

1 **Cell type and condition specific functional annotation of schizophrenia associated non-  
2 coding genetic variants**

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18

19 **Abstract**

20 Schizophrenia (SCZ) is a highly polygenic disease and genome wide association studies have  
21 identified thousands of genetic variants that are statistically associated with this psychiatric  
22 disorder. However, our ability to translate these associations into insights on the disease  
23 mechanisms has been challenging since the causal genetic variants, their molecular function  
24 and their target genes remain largely unknown. In order to address these questions, we  
25 established a functional genomics pipeline in combination with induced pluripotent stem cell

26 technology to functionally characterize ~35,000 non-coding genetic variants associated with  
27 schizophrenia along with their target genes. This analysis identified a set of 620 (1.7%) single  
28 nucleotide polymorphisms as functional on a molecular level in a highly cell type and condition  
29 specific fashion. These results provide a high-resolution map of functional variant-gene  
30 combinations and offer comprehensive biological insights into the developmental context and  
31 stimulation dependent molecular processes modulated by SCZ associated genetic variation.

32 **Introduction**

33 One of the most pressing challenges of modern biomedical research is the understanding and  
34 treatment of major psychiatric disorders such as schizophrenia (SCZ), bipolar (BD) and major  
35 depressive disorder (MDD). Despite decades of intense research, little is known about the  
36 molecular mechanisms that contribute to disease onset and progression. In particular, SCZ is  
37 characterized by a strong genetic component with a heritability between 75-80%<sup>1,2</sup>, rendering  
38 genetics a powerful tool to understand the molecular basis of this devastating disease. Large-  
39 scale genome wide association studies (GWAS) have thus far identified 145 regions of the  
40 genome that are associated with SCZ at genome wide significance<sup>3</sup>. These loci each harbor  
41 hundreds of distinct genetic variants that are all statistically associated with the disease.  
42 Furthermore, there are thousands of additional genetic variants that show strong association  
43 with SCZ just below the genome-wide significance cutoff, with many likely reaching  
44 significance as cohort sizes increase.

45 However, translating these associations into insights on the disease mechanisms has been  
46 challenging due to the fact 90% of the associated genetic variants reside in non-coding regions  
47 of the genome with unknown function<sup>4</sup>. Moreover, most of these variants likely act only in  
48 disease relevant cell types of the central nervous system, inaccessible to functional  
49 experiments. Lastly, each SCZ associated locus can harbor thousands individual disease  
50 associated single nucleotide polymorphisms (SNPs) due to linkage disequilibrium (LD),  
51 rendering it even more difficult to pinpoint those genetic variants that functionally contribute to  
52 the emergence of the phenotype.

53 Comprehensive functional genomic and epigenomic studies revealed that disease associated  
54 common genetic variants are enriched in gene regulatory elements (GREs), in particular in  
55 enhancer regions<sup>5,6</sup>. These studies also highlighted that this enrichment is especially  
56 pronounced for GREs that are active in cell and tissue types relevant for the respective  
57 disease, such as the prefrontal cortex and excitatory neurons in the case of SCZ<sup>7,8</sup>. These  
58 findings indicate that a large fraction of non-coding disease associated genetic variants  
59 (NCDVs) likely act by modulating tissue/cell type specific gene expression levels, effectively  
60 acting as expression quantitative trait loci (eQTLs), contacting their target gene in 3D space  
61 as shown by chromatin conformation capture<sup>9,6,17</sup>. This has been further supported by large  
62 eQTL studies that map genetic variants and gene expression levels across different cell types  
63 and tissues of hundreds of healthy/patient donors<sup>10-12</sup>. Based on these studies, current  
64 estimates suggest that between 40% and 50% of SCZ associated SNPs act by modulating  
65 gene expression directly in *cis*<sup>13,14</sup> with a substantial fraction also altering the chromatin state  
66 of associated GREs<sup>12,15</sup>.

67 While clearly very powerful, contemporary approaches building on epigenomic and qTL  
68 information do suffer from multiple critical blind spots: i.) As all these strategies rely purely on  
69 profiling and statistical association of varying stringency, they inherently remain correlative in  
70 nature. In particular, it remains unclear which of the thousands of NCDVs overlapping with  
71 these annotations are indeed functional and which merely associated. Moreover, ii.) currently  
72 available epigenomic and qTL datasets at present do not capture some of the most critical  
73 SCZ relevant conditions such as many cellular states during human neural development and  
74 stimulation dependent conditions. For example, multiple studies in the immune system  
75 revealed that 3-18 % of the overall detected eQTL set did not show any effect under baseline  
76 conditions, but only contributed to changes in gene regulation upon stimulation with IFNy and  
77 *Salmonella*<sup>16</sup>, rendering them stimulation dependent eQTLs. Such observations are  
78 particularly relevant in the context of SCZ, which is hypothesized to be at least partially rooted  
79 in compromised neurodevelopment and primarily affects neuronal cells, highly responsive to  
80 environmental and electrical signals. Thus, for most SCZ associated NCDVs, their cellular and

81 condition specific context of action remains unknown, rendering their biological interpretation  
82 at present highly demanding. Lastly, iii.) current annotation information frequently retains a  
83 high level of ambiguity, associating individual genetic variants with many putative target genes  
84 with entirely distinct biological function within individual GWAS loci (and vice versa). On top of  
85 that, many of these genes are expressed in entirely different cellular contexts, rendering the  
86 biological interpretation of GWAS hits difficult. Thus, it remains a key challenge to functionally  
87 decode the context specific biology of even individual GWAS findings.

88 In combination, these gaps in our understanding of NCDV biology severely hamper the  
89 translation of genetic associations into insights on SCZ related pathomechanisms. This  
90 problem is already illustrated by the very basic question on which genetic variant or gene to  
91 select for deep functional analysis from the thousands of possible candidates as well as choice  
92 of a suitable cellular context.

93 Here, we set out to overcome these current limitations in the context of SCZ genetics by  
94 addressing four key questions: (Q1) Which SCZ associated genetic variants have the capacity  
95 to functionally modulate gene expression? (Q2) To what extend is this capacity dependent on  
96 cellular context and state? (Q3) What are the target genes of these functional variants in  
97 disease relevant cell types? And finally, (Q4) can this annotation be utilized to refine current  
98 the biological interpretations of SCZ GWAS?

99 In order to start to answer these questions, we integrated multiple functional genomics assays  
100 (MPRA, CRISPRi, HiC, and single cell technology) into a coherent massively parallel variant  
101 annotation pipeline (MVAP, **Figure 1A**), generally applicable to any disease entity with  
102 available GWAS data. We then combined this pipeline with disease relevant cellular model  
103 systems of the CNS, based on induced pluripotent stem cell (iPSC) and primary mouse  
104 cultures to pinpoint the set of molecularly functional SCZ associated genetic variants. These  
105 experiments give rise to a unique map of cell and condition specific NCDVs in SCZ along with  
106 their target genes. This map constitutes a valuable resource to guide and enable future  
107 experiments to functionally dissect the molecular and cellular mechanisms in SCZ that are  
108 driven by these functional NCDVs<sup>17</sup>. Going beyond this unique resource, our analysis provides

109 several new insights into the condition specific action of NCDVs and their converging effects  
110 on key biological pathways in distinct cellular contexts.

111 **Results**

112 **Identification of candidate expression modulating genetic variants associated with SCZ**

113 In order to identify SCZ associated functional genetic variants (Q1), we first sought to pinpoint  
114 those SNPs that have the capacity to modulate gene expression levels in an allele specific  
115 manner, termed expression modulating variants (emVars)<sup>18</sup>. Given that genetic variants with  
116 strong, but sub-threshold association signal that overlap with GREs are frequently molecularly  
117 functional and often achieve genome wide significance with increasing GWAS cohort sizes,  
118 we decided to also interrogate the latter variants set <sup>19</sup>.

119 To that end, we annotated all SCZ associated SNPs below a p-value of  $10^{-5}$  based on the PGC  
120 GWAS from 2014 <sup>20</sup> with a panel of publicly available and newly generated epigenomic and  
121 eQTL data from disease relevant cell types (**Table S1**) in order to filter the set of candidate  
122 variants. This analysis identified 5,601 SNPs overlapping (**Figure 1B**) with at least one  
123 annotation and fulfilling our selection criteria (**Figure 1C**, see **Methods** for details). This  
124 selected set of candidate variants included a large fraction of SNPs that achieved genome  
125 wide significance, but is also composed of more than 50% sub-threshold variants (p-value  
126 higher than  $5 \times 10^{-8}$ ) (**Figure 1D**). Together, these variants were distributed across the entire  
127 genome, covering all genome wide-significant loci (**Figure 1E**) and overlapping with annotation  
128 for eQTLs in human adult prefrontal cortex (PFC) tissue (80%), chromatin marks for active  
129 enhancers in the post mortem PFC (~50%) as well as multiple other cell type specific open  
130 chromatin regions (**Figure 1C**).

131

132 **Assessing the reproducibility of massively parallel reporter assays in disease relevant**  
133 **cell types**

134 In order to interrogate this variant set for their cell type specific capacity to modulate gene  
135 expression levels, we generated massively parallel reporter assay (MPRA) libraries harboring  
136 SCZ associated SNPs. This assay allowed us to functionally test thousands of individual

137 putative regulatory elements for enhancer activity (referred to as putative enhancer element,  
138 pEEs) as well as the impact of single nucleotide variants on pEE function. Briefly, thousands  
139 candidate pEEs are synthesized using DNA synthesis technology, each in two versions:  
140 harboring the SCZ associated reference or alternative allele (referred to as allele specific  
141 pEEs, **Figure S1A**). Subsequently, all pEEs are cloned as a pool 5' to a minimal promoter  
142 followed by a reporter and a unique 16mer barcode into a lentiviral plasmid library<sup>21</sup>. Each  
143 allele specific pEE is associated with multiple individual barcodes (**Figure S1E**). Once  
144 transduced into the cells of interest, next-generation sequencing of the mRNA fraction  
145 originating from the integrated lentiviral reporter constructs then give rise to a digital measure  
146 of the individual reporter construct activity by counting the number of observed 3' barcode tags  
147 associated with each pEE reporter construct. The comparison of the pEEs' activity with either  
148 allele allows us to determine whether or not the SCZ associated SNP has the potential to  
149 modulate gene expression levels within the context of the reporter assay.

150 Here, we independently synthesized three MPRA library pools, given the large number of  
151 individual genetic variants to be tested and constraints on the available cell numbers of CNS  
152 cell types. More specifically, we generated one smaller, developmentally focused MPRA  
153 library, containing many variants overlapping with putative enhancer regions in iPSC derived  
154 NPCs. This developmental library (DevLib) contained in total 5,118 distinct reporter constructs,  
155 assaying 2,559 distinct SNPs with two alleles each, as well 85 positive control constructs and  
156 152 negative control constructs. In addition, we also generated a larger MPRA library focused  
157 on SNPs overlapping with post mortem eQTLs and open chromatin regions in adult post  
158 mortem prefrontal cortex (eQTLLib), assaying 4,325 distinct SNPs (8,650 allele specific pEEs).  
159 Lastly, we generated a focused validation library of high complexity that included 215 SCZ  
160 associated SNPs from the DevLib as well as 100 random SNPs not associated with SCZ as  
161 additional controls (**Table S2**).

162 Each library contained between 370,705 and 927,647 individual barcodes (**Figure S1B-D**),  
163 translating into a median individual barcode coverage of 29, 45, and 500 per tested allele  
164 specific pEE (**Figure S1E**). Between 60-95% of the originally selected SNPs for allele specific

165 analysis were recovered (see **Methods, Figure S1F**). This allowed us to assess in total 9,902  
166 allele specific pEEs representing 4,951 pEEs.

167 Subsequently, we evaluated the resulting MPRA libraries across a panel of disease relevant  
168 conditions via lentiviral transduction in iPSC derived neural precursor cells (NPCs), iPSC  
169 derived neurons (iNeurons) under baseline and stimulation conditions (Baseline/Stimulation)  
170 as well as primary cultures of mouse cortical neurons at DIV 12 under baseline, stimulation  
171 (Stimulation) and tetrodotoxin (TTX) conditions with 3-5 replicates per condition (**Table S3**,  
172 **Figure S2**). Prior to further analysis, the allele specific pEE activity was normalized to its  
173 abundance in the original plasmid library (**Figure S1G**). Overall, the MPRA experiments show  
174 high reproducibility across conditions (**Figure 2A, Figures S3A,B**), with reproducibility  
175 depending on individual library complexity and the abundance of each element within a library  
176 (**Figure 2A, Figures S3A-C**).

177 We reasoned that the most robust method to validate observations from the larger MPRA  
178 libraries would be through the generation of a smaller, but high complexity validation library,  
179 comprising a subset of originally tested variants (ValLib, **Figure S3D**). We thus first leveraged  
180 this high complexity library to assess the correlation with each larger discovery MPRA library  
181 and found good agreement between the allele specific measurements on the joint SNP sets  
182 (Spearman correlation 0.71, **Figure 2B**) as well as between the DevLib and eQTLLib (0.73  
183 **Figure S3E**). As expected, average Spearman correlation increased with higher pEE  
184 abundance (**Figure S3F**).

185

#### 186 **Identification of SCZ associated emVars using MPRA**

187 In the next step, we determined the set of pEEs with the capacity to operate as an enhancer  
188 element (EE), leveraging the negative control elements as reference (FDR  $\leq 0.005$ , **Figure**  
189 **2C**). Subsequently, we only considered these active regions in the context of allele specific  
190 analyses to identify those EEs where a change in allele specific activity would be meaningful.  
191 In order to further calibrate the thresholding parameters to define regions with allele specific  
192 activity, we carried out extensive sensitivity and specificity analyses using the high complexity

193 validation library as well as our set of negative control SNPs as reference (**Figures S3G,H, Methods**).

194 Based on these analyses, we selected thresholding parameters (FDR $\leq$ 0.005 and activity threshold p-value $\leq$ 0.005) that allowed us to assess allele specific EE activity with a TPR of 55% and a FPR of 9%, providing a compromise between sensitivity and specificity. Importantly, this approach resulted in active enhancers that were enriched for location in open chromatin marks and eQTLs in relevant cell types (**Figure S3I**). Application of this analysis strategy to the iNeuron condition (DevLib), identified 194 emVars (of 1991 tested pEE) (**Figure 2D**). We note, that there is a substantial fraction of SNPs (675) that show evidence for allele specific activity, but are located in elements below the minimal activity level threshold (referred to as non-enhancer emVars). The set of emVars included several variants at the well-known SCZ risk locus *SNX19* (**Figure 2E**), with the highest confidence variant rs11222369 showing robustly reduced MPRA activity for the G allele in the mouse baseline condition (**Figure 2F top**). This reduction in EE activity is in line with publicly available human post mortem eQTL data for the PFC, revealing significantly reduced expression of the *SNX19* gene for the GG genotype (**Figure 2F bottom**).

205 In total, we identified 620 emVars (12.5% of the variants tested by MPRA, 1.7% of the originally considered SNPs) across the union of the DevLib and eQTLlib and all tested conditions (**Figure 2G**), similar to the fraction of functional variants observed in previous MPRA experiments in other systems<sup>18</sup>. Validation of 44 emVars using the separate high complexity ValLib confirmed 65.9% fulfilling both minimal activity and allele specific activity thresholds in the ValLib as well as 86% fulfilling only the allele specific activity threshold (non-enhancer emVars). Moreover, almost 75% of the identified emVars that overlapped with an eQTL in PFC data showed concordance in the direction of the allelic effect (**Figure 2H**). These observations are consistent with previous findings of MPRA experiments in K562 cell<sup>18</sup> and provide further support for the relevance of the emVars defined by MPRA. Interestingly, the identified emVars were distributed equally across the entire p-value spectrum of SCZ association (**Figure 2I**)

220

221 **Cell type and condition specificity of emVars**

222 Based on the notion that GREs as well as eQTLs operate in a highly cell type specific fashion,  
223 we next sought to determine to what extend EE as well as emVar activity was cell and condition  
224 specific (Q2). To that end, we evaluated the allele specific activity of SCZ associated EEs  
225 across a range of distinct cellular states and conditions using MPRA. In particular, we  
226 investigated the developmental specificity of emVar activity in iPSC derived NPCs and iPSC  
227 derived mature neurons. This setup enabled us to specifically test the hypothesis whether or  
228 not a subset of SCZ associated variants operate at early developmental time points and thus  
229 are more likely to contribute to the developmental component of SCZ. This approach identified  
230 almost half of all tested allele specific EEs to operate in a cell type specific fashion (**Figure**  
231 **3A**), consistent with their chromatin state pattern by which they were selected (**Figure 3B**).  
232 Moreover, a large fraction of EEs showed differential activity between the two developmental  
233 conditions for one or both alleles (**Figure 3C**). This specificity in activity pattern directly  
234 translated into the cell type specific differential allele activity, with 40% of emVars showing  
235 allele specific activity only in NPCs or iNeurons (**Figure 3D, Figures S4A, B**). The set of cell  
236 type specific emVars included a SCZ associated variant (rs9806806) at the NMDA receptor  
237 subunit gene *GRIN2A*, not previously identified as an eQTL (**Figure 3E**). This variant exhibited  
238 highly significant differential activity in iNeurons (FDR 0.0002), while the observed difference  
239 in NPCs was far less pronounced (**Figure 3F**), consistent with expression of *GRIN2A* only in  
240 more mature neuronal cells.

