Genomic perspectives on the evolution of fungal entomopathogenicity in *Beauveria bassiana*

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The ascomycete fungus *Beauveria bassiana* is a pathogen of hundreds of insect species and is commercially produced as an environmentally friendly mycoinsecticide. We sequenced the genome of *B. bassiana* and a phylogenomic analysis confirmed that ascomycete entomopathogenicity is polyphyletic, but also revealed convergent evolution to insect pathogenicity. We also found many species-specific virulence genes and gene family expansions and contractions that correlate with host ranges and pathogenic strategies. These include *B. bassiana* having many more bacterial-like toxins (suggesting an unsuspected potential for oral toxicity) and effector-type proteins. The genome also revealed that *B. bassiana* resembles the closely related *Cordyceps militaris* in being heterothallic, although its sexual stage is rarely observed. A high throughput RNA-seq transcriptomic analysis revealed that *B. bassiana* could sense and adapt to different environmental niches by activating well-defined gene sets. The information from this study will facilitate further development of *B. bassiana* as a cost-effective mycoinsecticide.

Fungi are the commonest cause of insect disease in nature and approximately 1,000 fungal species are reported to kill insects, spiders or mites. Fungi are particularly well suited for development as biopesticides because unlike bacteria and viruses they infect insects by direct penetration of the cuticle and so function as contact insecticides. *Beauveria* is one of the best-known genera of entomopathogenic fungi and worldwide numerous registered mycoinsecticide formulations based on *Beauveria bassiana* (*Bb*) and *B. brongniartii* are used for control of insect pests. *Bb* has a particularly wide host range (over 700 species) allowing it to be used against vectors of human disease and a wide range of insect pests. For example, in China, approximately one million hectares a year are treated with *Bb* to control forest insects such as the pine caterpillar *Dendrolimus punctatus*.

*Beauveria* was discovered by Agostinio Bassi in 1835 as the cause of the devastating muscardine disease of silkworms. The ability of insects to defend against *Beauveria* has illuminated many aspects of innate immunity with direct relevance to human immunology. *Bb* is also a well-known biocatalyst in chemical and industrial applications. The important role of *Bb* as a plant endophyte and antagonist of plant pathogenic fungi has only become apparent in the last 20 years. Furthermore, as shown by their pathogenicity to soil amoeba, at least some *Bb* isolates have additional unpredicted flexibility in their trophic capabilities. However, the mechanisms underlying the physiological plasticity of *Bb* are still poorly understood. In addition, although the sexual stage of *Bb* has been identified as *Cordyceps bassiana*, it is very rarely observed and the role of sexuality in *Bb* is unknown.

*Beauveria* is well known for producing a large array of biologically active secondary metabolites including non-peptide pigments and polyketides (e.g., oosporein, bassianin and tenellin), nonribosomally synthesized peptides (e.g., beauvericin, bassianolides and beauveriolides), and secreted metabolites involved in pathogenesis and virulence (e.g., oxalic acid) that have potential or realized industrial, pharmaceutical and agricultural uses. Silkworm larvae infected by *Bb* (batryticated silkworms), have for centuries been a traditional Chinese medicine. The medicinal potential of batryticated silkworms has been validated by modern technologies e.g., water extract of batryticated silkworms protect against β-amyloid induced neurotoxicity.
Expresed sequence tag analyses, insertion mutagenesis and gene functional studies of Bb have already identified some of the genes involved in fungal development, virulence, detoxification, insect immune avoidance and stress responses\(^{14-16}\). To facilitate further comprehensive understanding of Bb pathogenesis and interactions between insects and plants, we sequenced the genome of Bb strain ARSEF 2860, and performed a comparative study with the sequenced genomes of ascomycete insect pathogens, *Metarhizium robertsii* (Mr), *M. acridum* (Ma)\(^{17}\) and *Cordycesps militaris* (Cm)\(^{15}\). The comparison revealed a common set of gene family expansions that distinguish them from plant pathogens and saprophytes, as well as species-specific gain or loss of genes that correlate with different pathogenic strategies. Transcriptional responses of Bb to insect cuticles, insect hemocoel and plant root exudates were studied using an RNA-seq technique and demonstrated modulation of genes involved in signal transduction, secreted proteins and metabolism.

## Results

### General features

The genome of Bb strain ARSEF 2860 was shotgun sequenced to 76.6 \(\times\) coverage using a Roche 454 system and Illumina paired-end sequencing. The assembly resulted in a total genome size of 33.7 mega bytes (Mb), which is similar to that of Cm (32.2 Mb), but smaller than Mr (39.0 Mb) and Ma (38.1 Mb) (Table 1). By mapping 13,412 EST sequences to the scaffolds, the Bb genome was estimated to be 96.1% complete. The genome was predicted to encode 10,366 protein genes, which is more than Cm (9,684) and Ma (9,849) but smaller than Mr (39.0 Mb) and Ma (38.1 Mb) (Table 1). By paired-end sequencing. The assembly resulted in a total genome size 3

