

1 **A quantitative, genome-wide analysis in *Drosophila***
2 **reveals transposable elements' influence on gene**
3 **expression is species-specific**

4

5 Marie Fablet^{1,2}, Judit Salces-Ortiz^{1,6}, Angelo Jacquet^{1,7}, Bianca F. Menezes^{1,8}, Corentin Dechaud³,
6 Philippe Veber¹, Camille Noûs⁴, Rita Rebollo⁵, Cristina Vieira¹

7

8 ¹ Laboratoire de Biométrie et Biologie Evolutive, Université de Lyon; Université Lyon 1; CNRS;
9 UMR 5558, Villeurbanne, France.

10 ² Institut Universitaire de France (IUF)

11 ³ Institut de Génomique Fonctionnelle de Lyon, Univ Lyon, CNRS UMR 5242, Ecole Normale
12 Supérieure de Lyon, Université Claude Bernard Lyon 1, 46 allée d'Italie, F-69364 Lyon, France

13 ⁴ Laboratoire Cogitamus

14 ⁵ Univ Lyon, INRAE, INSA-Lyon, BF2I, UMR 203, 69621 Villeurbanne, France.

15 ⁶ Current address: Institute of Evolutionary Biology (CSIC-Universitat Pompeu Fabra) Pº Marítimo
16 de la Barceloneta, 37-49 08003 Barcelona, Spain

17 ⁷ Current address: Symbiotron; FR3728 Biodiversité, Eau, Environnement, Ville, Santé; Université
18 Claude Bernard Lyon 1; Villeurbanne 69622, France

19 ⁸ Current address: Federal Institute of Rio de Janeiro (IFRJ), Pinheiral – RJ, Brazil

20

21 **Corresponding authors:** marie.fablet@univ-lyon1.fr; cristina.vieira@univ-lyon1.fr

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24 Abstract

25 Transposable elements (TEs) are parasite DNA sequences that are able to move and multiply along the
26 chromosomes of all genomes. They are controlled by the host through the targeting of silencing epigenetic
27 marks, which may affect the chromatin structure of neighboring sequences, including genes. In this study, we
28 used transcriptomic and epigenomic high-throughput data produced from ovarian samples of several
29 *Drosophila melanogaster* and *Drosophila simulans* wild-type strains, in order to finely quantify the influence
30 of TE insertions on gene RNA levels and histone marks (H3K9me3 and H3K4me3). Our results reveal a
31 stronger epigenetic effect of TEs on ortholog genes in *D. simulans* compared to *D. melanogaster*. At the
32 same time, we uncover a larger contribution of TEs to gene H3K9me3 variance within genomes in
33 *D. melanogaster*, which is evidenced by a stronger correlation of TE numbers around genes with the levels
34 of this chromatin mark in *D. melanogaster*. Overall, this work contributes to the understanding of species-
35 specific influence of TEs within genomes. It provides a new light on the considerable natural variability
36 provided by TEs, which may be associated with contrasted adaptive and evolutionary potentials.

37

38 Introduction

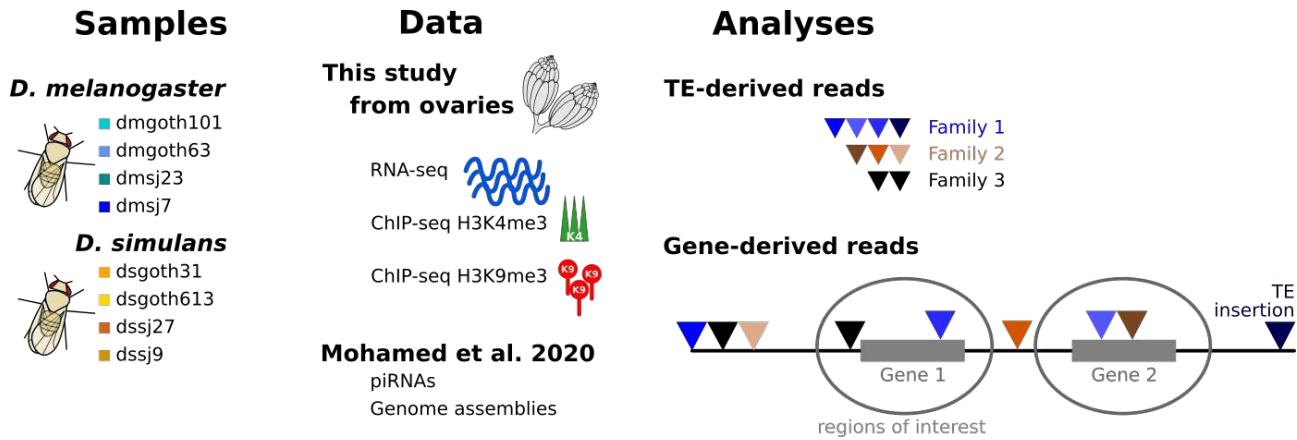
39 Transposable elements (TEs) are parasite DNA sequences that are able to move and multiply along the
40 chromosomes of all genomes (Wells and Feschotte, 2020). They are source of mutations and genome
41 instability if uncontrolled (Biémont and Vieira, 2006; Malone and Hannon, 2009; Senti and
42 Brennecke, 2010). Control of TEs generally consists in the targeting of particular chromatin marks to TE
43 copies, which induce transcriptional gene silencing and may spread to neighboring sequences and impact
44 gene expression. In this regard, few attempts were made to finely analyze and quantify TEs' influence at the
45 whole genome scale (Cridland et al., 2015; Hollister and Gaut, 2009; Huang et al., 2016; Lee and Karpen,
46 2017; Uzunović et al., 2019; Wei et al., 2022). In addition, since the very beginning of TE studies, species-
47 specific differences in TE contents, activities and control pathways have been reported in nature, and
48 particularly between *D. melanogaster* and *D. simulans* (Akkouche et al., 2013, 2012; Fablet et al., 2014;
49 Kofler et al., 2015b; Lee and Karpen, 2017; Mérel et al., 2020; Vieira et al., 2012, 1999). Previous
50 research described the effects of TE insertions on gene expression using collections of strains of
51 *D. melanogaster* (Cridland et al., 2015; Everett et al., 2020; Osada et al., 2017; Zhang et al., 2020), and other
52 studies focusing on a few TE families in wild-type strains of *D. simulans* and *D. melanogaster* uncovered
53 between-species differences in histone mark landscapes (Rebollo et al., 2012a). Lee and Karpen (Lee and
54 Karpen, 2017) provided an analysis on the repressive histone mark H3K9me2 (Histone 3 Lysine 9
55 dimethylation) around TEs from two *Drosophila* Genetic Reference Panel (DGRP) strains
56 (*D. melanogaster*), and concluded to pervasive epigenetic effects of TEs. However, rather than H3K9me2, it
57 is H3K9me3 (Histone 3 Lysine 9 trimethylation) that is known to be associated with the activity of dual-

58 stranded piRNA clusters and the production of TE-derived silencing piRNAs (Le Thomas et al., 2013; Mohn
59 et al., 2014; Sienski et al., 2012). H3K9me3 differs from H3K9me2 in that it is more strongly bound by
60 Rhino, which is abundant in ovaries and leads to piRNA production through alteration of the local
61 transcription program (Mohn et al., 2014).

62 Several limitations remained from the previous studies, which we propose to address in the present work.
63 First, we connect TE insertion polymorphism, RNA-seq, ChIP-seq on two histone marks, and small RNA-
64 seq data on the same strains. We use eight previously characterized, wild-type strains of *D. melanogaster* and
65 *D. simulans* (Mohamed et al., 2020) that are derived from samples collected in France and Brazil, two strains
66 per location and per species. Using the Oxford Nanopore long read sequencing technology, we previously
67 produced high quality genome assemblies at the chromosome resolution for each strain, which provides us
68 with the various TE insertion sites in each genome (Mohamed et al., 2020). Second, all data are produced
69 from ovaries, *i.e.* the exact same tissue and not mix of tissues. As previously stated, Rhino is known to bind
70 to H3K9me3 and promote the non-canonical transcription of dual-stranded piRNA clusters, in ovaries only
71 (Mohn et al., 2014). Therefore, we expect the strongest control of TEs in this tissue and thus potentially the
72 strongest impact on neighboring genes. In particular, we can speculate that genes located nearby TE
73 insertions may be affected by the local production of piRNAs and hence we searched for gene-derived
74 piRNAs, in association with increased levels of H3K9me3 deposition on gene sequences. We also studied
75 H3K4me3 (Histone 3 Lysine 4 trimethylation), which is known to be associated with active, canonical
76 transcription. Third, the production of genome-wide data from four wild-type strains of *D. melanogaster* and
77 four wild-type strains of *D. simulans* brings the opportunity to statistically test for species-specific
78 differences and provide a quantitative assessment of the contribution of TEs to gene expression, in a
79 comparative genomics perspective (Fig. 1). In addition, the use of linear models allows to finely quantify and
80 compare the contributions at different levels.

81 The original approach and subsequent analyses reveal a stronger epigenetic influence of TEs on orthologous
82 genes in *D. simulans* compared to *D. melanogaster*, and are in agreement with the recent work published by
83 Lee's lab (Huang et al., 2022). At the same time, we uncover a larger contribution of TEs to genome
84 architecture in *D. melanogaster*: in particular, TE insertions contribute more to gene H3K9me3 level
85 variance in *D. melanogaster* compared to *D. simulans*, which is evidenced by a stronger association of TEs
86 around genes with the levels of this chromatin mark in *D. melanogaster*. Overall, this work contributes to the
87 understanding of species-specific influence of TEs within genomes. As a whole, these results participate in
88 the accurate, quantitative understanding of TEs' impacts on genomes, and highlight the species-specific
89 differences in the interaction between TEs and the host genome. This provides a new light on the
90 considerable natural variability resulting from TEs, which may be associated with contrasted adaptive and
91 evolutionary potentials, all the more sensible in a rapidly changing environment (Baduel et al., 2021; Fablet
92 and Vieira, 2011; Mérel et al., 2021).