241 This cell type and condition specificity of emVars was not limited to NPCs and iNeurons, but  
242 was also observed between iNeurons and mouse neurons (comprising different neuronal cell  
243 types, e.g. also inhibitory neurons, **Figure S4A, B**) and distinct neuronal activity states (e.g.  
244 baseline, stimulated, and TTX) (**Figures 4A,B**). Consistent with their selection, most emVars  
245 were enriched in the open chromatin regions corresponding to the condition in which they were  
246 identified (**Figure 4C**). However, several emVar sets were also enriched in open chromatin  
247 regions from other cell types (**Figure 4C**). This observation is consistent with a substantial  
248 number of emVars showing allele specific activity in a pan-neuronal manner (**Figure 4B**).

249 Importantly, the latter emVar set was located in EEs that were H3K27ac positive across several  
250 other cell types and tissues (including many non-neuronal) compared to emVars with more  
251 restricted cell/condition specificity (**Figure S4C**). Moreover, these observations also highlight  
252 the utility of primary mouse neuronal cultures, suggesting that the overall trans-acting  
253 machinery driving EE and emVar activity is conserved between the species, despite the fact  
254 that the SNPs and EEs themselves are not present in the mouse genome.

255 Neurons do not only alter their transcriptional and epigenetic landscape as a function of cellular  
256 identity or developmental state, but also in response to external stimuli. In fact, mature neurons  
257 are highly plastic cell types that adjust key components of their gene regulatory program in  
258 response to a complex code of stimuli, ranging from neurotransmitter induced depolarization  
259 to hormone mediated long lasting signals. These input signals critically determine the response  
260 of the neuron to future stimuli, in particular in the context of learning processes that involve  
261 various types of stimulus dependent GReEs. Therefore, we hypothesized that the response  
262 strength and regulatory capacity of stimulus dependent EEs are susceptible to genetic  
263 alterations. Against this background and the importance of stimulus dependent processes for  
264 neuronal plasticity and mental illness, we next determined to what extend SCZ associated  
265 genetic variation might exert its effect in a neuronal stimulus dependent manner. To that end,  
266 we determined the overall activity of the eQTL and DevLib in electrophysiologically highly  
267 active iNeurons (**Figures S5A-C**) under stimulation (high potassium containing media which  
268 depolarizes the entire neuron), as well as in primary mouse neurons derived from the cortex  
269 under bicuculline/4-AP/glycine/strychnine (inhibiting inhibitory postsynaptic input, therefore  
270 indirectly stimulating the neuronal network) or TTX (disrupting action potential generation)  
271 treatment. Comparison of EE activity under stimulation and TTX (representing the greatest  
272 contrast) revealed widespread stimulus dependent activity (**Figure 5A**). The vast majority of  
273 the EE exhibited higher activity under stimulation conditions, consistent with previous reports  
274 based on epigenomic profiling<sup>22,23</sup>. Stimulus responsive EE included many open chromatin  
275 regions detected in human post mortem brain (**Figure S5D**) and validated a SCZ associated  
276 region in the CACNA1C gene (**Figure 5B**). In line with its activation upon neuronal stimulation,

277 the latter GRE contained a binding site for the classic activity dependent trans-acting factor  
278 CREB (**Figure 5B bottom**). The presence of transcription factor binding sites for stimulus  
279 dependent trans-acting factors was widespread among stimulus responsive EEs, with many  
280 well-known activity dependent transcription factor binding sites of CREB, ETV, ATF and AP-1  
281 transcription factors <sup>24</sup> being enriched with respect to the non-responsive set (**Figure 5C**).  
282 Based on these results, we next assessed the presence of allele specific response to  
283 stimulation, comparing conditions of various stimulation intensity (baseline, depolarization or  
284 disinhibition stimulation) against the TTX condition, where inter-neuronal communication was  
285 inhibited. This analysis revealed that ~25% of emVars indeed operate in a stimulation  
286 dependent manner (**Figure 5D**). Similar to all stimulus responsive elements, transcription  
287 factor motifs of canonical stimulus dependent trans-acting factors, including EGR, NR4A1/2  
288 and REST were overlapping precisely with stimulus dependent emVars (stimEmVars).  
289 The set of stimEmVars included two SCZ associated SNPs at the well-known SCZ associated  
290 locus FURIN/FES (**Figure 5E**), which has also been associated with various other diseases of  
291 the CNS<sup>25</sup> and other organs<sup>26</sup>. Importantly, both emVars have been annotated as potent eQTLs  
292 with opposite effects on both genes (**Figure 5F**). Interestingly, rs8032315 showed higher  
293 activity for the T allele under TTX conditions (A>T, **Figure 5G** red top), while this effect  
294 switched under stimulation (T>A, **Figure 5G** turqise top). Moreover, the latter allele specific  
295 activity pattern was consistent with the eQTL effect of this particular SNP on the FURIN gene  
296 (**Figure 5F** top left), while the former is consistent with the eQTL effect on the FES gene  
297 (**Figure 5F** top right).  
298 Moreover, one of the identified stimEmVars was in close proximity (1.3kb) to a previously  
299 identified eQTL (rs4702) of the *FURIN* gene with profound effects on cell physiology in iPSC  
300 derived neurons <sup>17</sup>. Consistent with the latter study, our MRPA based test of the rs4702 variant  
301 revealed highly allele specific activity in iNeurons and mouse primary culture (FDR=0.000259),  
302 but it was classified as a non-enhancer emVar. This observation is consistent with the location  
303 of the rs4702 variant outside an open chromatin region in post mortem PFC and iNeurons  
304 (**Figure 5E**), whereas the identified emVar (rs35346340) was located in the middle of a strong

305 ATAC-Seq peak in post mortem PFC and iNeurons (**Figure 5E**). This observation suggests  
306 that distinct genetic variants within the same LD-structure contribute to gene expression  
307 changes in a highly context specific fashion.

308 The second emVar (rs35346340) detected at the *FURIN/FES* locus showed no allelic  
309 difference under stimulation, but exhibited lower expression for the C allele under TTX  
310 treatment (**Figure 5G** bottom) consistent only with the *FES* eQTL effect (**Figure 5F** bottom  
311 right).

312 The former findings indicate that stimulus dependent activity of genetic variants might be a  
313 critical mechanism contributing to the genetic basis of mental illness. In order to further  
314 investigate this hypothesis, we mapped the activity dependent gene expression programs and  
315 open chromatin landscape in iPSC derived neurons from 10 distinct donors (5 HC/5 SCZ),  
316 comparing their RNA-Seq and ATAC-Seq profiles (**Table S4**) under baseline and stimulation  
317 (KCl dependent depolarization) conditions. Consistent with previous reports, we observed  
318 widespread activity dependent open chromatin (**Figure 5H**) and gene expression remodeling  
319 (**Figure S5E**). This remodeling was heavily biased for increased accessibility/expression upon  
320 stimulation and included expression of many of the canonical activity responsive genes  
321 (**Figure S5E,F**). We leveraged the set of stimulus responsive ATAC-Seq peaks detected  
322 across donors to test the hypothesis whether or not the landscape of activity dependent GREs  
323 is enriched for disease associated polygenic risk using partition heritability analysis<sup>7</sup>. This  
324 analysis identified the set of open chromatin regions exhibiting increased accessibility upon  
325 stimulation as significantly enriched for SCZ associated polygenic risk (**Figure 5I**), further  
326 supporting the MPRA results.

327 In summary, these observations underscore the importance of interpreting the functional  
328 consequences of disease associated genetic variation not only under steady state conditions  
329 but also highlights the activity dependent action of SCZ associated genetic variants as a  
330 potential mechanism contributing to subtle alterations in neuronal plasticity properties.

331

332

333 **Identification of functional targets of emVars**

334 In order to understand the molecular consequences of functional disease associated genetic  
335 variants, it is essential to identify their context specific target genes (Q3). Against this  
336 background, eQTL mapping and chromatin conformation capture by HiC has proven  
337 particularly useful in associating non-coding regions with putative target genes<sup>12,27</sup>. Therefore,  
338 we leveraged publicly available capture-HiC datasets from human post mortem PFC as well  
339 GRE-gene associations based on the ABC-contact model to identify putative target genes of  
340 the emVar set.

341 Using this approach, we were able to link 393 emVars to at least one putative target gene  
342 (**Figure 6A**). However, given the relatively limited resolution of currently available HiC data  
343 sets, this strategy frequently associated multiple genes or no genes to the same variants,  
344 retaining substantial ambiguity. Further integration of eQTL data from PFC<sup>11</sup> increased the  
345 fraction of variants associated to candidate genes to 85.5%, but retained frequent many-to-  
346 many associations. In particular, 74.7% of emVar genes were associated with more than one  
347 emVar (**Figure 6B**). In order to understand whether or not these statistical associations were  
348 also supported by functional connections, we implemented a GRE perturbation system in iPSC  
349 derived iNeurons similar to previous approaches<sup>28</sup> (**Figure 6C**). To that end, we created a  
350 genetically modified iPSC line harboring a doxycycline-inducible catalytically inactive Cas9  
351 fused to the Krüppel-associated box (dCas9-KRAB) in the *AAVS1* locus (**Figure S6**). This  
352 approach has been previously shown in other systems to robustly shut-down regulatory  
353 elements and map functional GRE-gene connections with relatively high throughput and  
354 amenable to parallelization<sup>29,30</sup>. Using this knock-in system, we first tested the hypothesis,  
355 whether or not pEEs harboring SCZ associated genetic variants had the capacity to modulate  
356 gene expression in iPSC derived neurons. For this pilot experiment, we selected the well-  
357 known SCZ risk locus TCF4 and independently targeted 6 GREs across the locus containing  
358 SCZ associated variants with or without emVar status with at least 2 gRNAs each (**Figure 6D**,  
359 **Table S7**). Subsequently, we evaluated the expression of TCF4 in iPSC derived neurons at  
360 day 49 by qPCR relative to a within locus control (**Figure 6D**). This experiment identified three

361 distinct regions with the capacity to contribute to TCF4 expression in iPSC derived neurons,  
362 affecting expression between 10 and 20%. The strongest effect was observed for region B  
363 (**Figure 6D**), harboring an emVar and overlapping with open chromatin regions in human PFC  
364 and iPSC derived iNeurons. Other hits contained the TCF4 promoter of the long form (**Figure**  
365 **6D**) as well as one region harboring a SCZ associated SNP classified as non-enhancer emVar  
366 (**Figure 6D** region A).

367 In summary, this experiment provided additional evidence for the observation of multiple EEs  
368 contributing to gene expression of the same gene. Moreover, each element can be affected  
369 by disease associated genetic variation, potentially independently modulating gene  
370 expression.

371 Based on these results for a single locus, we sought to identify functional targets of SCZ  
372 associated genetic variants in a more systematic fashion. To that end, we implemented a  
373 CROP-Seq based screening approach for EEs similar to previous experiments conducted in  
374 K562 cells <sup>30</sup>, combining pooled CRISPR screening with single-cell RNA-Seq. Based on  
375 complexity constraints, we designed a pooled CRISPR library against 150 distinct SCZ  
376 associated genomic regions interrogated in our MPRA experiments with 3 gRNAs each (**Table**  
377 **S5**). In total, we interrogated 70 emVars and 177 non-enhancer emVars from the set tested by  
378 MPRA. Most of these variants were annotated as eQTLs and overlapped with epigenomic  
379 signatures of enhancer elements across multiple primary and in vitro derived cell and tissue  
380 types (**Figure 6E**, **Figure S7A**).

381 Subsequent to gRNA pool complexity validation (**Figure S7B**), we triple infected  
382 iPSC/iNeurons with the gRNA pool at iPSC and neuronal stages to maximize gRNA copy  
383 number per cell and performed scRNA-Seq of six distinct iNeuron pools at day 35 of  
384 differentiation. This experiment resulted in 105,313 usable cells (**Methods**), distributed across  
385 8 distinct cell clusters (**Figure 6F**), representing mostly excitatory neurons (**Figure S7C**).  
386 Across these cells, we obtained a median coverage of 479 cells per guide and a median of  
387 1,711 cells per non-coding target region (collapsing all 3 guides per target **Figure 6G**). To not  
388 confounding our analysis by strong cellular heterogeneity, we restricted all subsequent

389 analyses to the neuronal clusters 0-2 and 4 (**Figure 6F**, dashed ellipsoid, **Figure S6C**), leaving  
390 93,821 cells.

391 In order to pinpoint the target genes of emVars, we next identified gRNA pools (collapsing the  
392 3 gRNAs per target) that were associated with a significant reduction in potential target gene  
393 expression. This analysis revealed an enrichment of significant associations in the enhancer  
394 targeting gRNAs pools compared complexity matched permuted control sets and non-targeting  
395 controls (**Figure 7A**). Overall, this strategy identified 40 (FDR  $\leq 0.1$ ) unique gRNA-gene pairs  
396 distributed across 34 distinct gRNA pools (25 targeting MPRA non-coding regions) that we  
397 defined as hits as well as 85 gRNA-gene pairs at nominal significance (p-value  $\leq 0.05$ , 66  
398 unique gRNA pools, 56 targeting MPRA non-coding regions) defined as nominal hits (**Figure**  
399 **7B**). The gRNA hit pools reduced the expression of 32 (61 for tentative hits) unique genes by  
400 10% on average (**Figure 7C**), with the majority of gRNAs pools affecting a single gene (**Figure**  
401 **7D, Table S5**). Most significant gRNA-coding gene pools harbored either an emVar (36%/35.7)  
402 or a non-enhancer emVar (36%/41) in close vicinity and overlapped with an eQTL in adult PFC  
403 as well as an ATAC-Seq peak in iNeurons (**Figure S7D**).

404 This included emVars at many well-known SCZ risk genes (**Figure 7B**) such as the CACNA1C  
405 gene (**Figure 7E**). At this locus, we identified two distinct emVars within the intronic region of  
406 the gene that overlapped or were in close vicinity (7kb) of two distinct gRNA pool landing sites,  
407 33kb apart from each other. Importantly, the emVar rs12315711 was directly adjacent to a  
408 previously identified functional genetic variant with strong evidence for CACNA1C promoter  
409 interaction (rs2159100) based on experiments in HEK cells<sup>31</sup>. However, while the rs2159100  
410 variant did also show highly significant allele specific activity in primary mouse cultures (FDR  
411  $4.89 \cdot 10^{-8}$ ), it was not classified as an emVar due to the overall low baseline activity of the  
412 surrounding candidate regulatory element (non-enhancer emVar), consistent with the absence  
413 of ATAC-Seq signal in iNeurons. In addition, the CROP-Seq screen identified emVars, such  
414 as a functional SNP in the intronic region of the *KCTD13* gene that was connected to the  
415 promoter of the *TAOK2*, 54kb away with (**Figure S7E**).

416 In summary, these experiments enable the functional association of emVars to their target  
417 genes, highlighting the power of this approach to narrow down the number of putatively causal  
418 disease associated genetic variants impacting gene expression.

419 Moreover, these experiments suggest that only a very small fraction of candidate eQTLs and  
420 disease associated variants have the potential to contribute to changes in gene expression.  
421 Based on these results, it is important to note that the functional non-coding genetic variants  
422 do not necessarily overlap with the most highly disease associated genetic variant and can  
423 exhibit an association strength below genome-wide significance.

424

#### 425 **Biological insights into context specific cellular processes modulated by functional 426 SCZ associated NCV**

427 Finally, we leveraged the combined results of the MVAP pipeline to refine the current  
428 interpretation of genetic SCZ risk factors (Q4), including many sub-threshold genetic variants.  
429 To that end, we performed cell type specific pathway enrichment analyses of all genes  
430 associated with distinct emVars based on the CROP-Seq screen, HiC or eQTL data. This  
431 analysis confirmed the major biological themes previously found by genetic analyses, including  
432 immune, histone modification and synapse biology related processes (**Table S7, Figure 7F**).