A Blast score ratio analysis showed that Bb is more closely related to Cm than Mr (Fig. 2A). Sequence identity between Bb and Cm orthologs was 76%, as compared to 58% with *Metarhizium* spp. Although Bb and Cm are different from each other in conidiospores, infection structure formation, life cycle and host range (Fig. 2C), their relatedness is similar to that between the mycoparasitic fungi *Trichoderma virens* and *T. atroviride* (74%)\(^{19}\), *Aspergillus fumigatus* and *A. niger* (69%)\(^{20}\) and fish and humans (75%)\(^{21}\). A phylogenomic analysis based on 1,915 orthologous protein sequences showed that Bb and Cm diverged after a split with mycoparasitic *Trichoderma* spp. (Fig. 2B), and reinforced our previous analysis\(^{18}\), suggesting that the split between the *Cordycesps* spp. (including Bb) and *Metarhizium* lineages occurred before *Metarhizium* diverged from the plant endophytic *Epichloë* lineage.

In contrast to two *Metarhizium* species\(^{17}\), there are no obvious syntenic relationships between the genome structures of Bb and Cm (Fig. 3A). Analysis of Bb and Cm paired paralogs showing >70% nucleotide identity found a stronger C>G to T>A mutation bias in Cm than in Bb (Supplementary Fig. S1). Similar, to Mr\(^{15}\), but unlike Cm\(^{14}\) and *Neurospora crassa*\(^{22}\), Bb may not use repeat-induced point mutations (RIP) for genome defense against repetitive sequences. This is consistent with expanded gene families and more transposons in the Bb and Mr genomes relative to Cm and Ma (Supplementary Table S2). RIP only occurs during meiosis\(^{21}\), so its apparent absence in Bb suggests the sexual cycle is rare in this fungus. Unlike Cm which is specific to lepidopteran pupae\(^{18}\), Bb has a wide host range. The wide host range Mr also has more gene families and larger gene families than the locust specialist Ma, and likewise 61 families were expanded in Bb relative to Cm (Supplementary Table S3). These included subtilisins and trypsins involved in degrading insect cuticles. Relative to other fungi, there are expansion/contraction of different protein families in Bb (Supplementary Table S4).

### Bacterial-like toxins

In contrast to entomopathogenic bacteria and viruses, entomopathogenic fungi infect insects via cuticular penetration, and are usually assumed to lack per os infectivity\(^{34}\). However, the Bb genome contains many more bacterial-like toxins than other fungi (Supplementary Table S5). For example, Bb has 13 heat-labile enterotoxins compared to six in Mr and one or none in localization and formation of organelles, virulence and detoxification (Fig. 1A). Whole genome reciprocal analysis indicated that more than 80% of Bb genes show orthologous relationships with those of Cm and Mr, and its genome harbors the fewest number of species-specific genes (Fig. 1B).

### Table 1 | Comparison of genome features between B. bassiana and other insect pathogens.

| Features                  | B. bassiana | C. militaris | M. robertsii | M. acridum |
|---------------------------|-------------|--------------|--------------|------------|
| Size (Mb)                 | 33.7        | 32.2         | 39.0         | 38.1       |
| Coverage (fold)           | 76.6×       | 147×         | 100×         | 107×       |
| Scaffold No.              | 242         | 13           | 176          | 241        |
| (> 1 kb)                  |             |              |              |            |
| Scaffold N50 (Mb)         | 0.73        | 4.55         | 1.96         | 0.33       |
| % G+C content            | 51.5        | 51.4         | 51.5         | 50.0       |
| % G+C in coding gene     | 56.6        | 58.6         | 54.4         | 54.1       |
| % Repeat rate             | 2.03        | 3.04         | 0.98         | 1.52       |
| Protein-coding genes      | 10,366      | 9,684        | 10,582       | 9,849      |
| Protein families\(^{5}\)  | 3,002       | 2,736        | 2,797        | 2,746      |
| (protein no.)             | (7,283)     | (6,725)      | (7,556)      | (6,948)    |
| Gene density (gene per Mb)| 308         | 301          | 271          | 259        |
| Exons per gene            | 2.7         | 3.0          | 2.8          | 2.7        |
| % Secreted proteins       | 18.2        | 16.2         | 17.6         | 15.1       |
| rRNA                      | 113         | 136          | 141          | 122        |
| Pseudogenes               | 304         | 102          | 363          | 440        |
| NCBI accession            | ADAH000000000| AEUU000000000| ADNJ000000000| ADNI000000000|

\(^{5}\)InterproScan analysis data.

