Q: Where are opportunities to deploy capital in a world of high risk and zero interest rates?

Brian Lockhart: That depends on your outlook for the future. Many of the analysts I follow believe we have not seen a low in the equity markets and when the realization of the permanent or long-term damage to the economy is known, markets will retreat below the March lows. They expect a flight to safety when this occurs, and yields on U.S. Treasury bonds will approach levels seen in Germany and Japan (who are negative to around 20 years). If Treasury yields do fall to new lows the prices will shoot higher, causing some to want to own 30-year zero coupon bonds as their prices are most sensitive to changes in interest rates. This is highly speculative, but if their outlook turns out to be correct, they stand to make very large gains. There is another camp who believes the rapid response by the Fed and Congress will keep the economy afloat long enough for sentiment and consumer spending to return to pre-crisis levels. This camp is also betting that either a vaccine or effective therapeutic will be developed soon that allows confidence for crowds to gather whether at entertainment events or mass transport. This group is buying stocks on dips believing markets will return to pre-virus levels soon. I view technology and healthcare as the most attractive places to deploy capital as spending is very likely to increase in both sectors and the strong companies with reasonable valuations should benefit greatly.

Clint Pekrul, CFA: Finding places to deploy capital is becoming more challenging. From a current yield perspective, bonds don't seem all that attractive right now, although we tend to compare yields to historical levels. If rates do actually go lower, bonds could provide an attractive total return (current yield plus price appreciation). It's hard to argue against the return potential from the technology sector, especially since its performance isn't quite as sensitive to the overall business cycle. If you don't mind the volatility, I think there's potential in the energy sector, particularly for companies that have clean balance sheets and aren't highly leveraged. Currently, the dividend yield on the S&P Aristocrats index about 3.5%. Compared to bonds, the income from a basket of dividend-paying stocks seems relatively attractive, albeit with greater volatility.

We've mentioned emerging markets in the past. It's been particularly rough for the asset class this year, with declines of roughly 20% year-to-date. But if you maintain a long-term time horizon, I think there's upside potential for the asset class overall. For those that are able, there is also potential in private equity. Ultimately, a basket of equities such as the S&P 500 will likely deliver the best returns of any investible asset class over the next 20 years.