

AMENDMENT NO. 2 dated February 29, 2016 to the Simplified Prospectus dated June 26, 2015, as amended by Amendment No. 1 dated September 17, 2015.

PH&N FUNDS

Series C, Advisor Series, Series D, Series F and Series O units

Phillips, Hager & North Bond Fund
Phillips, Hager & North Community Values Bond Fund
Phillips, Hager & North Dividend Income Fund
Phillips, Hager & North Canadian Equity Fund
Phillips, Hager & North Community Values Canadian Equity Fund
Phillips, Hager & North Canadian Growth Fund
Phillips, Hager & North Canadian Income Fund
Phillips, Hager & North Vintage Fund
Phillips, Hager & North U.S. Dividend Income Fund
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund
Phillips, Hager & North U.S. Equity Fund
Phillips, Hager & North Currency-Hedged U.S. Equity Fund
Phillips, Hager & North U.S. Growth Fund
Phillips, Hager & North Overseas Equity Fund
Phillips, Hager & North Currency-Hedged Overseas Equity Fund
BonaVista Global Balanced Fund
BonaVista Canadian Equity Value Fund

Series C, Advisor Series, Series H, Series D, Series F, Series I and Series O units

Phillips, Hager & North Short Term Bond & Mortgage Fund
Phillips, Hager & North Total Return Bond Fund
Phillips, Hager & North Monthly Income Fund
Phillips, Hager & North Canadian Equity Value Fund

(collectively, the “Funds” and each, a “Fund”)

This Amendment No. 2 dated February 29, 2016 to the simplified prospectus of the Funds dated June 26, 2015, as amended by Amendment No. 1 dated September 17, 2015 (collectively, the “Simplified Prospectus”) provides certain additional information relating to the Funds, and the Simplified Prospectus, with respect to the Funds, should be read subject to this information.

Summary

In order to provide the lowest fee option to investors, regardless of portfolio size, and to begin phasing out Series H and Series I unit offerings of the Funds, the Simplified Prospectus will be amended as follows: (a) to reduce the management fee payable in respect of certain series of certain of the Funds, (b) Series H and Series I units of certain of the Funds will be re-designated to Series C and Series F units, respectively, and (c) Series H and Series I units of certain Funds will be capped and no longer available for purchase by new investors.

In the case of re-designations, existing Series H units and Series I units will be re-designated, on a tax-deferred basis, to Series C units and Series F units, respectively, at their respective net asset values on the effective date.

Amendments

The cover page of the Simplified Prospectus and the *Fund details* table in respect of each of the Funds in the Simplified Prospectus are hereby amended to reflect those changes outlined below.

Management fee reductions

Effective on June 30, 2016, RBC Global Asset Management Inc. ("RBC GAM") will reduce the management fee payable by certain of the Funds to RBC GAM as outlined in the table below:

| Fund | Management Fee | | | | | | | |
|---|----------------|------|--------------------|------|--------------|------|--------------|------|
| | Series C (%) | | Advisor Series (%) | | Series D (%) | | Series F (%) | |
| | From | To | From | To | From | To | From | To |
| Fixed-Income Funds | | | | | | | | |
| Phillips, Hager & North Short Term Bond & Mortgage Fund | 1.00 | 0.90 | 1.00 | 0.90 | — | — | 0.50 | 0.40 |
| Phillips, Hager & North Bond Fund | 1.00 | 0.90 | 1.00 | 0.90 | — | — | 0.50 | 0.40 |
| Phillips, Hager & North Community Values Bond Fund | 1.00 | 0.90 | 1.00 | 0.90 | — | — | 0.50 | 0.40 |
| Phillips, Hager & North Total Return Bond Fund | 1.00 | 0.90 | 1.00 | 0.90 | — | — | 0.50 | 0.40 |
| Canadian Equity Funds | | | | | | | | |
| Phillips, Hager & North Dividend Income Fund | 1.75 | 1.60 | 1.75 | 1.60 | 1.00 | 0.85 | 0.75 | 0.60 |
| Phillips, Hager & North Canadian Equity Fund | 1.75 | 1.60 | 1.75 | 1.60 | 1.00 | 0.85 | 0.75 | 0.60 |
| Phillips, Hager & North Community Values Canadian Equity Fund | 1.75 | 1.60 | 1.75 | 1.60 | 1.00 | 0.85 | 0.75 | 0.60 |
| Phillips, Hager & North Canadian Equity Value Fund | 1.75 | 1.60 | 1.75 | 1.60 | 1.00 | 0.85 | 0.75 | 0.60 |
| Phillips, Hager & North Canadian Growth Fund | 1.75 | 1.60 | 1.75 | 1.60 | 1.00 | 0.85 | 0.75 | 0.60 |
| Phillips, Hager & North Canadian Income Fund | 1.75 | 1.60 | 1.75 | 1.60 | 1.00 | 0.85 | 0.75 | 0.60 |
| Phillips, Hager & North Vintage Fund | 2.00 | 1.85 | 2.00 | 1.85 | 1.25 | 1.10 | 1.00 | 0.85 |
| U.S. Equity Funds | | | | | | | | |
| Phillips, Hager & North U.S. Dividend Income Fund | 1.75 | 1.60 | 1.75 | 1.60 | 1.00 | 0.85 | 0.75 | 0.60 |
| Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund | 1.75 | 1.60 | 1.75 | 1.60 | 1.00 | 0.85 | 0.75 | 0.60 |
| Phillips, Hager & North U.S. Equity Fund | 1.75 | 1.60 | 1.75 | 1.60 | 1.00 | 0.85 | 0.75 | 0.60 |
| Phillips, Hager & North Currency-Hedged U.S. Equity Fund | 1.75 | 1.60 | 1.75 | 1.60 | 1.00 | 0.85 | 0.75 | 0.60 |
| Phillips, Hager & North U.S. Growth Fund | 1.75 | 1.60 | 1.75 | 1.60 | 1.00 | 0.85 | 0.75 | 0.60 |
| International Equity Funds | | | | | | | | |
| Phillips, Hager & North Overseas Equity Fund | 1.85 | 1.75 | 1.85 | 1.75 | 1.10 | 1.00 | 0.85 | 0.75 |
| Phillips, Hager & North Currency-Hedged Overseas Equity Fund | 1.85 | 1.75 | 1.85 | 1.75 | 1.10 | 1.00 | 0.85 | 0.75 |
| BonaVista Investment Funds | | | | | | | | |
| BonaVista Global Balanced Fund | 2.00 | 1.75 | 2.00 | 1.75 | — | — | — | — |
| BonaVista Canadian Equity Value Fund | 1.75 | 1.60 | 1.75 | 1.60 | 1.00 | 0.85 | 0.75 | 0.60 |

Changes to Series H and Series I units

Effective on or about June 30, 2016, Series H and/or Series I units, as the case may be, of the following Funds will be (a) re-designated to Series C or Series F units, respectively, or (b) capped and no longer available for purchase by new investors as outlined in the table below.

| Fund | Series H | Series I |
|---|---------------------------|---------------------------|
| Phillips, Hager & North Short Term Bond & Mortgage Fund | Re-designated to Series C | Re-designated to Series F |
| Phillips, Hager & North Total Return Bond Fund | Re-designated to Series C | Re-designated to Series F |
| Phillips, Hager & North Monthly Income Fund | Capped | Capped |
| Phillips, Hager & North Canadian Equity Value Fund | Re-designated to Series C | Re-designated to Series F |

What are your legal rights?

Securities legislation in some provinces and territories 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, or 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, please 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.

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