93



94

95 **Figure 1. Graphic summary of the study.**

96 Eight wild-type strains from *D. melanogaster* and *D. simulans* were included in the study. The present
97 datasets are RNA-seq and ChIP-seq for H3K4me3 and H3K9me3 marks, and were prepared from ovarian
98 samples. They were analyzed in parallel with already published data produced from the same *Drosophila*
99 strains: ovarian small RNA repertoires and genome assemblies based on Oxford Nanopore long read
100 sequencing (Mohamed et al., 2020). For RNA-seq and ChIP-seq, TE-derived reads were analyzed at the TE
101 family level, and gene-derived reads were analyzed in relation to TE insertions inside or near genes
102 (therefore restricted to the TE insertions included within the gray bubbles).

103

104

Results

105

TE expression and epigenetic targeting in *Drosophila* ovaries

106 We first considered TE-derived RNA-seq reads from all samples, which we analyzed at the TE-family level
107 (Fig. 1). As performed by other research studies (Chakraborty et al., 2021; Kofler et al., 2015b), we removed
108 the non-autonomous *DNAREP1* helentron (also known as *INE-1*) from our analyses because it is a highly
109 abundant element displaying mainly fixed insertions in the *melanogaster* complex of species (Thomas et al.,
110 2014). However, a recent study revealed an expansion of this family in the *Drosophila nasuta* species group
111 (Wei et al., 2022), indicating its activity and potential genomic impacts. We therefore performed a
112 *DNAREP1*-dedicated analysis, apart from the other families. TEs account for 0.6% to 1.2%, and 0.5% to
113 0.7%, of read counts corresponding to annotated sequences (genes and TEs) within the ovarian
114 transcriptomes of *D. melanogaster* and *D. simulans* strains, respectively (Fig. 2A), and *DNAREP1* accounts
115 for 6% to 13%, and for 5% to 9% of the total number of TE read counts in *D. melanogaster* and *D. simulans*,
116 respectively. This contribution is very weak with regard to the ~4,000 copies of *DNAREP1* identified by our
117 procedure within each genome. We removed *DNAREP1* and found significant positive correlations between
118 per TE family RNA counts and family sequence occupancy (quantified as the total number of bp spanned by

119 each TE family along the genome) (Spearman correlations, $\rho = 0.33$ to 0.37 , and 0.39 to 0.44 , in
120 *D. melanogaster* and *D. simulans*, respectively; Supplemental Fig. S2A). Regarding TE-derived piRNA
121 production, it was previously described in control conditions in wild-type strains that the amounts of piRNAs
122 were positively correlated with the amounts of RNAs, at the TE family level (Lerat et al., 2017). This
123 remains true in the present dataset: we find significant positive correlations between per TE family RNA
124 counts and piRNA counts (Spearman correlations, $\rho = 0.39$ to 0.48 , and 0.48 to 0.56 , in *D. melanogaster*
125 and *D. simulans*, respectively; Supplemental Fig. S2B). In both cases, correlations are significantly stronger
126 in *D. simulans*, compared to *D. melanogaster* (Wilcoxon rank tests for *D. melanogaster* vs *D. simulans*
127 comparisons; correlation coefficients between TE RNA counts and TE sequence occupancy: p -value = 0.029 ;
128 correlation coefficients between TE RNA counts and TE piRNA counts: p -value = 0.029), suggesting a more
129 efficient production of TE-derived piRNAs.

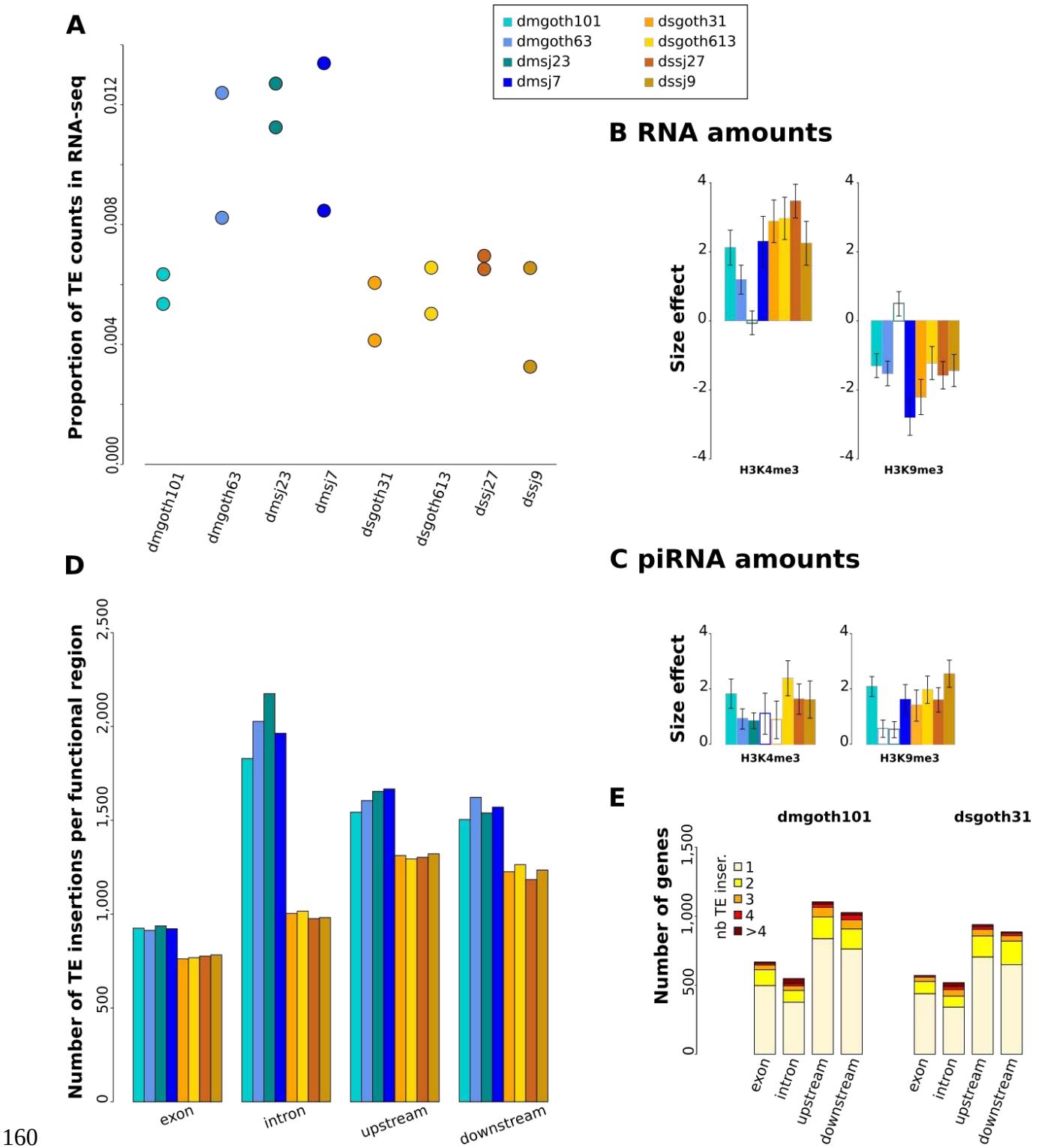
130 We assessed the contribution of histone mark enrichment to TE RNA amounts considering the following
131 linear model on log-transformed normalized read counts: RNA \sim H3K4me3 + H3K9me3 + input. These
132 models led to adjusted r^2 as high as 0.48 to 0.64 depending on the strains in *D. melanogaster* and 0.45 to
133 0.60 in *D. simulans*, suggesting that these models capture significant portions of TE RNA amount variation.
134 We find that TE RNA amounts are positively correlated with H3K4me3 and negatively correlated with
135 H3K9me3 amounts (Fig. 2B), as expected considering that H3K4me3 is an activating mark while H3K9me3
136 is a silencing one. We used a similar approach to analyze piRNA amounts, and considered the following
137 linear model on log-transformed read counts: piRNA \sim H3K4me3 + H3K9me3 + input. We obtained even
138 higher adjusted r^2 values, from 0.70 to 0.75 , and 0.64 to 0.68 , depending on the strains in *D. melanogaster*
139 and *D. simulans*, respectively. We find that TE-derived piRNA amounts are positively correlated both with
140 permissive H3K4me3 and repressive H3K9me9 levels (Fig. 2C). The tighter correlations may be due to the
141 strong dependency of piRNA production mechanisms on chromatin marks and H3K9me3 in particular, while
142 RNA transcription also involves other factors, such as transcription factors, which binding sites vary a lot
143 across TE sequences.

144

145 TE insertions within or nearby genes

146 In the following sections, we focus on gene-derived reads from all samples, which we analyzed with regard
147 to the presence of TE insertions within or nearby genes (Fig. 1). Based on gene annotations, we distinguished
148 the different functional regions of genes: exons, introns, upstream, or downstream sequences (5 kb flanking
149 regions). Exons are both UnTranslated Regions (UTRs) and Coding Sequences (CDSs). Sequences that may
150 both behave as exons or introns depending on alternative splicing are included in “exons”. In this first step,
151 we considered a set of 17,417 annotated genes for *D. melanogaster*, and 15,251 for *D. simulans* (see
152 Material and Methods). We quantified the number of TE insertions within genes (Fig. 2D), and found that

153 they account for ~16% and ~25% of the total number of TE insertions per genome in *D. melanogaster* and
154 *D. simulans*, respectively. The lower proportion observed in *D. simulans* for TE insertions retained within
155 genes suggests a stronger selection against TE insertions in this species compared to *D. melanogaster*. In
156 both species, the majority of genes (93%) are devoid of TE insertions within gene bodies, and very few
157 display more than one TE insertion (Fig. 2E, Supplemental Fig. S1). Among the copies of *DNAREP1* that we
158 identified along the genomes, our analysis revealed that 1,343 to 1,374 insertions from this family are found
159 within genes in *D. melanogaster*, and 1,075 to 1,089 insertions in *D. simulans* (Supplemental Fig. S3).



