

# SECURITIES AND EXCHANGE COMMISSION

## FORM N-30D

Initial annual and semi-annual reports mailed to investment company shareholders pursuant to Rule 30e-1 (other than those required to be submitted as part of Form NCSR)

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### FILER

#### **NATIONWIDE VARIABLE ACCOUNT 5**

CIK: **914603** | IRS No.: **314156830** | State of Incorporation: **OH** | Fiscal Year End: **1231**  
Type: **N-30D** | Act: **40** | File No.: **811-08142** | Film No.: **99709375**

#### Mailing Address

*NATIONWIDE LIFE  
INSURANCE CO  
ONE NATIONWIDE PLAZA,  
COLUMBUS OH 43216-2437*

#### Business Address

*ONE NATIONWIDE PLAZA  
NATIONWIDE LIFE  
INSURANCE CO  
COLUMBUS OH 43218  
614-249-71*

[NATIONWIDE LOGO]

NATIONWIDE (R)  
VARIABLE  
ACCOUNT-5

SEMI-ANNUAL REPORT  
TO  
CONTRACT OWNERS  
JUNE 30, 1999

NATIONWIDE LIFE INSURANCE COMPANY  
HOME OFFICE: COLUMBUS, OHIO

[NATIONWIDE LOGO]

NATIONWIDE LIFE INSURANCE COMPANY  
ONE NATIONWIDE PLAZA, COLUMBUS, OHIO 43215-2220

[PHOTO]

PRESIDENT'S MESSAGE

On behalf of Nationwide Life Insurance Company, we are pleased to present the 1999 semi-annual report of the Nationwide Variable Account-5.

Equity investments performed well during the first half of 1999 with the major market indices showing double-digit gains. Fixed income investments did not fare as well during this period in the face of the Federal Reserve's inflation cautiousness. The Fed is mindful of the resilient U.S. economy and the increasingly tight labor pool that portends future wage inflation. Accordingly, we have seen a ratcheting-up of short-term interest rates to dampen the momentum of the current expansion. How aggressively the Fed may react to the perceived inflation threat only adds uncertainty to the already jittery equity markets. Over the long term, however, a slower but sustainable rate of growth, with low inflation, provides a favorable environment for further advances in financial assets.

At mid-year, we are pleased to report that all the mission-critical systems used to service our variable annuity and variable life business have been internally inventoried, assessed and tested as being Year 2000 compliant. We are currently contacting our critical business partners to determine if they will be Year 2000 compliant. Contingency plans are being developed and are to be completed by the end of the third quarter. All these steps are being taken to assure that Nationwide Financial will be able to continue to serve your financial needs into the Year 2000 and beyond.

Thank you for selecting Nationwide Financial to help you achieve your financial planning and retirement savings goals. You have our commitment to provide the consistent, high quality service you expect and deserve.

Joseph J. Gasper, President  
August 19, 1999

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NATIONWIDE VARIABLE ACCOUNT-5

STATEMENT OF ASSETS, LIABILITIES AND CONTRACT OWNERS' EQUITY

JUNE 30, 1999  
(UNAUDITED)

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<C>

Assets:

Investments at market value:

American Century VP - American Century VP Advantage (ACVPAdv)	
65,656 shares (cost \$410,911) .....	\$ 427,422
American Century VP - American Century VP Capital Appreciation (ACVPCapAp)	
100,006 shares (cost \$987,671) .....	1,047,059

Dreyfus Stock Index Fund (DryStkIx)	
79,651 shares (cost \$1,988,185)	2,876,192
Fidelity VIP - Equity-Income Portfolio (FidVIPEI)	
195,426 shares (cost \$4,007,235)	5,325,372
Nationwide SAT - Government Bond Fund (NSATGvtBd)	
59,435 shares (cost \$661,391)	661,517
Nationwide SAT - Money Market Fund (NSATMyMkt)	
525,114 shares (cost \$525,114)	525,114
Nationwide SAT - Total Return Fund (NSATTotRe)	
143,799 shares (cost \$1,982,171)	2,917,680
Neuberger & Berman AMT - Balanced Portfolio (NBAMTBal)	
53,509 shares (cost \$840,842)	855,078
	-----
Total investments	14,635,434
Accounts Receivable	149
	-----
Total assets	14,635,583
	-----
Contract owners' equity	\$14,635,583
	=====