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**Table 1** | Comparison of genome features between B. bassiana and other insect pathogens.
insect pathogens may use the bacterial toxin-antitoxin system to
Bb has three, and the other insect pathogens one, suggesting that
fungi. Most fungi lack genes for bacterial zeta toxin-like proteins but
This suggests that Bb may possess greater oral toxicity than other
media. Bb strains expressing a vegetative insecticidal toxin gene
47, 18. Likewise, the Bb genome also codes for significantly
reflect an increased range of functions required when infecting
more proteolytic enzymes than do non-insect pathogens. This may
encoding eight genes showing similarities (Supplementary Table S5).
| 3 | 0.0122) (Supplementary Table S4). Cutinases and pectin lyases
| 5 | 0.0034) and pectin lyases (8 vs. 20,
P | 0.0025) (Supplementary Table S11),
cutinases (4 vs. 12, P = 0.0034) and pectin lyases (8 vs. 20, P = 0.0122) (Supplementary Table S4). Cutinases and pectin lyases in particular are known to be virulence factors for plant pathogens²⁹.

Chitin is the second most abundant polymer in insect cuticle. The necessity to degrade it is reflected in an abundance of GH18 family chitinases in Bb (20) and the three other insect pathogens (average 19) compared to plant pathogens (average 11) (Supplementary Table S8). Fungal chitinases are subdivided into three subgroups²⁶. Our analysis indicated that eight of the 20 Bb chitinases belong to subgroup A (without a chitin-binding domain, CBM), four belong to subgroup B (one CBM at the C-terminal), and eight are subgroup C chitinases (possessing CBM18 and CBM50 LysM chitin-binding modules) (Supplementary Table S12). Insect and plant pathogens have similar numbers (P = 0.2258) numbers of subgroup A chitinases but the entomopathogens have many more chitinases with CBMs (average 11 vs. 2, P = 0). Phylogenetic analyses of subgroup B and C chitinases revealed that most of the gene duplication events have occurred since Bb/Cm, Metarhizium spp., and Trichoderma spp. diverged from a common ancestor, suggesting their abundance in each clade is due to convergent evolution (Supplementary Fig. S3).

Cytochrome P450s (CYPs). CYPs are involved in many essential cellular processes and play diverse roles in detoxification, degradation of xenobiotics, and the biosynthesis of pathogenesis related secondary metabolites⁴⁴. Plant pathogens (average 118) and Metarhizium spp. (average 111) have more CYPs than Bb (83) and Cm (57), and 24 CYP families present in Metarhizium spp. are absent in Bb and Cm (Supplementary Table S13). These include nitric oxide reductases (CYP55, NOR) used for anaerobic denitrification⁴⁵. Thus, unlike Metarhizium spp., Bb and Cm may not be able to respond to hypoxic conditions by nitrate or ammonia fermentation. Bb and Cm also lack CYP619 for biosynthesis of the tetraketide mycotoxin

Proteases. The genomes of Cm and Metarhizium spp. code for many more proteolytic enzymes than do non-insect pathogens. This may reflect an increased range of functions required when infecting insects⁴⁷-⁴⁹. Likewise, the Bb genome encodes eight genes showing similarities (<1e-20) to Bt Cry-like delta endotoxins while other fungi have at most one of these genes. This suggests that Bb may possess greater oral toxicity than other fungi. Most fungi lack genes for bacterial zeta toxin-like proteins but Bb has three, and the other insect pathogens one, suggesting that insect pathogens may use the bacterial toxin-antitoxin system to control cell stasis or death⁵². Interestingly, the TC-like insecticidal toxins present in Trichoderma species are absent in other fungi, including the entomopathogens (Supplementary Table S5).

Carbohydrate active enzymes. The number of glycoside hydrolases (GH) possessed by Bb (145) resembles other insect pathogens (average 141), rather than the endophyte E. festucae (98), but is significantly (P = 0.0069) less than plant pathogens (average 199) (Supplementary Table S8). All the insect pathogens lack several families of cellulases (GH6, GH7, GH12, GH45 and GH61) and other enzymes involved in degrading plant cell walls (GH11, GH30, GH51, GH53, GH62, GH67 and GH115). Compared to Metarhizium spp., Bb and Cm have fewer xyloglucosyl transferases (GH16) responsible for degrading xylan oligomers and polymeric xylan⁵⁷. Unlike Cm⁴⁸, Bb has a phosphoketolase required for xylose metabolism and full virulence in Metarhizium (BBA_09253 vs. MAA_04563, 41% identity)⁵⁸. Thus, in contrast to Cm, Bb could germinate and grow on xylose medium, albeit very weakly when compared to Mr (Fig. 4A and 4B). Because they have fewer cellulases and hemicellulases, the number of carbohydrate-binding module 1 (CBM1) domains is significantly less in insect pathogens (average 10) than plant pathogens (25) (Supplementary Table S9). Insect pathogens also have significantly fewer putative oxidative lignin enzymes (average 29 in insect pathogens vs. 40 in plant pathogens, P = 0.0016) (Supplementary Table S10), carbohydrate esterases (9 vs. 33, P = 0.0025) (Supplementary Table S11), cutinases (4 vs. 12, P = 0.0034) and pectin lyases (8 vs. 20, P = 0.0122) (Supplementary Table S4). Cutinases and pectin lyases in particular are known to be virulence factors for plant pathogens²⁹.

