States Treasury Notes 2.75% 05-31-23	1.46
Verizon Communications Inc	1.46
Bristol-Myers Squibb Co	1.40
Chevron Corp	1.35
Edison International	1.24
Philip Morris International Inc	1.23
Morgan Stanley	1.21
Johnson & Johnson	1.21
Total Number of Stock Holdings	64
Total Number of Bond Holdings	82
Annual Turnover Ratio %	45.93
Total Fund Assets (\$mil)	3,581.20

## 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 08-31-21(EQ); 06-30-21(F-I)



## Statistics as of 08-31-21

Statistic	Stk Port Avg	S&P 500
P/E Ratio	13.89	20.14
P/B Ratio	2.25	3.86
P/C Ratio	9.65	14.23
GeoAvgCap(\$mil)	127,743.30	201,739.88

## Risk Measures as of 09-30-21

Metric	Port Avg	S&P 500
3 Yr Std Dev	12.10	18.81
3 Yr Sharpe Ratio	0.50	0.83
3 Yr Alpha	-3.00	—
3 Yr Beta	0.99	—
3 Yr R-squared	88.56	—

## Morningstar Sectors as of 08-31-21

Sector	%Fund
Cyclical	16.23
Basic Materials	2.24
Consumer Cyclical	0.55
Financial Services	13.44
Real Estate	0.00
Sensitive	29.32
Communication Services	4.71
Energy	10.25
Industrials	11.07
Technology	3.29
Defensive	54.44
Consumer Defensive	15.04
Healthcare	17.22
Utilities	22.18

## Notes

This material is authorized for client use only when preceded accompanied by a Disclosure Statement, a product prospectus, prospectus and/or informational brochure containing more 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 A FEDERAL GOVERNMENT AGENCY — NOT GUARANTEED BY THE INSTITUTION — MAY GO DOWN IN VALUE