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Contract owners' equity represented by:	UNITS	UNIT VALUE		PERIOD RETURN*
	-----	-----		-----
<S>	<C>	<C>	<C>	<C>
Contracts in accumulation phase:				
American Century VP - American Century				
VP Advantage:				
Tax qualified	15,203	\$ 18.663713	\$ 283,744	3%
Non-tax qualified	7,698	18.663713	143,673	3%
American Century VP - American Century				
VP Capital Appreciation:				
Tax qualified	55,295	16.516179	913,262	15%
Non-tax qualified	7,423	16.516179	122,600	15%
Dreyfus Stock Index Fund:				
Tax qualified	77,521	30.896018	2,395,090	11%
Non-tax qualified	15,573	30.896018	481,144	11%
Fidelity VIP - Equity-Income Portfolio:				
Tax qualified	178,801	25.356511	4,533,770	12%
Non-tax qualified	30,388	25.356511	770,534	12%
Nationwide SAT - Government Bond Fund:				
Tax qualified	8,882	34.029647	302,251	(3)%
Non-tax qualified	9,697	34.042202	330,107	(3)%
Nationwide SAT - Money Market Fund:				
Tax qualified	23,538	22.303916	524,990	2%
Nationwide SAT - Total Return Fund:				
Tax qualified	23,466	101.844530	2,389,884	10%
Non-tax qualified	5,336	98.915179	527,811	10%
Neuberger & Berman AMT - Balanced Portfolio:				
Tax qualified	36,839	20.622941	759,729	2%
Non-tax qualified	2,860	20.622941	58,982	2%
	=====	=====		
Reserves for annuity contracts in payout phase:				
Tax qualified			98,012	
			-----	
			\$14,635,583	
			=====	

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\* The period return does not include contract charges satisfied by surrendering units.

See accompanying notes to financial statements.

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NATIONWIDE VARIABLE ACCOUNT-5  
STATEMENTS OF OPERATIONS AND CHANGES  
IN CONTRACT OWNERS' EQUITY

SIX MONTH PERIODS ENDED JUNE 30, 1999 AND 1998  
(UNAUDITED)

	TOTAL		ACVPADV		ACVPCAPAP		DRYSTKIX	
	1999	1998	1999	1998	1999	1998	1999	1998
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
INVESTMENT ACTIVITY:								
Reinvested dividends .....	\$ 160,269	161,923	12,293	6,119	--	--	15,315	13,056
Mortality, expense and administration charges (note 2) .....	(93,429)	(87,288)	(2,780)	(2,102)	(6,775)	(7,808)	(17,817)	(12,841)
Net investment activity .....	66,840	74,635	9,513	4,017	(6,775)	(7,808)	(2,502)	215
Proceeds from mutual fund shares sold .....	1,643,484	3,159,973	32,323	47,499	197,119	394,775	260,240	489,696
Cost of mutual fund shares sold ...	(1,277,506)	(2,192,857)	(27,728)	(39,149)	(236,846)	(368,581)	(115,629)	(229,890)
Realized gain (loss) on investments .....	365,978	967,116	4,595	8,350	(39,727)	26,194	144,611	259,806
Change in unrealized gain (loss) on investments .....	649,449	(236,709)	(30,488)	(6,030)	197,359	(68,488)	143,551	45,463
Net gain (loss) on investments ..	1,015,427	730,407	(25,893)	2,320	157,632	(42,294)	288,162	305,269
Reinvested capital gains .....	232,785	489,139	29,181	23,023	--	56,753	12,368	3,067
Net increase (decrease) in contract owners' equity resulting from operations ...	1,315,052	1,294,181	12,801	29,360	150,857	6,651	298,028	308,551
EQUITY TRANSACTIONS:								
Purchase payments received from contract owners .....	886,270	1,450,040	18,326	101,813	84,345	157,497	201,950	221,807
Transfers between funds .....	--	--	9,684	538	(40,511)	(73,366)	175,440	47,168
Redemptions .....	(1,287,811)	(2,990,566)	(22,132)	(48,604)	(160,814)	(329,787)	(230,003)	(489,317)
Annuity benefits .....	(5,909)	(3,593)	--	--	(642)	(509)	--	--
Annual contract maintenance charge (note 2) .....	(10,645)	(16,127)	(235)	(352)	(971)	(1,782)	(1,719)	(2,418)
Contingent deferred sales charges (note 2) .....	(29,017)	(118,083)	(582)	(2,153)	(3,778)	(13,811)	(4,633)	(19,286)
Adjustments to maintain reserves ..	389	(6,266)	(14)	(9)	67	(571)	22	12
Net equity transactions .....	(446,723)	(1,684,595)	5,047	51,233	(122,304)	(262,329)	141,057	(242,034)
NET CHANGE IN CONTRACT OWNERS' EQUITY .....	868,329	(390,414)	17,848	80,593	28,553	(255,678)	439,085	66,517
CONTRACT OWNERS' EQUITY BEGINNING OF PERIOD .....	13,767,254	13,898,875	409,569	294,316	1,018,635	1,354,792	2,437,149	1,993,911
CONTRACT OWNERS' EQUITY END OF PERIOD .....	\$14,635,583	13,508,461	427,417	374,909	1,047,188	1,099,114	2,876,234	2,060,428