Figure 1 | Comparative genomics analysis of three insect pathogens. (A) Functional classification and comparison of B. bassiana (Bb), C. militaris (Cm) and M. robertsii (Mr) proteins. Each circle represents the relative fraction of genes represented in each of the categories for each genome. (B) Reciprocal blast analysis of the predicted proteins among the three insect pathogens. The cut-off E value is at ≤ 1e-5.
involved in the biosynthesis of secondary metabolites. For example, genes. There are 6
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patulin\(^3\). Relative to Cm (57), the Bb genome encodes
antifungals\(^3\). The four entomopathogens each have two CYP51
system is involved in sterol biosynthesis and detoxification of azole
sesquiterpene cyclase gene (CCM\(_{03050}\)) cluster. The fungal CYP51
among which CCM\(_{03048}\) and CCM\(_{03052}\) are located in a putative
Bb. In particular, Bb lacks CYP567 whereas Cm has three CYP567s,
more CYP genes (83), including 16 additional subfamilies.
Conversely, there are six families present in Cm that are absent in
Bb as compared to 4 in Cm, 1 in Mr and 4 in Ma (Supplementary Table
S13). CYP52s catalyze the first step in the -oxidation pathway of
alkanes, so their presence is consistent with efficiently metabolizing
insect epicuticle alkanes\(^3\),\(^4\). Of the 83 CYPs in the Bb genome, 18 are within gene clusters
involved in the biosynthesis of secondary metabolites. For example,
a CYP617 protein (BBA\(_{02632}\)) is proximal to a non-ribosomal
peptide synthetase (NRPS, BBA\(_{02630}\)) for bassianolide biosyn-
asis\(^3\). CYP5293 (BBA\(_{09720}\)) is within the beauvericin (NRPS,
peptide synthetase (NRPS, BBA\(_{02630}\)) for tenellin biosyn-
thesis\(^3\). CYP655 (BBA\(_{07335}\)) and CYP623 (BBA\(_{07336}\)) are close to a polyketide synthase (PKS)-
NRPS hybrid (BBA\(_{07338}\)) for tenellin biosynthesis\(^3\). M.\nMetarhizium CYP65 DtxS2 is a multifunctional enzyme involved in
hydroxylation, desaturation, oxidation and epoxidation of intermediate
insecticidal toxin destruxins\(^4\). Bb has a cluster, absent in
Cm, containing two CYP65s (BBA\(_{08705}\) and BBA\(_{08706}\)) and one
CYP58 (BBA\(_{08698}\)) for biosynthesis of as yet unknown metabo-
lite(s). The CYP6001 subfamily produce oxylipins for signaling and
secondary metabolism in fungi\(^4\). Cm lacks CYP6001 but it is present
as a single copy gene in Bb and Metarhizium spp.

### Table 2 | The core genes involved in the biosynthesis of secondary metabolites in insect pathogens

| Core gene\(^a\) | B. bassiana | C. militaris | M. robertsii | M. acridum |
|----------------|-------------|--------------|-------------|------------|
| DMAT           | 0           | 1            | 5           | 3          |
| TC             | 7           | 2            | 8           | 6          |
| TS             | 1           | 2            | 2           | 2          |
| FAS            | 0           | 4            | 4           | 4          |
| GGPS           | 13          | 15           | 13          |            |
| NRPS           | 9           | 8            | 9           | 8          |
| NRPS-like      | 12          | 24           | 13          |            |
| PKS            | 1           | 2            | 3           | 4          |
| PKS-like       | 3           | 5            | 1           | 1          |
| HYBRID         | 45          | 37           | 78          | 57         |

\(^a\)Abbreviations: DMAT, Dimethylallyl tryptophan synthase; TC, terpene cyclase; TS, terpene synthase; FAS, fatty acid synthase; GGPS, geranylgeranyl diphosphate synthase; NRPS, non-ribosomal peptide synthetase; PKS, polyketide synthase; HYBRID, hybrid PKS–NRPS enzyme.

Small secreted cysteine-rich proteins (SSCPs). Most of the secreted
effector-type proteins of plant pathogens are small (<300 amino
acids) and contain four or more cysteine residues\(^6\). We surveyed
and compared fungal SSCP s. In total, 396 clusters were obtained
by a Blastclust analysis of Bb and 11 other fungal species. Of these,
12 clusters contain SSCP s shared by insect pathogens and the
plant endophyte E. festucae, and 26 are found in insect and plant
pathogens. Of the 91 clusters specific to insect pathogens, 52 contain
genes from Bb. Relative to other insect pathogens (average 307), the
Bb genome encodes more SSCP s (373), and many of them are species
specific (154 vs. an average of 95) (Supplementary Table S14).

As with other fungi\(^20\),\(^4\), most of the entomopathogen SSCP s are of
unknown function. Of 373 Bb SSCP s, only 130 contained conserved
domains recognized by an Interproscan analysis. Some of these have
homologs in the PHI database of verified virulence determinants, e.g.
five putative cutinases and five trypsins that may be used by Bb to
target plant and insect cuticle components, respectively. Lectins are
used by mammalian pathogenic fungi to evade detection by host
receptors\(^8\). Six Bb SSCP s were identified as concanavalin A-like
lectins, and potentially could function in interactions with both
insects and plants. Bb has four genes encoding proteins with eight cysteine-containing extracellular membrane (CFEM) domains resembling pathogenicity determinants in plant pathogens.

