

# Franklin Small Cap Value VIP Fund - Class 2

**Category**  
Small Value

## Investment Objective & Strategy

The investment seeks long-term total return.

The fund invests at least 80% of its net assets in investments of small-capitalization (small-cap) companies. It generally invests in equity securities that the fund's investment manager believes are undervalued at the time of purchase and have the potential for capital appreciation. The fund invests predominantly in common stocks. It may invest up to 25% of its total assets in foreign securities.

Past name(s) : Franklin Small Cap Value Securities Cl2.

## Volatility and Risk

**Volatility** as of 09-30-18



Risk Measures as of 09-30-18	Port Avg	Rel S&P 500	Rel Cat
3 Yr Std Dev	11.72	1.28	0.85
3 Yr Beta	0.92	—	0.94

## Principal Risks

Foreign Securities, Loss of Money, Not FDIC Insured, Value Investing, Active Management, Market/Market Volatility, Portfolio Diversification, Small Cap, Real Estate/REIT Sector

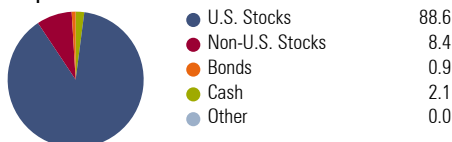
## Important Information

**Morningstar Investment Profiles must be accompanied by Morningstar Disclosure and Glossary.**

Funds or their affiliates may pay compensation to Voya® affiliates offering a fund. Such compensation may be paid out of distribution, service and/or 12b-1 fees that are deducted from the fund's assets, and/or may be paid directly by the fund's affiliates. Any fees deducted from fund assets are discussed in the fund's prospectus and disclosed in the fund fact sheet. Because these fees are paid on an on-going basis, over time these fees will increase the cost of your investment and may cost you more than paying other types of sales charges. If offered through a retirement program, additional fees and expenses may be charged under that program. NOT A DEPOSIT. NOT FDIC INSURED. NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY. NOT GUARANTEED BY THE INSTITUTION. MAY GO DOWN IN VALUE.

## Portfolio Analysis

**Composition** as of 09-30-18



**Top 10 Holdings** as of 09-30-18

Company	% Assets
Old Republic International Corp	2.92
The Hanover Insurance Group Inc	2.82
Gibraltar Industries Inc	2.71
Esterline Technologies Corp	2.68
Columbia Banking System Inc	2.66
First Horizon National Corp	2.66
Chemical Financial Corp	2.62
Zebra Technologies Corp	2.56
Caleres Inc	2.44
Regal Beloit Corp	2.43

**Morningstar Style Box™** as of 09-30-18

Style	% Mkt Cap
Giant	0.00
Large	0.00
Medium	35.54
Small	58.79
Micro	5.67

**Morningstar Equity Sectors** as of 09-30-18

Sector	% Fund
Cyclical	49.13
Basic Materials	10.61
Consumer Cyclical	7.95
Financial Services	24.57
Real Estate	6.00
Sensitive	40.29
Communication Services	0.00
Energy	7.40
Industrials	23.21
Technology	9.68
Defensive	10.58
Consumer Defensive	4.66
Healthcare	2.17
Utilities	3.75

## Operations

Gross Prosp Exp Ratio	0.92% of fund assets
Net Prosp Exp Ratio	0.91% of fund assets
Management Fee	0.63%
12b-1 Fee	0.25%
Other Fee	0.00%
Miscellaneous Fee(s)	0.04%
Fund Inception Date	01-06-99
Total Fund Assets (\$mil)	1,281.2
Annual Turnover Ratio %	33.36
Fund Family Name	Franklin Templeton Investments

Waiver Data	Type	Exp. Date	%
Expense Ratio	Contractual	04-30-19	0.01

## Portfolio Manager(s)

Steven Raineri. Since 2012.  
Christopher Meeker, CFA. Since 2015.

Advisor: Franklin Advisory Services, LLC  
Subadvisor: —

## Notes

Total annual Fund operating expenses differ from the ratio of expenses to average net assets shown in the Financial Highlights, which reflect the operating expenses of the Fund and do not include acquired fund fees and expenses. The investment manager has contractually agreed in advance to reduce its fee as a result of the Fund's investment in a Franklin Templeton money fund (acquired fund) for the next 12-month period. Contractual fee waiver and/or expense reimbursement agreements may not be changed or terminated during the time period set forth above.