

AMENDMENT NO. 1 dated July 28, 2017 to the Annual Information Form dated June 30, 2017.

PH&N FUNDS

Offering Series A, Advisor Series, Series D, Series F and Series O units of the

Phillips, Hager & North Short Term Bond & Mortgage Fund

(the "Fund")

This Amendment No. 1 dated July 28, 2017 to the Annual Information Form of the Fund dated June 30, 2017 provides certain additional information relating to the Fund. The Annual Information Form with respect to the Fund should be read subject to this information. All terms used and not defined in this Amendment No. 1 have the same meaning as those used in the Annual Information Form. All page numbers refer to the pages in the commercial printed copy of the Annual Information Form.

Summary

RBC Global Asset Management Inc. has announced that Series A, Advisor Series, Series D, Series F and Series O units of the Fund are reopened to new investors effective July 26, 2017.

Amendment

Effective July 26, 2017, the Annual Information Form is hereby amended as follows:

1. The third paragraph under the heading "Restrictions on purchases of units of certain Funds" on page 24 of the Annual Information Form is deleted and replaced with the following:

"Effective July 4, 2016, units of the Bond Fund are no longer available for purchase by new investors. Investors who held units of the Bond Fund on July 4, 2016 can continue to make additional investments into the Bond Fund. In addition, PH&N may also maintain capacity for certain investors, including investment funds managed by PH&N or its affiliates, that may invest in the Bond Fund. Please contact us or your dealer for more information."

Certificate of the Fund, the Manager and the Promoter

July 28, 2017

This Amendment No.1 dated July 28, 2017, together with the Annual Information Form of the Fund dated June 30, 2017 and the Simplified Prospectus dated June 30, 2017 as amended by Amendment No. 1 dated July 28, 2017, and the documents incorporated by reference into the Simplified Prospectus, as amended, constitute full, true and plain disclosure of all material facts relating to the securities offered by the Simplified Prospectus, as amended, as required by the securities legislation of each of the provinces and territories of Canada and do not contain any misrepresentations.

Phillips, Hager & North Short Term Bond & Mortgage Fund
(the "Fund")

RBC Global Asset Management Inc., on behalf of the Fund, and in its capacity as manager and promoter of the Fund.

(signed) Damon G. Williams

Damon G. Williams
Chief Executive Officer

(signed) Heidi Johnston

Heidi Johnston
Acting Chief Financial Officer, RBC GAM Funds

On behalf of the Board of Directors of RBC Global Asset Management Inc., on behalf of the Fund, and in its capacity as manager and promoter of the Fund.

(signed) Douglas Coulter

Douglas Coulter
Director

(signed) Daniel E. Chornous

Daniel E. Chornous
Director

Certificate of Principal Distributor

July 28, 2017

To the best of our knowledge, information and belief, this Amendment No. 1 dated July 28, 2017, together with the Annual Information Form of the Fund dated June 30, 2017, and the Simplified Prospectus dated June 30, 2017 as amended by Amendment No. 1 dated July 28, 2017, and the documents incorporated by reference into the Simplified Prospectus, as amended, constitute full, true and plain disclosure of all material facts relating to the securities offered by the Simplified Prospectus, as amended, as required by the securities legislation of each of the provinces and territories of Canada and do not contain any misrepresentations.

Phillips, Hager & North Short Term Bond & Mortgage Fund
(the "Fund")

Phillips, Hager & North Investment Funds Ltd., in its capacity as principal distributor of the Fund.

(signed) Steve Gabor

Steve Gabor
Chief Financial Officer