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## TITLE

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4 The genome of the CTG(Ser1) yeast *Scheffersomyces stipitis* is plastic  
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## ABSTRACT

25 Microorganisms need to adapt to environmental changes, and genome plasticity can  
26 lead to rapid adaptation to hostile environments by increasing genetic diversity.  
27 Here, we investigate genome plasticity in the CTG(Ser1) yeast *Scheffersomyces*  
28 *stipitis*, an organism with an enormous potential for second-generation biofuel  
29 production. We demonstrate that *S. stipitis* has an intrinsically plastic genome and  
30 that different *S. stipitis* isolates have genomes with distinct chromosome  
31 organisation. Real-time evolution experiments show that *S. stipitis* genome plasticity  
32 is common and rapid as extensive genomic changes with fitness benefits are  
33 detected following *in vitro* evolution experiments. Hybrid MinION Nanopore and  
34 Illumina genome sequencing identifies retrotransposons as major drivers of genome  
35 diversity. Indeed, the number and position of retrotransposons is different in different  
36 *S. stipitis* isolates, and retrotransposon-rich regions of the genome are sites of  
37 chromosome rearrangements. Our findings provide important insights into the  
38 adaptation strategies of the CTG (Ser1) yeast clade and have critical implications in  
39 the development of second-generation biofuels. These data highlight that genome  
40 plasticity is an essential factor to be considered for the development of sustainable  
41 *S. stipitis* platforms for second-generation biofuels production.

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## INTRODUCTION

49 Eukaryotic genomes are often described as stable structures with well-preserved  
50 chromosome organisation, and genome instability is viewed as harmful. However, an  
51 increasing body of evidence demonstrates that eukaryotic microorganisms have a  
52 plastic genome and genome instability is instrumental for rapid and reversible  
53 adaptation to hostile environments (1–4). This is because genomic instability can  
54 increase genetic diversity, allowing the selection of genotype(s) better adapted to a  
55 new environment (5, 6). Repetitive DNA elements are major contributors to genome  
56 plasticity as repeats can undergo inter and intra-locus recombination, resulting in  
57 gene conversion, gross chromosomal rearrangements and segmental aneuploidies  
58 (7). Transposable Elements (TE), a specific class of repetitive elements, alter  
59 genome organisation by recombination-dependent mechanisms and by jumping to  
60 new sites in the genome (8). TEs belong to two major classes: DNA transposons  
61 (Class II) and retrotransposons (Class I). DNA transposons utilise a “cut and paste”  
62 mechanism in which the parental element excises from its original location before  
63 integrating elsewhere (9). In contrast, retrotransposons replicate through reverse  
64 transcription of their RNA and integrate the resulting cDNA into another locus.  
65 Retrotransposons can be further classified into Long Terminal Repeats (LTR)  
66 retrotransposon and non-LTR retrotransposons (10). LTR retrotransposons are  
67 characterised by two LTR sequences flanking an internal coding region containing  
68 the genes encoding for the structural protein GAG and enzyme POL required for  
69 reverse transcription and integration (11). While POL enzymes are conserved across  
70 organisms, GAG proteins are poorly conserved (12). LINE elements are one of the  
71 most abundant non-LTR retrotransposons and they are typically composed of a 5'  
72 non-coding region, two ORFs (ORF1 and ORF2) and a 3' non-coding region that is

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73 marked by a poly(A) tail (13). ORF1 proteins have a diverse amino acid sequence,  
74 but they often contain a DNA-binding motif (14). ORF2 encodes endonuclease and  
75 reverse transcriptase activity that are critical for transposition (15).

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77 The CTG (Ser1) clade of fungi ,in which the CTG codon is translated as serine rather  
78 than leucine, is an important group of ascomycetous yeasts featuring yeasts that  
79 hold great promises in biotechnology, such as *Scheffersomyces stipitis*, and  
80 dangerous human fungal pathogens, such as *Candida albicans* (16).