**Signal transduction.** The PHI dataset contains large numbers of G-protein coupled receptors (GPCRs), protein kinases and transcription factors that have similar sequences in the entomopathogen genomes (Supplementary Table S1). Fungal GPCRs sense extracellular cues and transmit the signals to distinct trimeric G-protein subunits. Besides the conserved pheromone receptors and cAMP receptors, most of the insect pathogen GPCRs resemble the rice-blast fungus *M. oryzae* Pth11-like proteins (Supplementary Table S15). Relative to *Metarhizium* spp. (average 47), Bb and Cm have fewer Pth11-like receptors (average 21) and lack a GPR1-like GPCR which in yeast is activated during nitrogen starvation. Thus, Bb and *Metarhizium* have evolved different mechanisms for nutrient sensing.

Functional kinome analysis of the plant pathogen *F. graminearum* indicated that many protein kinases (PKs) are involved in fungal growth, conidiation, pathogenesis, stress responses, toxin production and/or sexual reproduction. The insect pathogens have more PKs (average 170, P<0.05) than the plant pathogens (average 145) (Supplementary Table S4). The specialist Ma has more PKs (193) than the generalist Mr (161), which may allow a more stringent discrimination between potential insect hosts and subsequent control of cell differentiation. Consistent with this, Bb has fewer PKs (159) than Cm (167). Like other fungi, insect pathogens have large numbers of transcription factors (TFs) (Supplementary Table S16). However, Bb has more (10) GATA-type TFs than Cm (5) and *Metarhizium* species (4–5). Fungal GATA-type TFs are involved in multiple functions, including nitrogen metabolism, light induction, siderophore biosynthesis, mating-type switching and chromatin rearrangement. Overall, these results imply that signal controls vary as much between the insect pathogens as they do between insect and plant pathogens.

**Cryptic sexuality.** The teleomorph of Bb was identified as *C. bassiana*, but its sexual reproduction is seldom observed in nature nor to date is it inducible in the laboratory. A previous PCR based analysis showed that individual isolates of Bb carried either MAT1-1 or MAT1-2 mating-type genes. Analysis of the mating-type locus indicated that the sequenced Bb strain is the MAT1-1 type (Fig. 3C). Thus, like Cm, Bb is a heterothallic and outcrossing fungus. Syntenic analysis of Bb, Cm and the two *Metarhizium* species showed that except for the idiomorphic regions, the genes flanking the mating-type locus are highly conserved, especially between Bb and Cm. However, unlike Bb and *Metarhizium* species, Cm commonly performs sexual reproduction. To probe the cryptic sexuality of Bb, we surveyed Bb homologs of sex-related genes that have been functionally verified in *A. nidulans* and *N. crassa* (Supplementary Table S17). Many genes functioning in mating processes, karyogamy, meiosis and fruiting-body development in *A. nidulans* and *N. crassa* are also present in Bb and Cm. However, a meiosis-specific topoisomerase Spo11 is absent in Bb and *Metarhizium* species. Spo11 is crucial for initiating meiotic recombination by generating DNA double-strand breaks. Thus, lack of Spo11-like protein in Bb and *Metarhizium* spp. may contribute, at least in part, to an infrequent sexual cycle.

**Secondary metabolism.** A plethora of insecticidal and other bioactive secondary metabolites has been identified from Bb, e.g. the
cyclopeptides beauvericin, bassianolide and beauverolide, the yellow pigment pyridines tenellin and bassatin and the dibenzozquinone oosporein. Only genes involved in the biosynthesis of pigment pyridines tenellin and bassiatin and the dibenzopyranoids beauvericin, bassianolide and tenellin have been functionally verified. Our genome survey found that there are 45 non-ribosomal peptide synthetase (NRPS), polyketide synthase (PKS) and terpenoid synthase/cyclase core genes in the Bb genome, which is more than Cm but fewer than *Metarhizium* spp. (Table 2). Three of the putative biosynthesis clusters are highly conserved in the four insect pathogens but are absent in other fungi, i.e. NPRS (BBA_05020), PKS (BBA_09745) (Supplementary Fig. S4A) and terpene synthase/cyclase core genes in the Bb genome, which is more than Cm but fewer than *Metarhizium* spp. (Table 2). The analysis showed that Bb differentially expressed transcription factors (TFs) for gene regulation (Fig. 5C), GPCR genes for niche recognition (Supplementary Fig. S5A) and kinases for signal transduction (Supplementary Fig. S5B). For example, a Pth11-like GPCR (BBA_03214) and a C2H2-type zinc finger TF (BBA_00971) were highly expressed by Bb in RE (TPM = 3,163 for GPCR and TPM = 1,648 for TF), whereas only low or trace expression occurred in CB (TPM = 137 for GPCR and TPM = 18 for TF) and on LW (TPM = 4 for GPCR and TPM = 5 for TF). A functional category analysis of the highly expressed genes indicated that around one third are involved in catabolism or anabolism as defined by FunCat (Supplementary Fig. S6A). Genes involved in amino acid metabolism were more highly transcribed by Bb on LW (30%) than in CB (19%) and RE (11%). Most of these were involved in catabolism, consistent with utilization of amino acids on the cuticle surface, and/or mobilization of internal nitrogenous nutrients. Fourteen percent of the most highly expressed genes in CB were involved in protein synthesis, as compared to 6% on LW and 2% in RE. This could be associated with the quick propagation of Bb cells in insect hemocoel by yeast-like budding. Root exudates are carbohydrate rich, and 49% of the highly expressed genes in RE were for carbohydrate metabolism versus 14% on LW and 30% in CB (Supplementary Fig. S6A).
S6B). Six heat-shock proteins were among the top 100 genes expressed by Bb in RE, compared to four in CB and one on LW, suggesting that plant root exudates provide the most stressful growth conditions.

