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## 3 **Compartmentalized Biosynthesis of Mycophenolic Acid**

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21 **Abstract:** Mycophenolic acid (MPA) from filamentous fungi is the first natural product antibiotic  
22 in human history and a first-line immunosuppressive drug for organ transplantations and  
23 autoimmune diseases. However, its biosynthetic mechanisms have remained a long-standing  
24 mystery. Here, we elucidate the MPA biosynthetic pathway that features both compartmentalized  
25 enzymatic steps and unique cooperation between biosynthetic and  $\beta$ -oxidation catabolism  
26 machineries based on targeted gene inactivation, feeding experiments in heterologous expression  
27 hosts, enzyme functional characterization and kinetic analysis, and microscopic observation of  
28 protein subcellular localization. Besides identification of the oxygenase MpaB' as the long-sought  
29 key enzyme responsible for the oxidative cleavage of sesquiterpene side chain, we reveal the  
30 intriguing pattern of compartmentalization for the MPA biosynthetic enzymes, including the  
31 cytosolic polyketide synthase MpaC' and *O*-methyltransferase MpaG', the Golgi apparatus-  
32 associated prenyltransferase MpaA', the endoplasmic reticulum-bound oxygenase MpaB' and  
33 P450-hydrolase fusion enzyme MpaDE', and the peroxisomal acyl-CoA hydrolase MpaH'. The  
34 whole pathway is elegantly co-mediated by these compartmentalized enzymes, together with the  
35 peroxisomal  $\beta$ -oxidation machinery. Beyond characterizing the remaining outstanding steps of the  
36 MPA biosynthetic pathway, our study highlights the importance of considering subcellular  
37 contexts and the broader cellular metabolism in natural product biosynthesis.

38 **Keywords:** Mycophenolic acid; Fungal natural product; Biosynthesis; Compartmentalization;  
39 Peroxisome;  $\beta$ -Oxidation

40 **Significance Statement:** Here we elucidate the full biosynthetic pathway of the fungal natural  
41 product mycophenolic acid (MPA), which represents an unsolved mystery for decades. Besides the  
42 intriguing enzymatic mechanisms, we reveal that the MPA biosynthetic enzymes are elegantly  
43 compartmentalized; and the subcellular localization of the acyl-CoA hydrolase MpaH' in

44 peroxisomes is required for the unique cooperation between biosynthetic and  $\beta$ -oxidation  
45 catabolism machineries. This work highlights the importance of a cell biology perspective for  
46 understanding the unexplored organelle-associated essential catalytic mechanisms in natural  
47 product biosynthesis of fungi and other higher organisms. The insights provided by our work will  
48 also benefit future efforts for both industrial strain improvement and novel drug development.

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50 **Main Text:** Mycophenolic acid (MPA), which was discovered from *Penicillium brevicompactum*  
51 in 1893 (1), is the first natural product antibiotic in human history. Today, its different active forms  
52 (*e.g.*, CellCept<sup>®</sup> by Roche and Myfortic<sup>®</sup> by Novartis) have annual sales over \$1 billion, owing to  
53 their wide use as first-line immunosuppressive drugs to control immunologic rejection during  
54 organ transplantations and to treat autoimmune diseases (2, 3). Mechanistically, MPA inhibits  
55 inosine-5'-monophosphate dehydrogenase; this enzyme catalyzes a known pathway-regulating  
56 step of guanine synthesis, which is essential for lymphocyte proliferation (4). MPA is a  
57 tetraketide-terpenoid (TKTP) compound; this family comprises various chemical structures with  
58 a wide spectrum of biological activities (*SI Appendix*, Fig. S1), and TKTPs are the largest class of  
59 meroterpenoids produced by filamentous fungi (5). Despite both MPA's status as the first natural  
60 product antibiotic and the growing number of studies reporting the characterization of fungal  
61 TKTP biosynthetic pathways (5-8), a full understanding of MPA biosynthesis has remained elusive  
62 for more than a century. This knowledge gap is especially conspicuous when one considers that  
63 the industrial fermentation of MPA has been established for decades and its structure is not  
64 particularly complex, with a full synthesis having been demonstrated by 1969 (9).

65 The first insights into MPA biosynthesis, which were gained more than four decades ago from  
66 culture feeding studies using synthetic radioactive isotope labeling precursors, revealed its

67 skeleton is derived from 5-methylorsellinic acid (5-MOA) and farnesyl pyrophosphate (FPP), and  
68 a putative oxidative cleavage of the sesquiterpene (C<sub>15</sub>) side chain (10-12). The C-methyl group at  
69 C6 and the O-methyl group at C5 were proposed to originate from S-adenosyl-L-methionine (SAM)  
70 (10, 13). However, the genetic and enzymological bases for MPA biosynthesis remained obscure  
71 until the recent independent discoveries of three analogous MPA biosynthetic gene clusters (*SI*  
72 *Appendix*, Fig. S2) (14-16). Upon identification of these clusters, a sub-set of the MPA biosynthetic  
73 pathway steps have been revealed through the functional characterization of three biosynthetic  
74 enzymes: MpaC (14, 17) and MpaDE (18) from *P. brevicompactum* IBT23078 as well as MpaG'  
75 from *P. brevicompactum* NRRL864 (*Pb*<sub>864</sub>) (15) (Fig. 1).