81 The CTG(Ser1) clade comprises several species with different lifestyles and  
82 genomic organisations, including haploid and diploid species that colonise diverse  
83 environments by reproducing sexually or para-sexually (16–19). One common  
84 feature of CTG(Ser1) species is their ability to adapt remarkably well to extreme  
85 environments (20). For example, CTG(Ser1) yeasts can grow on various carbon  
86 sources and are highly tolerant to environmental changes such as changes in  
87 osmolarity (16, 19, 20). It is well established that genome plasticity is a critical  
88 adaptive mechanism in the human fungal pathogens *Candida albicans*, the most  
89 studied CTG (Ser1)-clade member (4). In *C. albicans*, stress increases genome  
90 instability by affecting the rate and type of genomic rearrangements (21). Different  
91 classes of DNA repeats drive this genetic variation, including TEs, long repeats and  
92 Major Repeat Sequences (MRS) (22–24). It is still unknown whether genome  
93 plasticity is a general feature of the CTG(Ser1) clade and whether DNA repeats are  
94 drivers for genome diversity across this yeast group.

95 This study investigates genome plasticity in *S. stipitis*, a CTG (Ser1)-clade yeast with  
96 great potential for the eco-friendly and ethical production of second-generation  
97 biofuels (25–27). Second-generation biofuels are generated by fermentation of

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98 lignocellulose biomass, produced in large amounts (>1.3 billion tons produced  
99 annually) as waste following agricultural and forestry processing operation (27).  
100 Lignocellulose is a heteropolymer composed of fermentable hexose sugars, such a  
101 glucose, and pentose sugars, such as xylose (28). The yeast *Saccharomyces*  
102 *cerevisiae*, usually the organism of choice for industrial production of ethanol, is not  
103 suitable for the production of second-generation ethanol because it cannot ferment  
104 pentose sugars as it lacks specific transporters and enzymatic network important for  
105 their metabolism (28). *S. stipitis* holds excellent potential for biofuel derived from  
106 green waste because it is one of the few yeast species that can ferment both hexose  
107 and pentose sugars (25–27). *S. stipitis* is a non-pathogenic haploid yeast that is  
108 found in the gut of wood-ingesting beetles, in hardwood forests or areas high in  
109 agricultural waste (29). Contrary to *C. albicans*, *S. stipitis* has a canonical sexual  
110 cycle whereby mating of haploid cells generate diploid cells that undergo meiosis  
111 and produce haploid spores (30). Although several *S. stipitis* natural isolates are  
112 used for the optimisation of second-generation biofuels production, the genome of  
113 only one strain (Y-11545) has been sequenced and assembled to the chromosomal  
114 level (31). The Y-11545 genome has a size of 15.4 Million base pair (Mbp) organised  
115 in 8 chromosomes and containing ~6000 protein-coding genes (31–33). *S. stipitis*  
116 chromosomes are marked by regional centromeres composed of full-lengths LTR  
117 retrotransposons (Tps5a, Tps5b and Tps5c) and non-coding, non-autonomous LARD  
118 (large retrotransposon derivative) elements (31, 33).  
119 To investigate the plasticity of the *S. stipitis* genome, we have taken several  
120 complementary approaches. Firstly, we systematically identified *S. stipitis* DNA  
121 repeats and investigated the genotypic diversity of 27 different *S. stipitis* natural  
122 isolates collected from different environments. Secondly, we combined MinION

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123 Nanopore with Illumina genome sequencing to generate a high-quality chromosome-  
124 level sequence assembly of a second *S. stipitis* natural isolate (Y-7124) and  
125 compared its genome structure to the reference Y-11545 genome. Lastly, we  
126 performed *in vitro* evolution experiments and analysed *S. stipitis* genome  
127 organisation changes following laboratory passaging under stress or unstressed  
128 growth conditions. Thanks to this combined approach, we discovered that the *S.*  
129 *stipitis* genome is plastic. Genome plasticity is not regulated by stress, however large  
130 chromosome rearrangements are linked to adaptation to hostile environments. We  
131 demonstrate that different *S. stipitis* natural isolates have distinct chromosomal  
132 organisations and that transposable elements drive this extensive intra-species  
133 genetic variation. Our findings have important implications for second-generation  
134 biofuel production as genome plasticity is a paramount factor to be considered for  
135 the successful development of superior biofuel-producer *S. stipitis* strains.