433 This analysis also identified the glutamatergic synapse enriched in emVar associated genes  
434 in PFC and iNeurons as well as genes enriched in CNVs overrepresented in SCZ patients  
435 (**Figure 7F**). Interestingly, the set of pan-neural emVars was also associated with genes  
436 involved in synaptic signaling in autism spectrum disorder. Moreover, we detected an  
437 enrichment of the AGE/RAGE pathway and genes involved in lipid and cholesterol metabolism  
438 in the set of stimulus responsive emVar genes (**Figure 7F**) providing additional evidence for a  
439 potential role of these processes in SCZ pathophysiology affecting neuronal cells. More  
440 specifically, we identified multiple functional SCZ associated NCVs modulating key genes in  
441 involved in lipid homeostasis and signaling such as the Lysophosphatidic Acid Receptor 2  
442 (LPAR2) and the LDL Receptor Related Protein 1 (LRP1). For the former, we identified  
443 functional NCVs located within an iNeuron ATAC-Seq peak located in an intron of the YJEFN3

444 gene ~100kb upstream of the LPAR2 promoter. Similarly, we identified a NCDV modulating  
445 *LRP1* expression, located within an ATAC-Peak in the 3'UTR of the *STAT6* gene 35kb  
446 upstream of the *LRP1* promoter (**Fig. 7G**). Interestingly, both variants have recently passed  
447 the genome wide significance threshold for SCZ association based on the latest GWAS. In this  
448 context, *LRP1* is of particular interest, as it is cleaved by FURIN<sup>32</sup>, another SCZ associated  
449 gene modulated by NCDVs. *LRP1* is involved in a diverse array of signaling and other cellular  
450 processes such as inflammation<sup>33</sup> and is expressed in various tissues, including the brain. In  
451 the latter context, *LRP1* has been implicated in both development, maturation and homeostasis  
452 of neuronal cells<sup>34</sup>. Moreover, it has recently been implicated a key gene in Alzheimer disease,  
453 serving as a master regulator of tau uptake and spread by controlling the endocytosis of  
454 TAU/MAPT<sup>35</sup>.  
455 In summary, these observations illustrate the added value of the results provided by MVAP  
456 analysis to identify candidate biological processes associated with SCZ down to the functional  
457 genes and genetic variants that drive these associations. Thus, these insights provide a  
458 valuable starting point for in depth future studies on the molecular, cellular and circuit level role  
459 of SCZ associated NCV.

460

## 461 **Discussion**

462 The results presented in the previous sections constitute a significant step towards addressing  
463 four key questions in the field of SCZ genetics and provide a substantially refined list of  
464 functional SCZ associated SNPs, that is likely highly enriched for causal genetic variants. The  
465 strategy outlined here leveraged well defined molecular traits (gene-expression) to narrow  
466 down the number of genetic variants functional on a molecular level. This approach is enabled  
467 by sequentially arraying experimental techniques with decreasing  
468 throughput/comprehensiveness, but increasing stringency and specificity, starting from (1)  
469 ChIP-Seq/ATAC-Seq/HiC, over (2) MPRA, and (3) CROP-Seq towards individual variant  
470 interrogations in their endogenous context by CRISPRi-qPCR (**Figure 7H**). The coherent  
471 integration of these assays into a massively parallel variant annotation pipeline empowered

472 the identification of hundreds of highly cell type and condition specific SCZ associated  
473 functional emVars, out of thousands of statistically associated variants. Our results on cell and  
474 condition specificity of these results clearly underscore the need to analyze SCZ associated  
475 NCV function in disease relevant cell types of the CNS.

476 This map of functional variants and their context specific action in disease relevant cell types  
477 constitutes a unique resource for future mechanistic studies. In particular, this resource  
478 provides a starting point to select the appropriate variant and cellular context to characterize  
479 its cellular effects in detail, directly enabling focused mechanistic studies to obtain insights into  
480 associated molecular pathomechanisms.

481 Our results also indicate that the statistical association strength of a GWAS locus is not related  
482 to the likelihood of the presence of an emVar. However, the latter is also not expected  
483 considering that it is unlikely that disease associated regions of the genome harbor more  
484 regulatory elements susceptible to genetic variation. Instead, the latter is more likely to be a  
485 function of gene density and the complexity of the cis-regulatory architecture of each locus.  
486 This complexity is illustrated by the MPRA based findings at the *FURIN/FES* locus, suggesting  
487 that a single SNP might have different effects on different genes depending on the stimulation  
488 condition.

489 These observations render the cell type specific functional association of emVars with target  
490 genes even more important, highlighting the value of the extension of current cell  
491 type/condition specific annotations of SCZ emVars. In this context, our results in NPCs and  
492 under various stimulation paradigms represent the first assessment of SCZ associated genetic  
493 variant action under these conditions, revealing the enrichment of stimulus responsive open  
494 chromatin regions for SCZ polygenic signal. These results also highlight the limitations of  
495 current epigenomic and eQTL based annotation and selection strategies for SCZ NCVs, as  
496 only 12.3% of NCVs overlapping with these annotations, were deemed functional,  
497 underscoring the added value of the MVAP pipeline.

498 Overall, our results support previous biological interpretations of SCZ GWAS results. However,  
499 now tying them to specific SNP-gene combinations in individual cell types and conditions, a

500 substantial step beyond the current state of the art. Moreover, our results suggest multiple  
501 additional relevant biological processes that are likely subject to modulation by emVars in SCZ  
502 such as lipid metabolism and signaling in neurons, providing also the basis of these  
503 associations in terms of functional gene-variant connections.

504 However, the approach presented here is inherently limited to genetic variants that exert their  
505 effects through the modulation of gene expression levels, which are currently estimated to  
506 apply to up to 50% <sup>36</sup> of disease associated SNPs. In addition, the MPRA variant employed  
507 here is not capable of interrogating GREs with silencing function, actively contributing to the  
508 reduction of gene expression levels<sup>37</sup>. Thus, the current results likely underestimate the  
509 number of genetic variants capable of modulating gene expression levels. Moreover, genetic  
510 variants affecting other processes such as splicing, mRNA stability, mRNA/protein localization  
511 or protein function are not captured. For several of the latter, other high throughput approaches  
512 have been/are developed that can eventually provide a comprehensive functional genomic  
513 toolbox to dissect NCDVs at scale in disease relevant cell types<sup>38-40</sup>.

514 Going beyond SCZ, the integrated MVAP approach presented here provides a general  
515 strategy to functionally annotate, fine map, and characterize NCDVs in a massively parallel  
516 fashion. This rationale provides one approach to address the large and vastly increasing  
517 number of statistically disease associated NCVs with individual effect sizes barely measurable  
518 with respect to physiological or even cellular traits.

519 In summary, the application of the MVAP pipeline yields a disease associated genetic variant  
520 set highly enriched for functional variants that can in the next step be leveraged for functional  
521 follow up experiments through multiplexed genome editing or combinatorial modeling studies  
522 of polygenic, eQTL mediated effects.

523

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527

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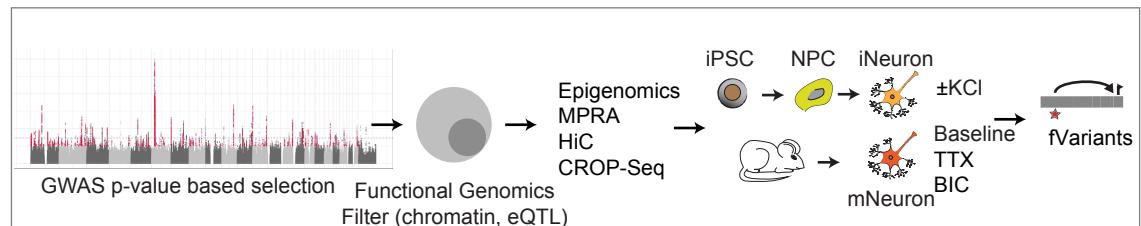
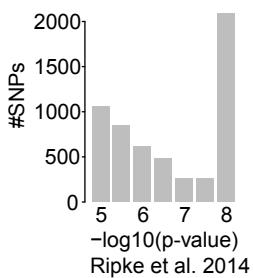
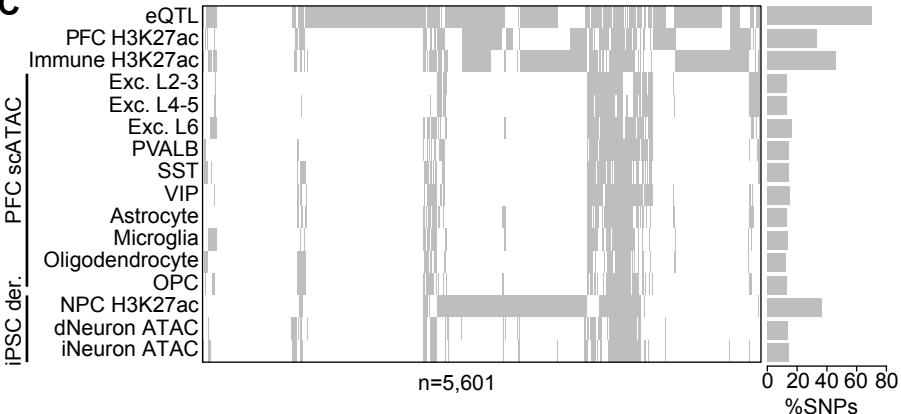
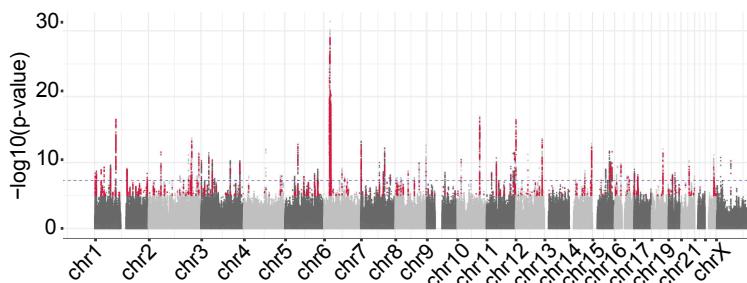
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695 A. Peters, Solveig Sieberts (Sage Bionetworks), Thomas Lehner, Stefano Marenco, Barbara  
696 K. Lipska (NIMH).

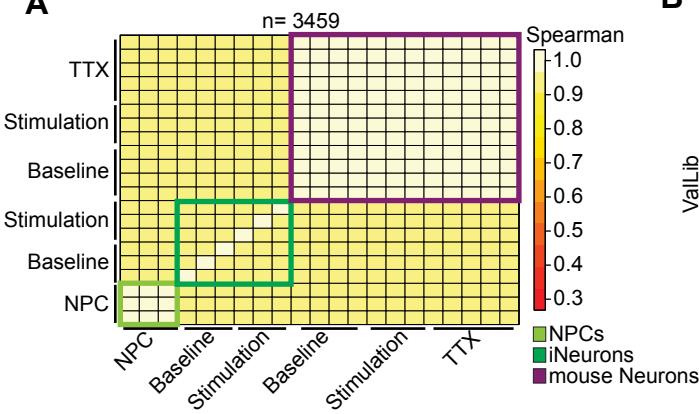
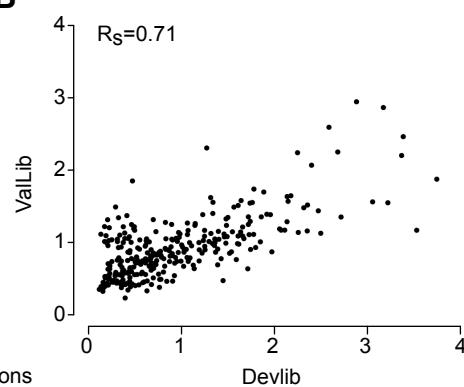
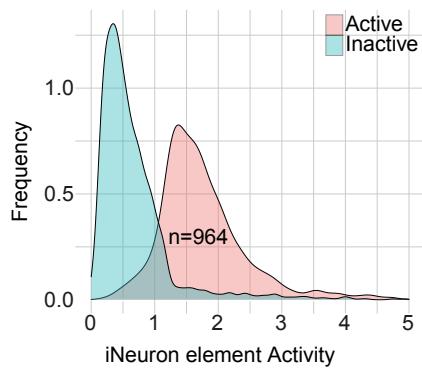
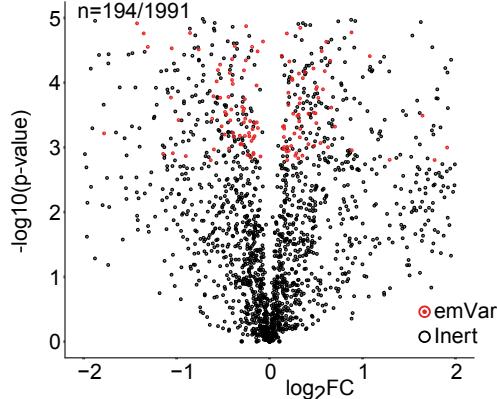
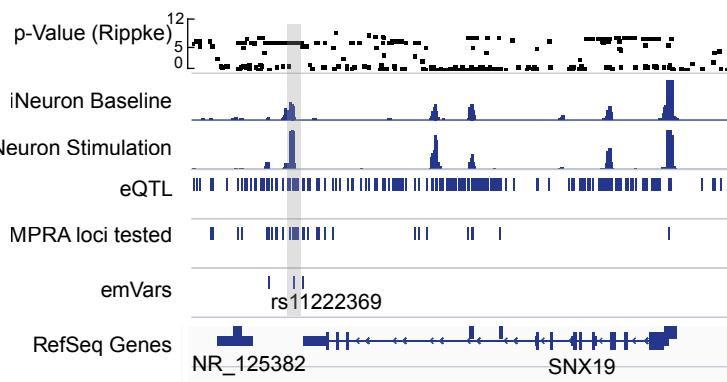
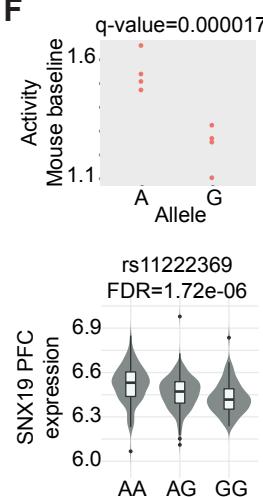
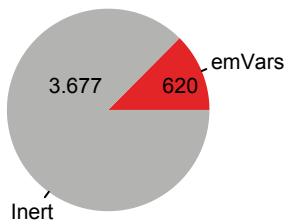
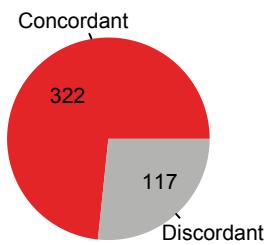
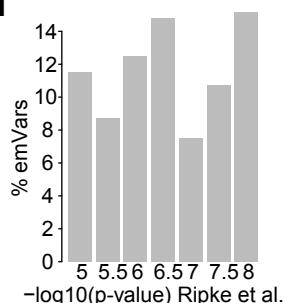
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698 **Author Contributions:** CR performed MPRA, ATAC-Seq, RNA-Seq, CRISPRi for TCF4 and  
699 iPSC related experiments. MG generated dCas9 knock-in iPSC lines, performed the CROP-  
700 Seq experiment and performed qPCR data analysis. AHe performed the MPRA experiments  
701 in primary mouse cultures guided by MR. RA performed all NPC experiments, AH and SM  
702 assisted with iPSC cell culture and performed RNA-Seq experiments. CF assisted with iPSC  
703 cultures and TCF4 characterization experiments. VM, LW and LT assisted with primary data  
704 processing. MJZ conceived the study, performed data analysis, supervised the study and  
705 wrote the manuscript with contributions from all authors.

706

**A****B****D****C****E****Figure 1**

## Figure 1. Overview of MVAP pipeline and MPRA design

- (A) Schematic of MVAP workflow.
- (B) All SCZ associated genetic variants below a p-value of  $10^{-5}$  (light grey) and a subset of selected variants for interrogation by MPRA (dark grey) based on epigenomic and eQTL annotation
- (C) Annotation of all SCZ associated genetic variants selected for MPRA testing (x-axis) with various epigenomic annotations (y-axis) derived from iPSC derived neurons (iNeuron, dNeuron, neural precursor cells (NPCs), single cell ATAC-Seq of adult human post-mortem tissue from the prefrontal cortex (PFC), H3K27ac ChIP-Seq profiles across immune cell types and bulk PFC tissue as well as eQTLs detected in PFC.
- (D) SCZ association p-value distribution of selected SNPs based on Ripke et al. 2014.
- (E). Manhattan plot showing all (grey) and for further investigation selected (red) schizophrenia associated SNPs across the genome. Blue dotted line depicts GWAS significance cutoff at p-value $<10^{-8}$ .

**A****B****C****D****E****F****G****H****I**

## Figure 2. Reproducibility and differential allele activity of SCZ associated genetic variants

(A) Spearman correlation heatmap of cpm normalized log2 ratio between the MPRA mRNA counts and their abundance in the original plasmid library for all elements measured in all conditions of the DevLib.

(B) Consistency of sequence element activity contained in both the DevLib and the ValLib (n=193) in mouse primary neuronal cultures under baseline conditions.

(C) Distribution of normalized pEE activity (alpha-value, x-axis) in iNeurons for elements delineated as active (red) or inactive (blue) based on comparison to negative control elements (p-value  $\leq 0.005$ ).

(D) Volcano plot of p-value (-log10, y-axis) and  $\log_2$  fold change between all SCZ associated allele specific pEE evaluated in iNeurons in the DevLib (n=1,991). Elements with allele specific activity are shown in red (emVars, FDR $\leq 0.005$  and minimal activity p-value $\leq 0.005$ ).