160
161 **Figure 2.** (A) Proportions of TE read counts in RNA-seq data relative to read counts corresponding to genes
162 and TEs. For each strain, two biological replicates are shown. (B) Contributions of H3K4me3 and H3K9me3
163 enrichment to TE-derived RNA read counts (according to the model RNA \sim H3K4me3 + H3K9me3 + input
164 calculated on log10 transformed read count numbers, at the TE family level). Colored bars: p-values < 0.05,
165 empty bars: p-values > 0.05. Error bars are standard errors. (C) Contributions of H3K4me3 and H3K9me3
166 enrichment to TE-derived piRNA read counts (according to the model piRNA \sim H3K4me3 + H3K9me3 +

167 input calculated on log10 transformed read count numbers, at the TE family level). Colored bars: p-values
168 < 0.05, empty bars: p-values > 0.05. Error bars are standard errors. (D) Number of TE insertions per
169 functional region per strain. Upstream and downstream regions are 5 kb sequences directly flanking
170 transcription units 5' and 3', respectively. (E) Number of genes for each value of TE insertion numbers.
171 dmgoth101 and dsgoth31 are shown as examples; all strains can be found in Supplemental Fig. S1.

172

173 **TE insertions are associated with variability in expression and**
174 **histone enrichment between ortholog genes**

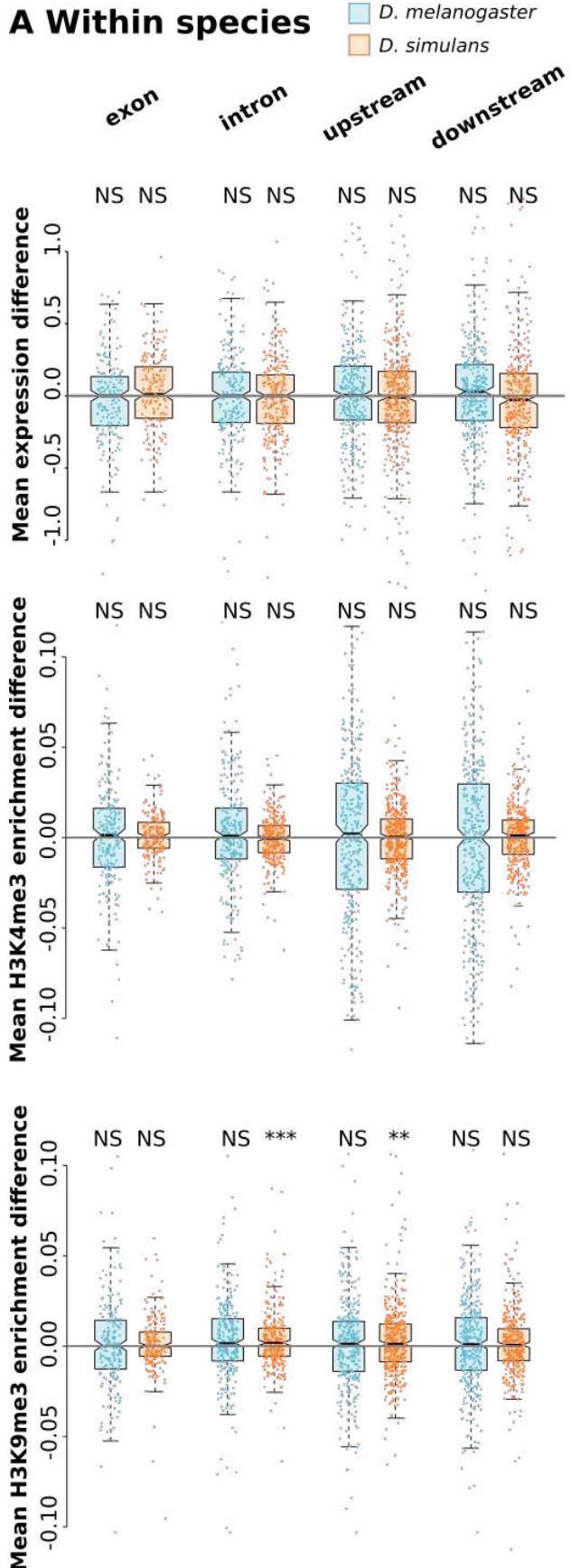
175 We used our experimental dataset to infer the contribution of TE insertions at the inter-genomic level, *i.e.* we
176 compared expression levels of the same genes across genomes. We focused on the subset of genes that we
177 found expressed in the ovaries (see Material and Methods), *i.e.* 7,883 to 8,135 genes depending on the strains
178 of *D. melanogaster*, and 7,653 to 8,121 genes in *D. simulans*. We first considered *D. melanogaster* and
179 *D. simulans* separately. For each gene that displays variation in TE insertion numbers across strains, we
180 computed the mean difference of gene expression (TPM, scaled by gene average) between the strain that had
181 the highest TE insertion numbers and the strain that had the lowest. When several strains had the same
182 numbers of TE insertions, we computed their average gene expression level. We performed the same
183 approach on histone enrichment. Our assumption was that a general effect of TE insertions would shift the
184 distribution of the mean difference away from 0. This is not what we observed for RNA levels nor for
185 H3K4me3 enrichment (0 departure t tests, all p-values > 0.05) (Fig. 3). However, we find an increase in
186 H3K9me3 enrichment associated with high TE insertion numbers, but only in *D. simulans* and for TE
187 insertions within introns and upstream genes (0 departure t test; within introns: mean difference = 0.003, p-
188 value = 0.0005; upstream: mean difference = 0.003, p-value = 0.0019). These results are congruent with
189 recent studies, which observed a clear association between TE insertions and heterochromatin but no
190 predominant negative impact on the expression of neighboring genes (Huang et al., 2022; Wei et al., 2022).

191 We also took the opportunity to consider 1:1 ortholog genes (6,417 genes) so as to include all eight strains
192 (*D. melanogaster* and *D. simulans*) in the same analysis. Computation strategies were the same as above and
193 revealed significant decreases in RNA levels for strains with the highest TE insertion numbers in exons
194 (mean difference = -0.129, p-value = 1e-10) and introns (mean difference = -0.077, p-value = 9e-5). We also
195 found significant increase in H3K4me3 levels as well as H3K9me3 levels for strains with the highest TE
196 insertion numbers in exons and introns (H3K4me3, TEs within exons: mean difference = 0.012, p-value =
197 0.0201; within introns: mean difference = 0.019, p-value = 1e-5; H3K9me3, TEs within exons: mean
198 difference = 0.037, p-value = 0.0092; within introns: mean difference = 0.028, p-value = 2e-5). However,
199 such an analysis including all strains from both species at once has to be considered with caution because

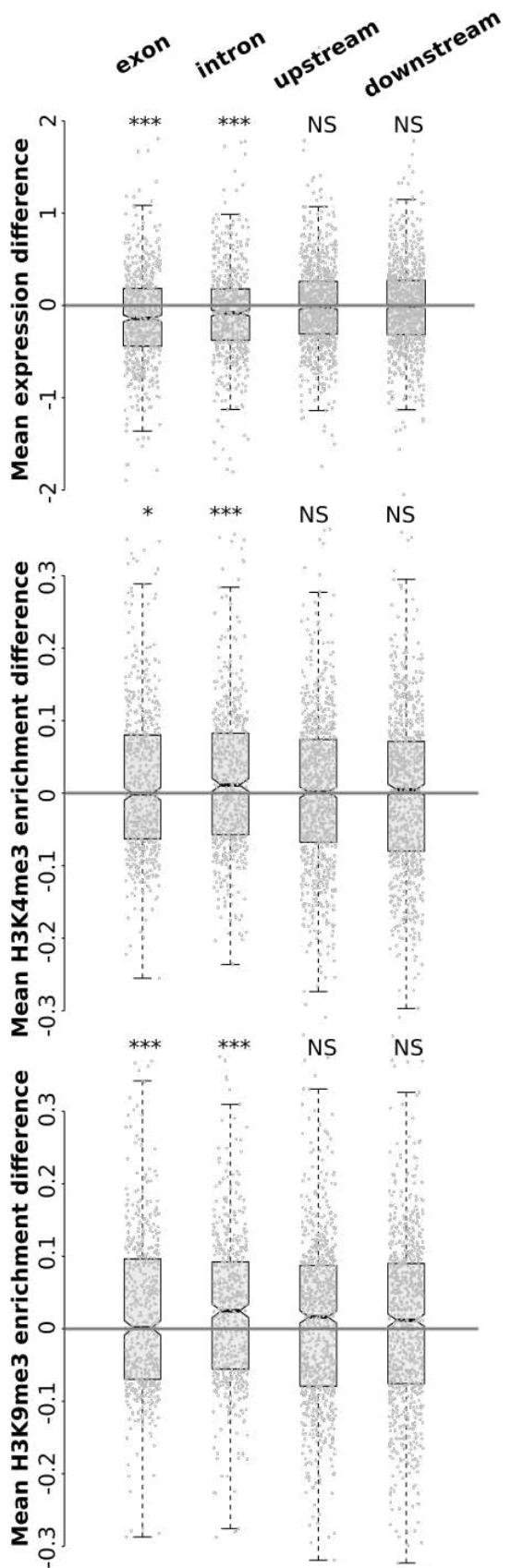
200 gene sequences differ across species (GC content, length, etc.), which may interfere with mapping and read
201 counting, and was not accounted for in this work.

202

A Within species



B Across species



204 **Figure 3. Variability in gene expression and histone enrichment according to TE insertion numbers**
205 **across strains.** (A) Mean expression difference (in TPM, scaled by gene average) between strains with the
206 highest and the lowest TE insertion numbers for each region of each gene; mean histone enrichment
207 difference (log-transformed, scaled by gene average) between strains with the highest and the lowest TE
208 insertion numbers. Analyses are performed separately for both species (blue: *D. melanogaster*, orange:
209 *D. simulans*), only considering genes that show different TE insertion numbers across strains. Significance
210 levels correspond to t tests comparing observed mean to 0. (B) Same analyses across all eight strains
211 considering 1:1 ortholog genes. Significance levels correspond to t tests comparing observed mean to 0: p-
212 value 0 *** 0.001 ** 0.01 * 0.05.