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## 138 MATERIAL AND METHODS

### 139 Yeast strains and Growth Conditions

140 Strains were obtained from the Agricultural Research Service (ARS) Collection, run  
141 by the Northern Regional Research Laboratory (NRRL) (Peoria, Illinois, USA), or the  
142 National Collection of Yeast Cultures (NCYC) (Norwich, United Kingdom) (**Table S1**)  
143 and confirmed by sequencing (primers AB798 and AB799 of the 26S rDNA (D1/D2  
144 domain) (34) (**Table S2**). Routine culturing was performed at 30 °C with 200 rpm  
145 agitation on Yeast Extract-Peptone-D-Glucose (YPD) media. Phenotypic and *in vitro*  
146 evolution analyses were conducted on Synthetic Complete (SC) media containing  
147 glucose (SC-G), xylose (SC-X), or a mixture of 60% glucose and 40% xylose (SC-

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148 G+X). SC-G was used as a reference media as glucose is the preferred carbon  
149 source for both the model system *S. cerevisiae* and *S. stipitis*, SC-X was used  
150 because of *S. stipitis* unique ability to utilise xylose as a carbon source and SC G+X  
151 was used because this sugar combination resemble the ratio found in lignocellulose  
152 (28). Uridine (0.08 g/L in YPD and SC) and adenine hemisulfate (0.05 g/L in YPD)  
153 were added as growth supplements. Solid media were prepared by adding 2%  
154 agar.

### 155 **Contour-clamped homogeneous electric field (CHEF) electrophoresis**

156 Intact yeast chromosomal DNA was prepared as previously described (35).  
157 Briefly, cells were grown overnight and spheroplast were prepared in an agarose  
158 plug by treating cells (~ OD<sub>600</sub>=7) with 0.6 mg/ml Zymolyase 100T (Amsbio #120493-  
159 1) in 1% Low Melt agarose (Biorad® # 1613112). Chromosomes were separated in a  
160 1% Megabase agarose gel (Bio-Rad) in 0.5X TBE using a CHEF DRII apparatus.  
161 Run conditions as follows: 60-120s switch at 6 V/cm for 12 hours followed by a 120-  
162 300s switch at 4.5 V/cm for 12 hours, 14 °C. Chromosomes were visualised by  
163 staining the gel 0.5x TBE with ethidium bromide (0.5 µg/ml) for 30 minute, followed  
164 by destaining in water for 30 minutes. Images were capture using a Syngene GBox  
165 Chemi XX6 gel imaging system.

### 166 **Southern Blotting**

167 DNA from CHEF gels were transferred overnight to a Zeta-Probe GT  
168 Membrane (Biorad®, #162-0196) in 20x SSC and crosslinked using UV (150 mJ).  
169 Probing and detection of the DNA were conducted as previously described (36).  
170 Briefly, probes were generated by PCR incorporation of DIG-11-dUTP into target

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171 sequences following manufacturer's instructions (Roche). Chromosome 5-  
172 chromosome 7 translocation was detected using primers AB1028 and AB1029  
173 amplifying a 180 bp region of chromosome 5 (Chr5 nt: 448,855-449,034) in Y-11545  
174 and in chromosome 7 of Y-7124 (Chr7 nt: 494,698-494,877) (**Table S2**). The  
175 membrane was hybridised overnight at 42 °C with DIG Easy Hyb (Roche®,  
176 11603558001). The DNA was detected with anti-digoxigenin-Alkaline Phosphatase  
177 antibody (Roche®, #11093274910) and CDP Star ready to use (Roche®,  
178 #12041677001) according to manufacturer instructions.

179 **Phenotypic characterisation**

180 Growth analyses were performed using a plate reader (SpectrostarNano,  
181 BMG labtech) in 96 well plate format at 30 °C for 48 hours in SC-G, SC-X or SC-  
182 G+X. The growth rate ( $\mu$ , hours<sup>-1</sup>) was calculated using:  $\mu = (\ln(X_2) - \ln(X_1)) / (t_2 - t_1)$ ,  
183 where: (i)  $X_1$  is the biomass concentration (OD<sub>600</sub>) at time point one ( $t_1$ , lag time) (ii)  
184  $X_2$  is the biomass concentration (OD<sub>600</sub>) at time point two ( $t_2$ , end of exponential  
185 growth phase). The maximum OD (OD units) was determined with the MAX() from  
186 Excel (Microsoft®). The lag time (minutes) was determined visually as the time in  
187 which the exponential growth starts. Experiments were performed in 3 technical and  
188 3 biological replicates. Heatmaps showing the average of 3 biological replicates were  
189 generated by R using the library *pheatmap*. ANOVA test was performed to study  
190 differences on growth rate, maximum OD and lag time between the strains. The  
191 equality of variances presumption was tested using Levene's test, whereas the  
192 normality of the data was tested by Shapiro-Wilk. When both assumptions were  
193 satisfied, a Tukey's honest significant test was used to determine significant  
194 differences between the natural isolates and the reference Y-11545 strain. When