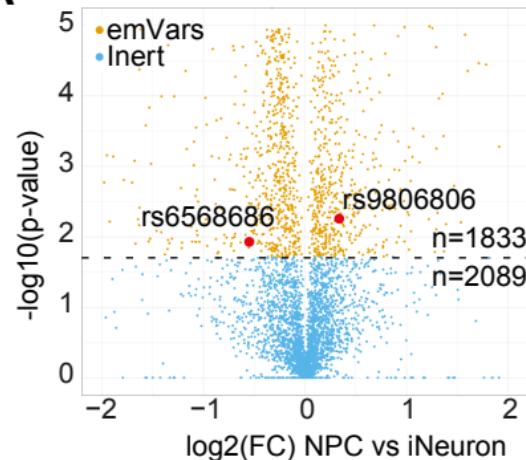
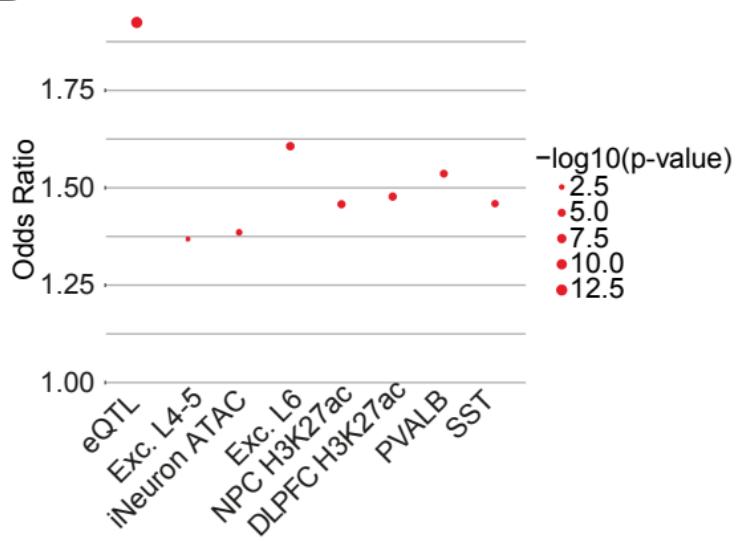
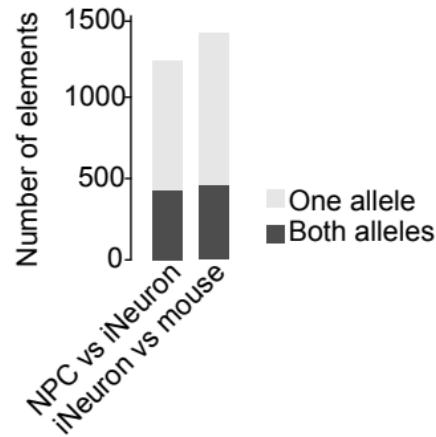
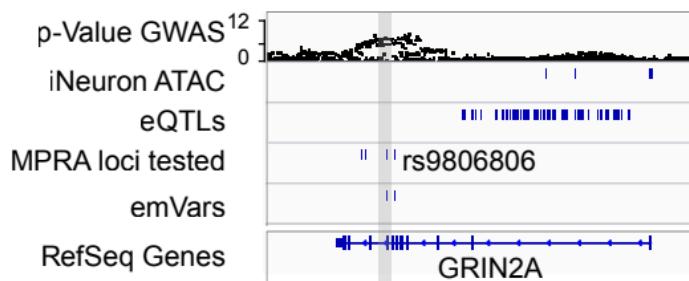
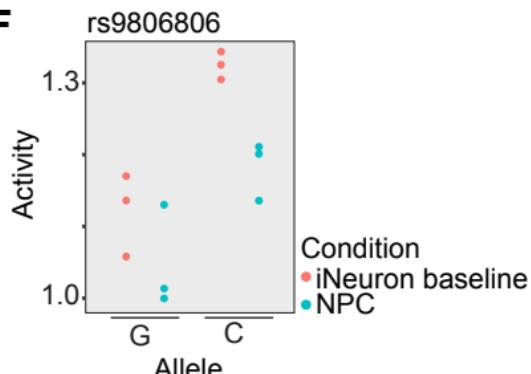
(E) Example IGV plot of the SNX19 locus depicting from top to bottom: the GWAS based p-value of SCZ association for all genetic variants, the ATAC-Seq profiles of iNeurons under baseline and stimulated condition, the location of eQTLs in adult human post mortem PFC tissue, the location of all SNPs interrogated by MPRA, and all SNPs associated with allele specific GRE activity (emVars).

(F) Top: Allele specific GRE activity for the A and G allele of the rs11222369 SNP also shown in c. based on MPRA measurements in primary mouse neuronal cultures under baseline conditions. Each dot represents an independent MPRA assay replicate. Bottom: Expression of the SNX19 gene in human PFC by donor allele status of the rs11222369 eQTL (FDR=1.72e-06).

(G) Fraction of all SCZ associated genetic variants successfully interrogated by MPRA (grey) and identified as emVars (red) across all MPRA experiments.

(H) Fraction of emVars overlapping with eQTLs in PFC that show significant concordance or discordance with respect to the allele specific up/down-regulation of the overlapping eQTL in at least one tested cell type/condition red or grey, respectively.

(I) Percentage of all emVars (y-axis) as a function of SCZ association p-value based on the Ripke et al. 2014 GWAS.

**A****B****C****D****E****F****Figure 3**

### Figure 3. Developmental stage specific GRE and emVar activity

(A) Comparison of allele specific EE activity of the DevLib MPRA library between NPCs and iPSC derived iNeurons at day 49. Y-axis depicts -log10 p-value and x-axis log2 fold change of the comparison: negative values indicate higher activity in the NPCs. Yellow dots indicate emVars with significantly differential activity between the conditions (FDR $\leq$ 0.05).

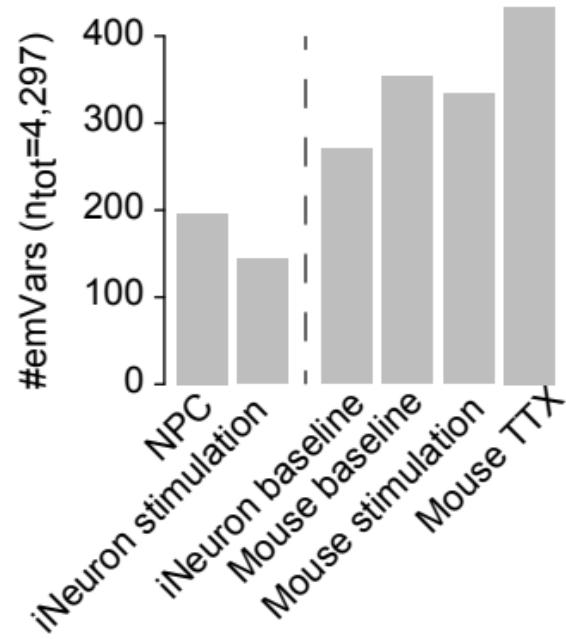
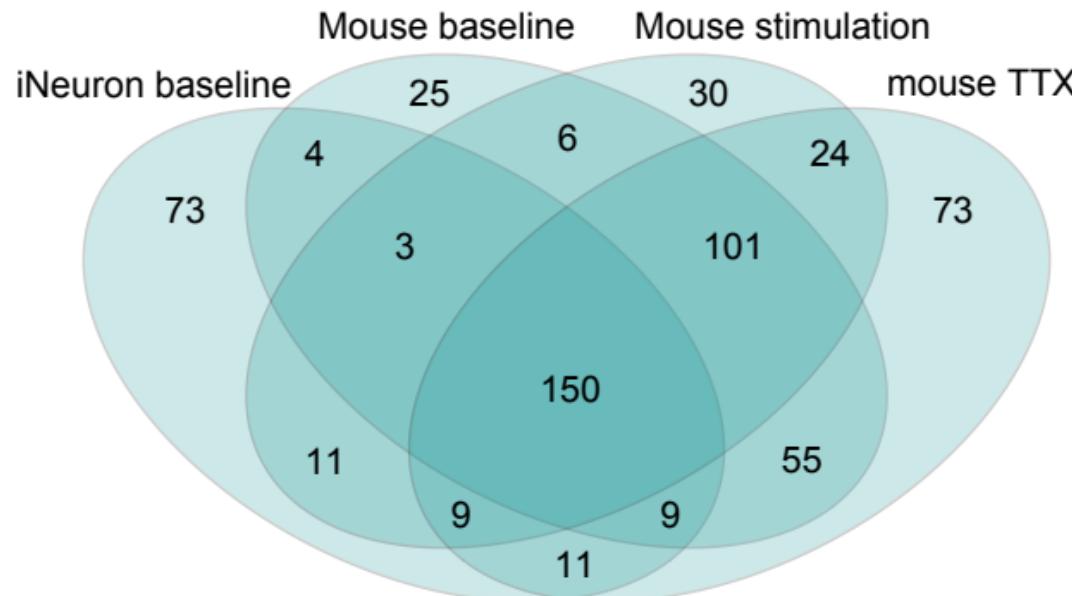
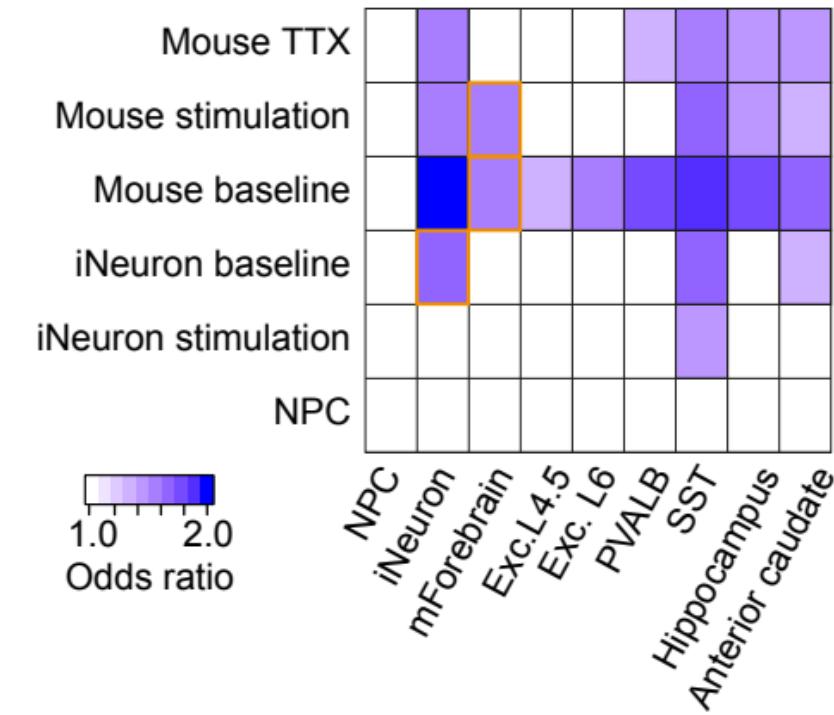
(B) Enrichment of emVars differentially active between NPCs and iNeurons overlapping with distinct genomic features, including: eQTL – eQTL (FDR $\leq$ 0.05) in adult human post mortem PFC, single cell ATAC-Seq in PFC: Exc. L4-5 – excitatory neurons layer 4-5, Exc. L6 – excitatory neurons layer 6, PVALB – parvalbuminergic interneurons, SST – somatostatin interneurons, NPC H3K27ac – ChIP-Seq for H3K27ac in iPSC derived NPCs, PFC H3K27ac – ChIP-Seq in dorso lateral prefrontal cortex of adult human post mortem brain, iNeuron – ATAC-Seq iPSC derived neurons at day 49 of culture. y-axis indicates odds ratio and point size p-value of Fisher's-exact test results.

(C) Number of DevLib MPRA EE (y-axis) where both interrogated alleles (dark grey) or only one allele (light grey) showed differential activity between the conditions indicated on the x-axis in mouse baseline.

(D) Overlap of detected emVars in NPCs and iNeurons.

(E) IGV annotation of an example SCZ associated emVar detected at the GRIN2A locus.

(F) Allele specific GRE activity for the G and C allele of the rs9806806 SNP based on MPRA measurements in NPCs (blue) or iNeurons (red). Each dot represents an independent MPRA assay replicate.

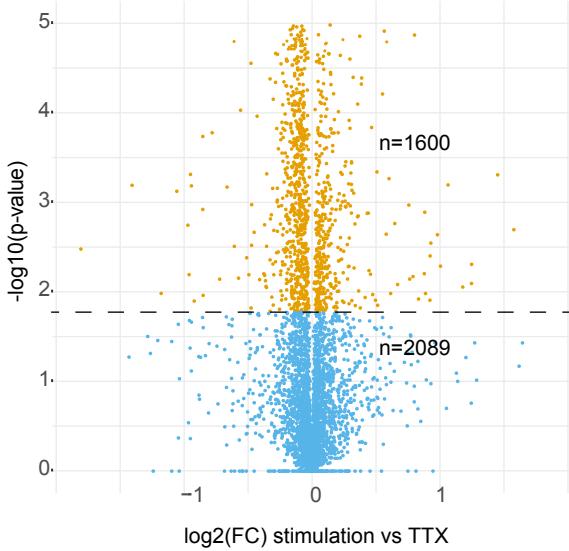
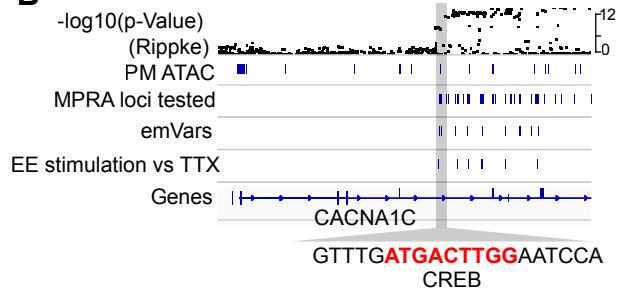
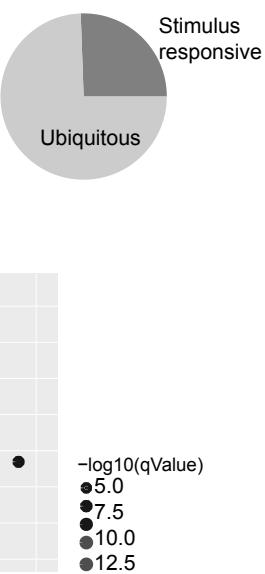
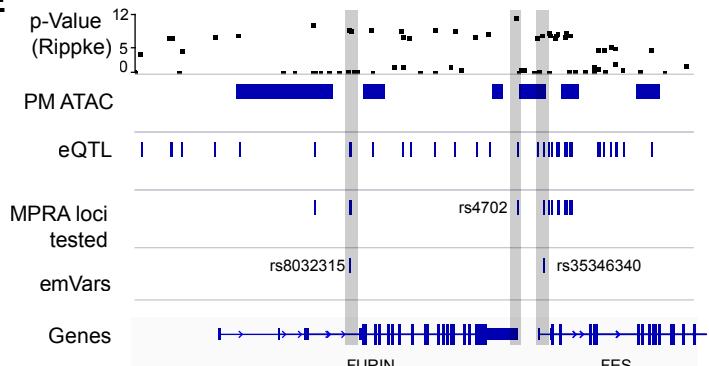
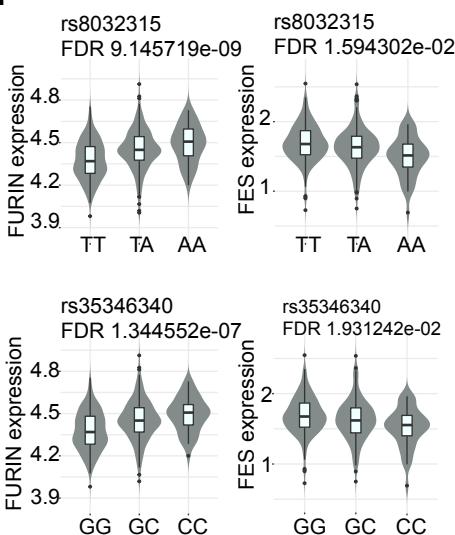
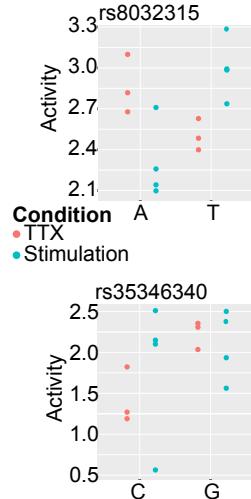
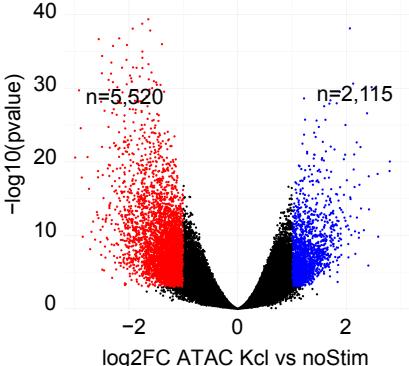
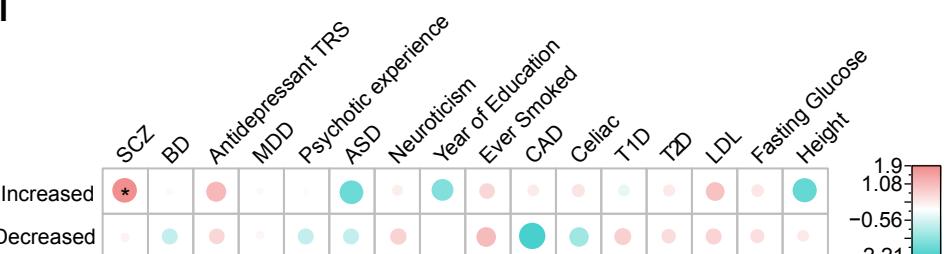
**A****B****C****Figure 4**

**Figure 4. Summary of emVars across conditions**

(A) Number of emVars detected across all measured conditions combining Dev and eQTL MPRA library. Dashed line separates conditions only measured for the Dev Lib (left) and conditions measured for all investigated MPRA libraries (right).