213

214 **TE insertions are associated with RNA level variability across** 215 **genes within genomes**

216 One of the novelties of the present work is to quantify the contribution of TE insertions to the variance in
217 gene expression levels within distinct genomes. Again, we focused on the subset of genes that we found
218 expressed in the ovaries. We quantified TE insertion contribution to gene RNA levels using the following
219 linear models built on log-transformed TPM (Transcript Per Million): TPM ~ exon + intron + upstream +
220 downstream, where these variables correspond to the number of TE insertions within exons, introns, 5 kb
221 upstream, and 5 kb downstream regions, respectively. We find that TE insertions contribute significantly,
222 albeit weakly, to gene expression variance (Fig. 4A): 1.6% to 1.9% of total variance in *D. melanogaster*;
223 1.2% to 1.9% in *D. simulans*. These values may look low at first sight; however, gene expression levels are
224 known to be primarily regulated by many other factors, such as transcription factor binding, sequence
225 composition and polymorphism, etc. This reveals that our approach is powerful enough to capture low levels
226 of variation and that TEs are significant actors of this variability. Although total contribution to gene
227 expression variance does not differ between species (Wilcoxon rank test, p-value = 0.685), we found
228 significant differences when considering specific gene regions. For instance, the contribution of TE
229 insertions within introns was higher in *D. simulans* compared to *D. melanogaster* (mean values: 0.03% vs
230 0.14%; Wilcoxon rank test, p-value = 0.029), while the contribution of TE insertions downstream genes was
231 higher in *D. melanogaster* compared to *D. simulans* (mean values: 0.06% vs 0.21%; Wilcoxon rank test, p-
232 value = 0.029).

233 When we computed the corresponding size effects, we observed significant, negative associations between
234 gene expression levels and TE insertions within exons and introns, and significant, positive associations for
235 TE insertions around genes (Fig. 4B). The association with gene expression was stronger for
236 *D. melanogaster* compared to *D. simulans* for downstream TE insertions (Fold-change = 1.6; Wilcoxon rank
237 test, p-value = 0.029), and it was stronger in *D. simulans* compared to *D. melanogaster* for TE insertions

238 within introns (Fold-change = 6.2; Wilcoxon rank test, p-value = 0.029) and upstream TE insertions (Fold-
239 change = 1.9; Wilcoxon rank test, p-value = 0.029).

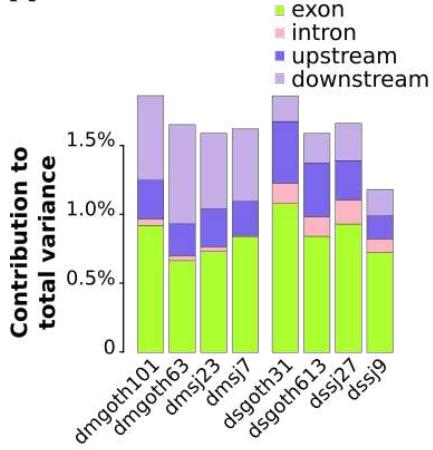
240 Nevertheless, one could argue that the species-specific differences that we observe here are due to gene sets
241 not being exactly the same across species. In order to correct for this bias, we focused on the subset of 6,417
242 genes that have 1:1 ortholog in the other species and that are expressed in ovaries. The results were very
243 similar regarding size effects, reinforcing our conclusions (Supplemental Fig. S3). However, we noticed that
244 TE contribution to gene expression variance was increased in this subset of genes: 3.2% and 2.9% on
245 average in *D. melanogaster* and *D. simulans*, respectively (Supplemental Fig. S3).

246 Collectively, our data show a weak but significant contribution of TEs to the variance in gene expression
247 within genomes, which varies across species and is due to negative correlations between gene RNA levels
248 and TE numbers in exons and introns, and positive correlations with TE numbers upstream and downstream
249 genes.

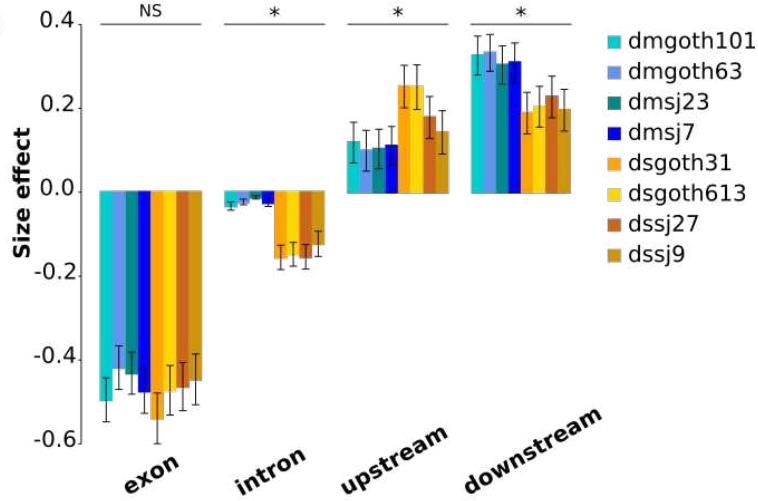
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RNA levels

A

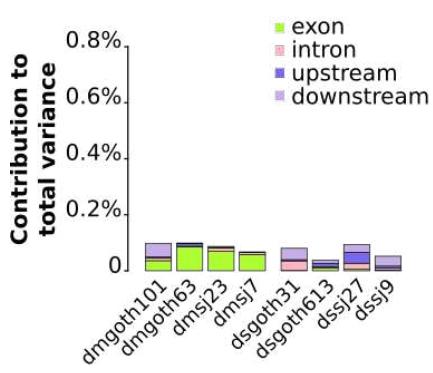


B

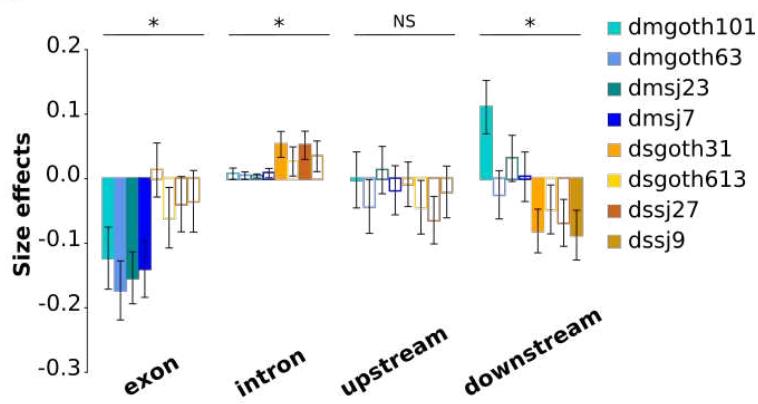


H3K4me3 levels

C

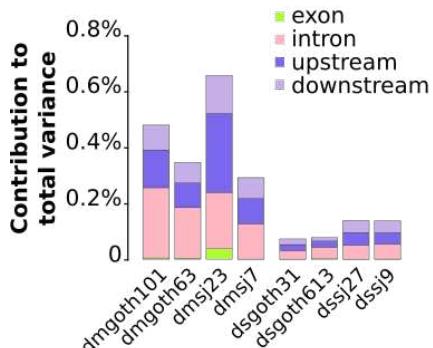


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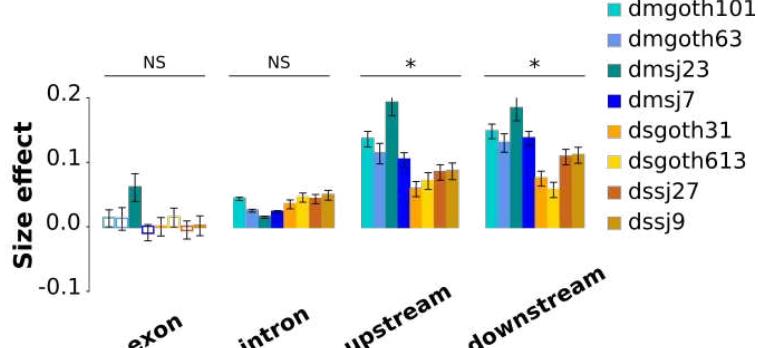


H3K9me3 levels

E



F



251

252 **Figure 4.** (A) Contribution of TE insertion numbers to gene expression total variance estimated using the
253 linear model gene TPM (log) ~ exon + intron + upstream + downstream, and (B) corresponding size effects.
254 (C) Contribution of TE insertion numbers to gene H3K4me3 total variance estimated using the linear model
255 gene H3K4me3 level (log) ~ exon + intron + upstream + downstream, and (D) corresponding size effects.

256 (E) Contribution of TE insertion numbers to gene H3K9me3 total variance estimated using the linear model
257 gene H3K9me3 level (log) \sim exon + intron + upstream + downstream, and (F) corresponding size effects.
258 Significance indications above graphs in (B, D, E) are *D. melanogaster* vs *D. simulans* comparisons using
259 Wilcoxon rank tests. Colored bars: p-values < 0.05 , empty bars: p-values > 0.05 . Error bars are standard
260 errors.

261

262 **TE insertions are associated with histone enrichment
263 variability across genes within genomes**

264 We used a similar approach to analyze H3K4me3 and H3K9me3 enrichment (*i.e.* we aligned ChIP-seq reads
265 against whole gene sequences and computed corresponding read counts). We found that TE insertions
266 contributed significantly (except in dsgoth613), albeit very weakly, to gene H3K4me3 levels variance
267 (0.07% to 0.10% total variance in *D. melanogaster*; 0.04% to 0.09% in *D. simulans*; Wilcoxon rank test for
268 *D. melanogaster* vs *D. simulans* comparison, p-value = 0.200) (Fig. 4C). When computing size effects, the
269 only significant and consistent result is a negative association of TE insertions within exons with gene
270 H3K4me3 levels, in *D. melanogaster* only (Fig. 4D).

271 The contribution of TE insertions to total variance is higher for H3K9me3 levels: 0.29% to 0.65% in
272 *D. melanogaster*, and 0.07% to 0.14% in *D. simulans* (Fig. 3E; Wilcoxon rank test for *D. melanogaster* vs
273 *D. simulans* comparison, p-value = 0.029). The largest contribution comes from TE insertions around genes
274 and within introns, while TE insertions within exons virtually do not contribute to H3K9me3 variance. The
275 computation of size effects reveals a consistent, positive association of TE insertions within introns,
276 upstream and downstream genes with H3K9me3 levels, in both species. These results are in agreement with
277 TEs being the preferential targets for H3K9me3 deposition, which then spreads to neighboring regions (Le
278 Thomas et al., 2013; Rebollo et al., 2011). Alternatively, we cannot exclude that they may also lie in
279 particular chromatin environments where there is retention bias (Sultana et al., 2017), and that the
280 associations detected here are due to these particular chromatin features. The effects are stronger in
281 *D. melanogaster* compared to *D. simulans* for TE insertions around genes (Fig. 4F; Upstream: fold-change =
282 1.8, Wilcoxon rank test, p-value = 0.029; Downstream: fold-change = 1.7, Wilcoxon rank test, p-value =
283 0.029).