76 Using examples from the *mpa'* gene cluster of *Pb*<sub>864</sub> (*SI Appendix*, Table S1) to illustrate the  
77 present state of knowledge about MPA biosynthesis (Fig. 1): it is known that the MpaC' enzyme  
78 is a polyketide synthase (PKS) that catalyzes the formation of its 5-MOA product from one acetyl-  
79 CoA molecule, three malonyl-CoA units, and one SAM molecule. The fascinating MpaDE'  
80 enzyme comprises a cytochrome P450 domain (MpaD') fused to a hydrolase domain (MpaE') and  
81 catalyzes both the formation of 3,5-dihydroxy-7-(hydroxymethyl)-6-methylbenzoic acid (DHMB)  
82 via the C4 hydroxylation activity of MpaD' and the subsequent intramolecular dehydration by  
83 MpaE' to produce 3,5-dihydroxy-6-methylphthalide (DHMP). The following biosynthetic steps  
84 lack experimental confirmation, but it has been proposed that DHMP is next farnesylated by the  
85 prenyltransferase MpaA' to yield the isolatable intermediate 4-farnesyl-3,5-dihydroxy-6-  
86 methylphthalide (FDHMP) (19-22). The biosynthetic steps between FDHMP and the penultimate  
87 product demethylmycophenolic acid (DMMPA) have been speculated (14, 23) but remain  
88 uncharacterized, while the final step is known to be the O-methylation of DMMPA's C5 hydroxy  
89 group by the O-methyltransferase MpaG' (15) to yield the final product MPA.

90 Our exploration of MPA biosynthesis in the present study started with our efforts to  
91 experimentally confirm that the putative prenyltransferase MpaA' can indeed add a farnesyl group  
92 to DHMP to form FDHMP. Following the recombinant-*mpaDE'*-expression and 5-MOA-feeding  
93 based generation, purification, and structural confirmation of the hypothetical MpaA' substrate  
94 DHMP (*SI Appendix*, Figs. S3-S6 and Tables S2-S5), we used the popular auxotrophic *Aspergillus*  
95 *oryzae* M-2-3 (*A<sub>OM-2-3</sub>*) strain as the heterologous expression host to conduct *in vivo* assays of  
96 MpaA' activity (note that attempts to heterologously express this transmembrane protein (*SI*  
97 *Appendix*, Fig. S7) in *Escherichia coli* and *Saccharomyces cerevisiae* were unsuccessful). When  
98 purified DHMP (20 mg/L) was fed to a maltose-induced culture of the pTAex3-*mpaA'* (*SI*  
99 *Appendix*, Figs. S3-S4 and Table S2) harboring strain *A<sub>OM-2-3-mpaA'</sub>* (*SI Appendix*, Table S3), the  
100 precursor DHMP was completely converted into a much more hydrophobic product within 5 d  
101 (Fig. 2A), and analysis of high-resolution mass spectrometry (HRMS) data suggested that the  
102 molecular formula of this product was C<sub>24</sub>H<sub>32</sub>O<sub>4</sub> (*SI Appendix*, Fig. S8 and Table S4), which is  
103 consistent with that of FDHMP. NMR analyses further structurally confirmed the product as  
104 FDHMP<sup>20-22</sup>. (*SI Appendix*, Figs. S9-S10 and Table S6).

105 Notably, FDHMP was only detected in the extracts prepared from mycelia, but not the  
106 fermentation broth (Fig. 2A), suggesting that FDHMP might have difficulty in passing through the  
107 fungal cell membrane, owing perhaps to its presumably membrane-embedded nature (like FPP)  
108 (24). Thus, MpaA' does catalyze the transfer of a farnesyl group from FPP to DHMP via C–C bond  
109 formation. However, 5-MOA was not farnesylated in a similar feeding experiment (*SI Appendix*,  
110 Fig. S11), highlighting the high substrate specificity of MpaA'.

111 Having experimentally confirmed the farnesyl-transfer activity of MpaA', we next attempted  
112 to unravel the long-standing biosynthetic mystery of which biomolecule(s) are responsible for the

113 assumed oxidative cleavage of the central double bond in the sesquiterpene chain of FDHMP (*i.e.*,  
114 the C15=C16 olefin) (1, 14, 20-23). Additional genes of the *mpa'* gene cluster include *mpaF'*,  
115 *mpaB'*, and *mpaH'*; we did not pursue MpaF' as a candidate for oxidative cleavage functionality  
116 because it is known to be an inosine-5'-monophosphate dehydrogenase involved in the self-  
117 resistance of MPA producing strains (14,25). To investigate the unknown functions of MpaB' and  
118 MpaH', we used a split-marker recombination strategy (26) to singly knock out *mpaB'* or *mpaH'*  
119 in *Pb<sub>864</sub>* (*SI Appendix*, Fig. S12) to produce the inactivation mutants *Pb<sub>864</sub>-ΔmpaB'* and *Pb<sub>864</sub>-*  
120 *ΔmpaH'* (*SI Appendix*, Table S3).

121 Compared to *Pb<sub>864</sub>*, *Pb<sub>864</sub>-ΔmpaB'* produced a dramatically decreased amounts of MPA, but  
122 this strain accumulated a significant amount of FDHMP in its mycelia during a 7 d cultivation  
123 using potato dextrose broth (Fig. 2B). Additionally, a new product was detected in the intracellular  
124 fraction of *Pb<sub>864</sub>-ΔmpaB'*, whose structure was determined as 5-*O*-methyl-FDHMP (MFDHMP,  
125 Fig. 1) by HRMS (*SI Appendix*, Fig. S8 and Table S4) and NMR analyses (*SI Appendix*, Figs. S13-  
126 S17 and Table S6). We reason that the inactivation of MpaB' blocked the normal conversion of  
127 FDHMP, which was methylated to MFDHMP (likely by MpaG', which has been reported to  
128 display considerable substrate flexibility (15)). Of note, the small amount of MPA produced by  
129 *Pb<sub>864</sub>-ΔmpaB'* (Fig. 2B) suggests the existence of minor compensating enzymatic activity for  
130 MpaB' in *Pb<sub>864</sub>*.