**Discussion**

We report here a genomic analysis of *B. bassiana*, one of the best-studied and most widely used insect biocontrol agents. A comparative analysis with the genome sequences of three other insect pathogens demonstrated that Bb and Cm are closely related and evolved into insect pathogens independently of the *Metarhizium* lineage. We assume therefore that similar expansion of certain gene families, such as proteases and chitinases, is associated with functions necessary for insect pathogenesis and reflects convergent evolution. Likewise, plant pathogens have expanded families of glycoside hydrolases, carbohydrate esterases, cutinases and pectin lyases in order to degrade plant materials 58. Mammalian pathogens are enriched for aspartyl proteases and phospholipases 59. Mycoparasitic fungi have expanded numbers of chitinases 20.

Besides proteases and chitinases, virulence-related genes already characterized in Bb include a MAP kinase BBSSLT2 (BBA_03334) mediating cell growth60, a neuronal calcium sensor BBCSA1 (BBA_05195) regulating extracellular acidification61, a cytochrome P450 enzyme CYP52X1 degrading cuticular fatty acids (BBA_02428)62 and a GH73 family of β-1,3-glucanosyltransferase BBGAS1 (BBA_04640) maintaining cell well integrity62. All of these genes were mapped in the sequenced Bb genome. Several other experimentally verified virulence genes in *Metarhizium* spp. also have orthologs in Bb, e.g., a perilipin-like protein (BBA_08759, 63% identity) that controls cellular lipid storage and appressorium penetration63, an osmosensor (BBA_08887, 59% identity) to mediate adaptation to the insect hemocoel64, an osmosensor to mediate adaptation to insect and plant surfaces65. The mechanism of adhesion used by Bb also involves hydrophobins that mediate cell surface hydrophobicity and virulence66. Like other insect pathogens, Bb has two class I hydrophobins but it has additional class II hydrophobins (Supplementary Table S4). The presence of these genes in both Bb and *Metarhizium* spp. suggests some shared strategies for interacting with plants and insects. Ninety-one of the 397 SSCP clusters are shared exclusively by the insect pathogens suggesting many shared strategies are currently unknown. However, *Beauveria* lacks a homolog to the collagen-like protein used by *Metarhizium* to evade the insect immune system67. Bb also lacks the *Metarhizium dtxS1* (MAA_10043) gene cluster involved in biosynthesis of the insecticidal destruxins68. It is likely that some of the highly expressed genes unique to Bb will play important and novel roles as Bb overcomes challenges in the dynamic micro-environments it will encounter in insects. As an endophyte, Bb presumably possesses mechanisms to avoid stimulating plant defenses. Fungal endoxylanases (GH11) are known to trigger plant immune responses and induce necrosis of infected plant tissue69. Therefore, lack of GH11 in Bb and *E. festucae* could be an adaptation limiting induction of necrosis by these endophytes, and facilitating immune evasion. Like
the basidiomycete plant symbiont *L. bicolor*\(^{46}\). *Bb* has a large battery of SSCPs and about half of them (154/373) are species-specific, implying that many specific functions are required for specialization to insect pathogenesis and endophytism. If the finding that assexual *Aspergillus* species usually arise from sexual lineages\(^{49}\) is broadly applicable to fungi then *Beauveria* spp. are probably an assexual derivation from a *Cordyceps* lineage. Host switching is particularly common in *Cordyceps* spp., accounting for their wide variety of associations with animals, plants and fungi\(^{46}\). Some *Trichoderma* spp., such as *T. strigosum*, have a *Cordyceps* teleomorph. Our phylogenomic data suggests that the insect pathogenic *Cm* and *Bb* diverged from mycoparasitic *Trichoderma* 74–97 million years ago (Fig. 2B), so potentially mycoparasitism could have evolved from insect pathogenicity or vice versa. The high degree of genome structure divergence between *Bb* and *Cm* is unexpected given their close phylogenetic relationship. Transposable elements (TEs) are a major force driving genetic variation and genome evolution\(^{11}\). *Bb* has many more TEs than *Cm*, apparently because *Bb* lacks the genome defense mechanism of repeat-induced point mutations. However, the genomes of *Metarhizium* species are highly syntenic in spite of a similar difference in the number of TEs\(^{12}\). Most field populations of *Beauveria* and *Metarhizium* species reproduce clonally\(^{19}\). In contrast, *Cm* readily reproduces sexually\(^{43}\), thereby facilitating genome structure reorganization due to frequent genetic and/or chromosomal recombination. Thus, differences in life cycle might have led to the genome structure disparities between *Bb* and *Cm*. High throughput transcriptomics demonstrated that *Bb* finely tunes gene transcription to adapt to different environmental niches. *Bb* up-regulated proteases on LW and carbohydrate hydrolases in RE. For example, a subtilisin-like protease (BBA_00443, TPM = 230) was highly expressed by *Bb* on LW but not in CB or in RE (Supplementary Table S20). The insect epicuticle or waxy layer comprises a heterogeneous mixture of long-chain alkanes, wax esters and fatty acids, and represents the first barrier against fungal attack. *Bb* highly transcribed CYP52a (BBA_02428 and BBA_09022) and lipase genes (BBA_01783 and BBA_08812) which should target epicuticular hydrocarbons and lipids\(^{46}\). Chitin constitutes up to 40% of the procuticle but is absent from the epicuticular layer\(^{33}\). As with *Metarhizium*\(^{13}\), *Bb* does not significantly up-regulate chitinase genes on the epicuticle. Two SSCPs (GH7 chitosanase BBA_06270 and CFEM protein BBA_09339) were highly and specifically expressed in CB (Supplementary Table S20). Potentially, chitosanase BBA_06270 could be involved in remodeling cell wall structure to evade host immune recognition\(^{24}\). Homologs of CFEM BBA_09339 are involved in plant pathogenesis\(^{44}\). Future functional verifications of these genes will benefit our understanding of fungal pathogenesis. In conclusion, we have sequenced the genome of the well-known insect pathogenic fungus *B. bassiana* and used RNA-seq to generate expression profiles of *Bb* growing in different host or environmental niches. The resulting information will benefit future molecular studies of insect-fungus interactions, and facilitate the development of *Beauveria* as cost-effective mycoinsecticides and microbial biocatalysts.