284 When considering only the set of 1:1 orthologous genes, patterns are highly similar for size effects, except
285 that the association between TE insertions within introns and H3K9me3 levels is now significantly stronger
286 in *D. melanogaster* compared to *D. simulans*. In addition, the contribution to H3K4me3 total variance is
287 higher for this subset of genes compared to the total set, although it remains very low, up to 0.73% in
288 *D. melanogaster* and 0.37% in *D. simulans*. (Supplemental Fig. S3).

289 While the observation of concomitant negative correlations with RNA levels and positive correlations with
290 H3K9me3 for TE insertions within introns is in agreement with a negative impact of a heterochromatic mark
291 on gene expression, the results for TE insertions around genes appears a little bit at odds. Indeed, TE
292 insertions upstream and downstream of genes are at the same time positively correlated with RNA levels and
293 H3K9me3 enrichment. One hypothesis for these TE insertions could be that their positive association with
294 RNA levels is due to the multiple transcription factor binding sites that they bring —some transcription
295 factors such as CTCF are known to be insensitive to chromatin (Isbel et al., 2022)—, and this ends up
296 counteracting the negative impact of H3K9me3 targeting.

297

298 **Patterns are globally conserved across TE classes and ages**

299 We next analyzed TE insertions according to TE class, *i.e.* LTR (Long Terminal Repeat) elements, LINEs
300 (Long Interspersed Nuclear Elements), DNA transposons, and *DNAREP1*. We used the same linear models
301 on the same sets of genes, but considering only TE insertions belonging to each particular class. TE insertion
302 numbers vary across classes (Supplemental Fig. S4), which leads to differences in statistical power (the
303 higher power associated with the higher number of TE insertions). Despite this, the computation of size
304 effects on gene RNA levels, H3K4me3, and H3K9me3 levels revealed highly consistent patterns across TE
305 classes (Supplemental Fig. S4). *DNAREP1* patterns are similar to other DNA transposons. The major
306 difference with global patterns (Fig. 4) is a trend for a positive association of DNA transposons and
307 *DNAREP1* insertions in exons with gene expression in *D. melanogaster* only. Differences between
308 transposons (DNA transposons and *DNAREP1*) and retrotransposons (LTR elements and LINEs) might be
309 related to different waves of transposition: Kofler *et al.* described that LTR insertions are mostly of recent
310 origin in both species, while DNA and non-LTR insertions are older, and that DNA transposons showed
311 higher activity levels in *D. simulans* (Kofler et al., 2015b). The positive association between TE insertions in
312 exons and gene expression would be characteristics of the families with the most ancient transposition
313 activity, and potentially domestication events.

314 Irrespective of TE classes, it has already been described that TEs' impacts on genes differ across young (*i.e.*
315 polymorphic) and old (*i.e.* fixed) TE copies; this is due to the pool of old TE insertions having been purged
316 from deleterious insertions by natural selection (Hollister and Gaut, 2009). Indeed, Uzunovic *et al.*
317 (Uzunović et al., 2019) showed in the plant *Capsella* that young TE insertions had a negative effect on gene
318 expression while old insertions were more likely to increase gene expression. In this view, we distinguished
319 insertions that are unique to one genome ("private") —and therefore correspond to the most recent insertions
320 —, and those that are shared by all four strains of the species ("common") —thus the oldest ones. The
321 majority of the TE insertions that are considered here (71% to 78%) fall in the "common" category. This may
322 seem at odds regarding previous knowledge and the work of Kofler *et al.* in particular, who found that >80%

323 TE insertions had low frequency in pool seq data (Kofler et al., 2015b). However, the majority of these
324 insertions are intergenic while we only focus on TEs within or around genes in the present study, which
325 explains the differences in proportions between the two studies. The difference in subset sizes between
326 “common” and “private” categories also leads to a reduced statistical power for the set of private insertions.
327 Despite this difference, the observed patterns are rather consistent between both sets of TEs, and very similar
328 to the global patterns including all TEs regardless of insertion polymorphism (Fig. 4, Supplemental Fig. S5).
329 In the “common” pool, we do not observe the positive association between TE insertions in exons and gene
330 expression reported by (Uzunović et al., 2019), maybe because the majority of these insertions are not old
331 enough, or at least not as old as the above-described DNA transposon pool in *D. melanogaster*. Since our
332 approach is gene-centered (Fig. 1), it is very likely that our complete set of TE insertions is already biased:
333 when deleterious, insertions within or near genes have such a negative impact that we are not able to catch
334 them from natural samples. Therefore, our complete set of TE insertions may already correspond to copies
335 that have passed the filter of natural selection, and thus does not show critical differences between
336 “common” and “private” patterns. However, some species-specific difference appears in the private set of
337 insertions within introns: they display stronger negative association with gene expression levels in
338 *D. simulans* only, and stronger positive association with H3K9me3 levels in *D. melanogaster* only. We
339 speculate that this reveals species-specific differences in the efficiency of TE control at the first stages of TE
340 invasion.

341

342 **Gene-derived small RNAs and epigenetic effects**

343 It has been demonstrated that TEs are sources of piRNA biogenesis in the ovary through the action of Rhino
344 that promotes non-canonical transcription (Mohn et al., 2014). We took advantage of our extensive dataset
345 made of RNA-seq, ChIP-seq and small RNA-seq produced from the ovaries of the exact same strains to test
346 for the impact of piRNA cluster activity on neighbouring genes. In addition, siRNAs were previously shown
347 to be produced from piRNA clusters and participated in TE silencing in ovaries (Shpiz et al., 2014).
348 Therefore, we searched for gene-derived piRNAs and siRNAs, which could result from the spreading of
349 small RNA production machinery from TE insertions. We filtered small RNAs based on read length, which
350 does not allow us to distinguish siRNAs from miRNAs in the pool of 21 nt reads. We will therefore refer to
351 them as “21 nt RNAs”. In agreement with this scenario, we found a significant positive correlation between
352 gene-derived piRNAs and gene-derived 21 nt RNAs (Spearman correlation coefficients; *D. melanogaster*:
353 0.517 to 0.536; *D. simulans*: 0.526 to 0.661; all p-values < 1e-10). In addition, we found that gene-derived
354 piRNA production was significantly positively correlated with gene H3K9me3 levels (Supplemental Fig.
355 S6), as expected in case of spreading of the piRNA cluster transcription to nearby gene sequences (Spearman
356 correlation coefficients; *D. melanogaster*: 0.561 to 0.586; *D. simulans*: 0.475 to 0.525; all p-values < 1e-10).
357 Remarkably, correlations were stronger for *D. melanogaster* compared to *D. simulans* (Wilcoxon rank test,

358 p-value = 0.029). Gene-derived 21 nt RNA production was also significantly positively correlated with gene
359 H3K9me3 (Spearman correlation coefficients; *D. melanogaster*: 0.470 to 0.517; *D. simulans*: 0.437 to
360 0.504; all p-values < 1e-10) but the strength of the correlation was not significantly different between
361 species.

362 In addition, our expectation is that the epigenetic spreading from piRNA clusters should be stronger for more
363 recent TE insertions, which are expected to be potentially more harmful because recently active. Therefore,
364 in order to focus on these recent TE insertions, we studied genes which polymorphic TE insertions were only
365 “private”. We found that piRNA production from these genes were more frequently higher than the third
366 quartile than expected (except in dsgoth613) (Supplemental Table S1). These results demonstrate that the
367 control of TE sequences by the piRNA pathway impacts neighboring genes through the production of gene-
368 derived small RNAs and the increased deposition of H3K9me3 marks.

369

370

371 **Discussion**

372 The common-held view is that, as parasites that are fought against by the genomes, TEs have a general
373 negative impact on gene expression (Cridland et al., 2015; Lee, 2015; Lee and Karpen, 2017). Our present
374 findings are in agreement with this idea. However, the originality of this research work is to provide an
375 unprecedented quantitative view, which allows to precisely decipher TE impacts, integrating data gathered
376 from wild-type strains of two closely related *Drosophila* species. This study combines genomic,
377 transcriptomic, and epigenetic high-throughput sequence data, all produced from ovaries, where TEs are
378 tightly controlled by epigenetic mechanisms through the piRNA pathway (Malone and Hannon, 2009; Senti
379 and Brennecke, 2010) and therefore where we are to expect the strongest impacts of TEs on genes.

380

381 **Expression and epigenetic marks of TE sequences**

382 Our results uncover a lower contribution of TEs to the *D. simulans* transcriptome as compared to
383 *D. melanogaster* (0.6% vs 1.1% on average, Fig. 2A). This is in agreement with the previously described
384 lowest contribution of TEs in the genomes of *D. simulans* in terms of sequence occupancy and copy numbers
385 (Mohamed et al., 2020; Vieira et al., 1999). However, these figures are not proportional to TE abundances in
386 the genomes of both species (12.2% vs 19.3% (Mérel et al., 2020)) and indicate a stronger inhibition of TE
387 expression in *D. simulans* compared to *D. melanogaster*. In both species, we found that H3K9me3 marks on
388 TE sequences are associated with a decrease in TE-derived RNA amounts, and the opposite for H3K4me3
389 marks. On the contrary, we observed that both histone marks are positively correlated with TE-derived

390 piRNA amounts, which is congruent with the piRNA-targeted deposition of H3K9me3 marks at
391 transcriptionally active TE copies (Czech et al., 2018; Sienski et al., 2012). However, one should note that
392 these results reflect average behaviors at the TE family level, and TE copies may differ from one another
393 within TE families.