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NATIONWIDE VARIABLE ACCOUNT-5  
STATEMENTS OF OPERATIONS AND CHANGES  
IN CONTRACT OWNERS' EQUITY  
SIX MONTH PERIODS ENDED JUNE 30, 1999 AND 1998  
(UNAUDITED)

	FIDVIPEI		NSATGVTBD		NSATMYMKT		NSATTOTRE	
	1999	1998	1999	1998	1999	1998	1999	1998
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
INVESTMENT ACTIVITY:								
Reinvested dividends .....	\$ 74,877	73,941	17,968	21,138	12,538	13,450	10,756	13,838
Mortality, expense and administration charges (note 2) .....	(33,646)	(33,275)	(4,522)	(4,873)	(3,577)	(3,371)	(17,913)	(16,991)
Net investment activity .....	41,231	40,666	13,446	16,265	8,961	10,079	(7,157)	(3,153)

Proceeds from mutual fund shares sold .....	504,937	961,165	101,368	216,941	189,534	159,607	120,432	608,648
Cost of mutual fund shares sold .....	(303,378)	(595,012)	(94,049)	(200,472)	(189,534)	(159,607)	(61,335)	(356,941)
Realized gain (loss) on investments .....	201,559	366,153	7,319	16,469	--	--	59,097	251,707
Change in unrealized gain (loss) on investments .....	177,887	(189,946)	(40,703)	(7,720)	--	--	214,908	96,845
Net gain (loss) on investments .....	379,446	176,207	(33,384)	8,749	--	--	274,005	348,552
Reinvested capital gains .....	165,518	263,143	--	--	--	--	1,240	--
Net increase (decrease) in contract owners' equity resulting from operations ...	586,195	480,016	(19,938)	25,014	8,961	10,079	268,088	345,399
EQUITY TRANSACTIONS:								
Purchase payments received from contract owners .....	244,842	420,272	34,294	70,818	80,428	149,452	120,210	177,764
Transfers between funds .....	(141,709)	62,963	(49,431)	(13,952)	65,181	(16,602)	(18,926)	7,570
Redemptions .....	(390,676)	(1,003,729)	(30,793)	(147,727)	(122,016)	(136,394)	(104,465)	(607,535)
Annuity benefits .....	(1,256)	(738)	(1,836)	(1,099)	--	--	--	--
Annual contract maintenance charge (note 2) .....	(3,824)	(5,880)	(335)	(712)	(542)	(780)	(1,974)	(3,054)
Contingent deferred sales charges (note 2) .....	(7,872)	(39,748)	(627)	(4,775)	(1,098)	(5,965)	(3,825)	(24,851)
Adjustments to maintain reserves ..	118	(1,396)	36	(1,876)	(15)	10	55	(3)
Net equity transactions .....	(300,377)	(568,256)	(48,692)	(99,323)	21,938	(10,279)	(8,925)	(450,109)
NET CHANGE IN CONTRACT OWNERS' EQUITY .....	285,818	(88,240)	(68,630)	(74,309)	30,899	(200)	259,163	(104,710)
CONTRACT OWNERS' EQUITY BEGINNING OF PERIOD .....	5,039,709	5,218,994	730,195	807,851	494,091	543,367	2,658,532	2,708,919
CONTRACT OWNERS' EQUITY END OF PERIOD .....	\$5,325,527	5,130,754	661,565	733,542	524,990	543,167	2,917,695	2,604,209

