**Question-4**

The Indian equity markets have emerged as top performing among its global peers on a year-on-year (YoY) and year-to-date (YTD) in 2021. On the contrary, global inflation has been on the higher side in the year 2021. Looking into an opportunity to beat the inflation with mutual funds, Mr. Edward Phillips has been pondering upon investing in the equity markets. He has been considering Parag Parikh Flexi Cap Fund and SBI Magnum Flexi Cap Fund for investing a SIP of Rs. 5,000 to start with. Both the mutual funds track the performance of S&P BSE 200 Index. In addition to comparing the returns on the individual components of his portfolio, Edward also wanted to compare the risk profiles of the two mutual funds. He wanted to ensure that the expected return of his portfolio would provide an inflation beating return in the long term.

Mr. Edward collected the data presented in the attached file (File name: Edward Datasheet). You are required to advise Mr. Edward using descriptive and simple linear regression techniques to compare the risk and return of the possible mutual funds for investment.

Apply relevant conceptual frameworks to Mr. Edward’s data and generate meaningful insights.