394 What emerges from the different analyses that we performed is a remarkable variability across TEs, as
395 illustrated by the width of dot distributions in Fig. 3 for instance. This highlights the huge variability across
396 TE sequences on many aspects: class, family, length, insertion site preference, chromosome distribution,
397 activity, transposition rate, etc. For instance, in their pool-seq analysis of *D. melanogaster* and *D. simulans*,
398 Kofler et al. found that half of the TE families showed evidence of variation of activity through time and
399 were not the same depending on the species (Kofler et al., 2015b). It is congruent with the conclusions of
400 Wei et al., working on the *Drosophila nasuta* complex of species, who emphasize that TE insertions can have
401 multiple effects on gene expression, from no effect to silencing or over-expression (Wei et al., 2022). This
402 also echoes the work of Malone et al. and Sienski et al., who described different groups of TEs depending on
403 their sensitivity to different piRNA pathways and thus different effects on neighboring genes (Malone et al.,
404 2009; Sienski et al., 2012). In addition, it has already been suggested and demonstrated that TEs' influence
405 on gene expression is only manifested in case of stress (Naito et al., 2009), which adds another layer of
406 variability and difficulty to disentangle biological impacts.

407

408 **Intra- and inter-genomic analyses tell distinct, although complementary 409 stories**

410 In the intra-genomic analysis, we gather all expressed genes from a given genome, which we compare for
411 their TE insertions, expression level, chromatin marks, and piRNA production. These are therefore
412 heterogeneous sets of genes, which work coordinately in living cells. In the inter-genomic analysis, we
413 compare the same ortholog genes in different genomes. We assume that these genes differ mainly based on
414 their TE insertions.

415 When TE insertions are associated with differences in gene expression or chromatin state, it is very difficult
416 to tell apart whether these TE insertions are causative or not. Nevertheless, the inter-genomic analysis is a
417 way to demonstrate causality because it compares versions of the same genes but displaying different
418 numbers of TE insertions —however with the limitation of neglecting nucleotide polymorphism. This
419 approach has already successfully been followed by others and led to the conclusion of the causative role of
420 the TE insertions (Lee and Karpen, 2017; Rebolledo et al., 2011). On the contrary, in the intra-genomic study,
421 we draw general patterns from the analysis of the complete set of genes at once, which differ from TE
422 insertion numbers but also from many other aspects (sequence, length, expression level, tissue-specificity,
423 local recombination rate, etc.). The intra-genomic analysis allows to identify associations between TE

424 insertions, gene expression and chromatin environment, and therefore brings us to draw species-specific gene
425 landscapes.

426 Here, the inter-genomic analysis on the complete dataset (orthologous genes from both species, Fig. 3B)
427 reveals that TE insertions within, but not around genes, have a negative impact on gene RNA levels, and a
428 positive impact on both histone marks, H3K4me3 and H3K9me3. This H3K4me3 result may be related to
429 TEs donating promoters or *cis* regulatory sequences, as was already described on several instances
430 (Moschetti et al., 2020; Sundaram et al., 2014; Villanueva-Cañas et al., 2019) or disrupting inhibitory
431 sequences. The impact on H3K9me3, however, appears to be stronger since the net result is negative on gene
432 RNA levels. This result corresponds to TEs being a preferential target for H3K9me3 deposition (Le Thomas
433 et al., 2013), which then spreads to neighboring sequences.

434 In addition, the inter-genomic analysis reveals stronger epigenetic impacts of TE insertions in *D. simulans*
435 compared to *D. melanogaster* (Fig. 3A). These results support the previous findings from Lee & Karpen,
436 which found higher enrichment and spread of H3K9me2 from TE insertions in *D. simulans* compared to
437 *D. melanogaster* (Lee and Karpen, 2017). These results were recently confirmed in a larger set of species
438 (Huang et al., 2022). They proposed that this leads to stronger selection against TE insertions close to genes
439 in *D. simulans* compared to *D. melanogaster*, which explains the lower total number of TE insertions and
440 the lower proportion of TE insertions within or nearby genes in *D. simulans*. However, even if we were able
441 to detect mean effects of TE insertions, our results also reveal a large variety of impacts of individual TE
442 insertions —as illustrated by the width of dot distributions in Fig. 3 for instance—, either positive or
443 negative, which suggests that TE effects may not be as pervasive as previously claimed (Lee and Karpen,
444 2017).

445 On the other hand, the intra-genomic analysis confirms the already described trend of TE insertions within
446 genes to be associated with a reduction in gene RNA levels. However, our results also reveal that TE
447 insertions around genes are associated with increased gene expression on average. Overall, TE insertions are
448 virtually not associated with particular H3K4me3 patterns, except for TE insertions in exons in
449 *D. melanogaster*, which are associated with a decrease in H3K4me3. As previously known and confirmed by
450 the inter-genomic analysis, TE insertions are associated with increased levels of H3K9me3. The novelty
451 brought by the intra-genomic analysis is that the association is particularly strong for TE insertions around
452 genes and not within genes, particularly in *D. melanogaster* compared to *D. simulans*. *D. melanogaster* TEs
453 contribute more to gene H3K9me3 level variance compared to *D. simulans*. This suggests that there is a
454 stronger structuration or stratification of genes according to TE insertion numbers and histone marks in this
455 species compared to *D. simulans*. TE insertions are more frequently found with higher H3K9me3 (and even
456 H3K4me3 to a lesser extent) enrichment in *D. melanogaster*.

457 Interpretations from inter- and intra-genomic analyses seem contradictory at first sight. However, they may
458 illustrate the two facets of RNA interference, *i.e.* defense vs regulation (Torri et al., 2022). We may speculate

459 that in *D. simulans*, the defense facet appears prominent while the regulation prevails in *D. melanogaster*.
460 Such differences in closely related species are not unexpected in the piRNA pathway, which is known to be
461 evolving at a particularly elevated rate (Fablet et al., 2014; Obbard et al., 2009). Again, we may speculate
462 that this is related —whether as a cause or a consequence cannot be told— to the different tempo of TE
463 activity and genome colonization between both species.

464 In the intra-genomic analysis, many parameters other than the numbers of TE insertions differ across the
465 genes (the family and length of the TEs, gene sequence composition, presence of transcription factor binding
466 sites, etc. (Hill et al., 2021; Wittkopp and Kalay, 2011)) and yet we were able to capture statistical signal
467 from the numbers of TE insertions. This suggests a widespread influence of TEs on gene expression. The
468 underlying mechanisms may be chromatin mark spreading, but not only. TEs may also disrupt functional
469 elements, especially for those inside genes, or add transcription factor binding sites ((Horváth et al., 2017;
470 Rebollo et al., 2012b; Ullastres et al., 2021)). Moreover, we have to note that TE insertions may
471 accumulate in specific chromatin environments due to insertional preference or different levels of selection
472 in these environments (Sultana et al., 2017).

473

474 **TEs' influence on genomes is contrasted between *D. melanogaster* and 475 *D. simulans***

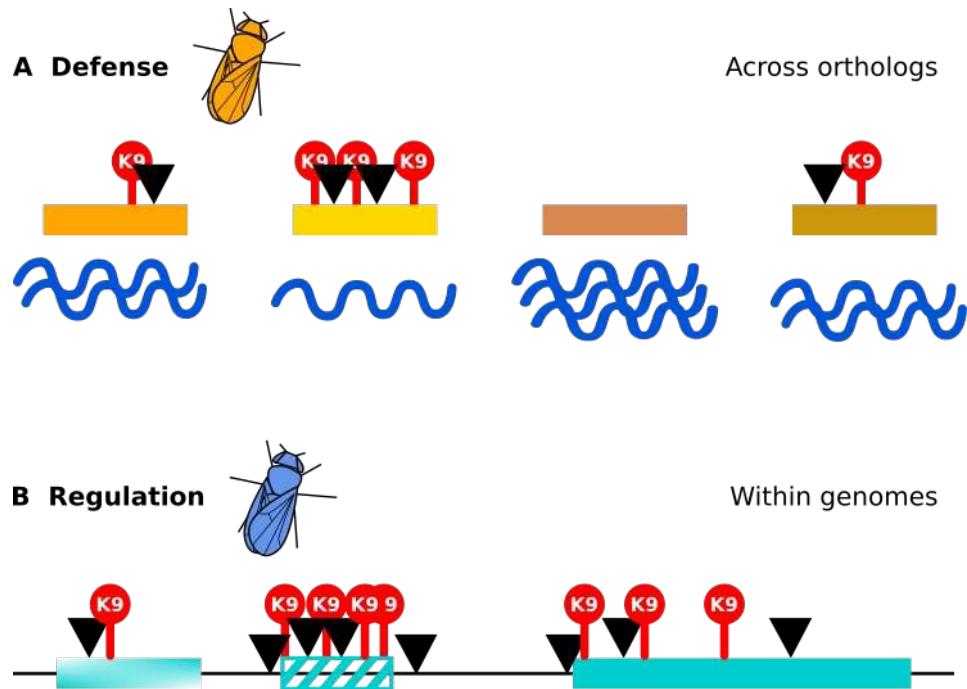
476 The intra- and inter-genomic analyses performed here both reveal species-specific differences, however not
477 at the same scale (Fig. 5). The inter-genomic analysis reveals a stronger epigenetic inhibition of TE
478 sequences in *D. simulans* compared to *D. melanogaster*, indicative of a stronger counter-selection of TE
479 insertions. In parallel, the intra-genomic analysis uncovers stronger associations between epigenetic
480 landscape and TE insertions in *D. melanogaster*, and a positive association between gene expression and TE
481 insertions located in the flanking regions (Fig. 4). It means that genes that have many TEs in
482 *D. melanogaster* on average have higher H3K9me3 levels than genes that have many TEs in *D. simulans*.
483 This may be due to differences in TE insertion landscapes or to differential retention in particular chromatin
484 regions. This analysis therefore reveals how TE sequences may participate in the structure of the genome and
485 how this differs between species. This reflects more long-term and intimate interactions between the host
486 genome and its TEs.