(Continued)

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NATIONWIDE VARIABLE ACCOUNT-5  
STATEMENTS OF OPERATIONS AND CHANGES  
IN CONTRACT OWNERS' EQUITY  
SIX MONTH PERIODS ENDED JUNE 30, 1999 AND 1998  
(UNAUDITED)

&lt;CAPTION&gt;

	NBAMTBAL	
	1999	1998
<S>	<C>	<C>
INVESTMENT ACTIVITY:		
Reinvested dividends .....	\$ 16,522	20,381
Mortality, expense and administration charges (note 2) .....	(6,399)	(6,027)
Net investment activity .....	10,123	14,354
Proceeds from mutual fund shares sold .....	237,531	281,642
Cost of mutual fund shares sold .....	(249,007)	(243,205)
Realized gain (loss) on investments .....	(11,476)	38,437
Change in unrealized gain (loss) on investments .....	(13,065)	(106,833)
Net gain (loss) on investments .....	(24,541)	(68,396)
Reinvested capital gains .....	24,478	143,153
Net increase (decrease) in contract owners' equity resulting from operations .....	10,060	89,111

## EQUITY TRANSACTIONS:

Purchase payments received from		
contract owners .....	101,876	150,617
Transfers between funds .....	272	(14,319)
Redemptions .....	(226,912)	(227,473)
Annuity benefits .....	(2,175)	(1,247)
Annual contract maintenance charge (note 2) ...	(1,044)	(1,149)
Contingent deferred sales charges (note 2) ....	(6,603)	(7,494)
Adjustments to maintain reserves .....	119	(2,433)
	-----	-----
Net equity transactions .....	(134,467)	(103,498)
	-----	-----
NET CHANGE IN CONTRACT OWNERS' EQUITY .....	(124,407)	(14,387)
CONTRACT OWNERS' EQUITY BEGINNING OF PERIOD .....	979,374	976,725
	-----	-----
CONTRACT OWNERS' EQUITY END OF PERIOD .....	\$ 854,967	962,338
	=====	=====

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See accompanying notes to financial statements.

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## NATIONWIDE VARIABLE ACCOUNT-5

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1999 AND 1998  
(UNAUDITED)

## (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

## (a) Organization and Nature of Operations

Nationwide Variable Account-5 (the Account) was established pursuant to a resolution of the Board of Directors of Nationwide Life Insurance Company (the Company) on November 1, 1989. The Account has been registered as a unit investment trust under the Investment Company Act of 1940. On December 31, 1993, the accumulation unit values for each fund sub-account of Nationwide Variable Account-5 were established at a unit value equal to the accumulation unit values of the corresponding fund sub-account of the Nationwide Multi-Flex Variable Account. The first deposits were received by the Account on May 4, 1994.

The Company offers tax qualified and non-tax qualified Individual Deferred Variable Annuity Contracts through the Account. The primary distribution for the contracts is through banks and other financial institutions.