131 To further elucidate the functionality of MpaB', FDHMP (20 mg/L) was fed to an induction  
132 culture of *A<sub>OM-2-3</sub>-mpaB'* (*SI Appendix*, Table S3). Surprisingly, no obvious products were detected  
133 (*SI Appendix*, Fig. S18). We reason that this negative result might be due to the difficulty for  
134 FDHMP to enter the intracellular space, which is supported by our earlier observation that FDHMP  
135 was not secreted outside of *A<sub>OM-2-3</sub>-mpaA'* cells (Fig. 2A). To overcome this issue, the recombinant

136 strain *AoM-2-3-mpaA'-mpaB'* was generated and cultured in CD medium supplemented with  
137 maltose to induce the co-expression of MpaA' and MpaB' for 3 d, to which DHMP (20 mg/L) was  
138 added. Upon an additional 5 d cultivation, an intermediate with three fewer carbon atoms than  
139 FDHMP was observed (Fig. 2C), purified, and structurally identified as FDHMP-3C (Fig. 1; *SI*  
140 *Appendix*, Figs. S8, S19-S23, and Tables S4 and S7). Interestingly, FDHMP-3C was previously  
141 proposed as a putative intermediate *en route* to MPA (*SI Appendix*, Fig. S24) (12, 21).

142 We also found that *AoM-2-3-mpaA'-mpaB'* produced additional derivatives with UV  
143 absorption spectra similar to those of FDHMP and FDHMP-3C (Fig. 2C), which presumably  
144 derived from FDHMP; these were therefore deemed FDHMP-d1–d5. Structural determination (*SI*  
145 *Appendix*, Figs. S8, S25-S39, and Tables S4, S7-S8) showed that FDHMP-d1–d5 appear to be  
146 chain-shortening intermediates of FDHMP-3C that also bear some additional modifications,  
147 suggesting a possible biodegradation pathway through which FDHMP-3C may undergo a  
148  $\beta$ -oxidation process in which a C<sub>2</sub>/C<sub>3</sub> unit can be successively lost over repeated rounds (Fig. 1).  
149 Strikingly, a small amount of DMMPA was also detected, giving an initial hint that *mpaH'* may  
150 not be a required gene for DMMPA production.

151 These results collectively establish that it is MpaB' which functions as an oxygenase to  
152 mediate the oxidative cleavage of the C<sub>19</sub>=C<sub>20</sub> double bond in FDHMP to yield FDHMP-3C. Recall  
153 that there are no reports of any known function for MpaB'; and we did not identify any obvious  
154 functional domains using BLAST or Pfam database tools. However, when using the Phyre2  
155 program (27) to predict and compare potentially conserved three-dimensional structural features  
156 with other proteins, we noted a possible similarity in a structural fold with a distant homolog  
157 (11%/22% amino acid identity/similarity, *SI Appendix*, Figs. S40-S41)—a *b*-type heme protein

158 latex clearing protein from *Streptomyces* sp. K30 (Lcp<sub>K30</sub>) that was recently biochemically and  
159 structurally characterized (28, 29).

160 Consideration of the proposed catalytic mechanisms from the LcpK30 study (29) guided our  
161 speculation that MpaB' might initiate the oxidative cleavage through proton abstraction by D124  
162 at the C<sub>18</sub> allylic position. The resultant iron(IV)-oxo species could then react with the epoxide,  
163 together with a D124-mediated acid-base catalysis, ultimately leading to the cleavage of the  
164 C<sub>19</sub>=C<sub>20</sub> double bond (*SI Appendix*, Fig. S42) (29). The expected resultant aldehyde was not  
165 observed, likely owing to instability; supporting this, chemically synthesized mycophenolic  
166 aldehyde (*SI Appendix*, Figs. S8 and S43, and Table S6) was readily oxidized to MPA by *A<sub>OM-2-3</sub>*  
167 (*SI Appendix*, Fig. S44). Thus, our results overturn the previously proposed direct cleavage of the  
168 FDHMP C<sub>15</sub>=C<sub>16</sub> double bond (*SI Appendix*, Fig. S24) (10-12), which would otherwise lead to  
169 DMMPA but not FDHMP-3C as the dominant product when *A<sub>OM-2-3</sub>-mpaA'-mpaB'* was fed  
170 DHMP (*SI Appendix*, Fig. S24).