(B) Overlap of emVars detected across cell types and conditions measured for both Dev and eQTL lib.

(C) Enrichment of emVars compared to non-emVars overlapping with distinct genomic features (eQTLs show no enrichment, not shown), including: NPC-H3K27ac ChIP-Seq for NPCs, iNeurons - ATAC-Seq in iNeurons, mForebrain ATAC-Seq in primary mouse forebrain at passage 0, single cell ATAC-Seq in PFC: Excl.4-5 – excitatory neurons layer 4-5, Exc. L6 – excitatory neurons layer 6, PVALB – parvalbuminergic interneurons, SST – somatostatin interneurons, Hippocampus/anterior caudate: ChIP-Seq for H3K27ac in human post mortem brain tissue. Color indicates odds ratio based on Fisher's exact test, only significant enrichments ( $p\text{-value} \leq 0.05$ ). Orange boxes indicate matching conditions between MPRA experiment and ChIP-Seq/ATAC experiments.

**A****B****D****E****F****G****H****I****Figure 5**

## Figure 5. Characterization of neuronal activity dependent SCZ associated eQTLs

(A) Comparison of EE activity of the DevLib MPRA library between primary mouse cortical cultures with abolished (TTX) and stimulated electrophysiological network activity (Stimulation, inhibiting interneuron driven neuronal neurotransmission, leading to hyperactivity). Y-axis shows  $-\log_{10}(p\text{-value})$  and x-axis  $\log_2(\text{fold change})$  of the comparison, where negative values indicate higher activity in the BIC condition. Yellow dots indicate sequence elements with significantly differential activity between the conditions ( $\text{FDR} \leq 0.05$ ).

(B) Example IGV characterization of stimulation dependent sequence elements at the CACNA1C locus (grey box). Annotation includes GWAS based p-value of SCZ association, pm ATAC- post mortem scATAC peaks, MPRA loci tested – all sequence elements interrogated by MPRA, emVars – all SCZ associated variants with significant allele specific activity; BIC vs TTX – all sequence elements with significant differential activity between mouse primary cortical cultures under stimulation and TTX treatment. Grey triangle shows a high-resolution view of a part of the sequence element highlighting the presence of a CREB binding motif.

(C) Distribution of transcription factor motif (x-axis) enrichment (y-axis, odds ratio Fisher's exact test) in stimulation responsive sequence elements compared to non-stimulation responsive based on mouse MPRA experiments.

(D) Fraction of stimulation dependent emVars (stimEmVars, dark grey) relative to all emVars, requiring that allele specific activity was only observed in cell culture conditions (iNeurons or primary mouse neurons) exhibiting electrophysiological activity (stimulation, baseline) but not under TTX treatment.

(E) Example of two stimEmVars at the FURIN/FES locus, grey boxes indicate location of stimEmVars.

(F) Expression of the FURIN (left) or FES (right) gene in human post mortem PFC by donor allele status (n=468 donors) of the rs8032315 (top) or rs35346340 (bottom) eQTL for each gene.

(G) Allele specific GRE activity for the A and T allele of the rs8032315 (top) or the C/G allele of the rs35346340 (bottom) SNP based MPRA measurements in primary mouse neuronal cultures under stimulation (blue) or TTX (red) conditions. Each dot represents an independent MPRA assay replicate.

(H) Differential peak accessibility between baseline and stimulation condition iPSC derived iNeurons at day 49 measured by ATAC-Seq across n=10 distinct donors per treatment conditions. Results are shown by p-value (y-axis) and  $\log_2$  fold change per peak, where red dots indicate peaks with increased accessibility upon stimulation (n=5,520), blue decreased accessibility (n=2,115) and black unchanged (n=228,841).

(I) Cell type specific partition heritability analysis for all peaks with increased or decreased accessibility by ATAC-Seq upon stimulation of iPSC derived iNeurons across a panel of traits based on GWAS summary statistics, including BD – bipolar disorder, Antidepressant TRS – treatment resistant depression, MDD – major depression, ASD – autism spectrum disorder, CAD – coronary artery disease, T1D/T2D – Type 1/2 diabetes, LDL – Levels of low-density lipoprotein. Dot size indicates enrichment levels as z-scores and \* indicates significance after Benjamini-Hochberg correction (FDR $\leq$ 0.05).

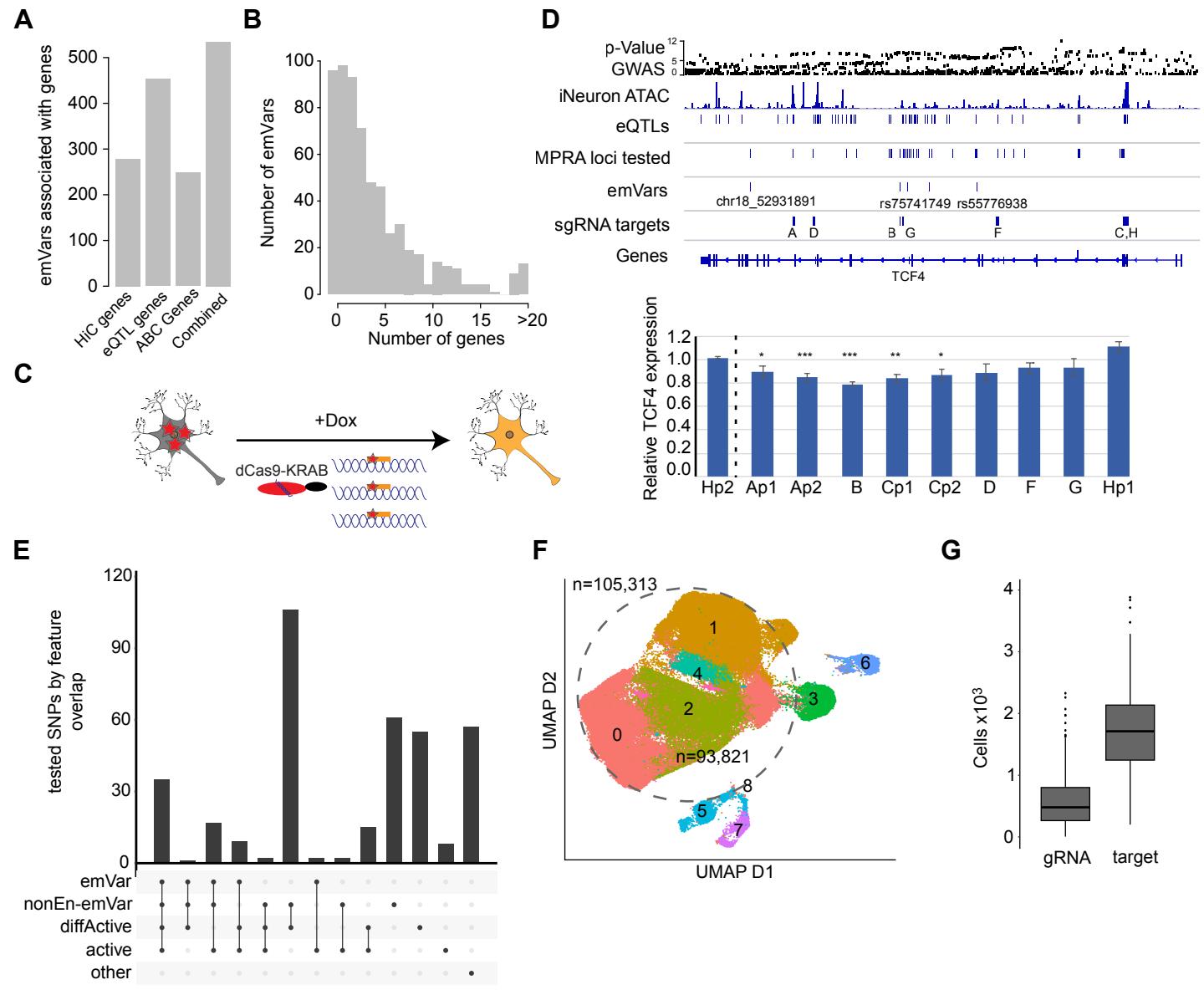


Figure 6

## Figure 6. Functional interrogation of emVars

(A) Number of emVars (y-axis) associated with at least one gene by HiC in human adult post mortem PFC, eQTLs in human adult post mortem PFC, the abc model and combined.

(B) Number of genes (x-axis) per emVar (y-axis) based on HiC, eQTL and the abc model combined.

(C) Schematic of dCas9-KRAB experiments to silence GReEs harboring SCZ associated genetic variants in iNeurons.

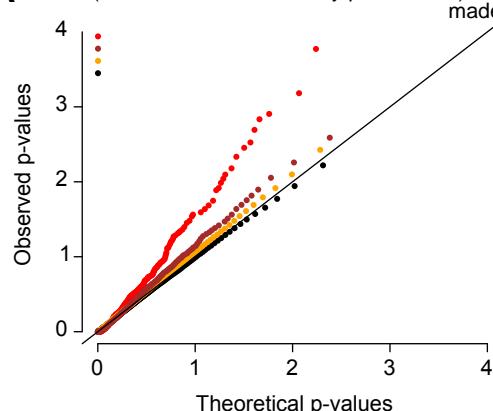
(D) Top: IGV overview of the TCF4 locus including annotation for p-value (Ripke, 2014) - GWAS based -log10(p-value) of SCZ association, iNeuron ATAC - ATAC-Seq data iNeurons, eQTL - in human adult post mortem PFC, MPRA loci tested – all SCZ associated variants interrogated by MPRA, emVars – emVars identified across all conditions, gRNA targets – location of gRNA targets (3 gRNAs per target), letters indicate target region. Bottom: Results of dCas9-KRAB perturbation experiment in iPSC derived iNeurons at day 49. Y-axis shows fold change of the relative expression (vs MAP2) of the TCF4 gene compared in each individual perturbation experiment (x-axis) measured by qPCR. Expression was normalized to the TCF4 expression of the locus internal gRNA control H2. H1 represents an additional targeting control. Stars indicate significance of downregulation (one sided t-test) compared to H2 control with \* p-value<0.05, \*\*pvalue<0.005, \*\*\*p-value<0.0001 across 4 technical and 2 biological replicates. Error bars indicate standard error.

(E) Variant classification of MPRA tested SCZ associated genetic variants (n=467) selected for interrogation by CROP-Seq: emVar – classification as emVar, non-enhancer emVar – sequence element with allele specific activity not meeting the minimal expression threshold, diffActive – differentially active element between cell types or conditions, active – element classified as active in at least one condition. F. UMAP representation of single cell CROP-Seq experiment in day 35 iPSC derived iNeurons with each dot representing a single cell. Numbers indicate cluster membership and dashed ellipsoid indicates neuronal cells. G. Distribution of number of cells per single gRNA (y-axis left) or per target (3 gRNAs per target, y-axis right) for CROP-Seq experiment.

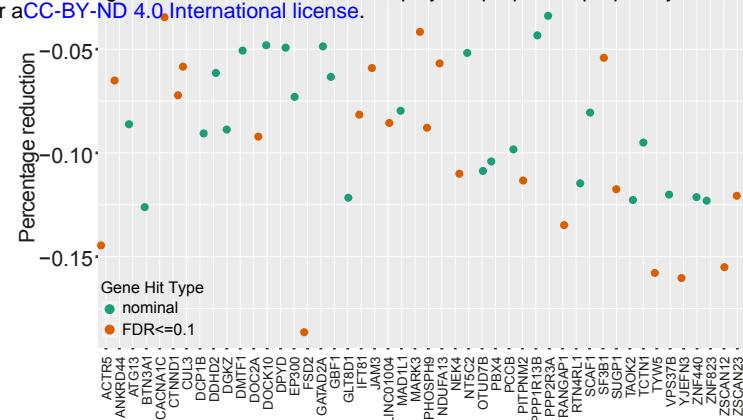
(F) UMAP representation of single cell CROP-Seq experiment in day 35 iPSC derived iNeurons with each dot representing a single cell. Numbers indicate cluster membership and dashed ellipsoid indicates neuronal cells used for further CROP-Seq analysis.

(G) Distribution of number (y-axis) of cells per guide (left) or cells per target (right) for CROP-Seq experiment.

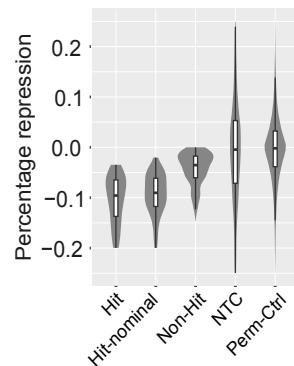
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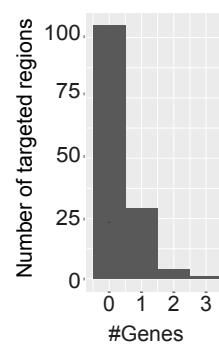
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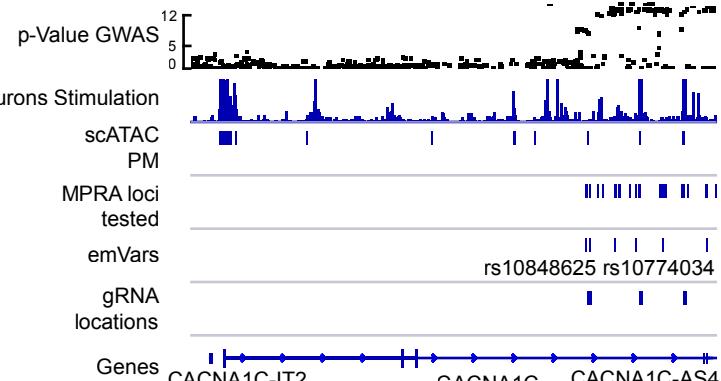
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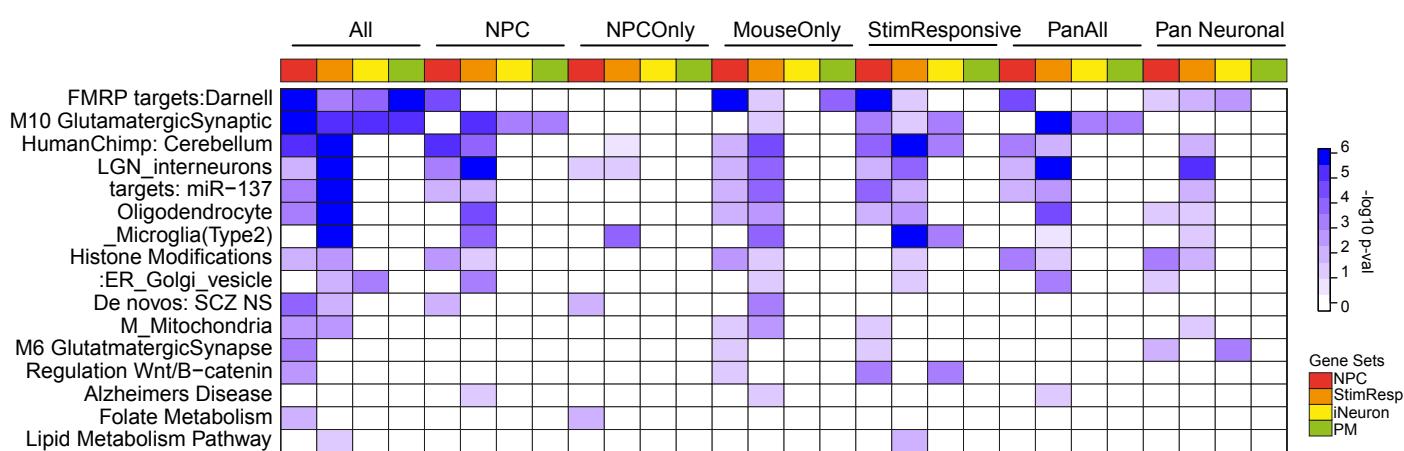
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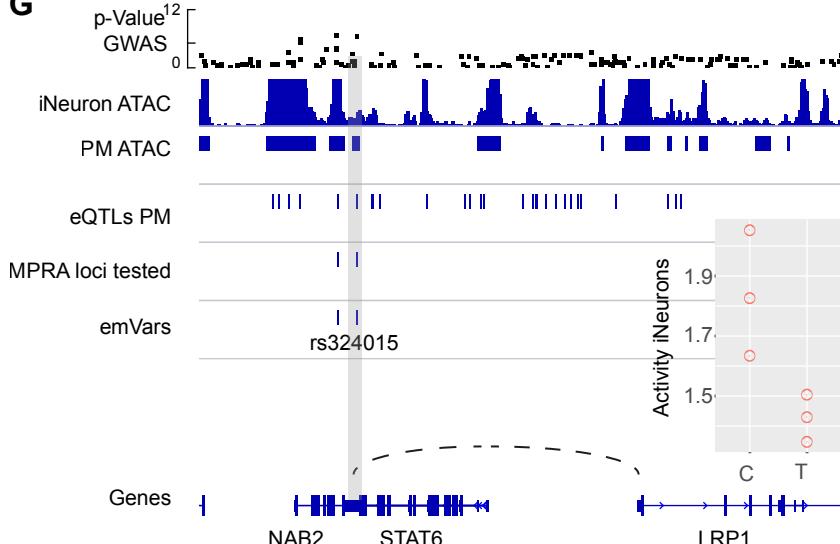
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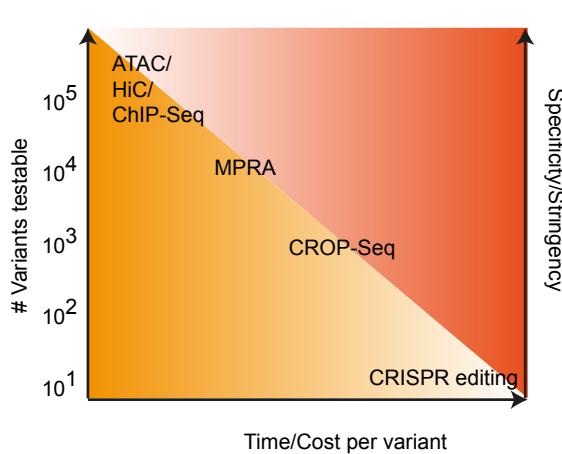


Figure 7

### Figure 7. Functional characterization of emVars by CROP-Seq

(A) Quantile-quantile plot of differential expression tests showing the distribution of observed vs. expected p-values targeting gRNA pools (red, n=181), permuted control gRNA pools of matching size and complexity distribution (orange, n=500), non-targeting controls (n=9) and bootstrapped p-value for randomly sampled cell sets of equal size and complexity (black). P-values originate from one sided t-tests.