**Methods**

**Fungal strain and maintenance.** *B. bassiana* strain ARSEF 2860 was selected for genome sequencing as it shows commercial potential for biological controls of aphids, planthoppers, and spider mites\(^{26}\). To compare fungal abilities to utilize pentose and carbohydrate hydrolases in the Chinese National Human Genome Center (Shanghai, China). This resulted in 930 Mb of sequence data (with an average read length of 385 bp). Assembly was performed using the Newbler software (Ver. 2.3) within the Roche 454 suite package\(^{27}\), which produced 1,764 contigs with a total size of 33.7 Mb. For sequence scaffolding, a DNA library of 2–5 kb inserts was generated and sequenced with an Illumina system. This resulted in 1.3 Gb of paired-end reads and by mapping these reads to contigs, 1,764 contigs were assembled into 242 scaffolds. The whole project has been deposited at DDBJ/EMBL/GenBank under the accession no. ADAH00000000.

**Genome annotation.** To maximize accuracy, the gene structures of *B. bassiana* were predicted with a combination of different algorithms\(^{3,16}\). The inconsistent ORFs were individually subject to Blast searches against the NCBI curated refseq_protein database and manually inspected. Previously acquired ESTs\(^{44}\) were used to verify and complete the predicted gene models. All predicted gene models were annotated by Interproscan analysis (http://www.ebi.ac.uk/Tools/pfa/interproscan/), Blast blastp analysis against the Repbase (http://www.girinst.org/repbase/). Transposable elements were predicted by SignalP 3.0 (http://www.cbs.dtu.dk/services/SignalP/) and TargetP (http://www.cbs.dtu.dk/services/TargetP/) analysis. Genome repetitive elements were analyzed by Blast against the RepeatMasker library (Open 3.2.9) (http://www.repeatmasker.org/) and with the Tandem Repeat Finder (http://tandem.bia.nus.edu.sg/trf/trf.html). The transposable/retrotransposons were classified by Blastp analysis against the Repbase (http://www.girinst.org/repbase/) plus manual inspections. Putative *Beauveria* virulence factors were identified by searching against the pathogen-host interaction database (http://www.phi-base.org/about.php) with a cut-off E value of 1e-5, plus additional searches of known virulence genes reported in entomopathogenic fungi. One tail t-tests were conducted to compare the difference of protein family sizes between insect pathogens and other fungi.