## (b) The Contracts

Only contracts without a front-end sales charge, but with a contingent deferred sales charge and certain other fees, are offered for purchase. See note 2 for a discussion of contract expenses. Contract owners in either the accumulation or payout phase may invest in any of the following:

Portfolios of the American Century Variable Portfolios, Inc.  
(American Century VP); American Century VP - American Century VP Advantage (ACVPAdv) American Century VP - American Century VP Balanced (ACVPBal) American Century VP - American Century VP Capital Appreciation (ACVPCapAp)

Dreyfus Stock Index Fund (DryStkIx)

Portfolio of the Fidelity Variable Insurance Products Fund  
(Fidelity VIP);  
Fidelity VIP - Equity-Income Portfolio (FidVIPEI)

Funds of the Nationwide Separate Account Trust (Nationwide SAT)  
(managed for a fee by an affiliated investment advisor);  
Nationwide SAT - Government Bond Fund (NSATGvtBd) Nationwide SAT - Money Market Fund (NSATMyMkt) Nationwide SAT - Total Return Fund (NSATTotRe)

Portfolio of the Neuberger &Berman Advisers Management Trust  
(Neuberger &Berman AMT); Neuberger &Berman AMT - Balanced Portfolio (NBAMTBal)

At June 30, 1999, contract owners have invested in all of the above funds except for American Century VP -American Century VP Balanced. The contract owners' equity is affected by the investment results of each fund, equity transactions by contract owners and certain contract expenses (see note 2). The accompanying financial statements include only contract owners' purchase payments pertaining to the variable portions of their contracts and exclude any purchase payments for fixed dollar benefits, the latter being included in the accounts of the Company.

A contract owner may choose from among a number of different underlying mutual fund options. The underlying mutual fund options are not available to the general public directly. The underlying mutual funds are available as investment options in variable life insurance policies or variable annuity contracts issued by life insurance companies or, in some cases, through participation in certain qualified pension or retirement plans.

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Some of the underlying mutual funds have been established by investment advisers which manage publicly traded mutual funds having similar names and investment objectives. While some of the underlying mutual funds may be similar to, and may in fact be modeled after, publicly traded mutual funds, the underlying mutual funds are not otherwise directly related to any publicly traded mutual fund. Consequently, the investment performance of publicly traded mutual funds and any corresponding underlying mutual funds may differ substantially.

(c) Security Valuation, Transactions and Related Investment Income

The market value of the underlying mutual funds is based on the closing net asset value per share at June 30, 1999. The cost of investments sold is determined on a specific identification basis. Investment transactions are accounted for on the trade date (date the order to buy or sell is executed) and dividend income is recorded on the ex-dividend date.

(d) Federal Income Taxes

Operations of the Account form a part of, and are taxed with, operations of the Company which is taxed as a life insurance company under the Internal Revenue Code.

The Company does not provide for income taxes within the Account. Taxes are the responsibility of the contract owner upon termination or withdrawal.

(e) Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, if any, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) EXPENSES

The Company does not deduct a sales charge from purchase payments received from the contract owners. However, if any part of the contract value of such contracts is surrendered, the Company will, with certain exceptions, deduct from a contract owner's contract value a contingent deferred sales charge not to exceed 7% of the lesser of purchase payments or the amount surrendered, such charge declining 1% per year, to 0%, after the purchase payment has been held in the contract for 84 months. No sales charges are deducted on redemptions used to purchase units in the fixed investment options of the Company.

The following contract charges are deducted by the Company: (a) an annual contract maintenance charge of up to \$30, dependent upon contract type and issue date, which is satisfied by surrendering units; and (b) a mortality risk charge, an expense risk charge and an administration charge assessed through the daily unit value calculation equal to an annual rate of 0.80%, 0.45% and 0.05%, respectively.

(3) RELATED PARTY TRANSACTIONS

The Company performs various services on behalf of the Mutual Fund Companies in which the Account invests and may receive fees for the services performed. These services include, among other things, shareholder communications, preparation, postage, fund transfer agency and various other record keeping and customer service functions. These fees are paid to

an affiliate of the Company.

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NATIONWIDE LIFE INSURANCE COMPANY  
HOME OFFICE: ONE NATIONWIDE PLAZA o COLUMBUS, OHIO 43215-2220

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Bulk Rate  
U.S. Postage  
PAID  
Columbus, Ohio  
Permit No. 521  
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Nationwide(R) is a registered federal service mark of Nationwide Mutual  
Insurance Company