171 Next, HPLC analysis of the fermentation culture of an aforementioned *Pb<sub>864</sub>-ΔmpaH'* strain  
172 led to the surprising finding that this *mpaH'* knockout strain retained the ability to produce MPA,  
173 albeit with a yield which was approximately 50% lower than that of *Pb<sub>864</sub>*. This mutant strain also  
174 produced two novel compounds (MFDHMP-d4 and MFDHMP-d5) with an even shorter isoprenyl  
175 chain than MPA (Fig. 1, *SI Appendix*, Figs. S8, S45-S51, and Tables S4 and S9); these correspond  
176 to the 5-*O*-methylated products of FDHMP-d4 and FDHMP-d5, presumably stemming from the  
177 activity of MpaG' (Fig. 2B). Notably, neither compound was detected in *Pb<sub>864</sub>* cultures (Fig. 2B).  
178 The attenuated production of MPA, together with the two over-shortening products by *Pb<sub>864</sub>-*  
179 *ΔmpaH'*, suggested the interesting possibility that, while MpaH' does not catalyze the oxidative  
180 cleavage of FDHMP as previously proposed (14), this enzyme apparently does have an MPA-



181 biosynthesis related function, likely somehow involved in the aforementioned  $\beta$ -oxidation chain-  
182 shortening process. Specifically, MpaH' may function to control the specificity and efficiency of  
183 MPA production, perhaps by acting as a "valve" to prevent the excessive  $\beta$ -oxidation-mediated  
184 shortening of MPA.

185 To recapitulate the MPA accumulation pattern of *Pb*<sub>864</sub> in a heterologous host, we  
186 investigated the product profile of the *A*<sub>OM-2-3</sub>-*mpaA'*-*mpaB'*-*mpaH'* strain (in which the three  
187 genes were co-expressed) when DHMP (20 mg/L) was fed to its induction cultures. As expected,  
188 the amount of the penultimate MPA pathway intermediate DMMPA that accumulated in *A*<sub>OM-2-3</sub>-  
189 *mpaA'*-*mpaB'*-*mpaH'* was significantly higher than that of *A*<sub>OM-2-3</sub>-*mpaA'*-*mpaB'* (Fig. 2C and D),  
190 again emphasizing the importance of MpaH' for efficient production of either DMMPA or MPA.  
191 Notably, whereas we were expecting to only detect the accumulation of DMMPA by *A*<sub>OM-2-3</sub>-  
192 *mpaA'*-*mpaB'*-*mpaH'* as the dominant MPA production by *Pb*<sub>864</sub>, we were surprised to observe  
193 substantial amounts of FDHMP-d1–d3 as well as low levels of FDHMP-d4, d5; note that the  
194 methylated counterparts MFDHMP-d1–d5 were only detected at negligible levels in *Pb*<sub>864</sub>. We  
195 speculate that these differences between *Penicillium* and *Aspergillus* species could perhaps be due  
196 to their different cellular contexts. Specifically, *A*<sub>OM-2-3</sub> may contain a non-specific acyl-CoA  
197 hydrolase with broad and highly efficient hydrolytic activities toward the CoA-esters generated  
198 from the  $\beta$ -oxidation catabolic pathway (*SI Appendix*, Fig. S52). The low-level accumulation of  
199 FDHMP-d4–d5 likely resulted from the lower activity of MpaH' toward DMMPA-CoA than  
200 toward MPA-CoA, which could lead to the "leaking" of these two excessively chain-shortened  
201 derivatives from peroxisomes (*see below*). Nonetheless, our observation of FDHMP-d1–d5  
202 represented important clues for our following elucidation of these unusual MPA biosynthetic  
203 pathway steps.

204 Interestingly, a PSORT II (30) analysis of the MpaH' sequence identified a Type 1  
205 peroxisomal targeting sequence like (PTS1-like) GKL tripeptide at its C-terminus, which strongly  
206 suggested that this protein is localized in peroxisomes—a site where  $\beta$ -oxidation metabolism can  
207 occur (31, 32). We were able to successfully confirm the peroxisomal localization of MpaH' via  
208 confocal laser scanning microscopy (CLSM) of several *Aspergillus* strains expressing GFP fusion  
209 constructs for full-length and GKL-tripeptide-truncated MpaH' variants alongside the recombinant  
210 expression of the peroxisome-specific RFP<sup>SKL</sup> reporter (*SI Appendix*, Tables S2 and S3). As  
211 anticipated, we observed co-localization of the RFP<sup>SKL</sup> reporter with the GFP-MpaH'<sup>full-length</sup> but  
212 not the GFP-MpaH' <sup>$\Delta$ GKL</sup> fusion proteins (Fig. 3A-D and *SI Appendix*, Fig. S53). Additionally,  
213 feeding experiments demonstrated that the peroxisomal localization of MpaH' increases the  
214 efficiency of DMMPA production; specifically, significantly more DMMPA was accumulated in  
215 the DHMP-fed *Aom-2-3-mpaA'-mpaB'-mpaH'* cultures than in the corresponding *Aom-2-3-mpaA'-*  
216 *mpaB'-mpaH' <sup>$\Delta$ GKL</sup>* cultures (Fig. 2C and D).

217 In line with our proposed “valve” function of the peroximal protein MpaH', the fact that  
218 fungal  $\beta$ -oxidation of long-chain acyl moieties acids can occur in peroxisomes (31, 32), together  
219 with our observation of the suspected  $\beta$ -oxidation-derived chain-shortening products in the *Pb864-*  
220  *$\Delta$ mpaH'* and *Aom-2-3-mpaA'-mpaB'/DHMP* cultures (Fig. 2), we hypothesized that the  $\alpha/\beta$ -  
221 hydrolase fold containing MpaH' enzyme may be an acyl-CoA hydrolase that can specifically  
222 recognize DMMPA-CoA and/or MPA-CoA. To test this, we heterologously expressed MpaH' in  
223 *E. coli* BL21(DE3) cells and purified it to homogeneity (*SI Appendix*, Fig. S54). Indeed, when the  
224 purified MpaH' was incubated with chemically synthesized DMMPA-CoA and MPA-CoA *in vitro*,  
225 both DMMPA and MPA were rapidly hydrolyzed from their corresponding CoA-esters (*SI*  
226 *Appendix*, Fig. S55). Analysis using Phyre2 revealed a likely structural relationship between MpaH'