**Comparative genomic analysis.** For genome structure comparison of *Bb* and *Cm*, the scaffolds of both genomes were oriented by MEGABLAST for dot plotting and a pair-wise comparison with an Argo Genome Browser\(^{27}\). A Blast Score Ratio (BSR) test\(^{36}\) was conducted to compare the differences between *Bb*, *Cm* and *Mr* genomes. The BSR index for each reference protein is calculated by dividing the query score by the reference score and normalized from 0 to 1. A score of 1 indicates a perfect match while a score of 0 indicates no Blast match of a query protein in the reference proteome. The normalized pairs of BSR indices were then plotted using the Matlab (ver. 7.0) program.

**Paralogy, orthology and phylogenomic analysis.** The best candidate paralogs in examined fungal genomes were identified by reciprocal Blastn analysis of the coding DNA sequences with a cut-off E value of 1e-20 and more than 60% coverage of Blast alignment length. For *Bb* and *Cm* paralogs with more than 70% identity, the paired sequences were aligned with *ClustalW* and the nucleotide mutation rates were estimated and compared. Ortholog conservation in fungi was characterized with *Inparanoid* 7.0 (http://inparanoid.sbc.su.se/cgi-bin/index.cgi). Corresponding orthologous protein sequences were aligned with *Clustal X* 2.0 and the concatenated multiple sequence alignments were used to create a maximum likelihood protein tree with the program TREE-PUZZLE\(^{39}\) using a Dayhoff model. Based on the constructed phylogenomic tree, protein family size variation (expansion or contraction) between *Bb* and *Cm* was analyzed using the program CAFFE\(^{27}\) by referencing against the most closely related species, *T. viridae*.

**Protein family classifications.** To identify the gene clusters and their proteins responsible for the biosynthesis of secondary metabolites, the whole genome data set was subject to analysis with the programs SMURF (http://jovi.cvmi.smurf/index.php) and antiSMASH (http://antismash.secondarymetabolites.org/) with default settings. The extracellular proteases were classified by *Blast* searching against the MEROPS peptide database Release 9.4 (http://merops.sanger.ac.uk) with a cut-off E value of 1e-10 plus manual inspections with the InterproScan analysis results. Fungal trypsin were selected for phylogenetic analysis with the program MEGA 5.0\(^{41}\) using a Dayhoff model, 1,000 replicates for bootstrap analysis and a pairwise deletion for gaps or missing data. The cytochrome P450s were named according to the classifications collected at the P450 database (http://blast.ncbi.nlm.nih.gov/). Kinases were classified by Blast against the KinBase (http://kinase.com) with a cut-off E value of 1e-30. Carbohydrate-active enzymes were classified by local *Blast* searching against a library of catalytic and carbohydrate-binding module enzymes (http://www.cazy.org/). Transcription factor (TF) domain scan was performed with the software of pairwise and the protein coupled receptors were selected from the best hits to GPCRDB sequences (http://www.gpcr.org/7tm/) and by confirmation that they contained seven transmembrane helices with the N-terminus outside and the C-terminus inside the plasma membrane. To identify the small secreted cysteine-rich proteins, the proteins less than or equal to 300 amino acid with secreted signals obtained above and those containing four or more cysteine residues were included for Blastclust analysis (http://toolkit.tuebingen.mpg.de/blastclust) at the cutoffs of coverage 80% and identity 20%\(^{25}\).

**Transcriptome analysis.** Conidia of *B. bassiana* ARSEF 2860 strain were harvested from 14-day old potato dextrose agar and used for different assays. To examine gene induction on insect cuticle, locust (*Locusta migratoria*) hind wings were collected, air-dried and surface sterilized in 10% *H_2O_2* (10 min). The wings were washed in sterile water (twice) and immersed in a 2% conidial suspension (2 × 10^5 spores/ml) for 20 seconds\(^{26}\). The inoculated wings were placed on 1% water agar and incubated at 25 °C for 48 h for fungal RNA extraction. For analysis of transcriptional adaptation to insect hemocoele, the *5^th* instar cotton bollworm (*Helicoverpa armigera*) larvae were each injected with 10 μl of a spore suspension (10^6 spores/ml). Hemolymph from infected insects 48 hours post inoculation was collected on ice and immediately
applied on top of a steep gradient of 25 and 50% Centricid (Sigma). The fungal cells were purified for RNA extraction by centrifugation at 10,000 g for 10 min at 4°C. For analysis of transcriptional adaptation to plant root exudates, mycelia harvested from 36 hour S. bauerla dextrose broth were incubated in corn root exudates for another 24 hours before being used for RNA extraction. Root exudates were prepared as described before39. RNA was extracted with a Qiagen RNeasy kit plus on-column treatment with RNase-free DNase I. Messenger RNA was purified, and after reverse transcription into cDNA libraries were constructed for tag preparation according to the massively parallel signature sequencing protocol40. The tags were sequenced with an Illumina technique. We omitted tags from further analysis if only one copy was detected or it could be mapped to a different transcript. Other tags were mapped to the genome or annotated genes if they possessed no more than one nucleotide mismatch17,18. The level of gene transcription was converted to transcripts per million (TPM) for each mapped gene for expressional comparison between samples. The RNA_seq expression dataset is available at the Gene Expression Omnibus under the tags (TPM) for each mapped gene for expressional comparison between samples.

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