(B) Summary of CROP-Seq screen results showing all down-regulated target genes (x-axis) along with the percentage of downregulation (y-axis) by individual gRNA pools (dots) for significant gRNA pool – gene hit pairs based on FDR (FDR  $\leq 0.1$ , orange) or nominal significance (p-value  $\leq 0.05$ , green).

(C) Effect size distribution in terms of percentage down-regulation (y-axis) of significant gRNA-gene pairs based on an FDR  $\leq 0.1$ , nominal significance (p-value  $\leq 0.05$ ), non-significant gRNA-gene pairs (Non-Hit) and filtered NTC-gene pairs (NTC) and the permutation control gRNA-gene pair set (Perm Ctrl, x-axis).

(D) For each gRNA pool (y-axis) number of genes downregulated (x-axis).

(E) Example IGV overview of two significant gRNA-gene pairs at the CACNA1C locus. Grey boxes indicate gRNA locations associated with significant downregulation of the CACNA1C gene.

(F) Selected results of pathway enrichment analysis (x-axis) for genes linked to distinct emVar Sets (y-axis) by HiC, eQTL or CROP-Seq and expressed in the tissue indicated by the color code shown on the left. Pathway enrichment results are shown as  $-\log_{10}$  p-value from Fisher's exact test only for pathways with an FDR  $\leq 0.1$  and capped at 6. For all pathway enrichment results see Supplementary Table 6.

(G) Left: IGV overview of the LRP1 locus including annotation for p-value (Ripke, 2014) - GWAS based  $-\log_{10}$ (p-value) of SCZ association, iNeuron ATAC - ATAC-Seq data iNeurons, PM ATAC – ATAC-Seq data from human post mortem brain, eQTL - in human adult post mortem PFC, MPRA loci tested – all SCZ associated variants interrogated by MPRA, emVars – emVars identified across all conditions. Right: Allele specific GRE activity for the C and T allele of the rs324015) SNP based MPRA measurements in iNeurons. Each dot represents an independent MPRA assay replicate.

(H) Schematic summarizing the characteristics of different functional genomic assays with respect to the number of genetic variants that can be interrogated (y-axis left), the time/cost required for each assay (x-axis) and the specificity/stringency of the obtained results (y-axis left).

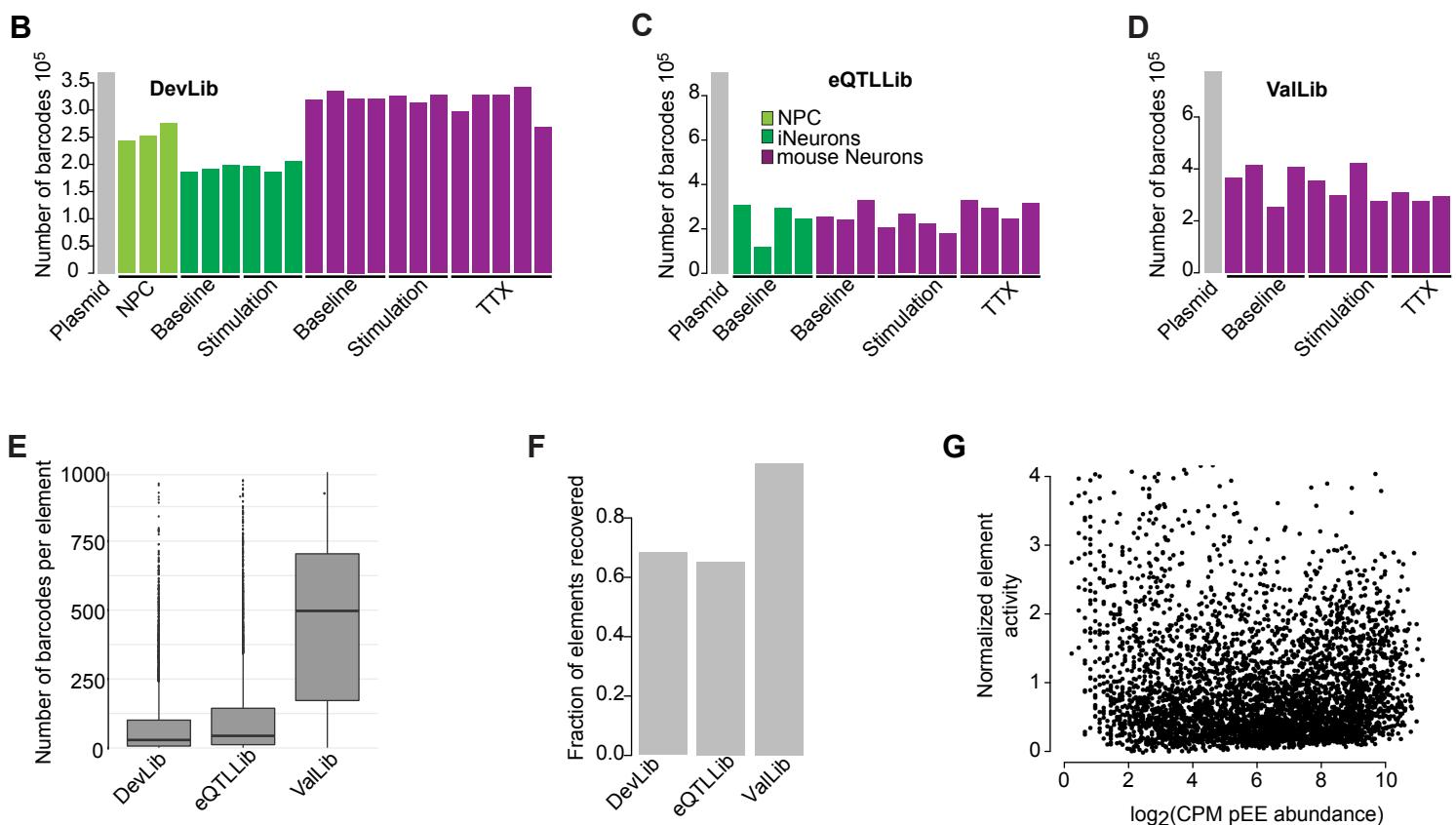
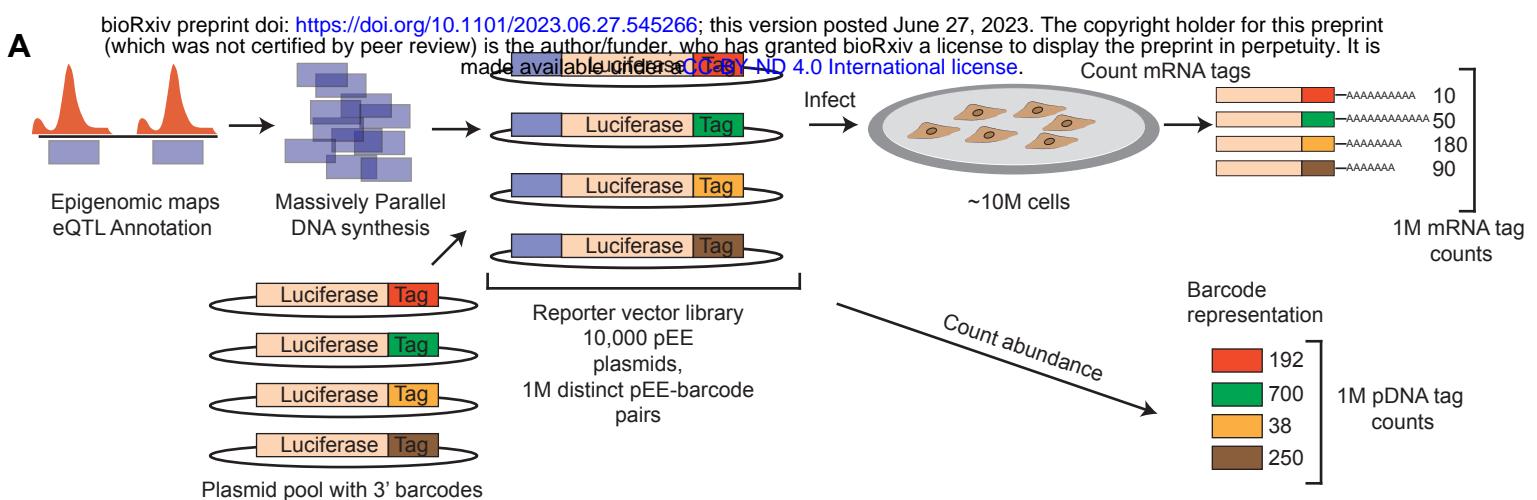


Figure S1

## Supplementary Figures

### Figure S1. MPRA quality metrics.

(A) Schematic representation of MPRA workflow.

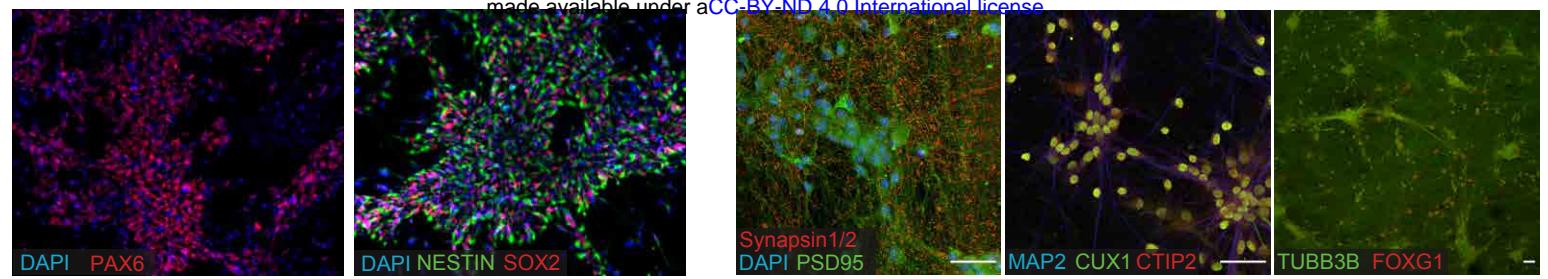
(B-D) Total number of unique barcodes detected in the plasmid library (grey bar), as well as in mRNA obtained from the individual experimental MPRA conditions for the developmental (DevLib), eQTL (eQTLLib) and validation library (ValLib) in the different neural cell types: NPCs (light green), iNeurons (dark green), and mouse primary neurons (purple).

(E) Distribution of the number of individual barcodes per tested sequence element (each allele is counted separately). Boxes indicate 25<sup>th</sup> and 75<sup>th</sup> percentile and whiskers indicate 1.5 interquartile range from the hinge.

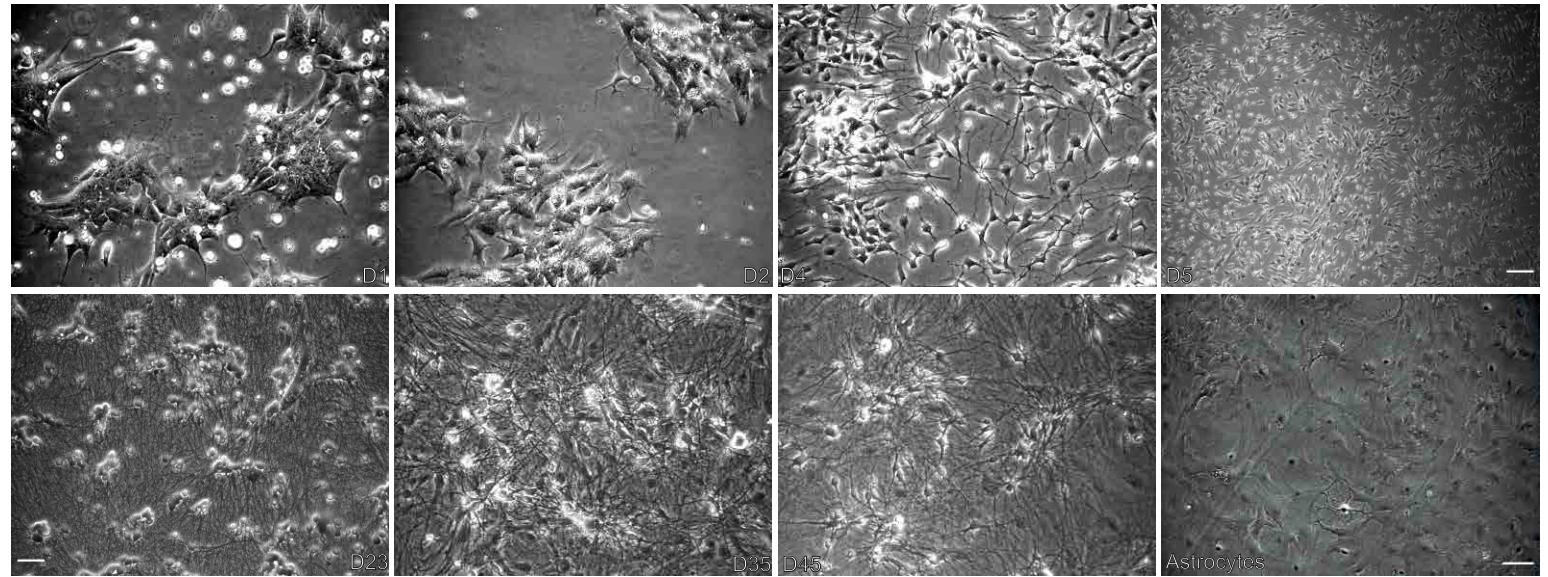
(F) Fraction of individual sequences contained in each library design that were recovered at quantifiable levels from the RNA sequencing of each library.

(G) Distribution of sequence element activity (x-axis) normalized by sequence abundance in plasmid library (x-axis) as a function of total element abundance in the original plasmid library for the DevLib in iNeurons.

A



C



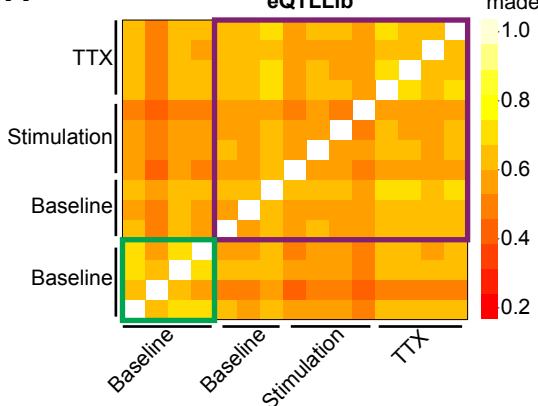
**Figure S2. Characterization of in vitro model system.**

(A) Immunohistochemistry of NPCs at day6 of differentiation from iPSCs. DAPI is used as counterstain for DNA located in the nucleus of the cells. NPCs are positive for PAX6 (forebrain NPC marker), NESTIN (immature NPC neurite marker), and SOX2 (immature neural marker).

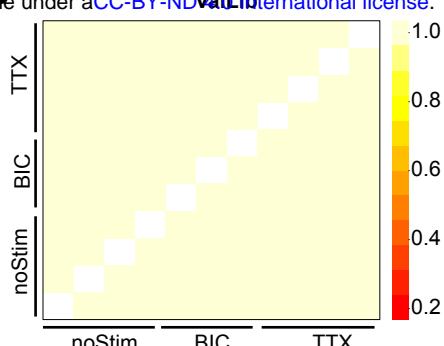
(B) iNeurons on day49 are expressing cortical layer marker CUX1 and CTIP2. Neurons have a dense neuronal network indicated by the neurite marker TUBB3B (TUJ1,  $\beta$ 3-Tubulin). Alongside the neurite network, the excitatory presynaptic marker SYNAPSIN1/2 and postsynaptic marker PSD95 can be located. Scale bar indicates 50  $\mu$ m.