227 and the peroxisomal hydrolase Lpx1 from *S. cerevisiae* (33), and careful protein sequence analysis  
228 (*SI Appendix*, Fig. S56) suggested that MpaH' is a new member of the type I acyl-CoA thioesterase  
229 enzyme family. MpaH' possesses a well-recognized catalytic triad of S139-D163-H365 (34). To  
230 confirm that S139 is a catalytic nucleophile, we mutated this serine into an alanine and, as expected,  
231 the hydrolytic activity of the MpaH'<sup>S139A</sup> mutant for either MPA-CoA or DMMPA-CoA was  
232 completely abolished (*SI Appendix*, Fig. S55).

233 We subsequently analyzed the steady-state kinetics of MpaH' *in vitro* using the 5,5-dithiobis-  
234 (2-nitrobenzoic acid) reagent (35) and found that the  $k_{cat}/K_m$  values of MpaH' for both DMMPA-  
235 CoA ( $11.6 \mu\text{M}^{-1} \text{min}^{-1}$ ) and MPA-CoA ( $81.5 \mu\text{M}^{-1} \text{min}^{-1}$ ) were two orders of magnitude higher  
236 than the values for the ten other unnatural CoA-esters that we tested in similar assays (*SI Appendix*,  
237 Fig. S57 and Table S10). Thus, our results strongly suggest that MpaH' is a dedicated MPA-CoA  
238 hydrolase with high substrate specificity, and this enzyme apparently exerts a valve-like function  
239 to prevent MPA-CoA from further peroxisomal  $\beta$ -oxidation and to avoid the hydrolysis of other  
240 CoA-esters.

241 The 6.2-fold higher  $k_{cat}/K_m$  value of MPA-CoA relative to DMMPA-CoA suggests (*SI*  
242 *Appendix*, Table S10) that the 5-*O*-methylation mediated by the methyltransferase MpaG' likely  
243 occurs prior to FDHMP-3C's entry into peroxisomes. Supporting this, FDHMP-3C was found to  
244 be a better substrate for MpaG' as compared to other potential substrates including DMMPA,  
245 FDHMP, 5-MOA, and DHMP (*SI Appendix*, Fig. S58). However, we cannot exclude the  
246 possibility that DMMPA methylation could also occur *in vivo* as a minor pathway (Figs. 1 and 4).  
247 After the cytosolic methylation of FDHMP-3C, the entry of MFDHMP-3C into peroxisomes could  
248 be unidirectional: this entry likely occurs via free diffusion due to its low molecular weight of 388,  
249 which is lower than the reported 400 Da cutoff for crossing the single membrane of peroxisome

250 via free diffusion (32). Upon a peroximal CoA ligation reaction—presumably catalyzed by the  $\beta$ -  
251 oxidation component enzyme CoA ligase—MFDHMP-3C-CoA (with a molecular weight of 1136)  
252 would then be restricted to peroxisomes for the following  $\beta$ -oxidation pathway steps (*SI Appendix*,  
253 Fig. S52).

254 The importance of the subcellular localization of MpaH' and the fact that MpaA', MpaB', and  
255 MpaDE' are predicted to be membrane-associated proteins (*SI Appendix*, Figs. S7 and S59) led us  
256 to further investigate the compartmentalization of these MPA biosynthetic enzymes. Specifically,  
257 we fused GFP tags to the *N*- or *C*-termini of the transmembrane MpaA' and the integral monotopic  
258 proteins MpaB' and MpaDE' (*SI Appendix*, Figs. S3-S4 and Tables S2-S3). Subsequent CLSM  
259 observations which revealed the co-localization of the green fluorescence signals of MpaDE'-GFP  
260 (or MpaB'-GFP) and the red fluorescence signals of the “ER-Tracker™ Red” marker—outside of  
261 DAPI-stained nuclei—together demonstrated that both of these two proteins reside at the  
262 endoplasmic reticulum (Fig. 3E–L). The green fluorescence signals of the GFP-MpaA' fusion  
263 protein was distributed as ring-like structures in hyphal cells that were co-localized with the red  
264 fluorescence signals of the CellLight™ Golgi-RFP BacMam 2.0 marker that specifically targets  
265 the Golgi complex (Fig. 3M–O).

266 The ER-bound nature of MpaDE' is unsurprising, since membrane-anchoring is a common  
267 feature of eukaryotic P450 enzymes (35). For MpaA' and MpaB', their membrane-association is  
268 potentially functionally relevant because these enzymes must ostensibly interact with their  
269 membrane-embedded substrates including FPP and FDHMP. Finally, it is worth noting that the  
270 biotransformation activities of all of the engineered strains carrying the GFP-tagged enzymes did  
271 not differ from their non-tagged counterparts, indicating that the fusion fluorescence tags did not  
272 alter the catalytic properties of these enzymes.