487 The species-specific differences that we observe for TE influence on genes may be due to variability in the
488 efficiency of epigenetic machinery, as suggested by (Lee and Karpen, 2017; Rebollo et al., 2012a).
489 Alternatively, it may also reveal different tempo of TE dynamics between these species. A recent peak of
490 activity of TEs can be seen in *D. melanogaster*, which is much smaller in *D. simulans* (Mérel et al., 2020),
491 indicating that the colonization of the *D. simulans* genome by TEs started more recently (as suggested by our

492 previous results (Mohamed et al., 2020) and others (Kofler et al., 2015a)). Such ongoing colonization would
493 also lead to the selection of more efficient TE control mechanisms.

494 These contrasted impacts of TE insertions on genes through epigenetic marks across the species provide an
495 additional demonstration of the considerable natural variability due to TEs. We predict that this leads to
496 contrasted adaptive and evolutionary potentials, all the more sensible in a rapidly changing environment
497 (Baduel et al., 2021; Fablet and Vieira, 2011; Mérel et al., 2021).

498



499

500 **Figure 5.** (A) The defense function of the piRNA pathway is prominent in *D. simulans*: TE epigenetic
501 effects are stronger in this species (orange) compared to *D. melanogaster* (blue). (B) The regulation function
502 of the piRNA pathway is prominent in *D. melanogaster*: Genome architecture is more tightly associated with
503 TE insertions in *D. melanogaster*, as suggested by the stronger positive correlation between the numbers of
504 TE insertions and gene H3K9me3 levels in this species.

505 Material and Methods

506 *Drosophila* strains

507 The strains under study in the present work were previously described in Mohamed *et al.* (Mohamed et al.,
508 2020). The eight samples of *D. melanogaster* and *D. simulans* wild-type strains were collected using fruit
509 baits in France (Gotheron, 44°56'0"N 04°53'30"E - "goth" strains) and Brazil (Saõ Jose do Rio Preto
510 20°41'04.3"S 49°21'26.1"W - "sj" strains) in June 2014. Two isofemale lines per species and geographical
511 origin were established directly from gravid females from the field (French *D. melanogaster*: dmgoth63,
512 dmgoth101; Brazilian *D. melanogaster*: dmsj23, dmsj7; French *D. simulans*: dsgoth613, dsgoth31; Brazilian
513 *D. simulans*: dssj27, dssj9). Brothers and sisters were then mated for 30 generations to obtain inbred strains
514 with very low intra-line genetic variability. Strains were kept at 24°C in standard laboratory conditions on
515 cornmeal–sugar–yeast–agar medium.

516 Genome annotation

517 Genome assemblies were produced in (Mohamed et al., 2020) and have been deposited in the European
518 Nucleotide Archive (ENA) at EMBL-EBI under accession number PRJEB50024
519 (<https://www.ebi.ac.uk/ena/browser/view/PRJEB50024>). Throughout the present analysis, we kept scaffolds
520 corresponding to complete chromosomes 2L, 2R, 3L, 3R, 4, and X.

521 TE annotation: We used RepeatMasker 4.1.0 (<http://repeatmasker.org/>) -species *Drosophila* in order to
522 identify TE sequences in the assemblies, followed by OneCodeToFindThemAll (Bailly-Bechet et al., 2014)
523 with default parameters, in order to parse RepeatMasker results. We include all TE sequences in the
524 subsequent analyses, whether they are full length or truncated.

525 Gene annotation: We retrieved gtf files from FlyBase :
526 ftp://flybase.net/genomes/Drosophila_melanogaster/dmel_r6.46_FB2022_03/gft/dmel-all-r6.46.gtf.gz and
527 ftp://flybase.net/genomes/Drosophila_simulans/dsim_r2.02_FB2017_04/gft/dsim-all-r2.02.gtf.gz. The
528 corresponding fasta files were also downloaded from FlyBase:
529 ftp://flybase.net/genomes/Drosophila_melanogaster/dmel_r6.46_FB2022_03/fasta/dmel-all-chromosome-
530 <r6.46.fasta.gz> and ftp://flybase.net/genomes/Drosophila_simulans/dsim_r2.02_FB2017_04/fasta/dsim-all-
531 <chromosome-r2.02.fasta.gz>. We used Liftoff (Shumate and Salzberg, 2020) to lift over gene annotations from
532 the references to our genome assemblies. We used -flank 0.2 and only kept the "gene" and "exon" terms.
533 Then, we used the GenomicRanges R package (version 1.38.0) (Lawrence et al., 2013) and the
534 subsetByOverlaps function to cross gene and TE annotations.

535 1:1 orthologs: We retrieved ortholog information from FlyBase
536 (ftp://ftp.flybase.net/releases/current/precomputed_files/orthologs/
537 [dmel orthologs in drosophila species fb 2022 01.tsv.gz](#)) and kept only those genes for which there
538 was a 1 to 1 correspondence between *D. melanogaster* and *D. simulans*.

539 TE genomic sequence occupancy (bp) was computed using OneCodeToFindThemAll (Bailly-Bechet et al.,
540 2014).

541 In order to determine which TE insertions were common (shared) to the four strains of a species or unique
542 (private) to one strain, we performed all pairwise comparisons of TE gff using Liftoff -flank 0.2 (Shumate
543 and Salzberg, 2020). In the output, we filtered insertions with coverage >0.80 and sequence identity >0.80.
544 We ran *ad hoc* bash scripts to retrieve private and common insertions for each strain with the following
545 rationale: Private insertions to one strain are those that appear in the unmapped outputs of all pairwise
546 comparisons with the three other strains. Common insertions are those that are found in all pairwise
547 comparisons with the three other strains.

548 RNA-seq preparation

549 RNA was extracted from ovaries of 30 three to five day-old females. Two replicates per strain were
550 produced. RNA extraction was carried out using RNeasy Plus (Qiagen) kit following manufacturer's
551 instructions. After DNase treatment (Ambion), quality control was performed using an Agilent Bioanalyzer.
552 Libraries were constructed from mRNA using the Illumina TruSeq RNA Sample Prep Kit following
553 manufacturer's recommendations. Libraries were sequenced on Illumina HiSeq 3000 with paired-end 150 nt
554 reads.

555 RNA-seq analysis

556 TE read counts were computed at the family level using the TEcount module of TEtools (Lerat et al., 2017)
557 and the list of TE sequences available at <ftp://pbil.univ-lyon1.fr/pub/datasets/Roy2019/>.

558 Genome sequences from *D. melanogaster* and *D. simulans* were downloaded from FlyBase (dmel-all-
559 chromosome-r6.16.fasta and dsim-all-chromosome-r2.02.fasta) and then masked using RepeatMasker
560 (<http://repeatmasker.org/>). For each species, we then built a multifasta file of gene sequences
561 using bedtools getfasta (Quinlan and Hall, 2010) with gff files available from FlyBase (dmel-all-r6.16.gff
562 and dsim-all-r2.02.gff).

563 Raw reads were processed using Trimmomatic 0.39 (Bolger et al., 2014) ILLUMINACLIP:TruSeq3-
564 PE.fa:2:30:10 LEADING:3 TRAILING:3 SLIDINGWINDOW:4:20 MINLEN:36, then mapped to genes
565 using HiSat2 (Kim et al., 2019). Alignment files were converted to BAM and sorted using SAMtools (Li et
566 al., 2009), and TPM and effective counts were then computed using eXpress (Roberts et al., 2011).

567 Quantification of the associations between TE insertions and gene transcript levels: considering only genes
568 expressed in ovaries, we computed mean TPM across replicates and used the following linear models after
569 log transformation: $TPM \sim \text{exon} + \text{intron} + \text{upstream} + \text{downstream}$, where “exon”, “intron” “upstream”, and
570 “downstream” are the numbers of TE insertions in exons, introns, 5 kb upstream sequences, and 5 kb
571 downstream sequences, respectively. Size effects for each of these factors were then recorded. To compute
572 the contribution to total variance, we divided the Sum Square of the corresponding variables by the Total
573 Sum Square, provided by the ANOVA of the linear model.

574 **ChIP-seq preparation**

575 Chromatin immunoprecipitation was performed using 50 ovary pairs dissected from three to five day old
576 females. Ovaries were re-suspended in A1 buffer containing 60mM KCl, 15mM NaCl, 15mM Hepes, 0,5%
577 Triton and 10mM Sodium butyrate. Formaldehyde (Sigma) was added to a final concentration of 1.8% for
578 secondary cross-linking for 10 min at room temperature. Formaldehyde was quenched using glycine (0.125
579 M). Cross-linked cells were washed and pelleted twice with buffer A1, once with cell lysis buffer (140mM
580 NaCl, 15mM Hepes, 1mM EDTA, 0.5mM EGTA, 1% Triton X100, 0.1% Sodium deoxycholate, 10mM
581 sodium butyrate), followed by lysis in buffer containing ,140mM NaCl, 15mM Hepes, 1mM EDTA,
582 0.5mMEGTA, 1% Triton X100, 0.5% SDS, 0.5% N-Lauroylsarcosine, 0.1% sodium deoxycholate, 10mM
583 sodium butyrate for 120 min at 4°C. Lysates were sonicated in Bioruptor sonicator to reach a fragment size
584 window of 200-600 bp.

585 Chromatin was incubated overnight at 4°C with the following antibodies: for H3K9me3 ChIP using α -
586 H3K9me3 (actif motif #39161, 3 μ g/IP) and for H3K4me3 using α -H3K4me3 (millipore #07-473, 3 μ g/IP)
587 antibodies. The Magna ChIP A/G Chromatin Immunoprecipitation Kit (cat# 17-10085) was used following
588 manufacturer’s instructions. Final DNA recovery was performed by classic phenol/chloroform DNA
589 precipitation method using MAxtract high density tubes to maximize DNA recovery.

590 DNA fragments were then sequenced on an Illumina HiSeq 4000 apparatus, with paired-end 100 nt reads.
591 Due to technical issues, only one replicate could be used for dsgoth31 input.