(C) Phase contrast images of different stages during the iNeuron differentiation. Image on the bottom right depicts the primary mouse astrocytes used for the maturation of the iNeurons. Scale bar indicates 50  $\mu$ m.

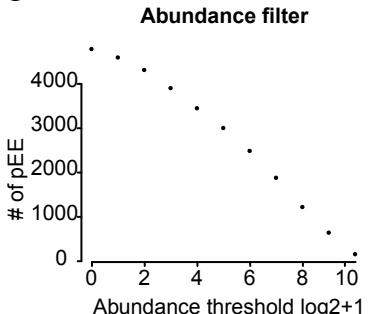
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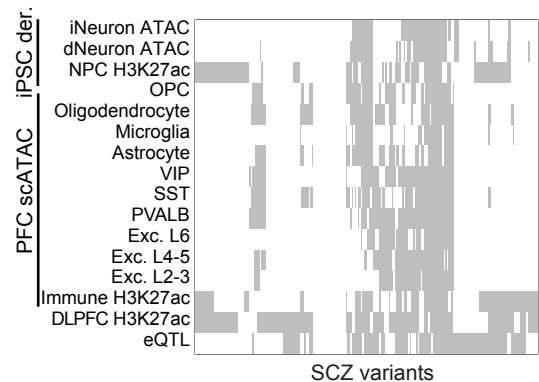
**B**



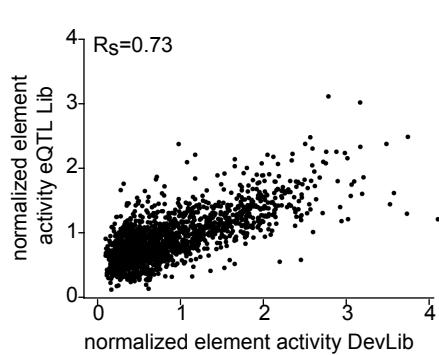
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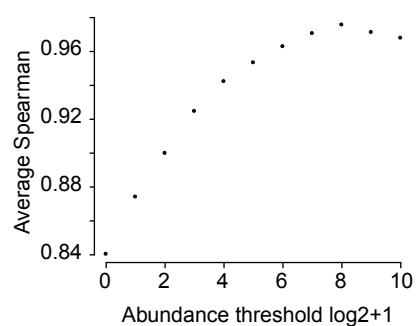
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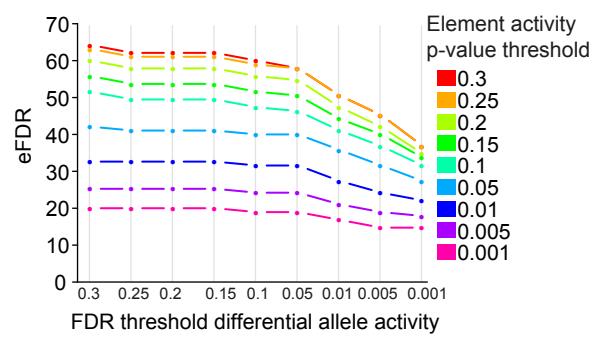
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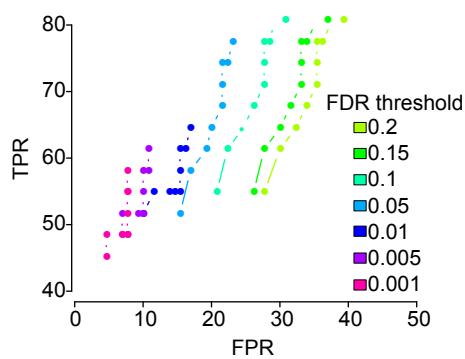
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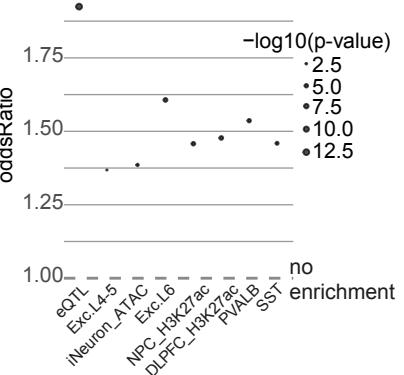
**G**



**H**



**I**



**Figure S3. MPRA quality metrics and threshold calibration.**

(A-B) Spearman correlation heatmap of cpm normalized log2 ratio between the MPRA mRNA counts and their abundance in the original plasmid library for all pEE measured in all conditions of the eQTL or Validation library. Green box signifies correlation of MRPA results from human iNeurons, purple box demarcates results for MPRA experiments in mouse primary neurons.

(C) Number of recovered sequence elements in the eQTL lib (y-axis) as a function of cpm normalized element abundance in the original plasmid library (x-axis).

(D) Annotation of all SCZ associated genetic variants selected for MPRA testing in the ValLib (x-axis) with various epigenomic annotations (y-axis) derived from iPSC derived neurons (iNeuron, dNeuron, neural precursor cells (NPCs)), single cell ATAC-Seq of adult human post-mortem tissue from the prefrontal cortex (PFC), H3K27ac ChIP-Seq profiles across immune cell types and bulk PFC tissue as well as eQTLs detected in PFC.

(E) Consistency of allele specific pEE activity between the eQTLib and the DevLib (n=193) in mouse primary neuronal cultures at baseline conditions.

(F) Average Spearman correlation across replicates of DevLib (y-axis) as a function of minimal element abundance in the plasmid library (x-axis).

(G) Empirical false discovery rate (eFDR, y-axis) as a function of the difference between the two alleles of each sequence element and the minimal element activity threshold (x-axis) defined as the most significant activity across both alleles (colored lines) for 95 random control SNPs in the validation library.

(H) True positive (y-axis) and false positive rate (x-axis) for allele specific SNP activity measured in the DevLib in primary mouse cultures (baseline condition) using the results of the validation library as ground truth. Results are shown as a function of differential allele FDR thresholds (dots, from highest dot to lowest 0.3, 0.25, 0.2, 0.15, 0.1, 0.05, 0.01, 0.005, 0.001) and minimal element activity threshold (colored lines).

(I) Enrichment of sequence elements identified as active ( $p\text{-value} \leq 0.005$  compared to the negative control elements) compared to non-active elements based on their overlap with eQTL, ATAC-Seq or H3K27ac peaks in various cell types and tissues (x-axis, eQTL – eQTL (FDR  $\leq 0.05$ ) in adult human post mortem PFC, single cell ATAC-Seq in PFC: Excl.4-5 – excitatory neurons layer 4-5, Exc. L6 – excitatory neurons layer 6, PVALB- parvalbuminergic interneurons, SS T- somatostatin interneurons, PFC H3K27ac – ChIP-Seq in dorso lateral prefrontal cortex of adult human post mortem brain, iNeuron – ATAC-Seq iPSC derived neurons at day 49 of culture). y-axis indicates odds ratio and point size indicates  $p\text{-value}$  of Fisher's-exact test results.

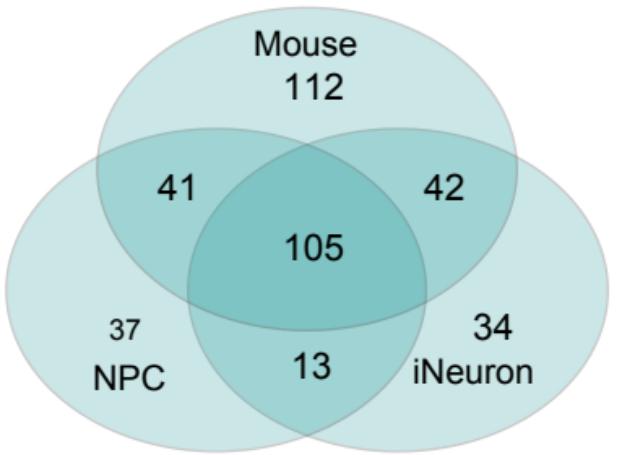
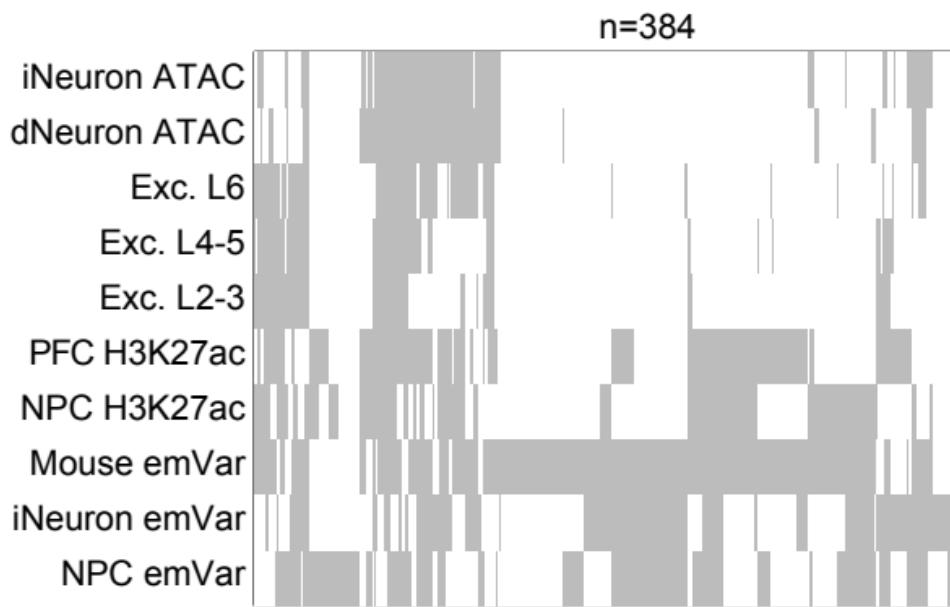
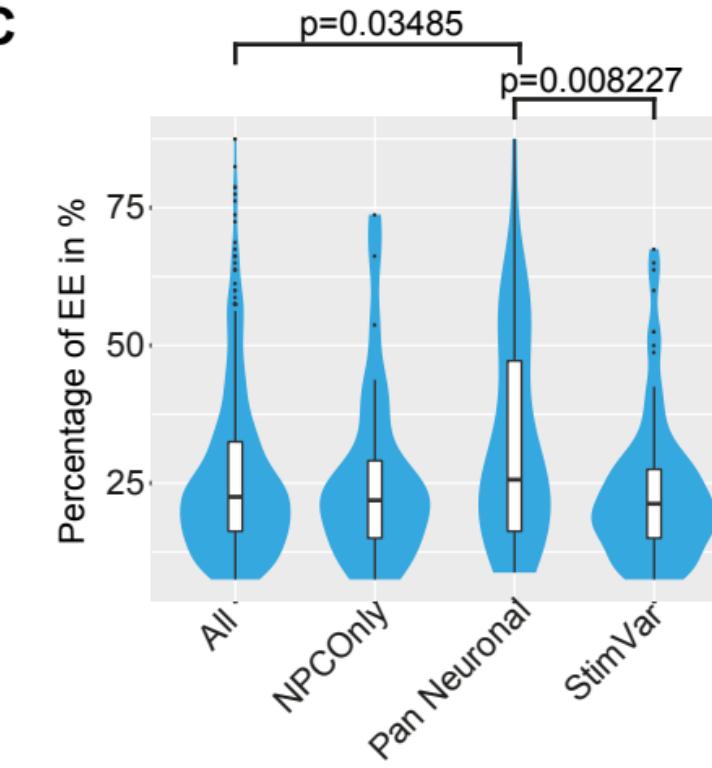
**A****B****C**

Figure S4

#### Figure S4. DevLib MPRA results

(A) Overlap of emVars in the DevLib detected in primary mouse cortical neurons under baseline conditions, iPSC derived NPCs and iPSC derived iNeurons.

(B) Genomic feature annotation (x-axis) of emVars detected in mouse, iNeurons or NPCs (y-axis). Annotation include NPC H3K27ac – ChIP-eq for H3K27ac in iPSC derived NPCs, DLPFC H3K27ac – ChIP-Seq in dorso lateral prefrontal cortex of adult human post mortem brain, single cell ATAC-Seq in PFC: Exc. L2-3 – excitatory neurons layer 2-3, , Exc. L4-5 – excitatory neurons layer 4-5, Exc. L6 – excitatory neurons layer 6, PVALB- parvalbuminergic interneurons, SST – somatostatin interneurons, iNeuron/dNeuron – ATAC-Seq iPSC derived iNeurons at day 49 of culture or Qi Neurons (dNeurons) at day 63 of culture.

(C) Percentage of EE regions harboring emVars (x-axis) with H3K27ac signal across 80 diverse human cell and tissue types (y-axis).

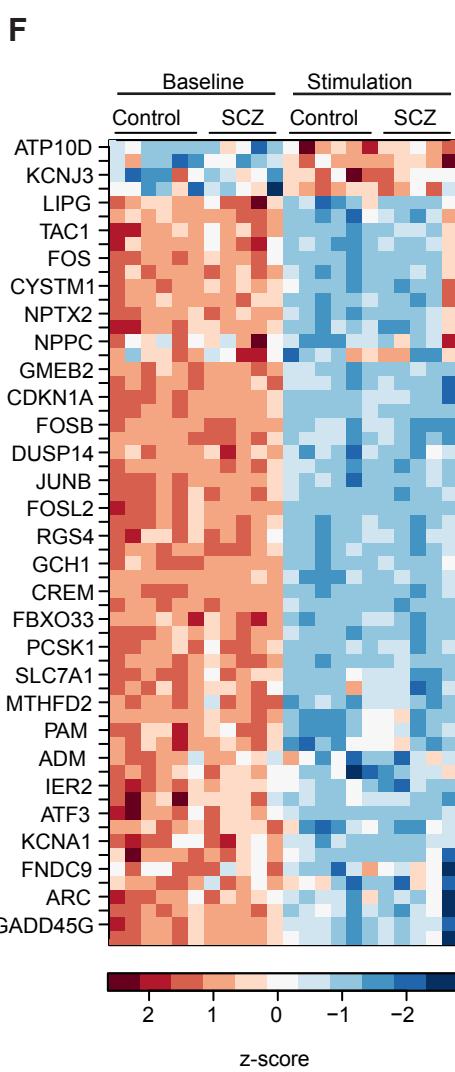
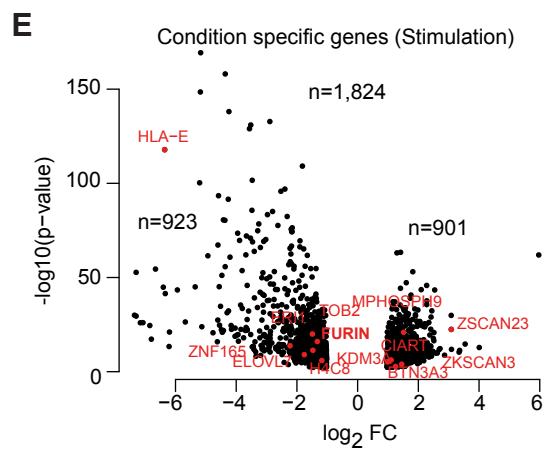
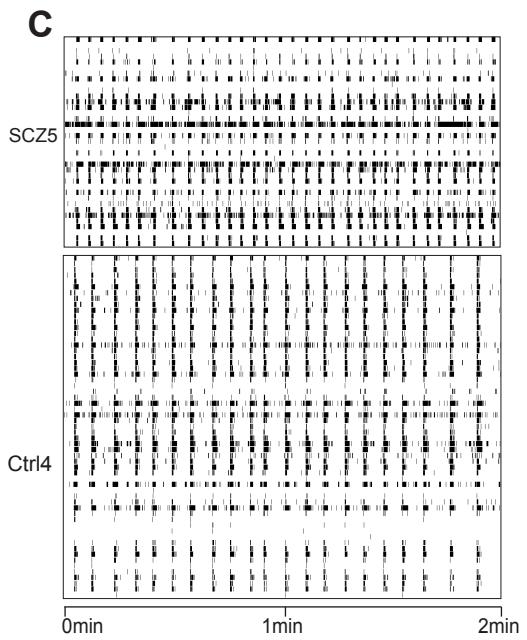
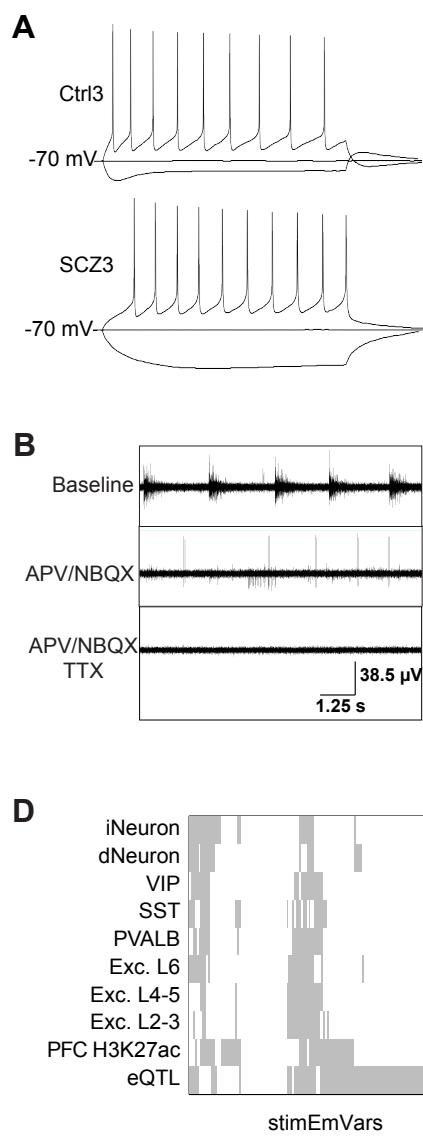


Figure S5

### Figure S5. Electrophysiological characterization of iPSC derived neurons

(A) Representative single cell whole cell current clamp analysis results of iPSC derived iNeurons at day 45-51 of differentiation from healthy donor (top, C3) or SCZ patient (bottom, S3).