273 In this study, we elucidate the previously unknown steps of the full MPA biosynthetic  
274 pathway. The insights gained in our work will benefit future efforts for both industrial strain  
275 improvement and novel drug development. The intriguing compartmentalization of the MPA  
276 biosynthetic enzymes (Fig. 4), including the cytosolic MpaC' and MpaG', the inner membrane-  
277 associated MpaA', MpaB', and MpaDE', and the peroxisomal acyl-CoA hydrolase MpaH', work  
278 together and thusly enable a unique joining of biosynthetic and  $\beta$ -oxidation catabolic machineries.  
279 These findings highlight that the underexplored organelle-associated catalytic mechanisms, as for  
280 example the final peroxisomal maturation steps of penicillin (36), can enable essential steps in  
281 natural product biosynthesis in fungi and other higher organisms. Compared to the better  
282 understanding of compartmentalization in biosynthesis of lipids (37) and plant terpenoids (38), the  
283 compartmentalized biosynthesis of fungal natural products demands much more attention in the  
284 future since only very limited knowledge about the subcellular localization of fungal biosynthetic  
285 enzymes and their involvement in product formation and intermediate trafficking has been learned  
286 so far. Finally, we suggest that studies of natural product biosynthesis should be liberated from a  
287 reductionist emphasis on enzymatic steps and would profit by adopting a more panoramic view of  
288 catalytic mechanisms, enzyme subcellular distribution, and global cellular metabolisms.