592 **ChIP-seq quality check: Validation of H3K4me3 enrichment 593 around promoters and H3K9me3 on heterochromatic 594 regions.**

595 Raw reads were trimmed using trim_galore (<https://zenodo.org/record/5127899#.YbnMs73MLDc>) with
596 default parameters along with --paired, --clip_R1 9, --clip_R2 9, and --max_n 0. Mapping was
597 performed using Bowtie2 (Langmead and Salzberg, 2012) with --sensitive-local against
598 the *D. melanogaster* r6.16 and *D. simulans* r2.02 genomes. Samtools was used to convert SAM to

599 coordinated sorted BAM files, while sambamba (Tarasov et al., 2015) was used to filter for uniquely
600 mapping reads and to remove duplicates (sambamba view -h -t 2 -f bam -F “[XS] == null and not
601 unmapped and not duplicate”). For *D. melanogaster* datasets, we filtered available blacklisted regions
602 (Amemiya et al., 2019) with bedtools. Finally coverage files containing reads per genome coverage
603 (RPGC) were obtained with DeepTools (Ramírez et al., 2016) bamCoverage with --extendReads, --
604 effectiveGenomeSize 129789873 for *D. melanogaster* available from the Deeptools suite, and --
605 effectiveGenomeSize 121102921 computed with [unique-kmers.py](#) from khmer (<https://github.com/dib-lab/khmer>). Promoter regions were obtained with gencode_regions
606 (https://github.com/saketkc/gencode_regions) and along with coverage files were used in DeepTools
607 computeMatrix and plotProfile to build the average coverage of H3K4me3 and H3K9me3 around
608 transcription start sites in both species and on chromosomes for H3K9me3. The corresponding profiles
609 looked as expected (Supplemental Fig. S7, S8).

611 ChIP-seq analysis

612 For each of the immunoprecipitated samples (H3K4me3, H3K9me3, input), TE read counts were computed
613 at the family level using the TEcount module of TEtools (Lerat et al., 2017) and the list of TE sequences
614 available at <ftp://pbil.univ-lyon1.fr/pub/datasets/Roy2019/>.

615 ChIP-seq counts were normalized across samples of the same species using the counts(normalize=T)
616 function of DESeq2 1.26.0 (Love et al., 2014). This was done independently for each of the
617 immunoprecipitated samples (H3K4me3, H3K9me3, input). We then performed a log-transformation using
618 the rlogTransformation function of DESeq2, and subsequently considered mean values across replicates. We
619 only kept genes expressed in ovaries. We chose to work on log-transformed values because log-
620 transformation of count variables makes them fit normal assumption and thus makes them suitable for linear
621 models. In addition, a ratio becomes a difference when log-transformed, which ensure the strict equivalence
622 with the classical normalization approach consisting in dividing histone counts with input counts: log
623 ($[H3Kime3 \text{ counts}] / [\text{input counts}] = \log(H3Kime3 \text{ counts}) - \log(\text{input counts})$).

624 In order to quantify the associations between TE insertions and histone marks enrichment, we used the
625 following linear models on log transformed read counts: histone mark (either H3K4me3 or H3K4me3) ~
626 input + exon + intron + upstream + downstream, where “exon”, “intron”, “upstream”, and “downstream” are
627 the numbers of TE insertions in exons, introns, 5 kb upstream sequences, and 5 kb downstream sequences,
628 respectively. Size effects for each of these three factors were then recorded. To compute the contribution to
629 total variance, we divided the Sum Square of the corresponding variables by the Total Sum Square, provided
630 by the ANOVA of the linear model.

631 **Small RNA extraction, sequencing, and analyses**

632 Small RNA extraction, sequencing, and analyses dedicated to TEs had already been performed and described
633 in Mohamed *et al.* (Mohamed et al., 2020). Sequence files had been deposited in NCBI SRA under the
634 accession number PRJNA644327.

635 Gene-derived small RNAs: Sequencing adapters were removed using cutadapt (Martin, 2011), and 23-30 nt
636 reads from one hand (considered as piRNAs) and 21 nt reads from the other hand (considered as siRNAs)
637 were extracted using PRINSEQ lite (Schmieder and Edwards, 2011), as described in (Mohamed et al., 2020).
638 Reads were then aligned on previously masked genomes (see above, RNA-seq section) using bowtie --best
639 (Langmead et al., 2009). Aligned reads were counted using eXpress (Roberts et al., 2011) and “tot_counts”
640 were considered.

641 **Data access**

642 The RNA-seq data generated in this study have been submitted to the NCBI BioProject database
643 (<https://www.ncbi.nlm.nih.gov/bioproject/>) under accession number PRJNA795668. The ChIP-seq data
644 generated in this study have been submitted to the NCBI BioProject database under accession number
645 PRJNA796157. TE and gene annotations have been deposited to Zenodo doi: 10.5281/zenodo.7189887.

646 Count tables for TE insertions, RNA-seq and ChIP-seq data are provided as Supplemental Material.

647

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655

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657

658

659 Supporting Information files

660

661 **Supplemental Fig S1.** Number of genes for each value of TE insertion numbers. dmgoth101 and
662 dsgoth31 are also shown in Fig 1.

663

664 **Supplemental Fig S2.** (A) Positive correlations between per TE family RNA counts and family sequence
665 occupancy (in bp) (log10 transformed, Spearman correlations). (B) Positive correlations between per TE
666 family RNA counts and TE-derived piRNA counts (log10 transformed, Spearman correlations).

667

668 **Supplemental Fig S3. Analysis on 1:1 ortholog genes.** (A) Contribution of TE insertion numbers to
669 gene expression total variance estimated using the linear model gene TPM (log) ~ exon + intron +
670 upstream + downstream, and (B) corresponding size effects. (C) Contribution of TE insertion numbers to
671 gene H3K4me3 total variance estimated using the linear model gene H3K4me3 level (log) ~ exon +
672 intron + upstream + downstream, and (D) corresponding size effects. (E) Contribution of TE insertion
673 numbers to gene H3K9me3 total variance estimated using the linear model gene H3K9me3 level (log) ~
674 exon + intron + upstream + downstream, and (F) corresponding size effects. Colored bars: p-values
675 < 0.05, empty bars: p-values > 0.05. Error bars are standard errors.

676

677 **Supplemental Fig S4. Separate analyses across TE classes** (A) Numbers of TE insertions per
678 functional region per strain. Upstream and downstream regions are 5 kb sequences directly flanking
679 transcription units 5' and 3', respectively. (B) Size effects to the contribution of TE insertion numbers to
680 gene expression using the linear model gene TPM (log) ~ exon + intron + upstream + downstream. (C)
681 Size effects to the contribution of TE insertion numbers to gene H3K4me3 using the linear model gene
682 H3K4me3 level (log) ~ exon + intron + upstream + downstream. (D) Size effects to the contribution of TE
683 insertion numbers to gene H3K9me3 using the linear model gene H3K9me3 level (log) ~ exon + intron +
684 upstream + downstream. Colored bars: p-values < 0.05, empty bars: p-values > 0.05. Error bars are
685 standard errors.

686

687 **Supplemental Fig S5. Separate analyses across common and private TE insertions.** (A) Numbers of
688 TE insertions per functional region per strain. Upstream and downstream regions are 5 kb sequences
689 directly flanking transcription units 5' and 3', respectively. (B) Size effects to the contribution of TE
690 insertion numbers to gene expression using the linear model gene TPM (log) ~ exon + intron + upstream
691 + downstream. (C) Size effects to the contribution of TE insertion numbers to gene H3K4me3 using the
692 linear model gene H3K4me3 level (log) ~ exon + intron + upstream + downstream. (D) Size effects to the
693 contribution of TE insertion numbers to gene H3K9me3 using the linear model gene H3K9me3 level (log)
694 ~ exon + intron + upstream + downstream. Colored bars: p-values < 0.05, empty bars: p-values > 0.05.
695 Error bars are standard errors.

696

697 **Supplemental Fig S6.** Correlation coefficients between gene-derived piRNAs and gene-derived 21 nt
698 RNAs, between gene-derived piRNAs and gene H3K9me3 levels, and between gene-derived 21 nt RNAs
699 and gene H3K9me3 levels. To the bottom are significance results for Wilcoxon rank tests comparing
700 values for *D. melanogaster* vs values for *D. simulans*.

701

702 **Supplemental Table S1. Gene-derived piRNA production.**

703 From left to right : strain; 3rd quartile of the distribution of gene-derived piRNA numbers; number of
704 private TE-carrying genes; number of private TE-carrying genes with piRNA production higher than 3rd
705 quartile; number of private TE-carrying genes with piRNA production lower than private TE-carrying
706 genes 3rd quartile.

707

708 **Supplemental Fig S7. Validation of H3K4me3 enrichment around promoters.**

709 Mean read coverage for H3K4me3 and H3K9me3 around Transcription start sites (TSS) of
710 *D. melanogaster* and *D. simulans* datasets.

711

712 **Supplemental Fig S8. Validation of H3K9me3 enrichment on chromosomes.**

713 Mean read coverage for H3K9me3 on chromosomes of *D. melanogaster* and *D. simulans* datasets.
714 Validation of H3K9me3 enrichment in the heterochromatic chromosome 4 compared to other
715 *D. melanogaster* and *D. simulans* chromosomes.

716
717
718 **Supplemental Files**
719 insertion_dnarep1_<strain>.txt
720 These files contain the numbers of insertions per gene per functional regions AFTER removing DNAREP1
721 insertions
722
723 table_NEUTPM_rna_dmel_modif.txt
724 table_NEUTPM_rna_dsim_modif.txt
725 These files contain the TPM obtained on genes from RNAseq data
726
727 table_NEWCOUNTS_rna_dmel_modif.txt
728 table_NEWCOUNTS_rna_dsim_modif.txt
729 These files contain the effective counts obtained on genes from RNAseq data
730
731 counts_chip_input_dmel_fbgn.txt
732 counts_chip_k4_dmel_fbgn.txt
733 counts_chip_k9_dmel_fbgn.txt
734 counts_chip_input_dsim_fbgn.txt
735 counts_chip_k4_dsim_fbgn.txt
736 counts_chip_k9_dsim_fbgn.txt
737 These files contain the counts obtained on genes from ChIPseq data
738
739 rna_te_dmel.txt
740 rna_te_dsim.txt
741 These files contain the counts obtained on TEs from RNAseq data
742
743 chip_input_et_dmel.txt
744 chip_k4_et_dmel.txt
745 chip_k9_et_dmel.txt
746 chip_input_et_dsim.txt
747 chip_k4_et_dsim.txt
748 chip_k9_et_dsim.txt
749 These files contain the counts obtained on TEs from ChIPseq data