

AMENDMENT NO. 1 dated August 1, 2014 to the Simplified Prospectus dated June 27, 2014.

PH&N PENSION TRUST
Offering Series O units of the
Phillips, Hager & North Overseas Equity Pension Trust
(the "Fund")

This Amendment No. 1 dated August 1, 2014 to the simplified prospectus of the Fund dated June 27, 2014 (the "Simplified Prospectus") provides certain additional information relating to the Fund. The Simplified Prospectus with respect to the Fund should be read subject to this information. All terms used in this Amendment No. 1 have the same meaning as those used in the Simplified Prospectus. All page numbers refer to the pages in the commercial printed copy of the Simplified Prospectus.

Summary

RBC Global Asset Management Inc. ("RBC GAM") has appointed RBC Global Asset Management (UK) Limited as sub-advisor for the Fund effective mid-August, 2014. RBC GAM will continue to provide investment management oversight for the Fund.

Amendment

The Simplified Prospectus is hereby amended as follows:

1. The disclosure in the right column of the second row of the table under the heading "Organization and management of the Funds" on page 7 of the Simplified Prospectus in respect of the sub-category "Portfolio Advisor and Sub-Advisor" is deleted and replaced with the following:

As principal portfolio advisor, RBC GAM manages the investment portfolios of the Funds directly or through sub-advisors. RBC Global Asset Management (UK) Limited ("RBC GAM UK") is the sub-advisor with respect to the Overseas Equity Pension Trust. RBC GAM is affiliated with RBC GAM UK. The fees for sub-advisors are paid by RBC GAM and not the Funds. RBC GAM is ultimately responsible for the advice provided to the Funds even if it is provided through a sub-advisor. You may have difficulty in enforcing any legal rights against RBC GAM UK because RBC GAM UK is resident outside Canada and all or a substantial portion of its assets are situated outside Canada.
2. The reference to "Sky Investment Counsel Inc." in the Sub-advisor row of the "Fund details" table on page 22 of the Simplified Prospectus is deleted and replaced with a reference to "RBC Global Asset Management (UK) Limited".

What are your legal rights?

Securities legislation in some provinces gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the Simplified Prospectus or Fund Facts, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund units and get your money back if you do not receive our Simplified Prospectus or Fund Facts, or to make a claim for damages if the Simplified Prospectus, Annual Information Form, Fund Facts or financial statements misrepresent any facts about the fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory or consult your lawyer.

Phillips, Hager & North Investment Management is a division of RBC Global Asset Management Inc., the manager of the Funds and an indirect wholly-owned subsidiary of Royal Bank of Canada.