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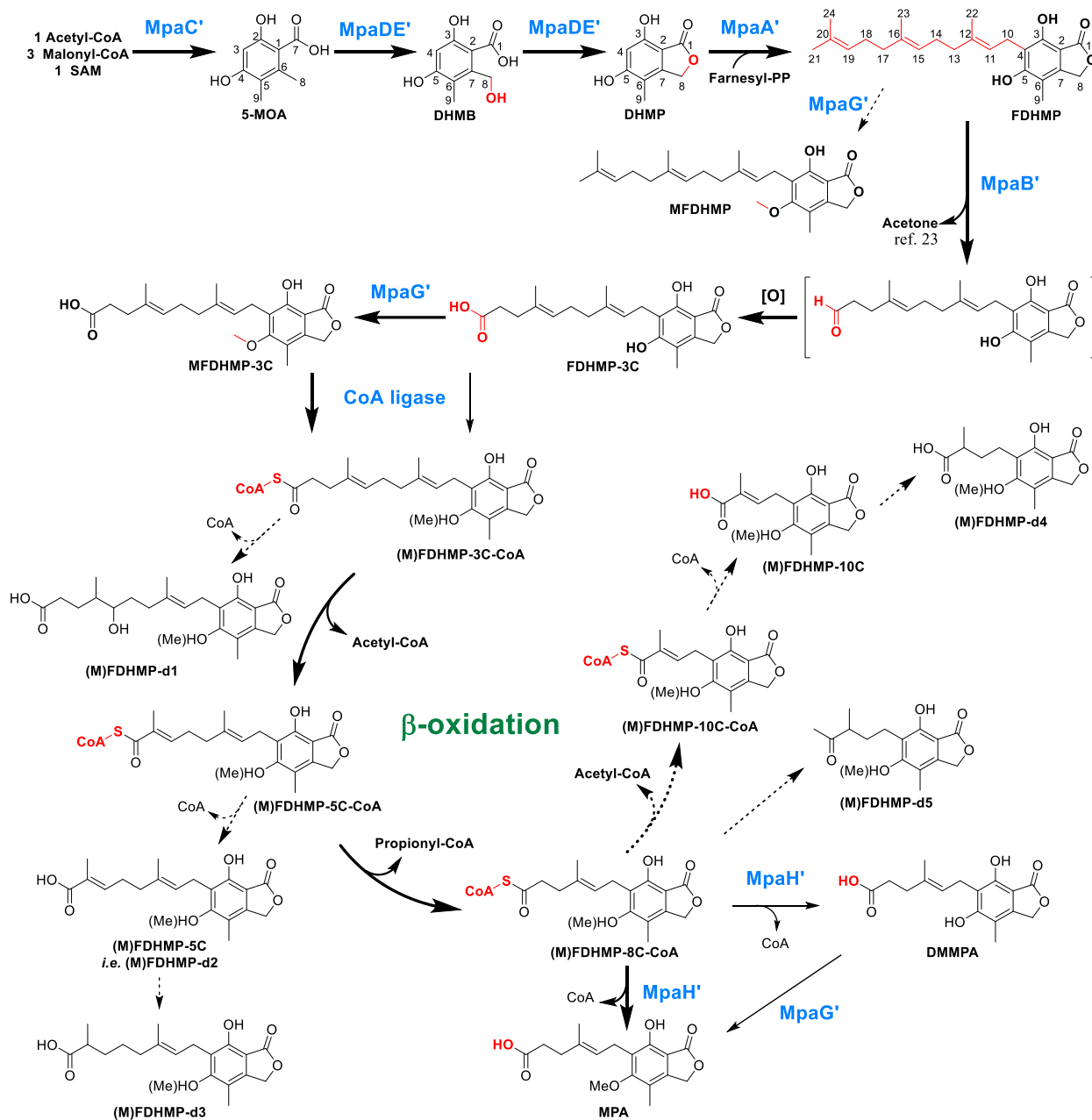
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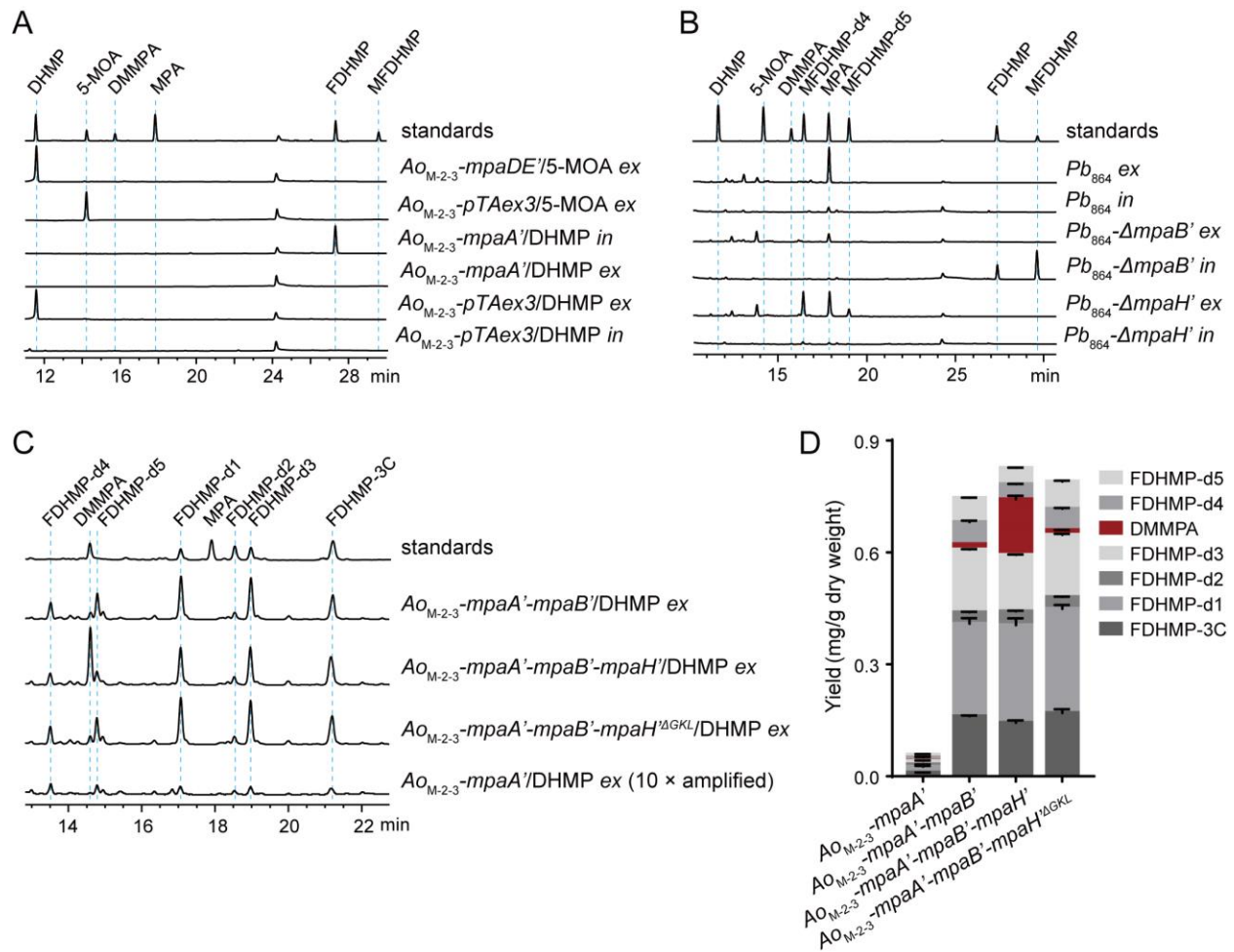
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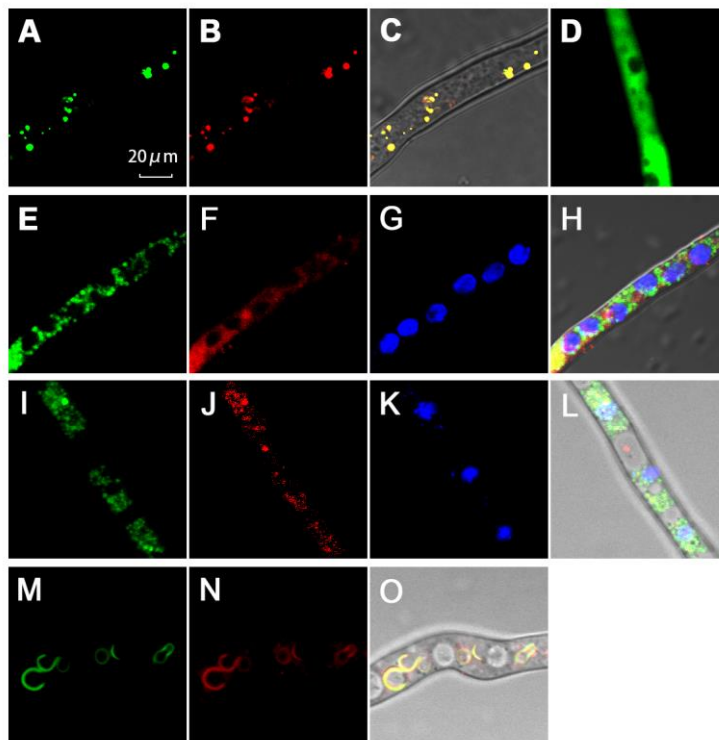


**Fig. 1.** The MPA biosynthetic pathway. Bold, plain, and dashed arrows indicate the major, minor, and shunt pathways, respectively. The newly installed functional groups are colored in red.