(B) Representative multi-electrode-array field recordings of iPSC derived neurons under baseline conditions (top), after addition of APV and NBQX (middle) and APV, NBQX, and TTX (bottom) over 10 seconds.

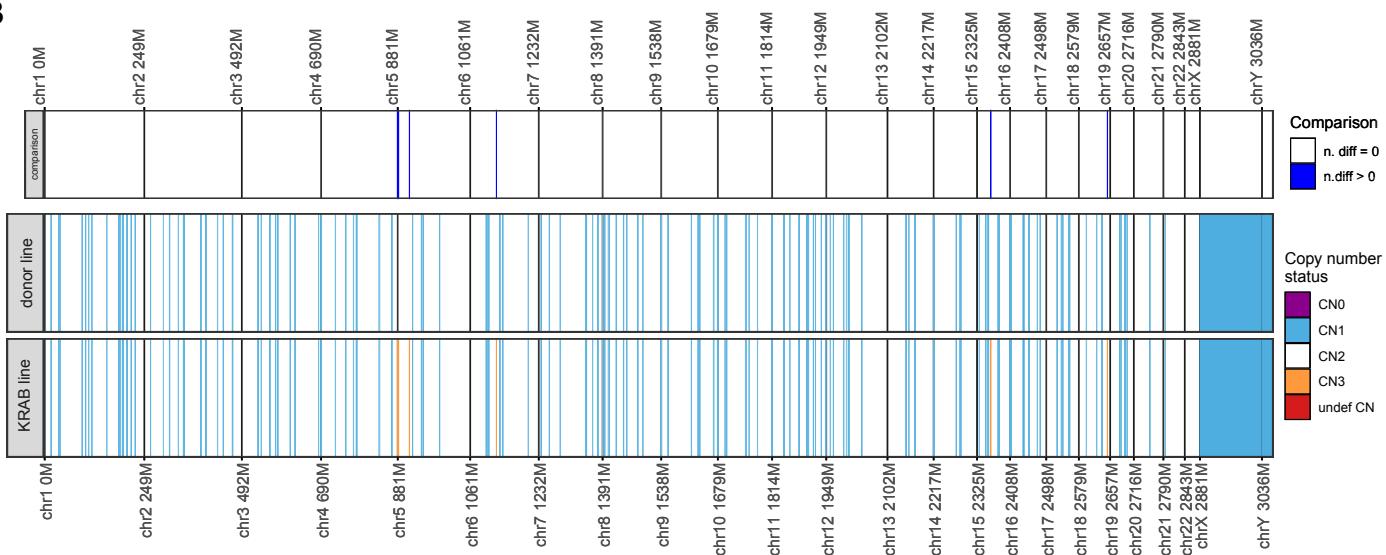
(C) Representative multi-electrode-array recordings of iPSC derived iNeurons at day 49 from a healthy donor (C6) and a SCZ donor (S4) over 2 min ( x-axis). Y-axis shows all active electrodes with black lines indicating detected action potentials.

(D) Genomic feature annotation (y-axis) of stimEmVars —(x-axis). Annotation include eQTL – eQTL in adult human post mortem PFC, DLPFC H3K27ac – ChIP-Seq in dorso lateral prefrontal cortex of adult human post mortem brain, single cell ATAC-Seq in PFC: Exc. L2-3 – excitatory neurons layer 2-3, Exc. L4-5 – excitatory neurons layer 4-5, Exc. L6 – excitatory neurons layer 6, PVALB – parvalbuminergic interneurons, SST- somatostatin interneurons, iNeuron/dNeuron – ATAC-Seq iPSC derived neurons

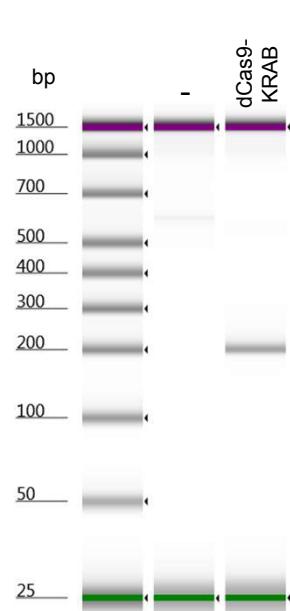
(E) Differential gene expression between baseline and KCl treated (Stimulation condition) iPSC derived iNeurons at day 49 measured RNA-Seq across n=10 distinct donors per treatment. Results are shown by -log10 p-value (y-axis) and log2 fold change per gene, where only significant genes are (FDR $\leq$ 0.01, log2(FC) $\geq$ 1) are shown. Negative values indicate higher expression upon stimulation. Genes highlighted in red indicate SCZ risk genes based on Ripke et al. 2014.

(F) Heatmap of z-score normalized gene-expression for well-known activity regulated genes based on Tussowski et al. (2018) differentially expressed upon stimulation (KCl treatment) across iPSC derived neurons from healthy donors and SCZ individuals.

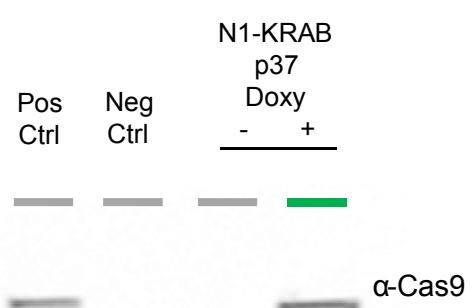
**B**



**C**



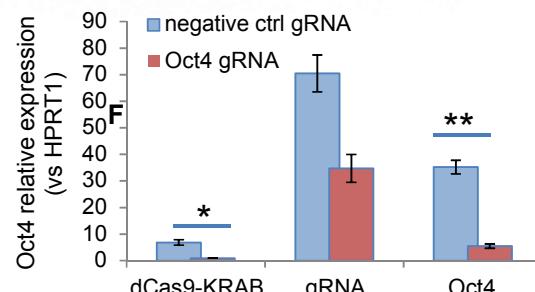
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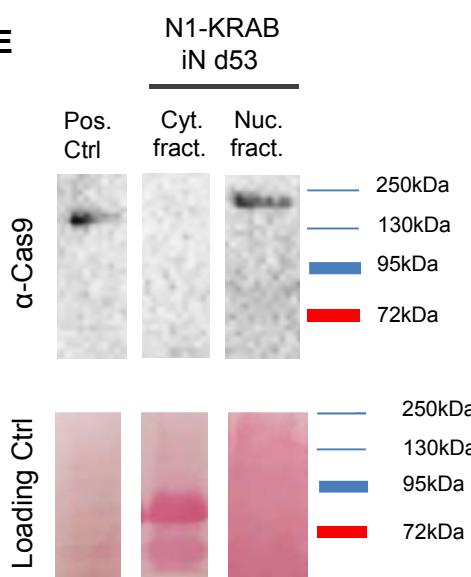
N1-KRAB p37

$\alpha$ -Cas9

**G**

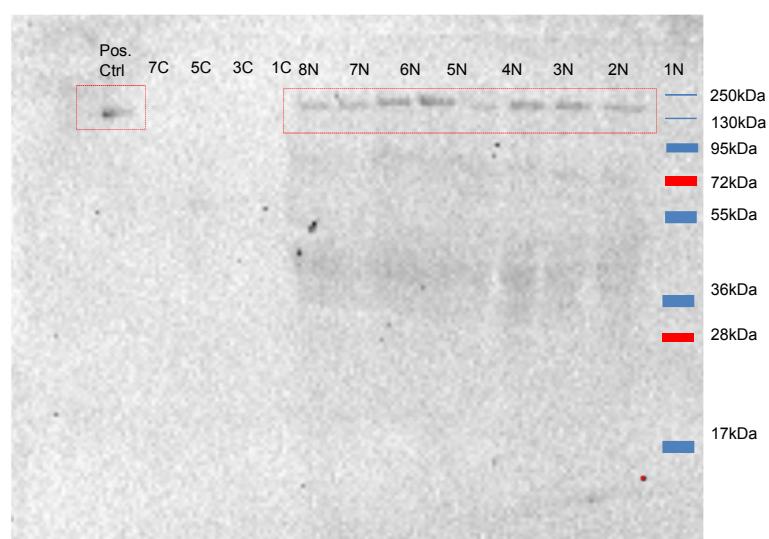


**E**

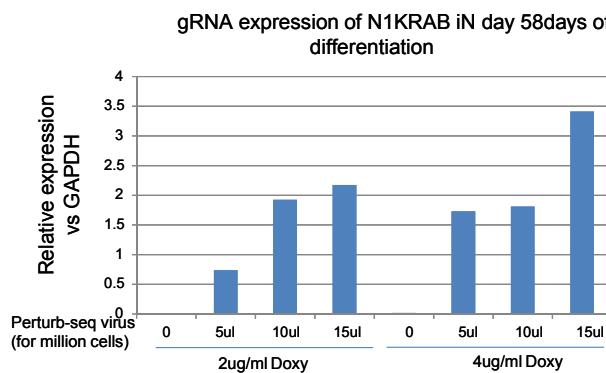


N1-KRAB iN d53

**F**



**H**



**Figure S6. Characterization of dCas9-KRAB iPSC line**

- (A) Targeting strategy for dCas9-effector knock-in at the AAVS1 locus in human iPSCs
- (B) Karyotyping of Ctrl5 iPSC line comparing the dCas9-KRAB knock-in line to the original donor.
- (C) PCR validation of knock-in fragment in AAVS1 locus
- (D) PCR validation of dCas9 transcript induction upon doxycycline treatment in iPSCs.
- (E) Western blot validation of dCas9 protein expression in iPSC derived neurons (day 53) for cytosolic and nuclear fraction separately. Loading control shown below.
- (F) Full blot from (E): Nuclear extracts are indicated with "N", cytoplasmatic extracts with "C". The positive control is a whole cell extract from N1KRAB iPSCs treated for 14 days with DOXY 2ug/ml.

N1KRAB iN day61 of differentiation :

- 1- Ctrl (not infected with CROP-seq virus) [2ug/ml Doxy]
- 2- Ctrl (not infected with CROP-seq virus) [4ug/ml Doxy]
- 3- 5  $\mu$ l first infection than infected 2 times with 10ul/million cells [2ug/ml Doxy]
- 4- 5  $\mu$ l first infection than infected 2 times with 10ul/million cells [4ug/ml Doxy]
- 5- 10  $\mu$ l first infection than infected 2 times with 10ul/million cells [2ug/ml Doxy]
- 6- 10  $\mu$ l first infection than infected 2 times with 10ul/million cells [4ug/ml Doxy]
- 7- 15  $\mu$ l first infection than infected 2 times with 10ul/million cells [2ug/ml Doxy]
- 8- 15  $\mu$ l first infection than infected 2 times with 10ul/million cells [4ug/ml Doxy]

(G) dCas9 expression by qPCR relative to GAPDH in day 53 iPSC derived neurons for different dox-treatment dosages and times during differentiation.

(H) Functional validation using knockdown of OCT4 relative to HPRT1 expression by dCas9 in iPSC lines.

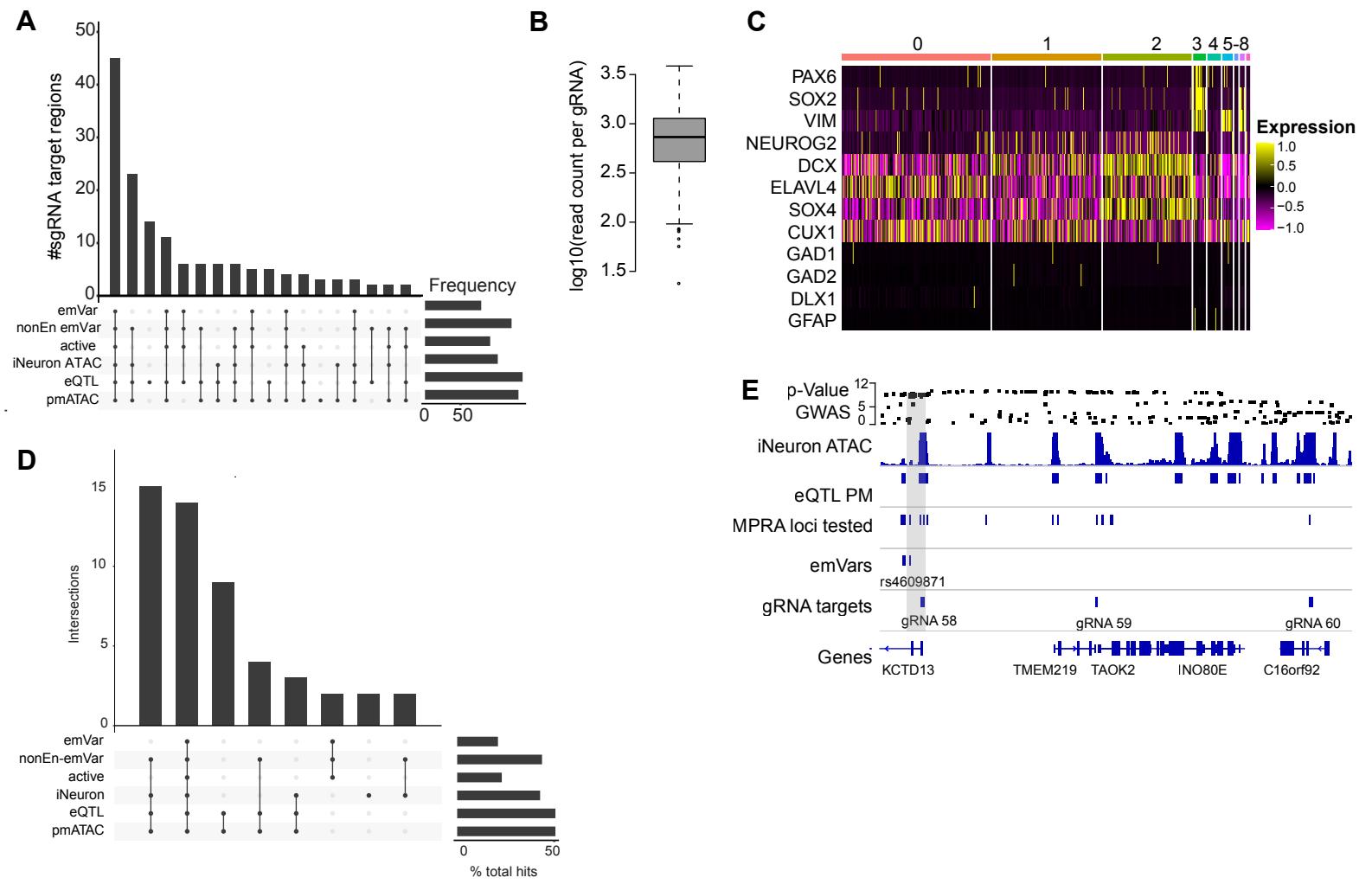


Figure S7

### Figure S7. Characterization of CROP-Seq pool and experiment

(A) Annotation of gRNA pool targets (n=146) contained in the CROP-Seq library with SCZ variant classes and genomic features: emVar – classification as emVar, non-enhancer emVar – sequence element with allele specific activity not meeting the minimal expression threshold, active – element classified as active in at least one condition, iNeuron- ATAC-Seq peaks in iPSC derived iNeurons, eQTL – eQTLs measured in human adult PFC and pmATAC - open chromatin regions measured by scATAC-Seq in human post mortem cortex.

(B) Normalized read count distribution of all gRNAs contained in the CROP-Seq library, recovering 100% of synthesized gRNAs.

(C) Marker gene expression (y-axis) across subsampled (n=5,000) cells from the CROP-Seq experiment. Numbers on top indicate cluster ID.

(D) Annotation of gRNA pool targets with a significant repressive effect on at least one target gene in the CROP-Seq screen, similar to (A).

(E) Example IGV overview of one significant gRNA-gene pair at the TAOK2 locus. Grey boxes indicate gRNA locations associated with significant downregulation of the TAOK2 gene.

**Table S1: Dataset overview and basic QC stats**

**Table S2: MPRA and CROP-Seq sequences**

**Table S3: Annotated MPRA results**

**Table S4: Results of stimulation experiments in gene expression and open chromatin profiles in iNeurons**

**Table S5: CROP-Seq results**

**Table S6: Pathway enrichment results**

**Table S7: Details on resources used for molecular biology experiments**