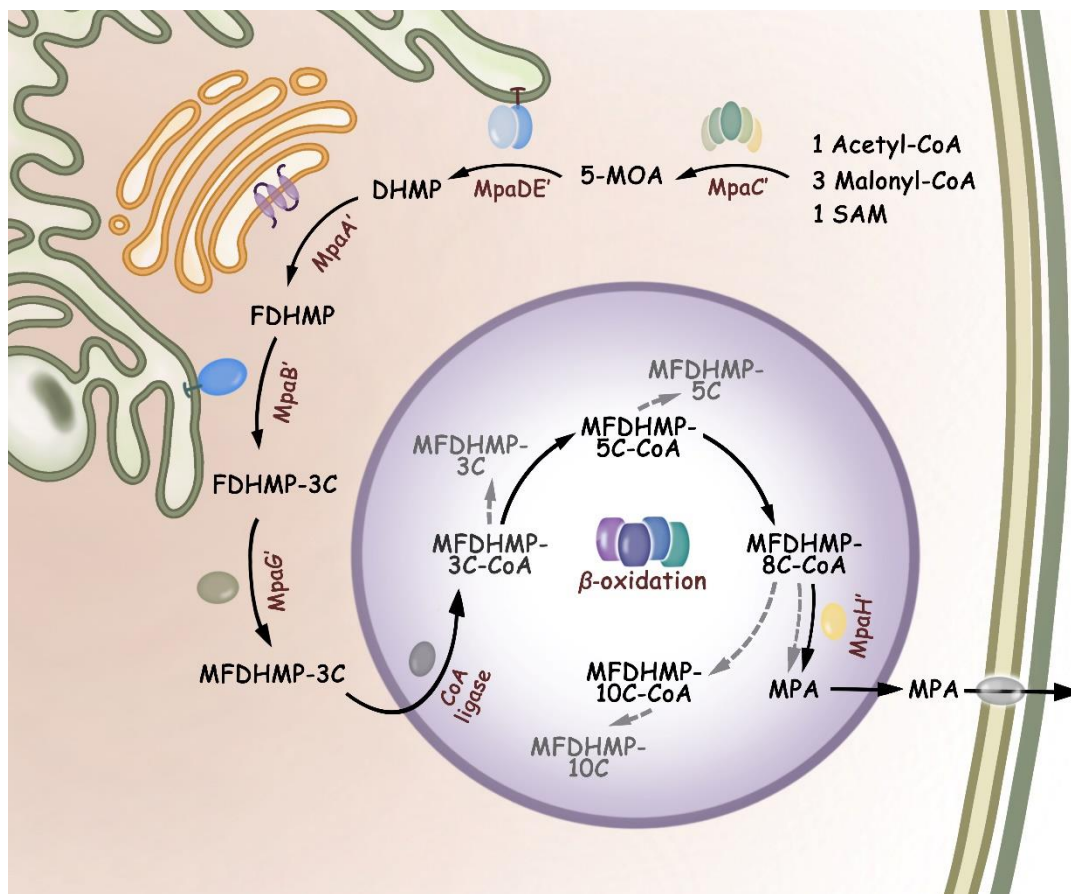
393

394 **Fig. 2.** HPLC analysis (254 nm) of *Aspergillus oryzae* M-2-3 (*Ao<sub>M-2-3</sub>*) precursor feeding  
 395 experiments and *Penicillium brevicompactum* NRRL 864 (*Pb<sub>864</sub>*) knockout mutants (*ex*: the  
 396 extracellular extracts; *in*: the intracellular extracts). (A). Precursor feeding studies of the *Ao<sub>M-2-3</sub>*  
 397 mutant strains that express a single *mpa*' gene. (B). Product profiles of the wild type and mutant  
 398 *Pb<sub>864</sub>* strains. (C). Precursor feeding studies of the *Ao<sub>M-2-3</sub>* mutant strains with co-expression of *mpa*'  
 399 genes. (D). Quantitative analysis of the production of DMMPA and FDHMP derivatives.



400

401 **Fig. 3.** High-resolution confocal images for subcellular localization of MpaH', MpaB', MpaDE',  
402 and MpaA' in *AOM-2-3*. (A). The GFP-MpaH' localization; (B). The peroxisomal localization of  
403 RFP<sup>SKL</sup>; (C). The merged images of A and B in bright field; (D). The GFP-MpaH'<sup>ΔGKL</sup> localization;  
404 (E). The MpaB'-GFP localization; (F). The localization of endoplasmic reticulum by “ER-  
405 Tracker<sup>TM</sup> Red”; (G). The localization of multiple nuclei by DAPI; (H).The merged images of E–  
406 G in bright field; (I). The MpaDE'-GFP localization; (J). The localization of endoplasmic  
407 reticulum by “ER-Tracker<sup>TM</sup> Red”; (K). The localization of multiple nuclei by DAPI; (L). The  
408 merged images of I–K in bright field; (M). The GFP-MpaA' localization; (N). The localization of  
409 Golgi complex with CellLight<sup>TM</sup> Golgi-RFP; (O).The merged images of M and N in bright field.



410

411 **Fig. 4.** The schematic compartmentalized MPA biosynthesis (Solid arrows: the major pathway;  
412 dashed arrows: the shunt pathways), which is sequentially mediated by the cytosolic polyketide  
413 synthase MpaC', the ER-bound P450-hydrolase fusion enzyme MpaDE', the Golgi apparatus-  
414 associated prenyltransferase MpaA', the ER-bound oxygenase MpaB', the cytosolic *O*-  
415 methyltransferase MpaG', and the  $\beta$ -oxidation machinery and the acyl-CoA hydrolase MpaH' in  
416 peroxisomes.