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195 assumption of equal variance were violated, one-way test was used to indicate  
196 significance. In the case of equal variances, but a non-normal distribution of data, the  
197 Kruskal-Wallis rank sum test was used to indicate statistical differences and  
198 significance was determined by pairwise testing. A p-value lower than 0.05 was  
199 considered significant for all these statistical tests.

## 200 **Adaptive Laboratory Evolution**

201 A single colony of the *S. stipitis* strain NRRL Y-7124 was grown overnight in 5  
202 ml of YPD at 30 °C, plated in YPD at a cell density of 100 and grown 48 hours at 30  
203 °C. 36 single colonies were streaked in two SC-G+X plates and grown at 30 °C and  
204 37 °C, respectively and streaked daily for a total of 56 passages (8 weeks). The  
205 karyotype variability of the colonies was assessed by CHEF electrophoresis.  
206 Phenotypic differences were assessed by spotting assays. Strains with  
207 rearrangements were grown overnight in SC-G+X and were diluted to an OD<sub>600</sub>=1.  
208 From this, five 1/10 serial dilutions were prepared and the cells were plated in SC-  
209 G+X using a replica plater (Sigma Aldrich, R2383-1EA) and grown for 48 hours at  
210 both 30 °C and 37 °C. Strains with no karyotypic modifications after evolution were  
211 also used as control.

## 212 **Identification of DNA repeats**

213 Long sequences (>100 nucleotides) present more than once in the Y-11545  
214 and Y-7124 genomes were identified by aligning each genome to itself using  
215 BLASTN. Repetitive elements (E < 1e-04) were manually verified using  
216 IGV/SNAPGene, and clustered repeats were combined. This repeats dataset was  
217 manually examined to further classify it as (a) related to transposable elements (b)

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218 telomeric repeats, (c) centromeres (d) belonging to protein coding gene families and  
219 (e) MRS repeats. Transposons were classified using established guidelines (10).  
220 Briefly, LTR-transposons were identified by detecting two Long-terminal Repeat  
221 sequences (size 260-430 nt) flanking an internal coding region. These potential LTR-  
222 transposons were further annotated for the presence of the following marks: LTR  
223 flanked by a TG and CA di-nucleotides, presence of a Primer Binding Site (PBS) with  
224 homology to *S. stipitis* tRNAs (GtRNAdb (<http://gtrnadb.ucsc.edu/index.html>)),  
225 presence of a coding region with homology to *pol* gene and containing an Integrase  
226 (INT), Reverse Transcriptase (RT) and RNase H (RH) domain. Non-LTR LINE  
227 transposons were identified by detection of coding regions homologous to LINE  
228 retrotransposons ORF1 (containing a Zn-finger), ORF2 (containing an Endonuclease  
229 and a Reverse Transcriptase domain) and terminal Poly-A sequence.  
230 Retrotransposons were classified into different families based on sequence similarity  
231 with a 90% cut-off. Terminal telomeric tandem repeats were identified using Tandem  
232 Repeats Finder (37) with default parameters. Regional centromeres were identified  
233 based on them being the only regions of the genome with a large retrotransposon  
234 Tps5 cluster (~ 20-40 kb) as previously described (33). Gene families were identified  
235 by extracting coding-regions from our repeats datasets and performing Clustal  
236 Omega sequence alignment and PFAMs domain identification using  
237 SMART(<http://smart.embl.de>) (38). The identified gene families were compared to  
238 published information (39). The presence of MRS repeats was explored using  
239 BLASTN and by searching for clusters of non-coding tandem repeats, a hallmark of  
240 *C. albicans* MRS, with no-homology to retrotransposons and not-located at  
241 chromosome ends. Sequence alignments were visualised with Jalview v2.11.1.0

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242 (40). Phylogenetic trees were generated with phyloT : a phylogenetic tree generator  
243 (biobyte.de) using default parameters and visualised with Itol (<https://itol.embl.de/>).

244 **Genome sequencing**

245 The genome of *S. stipitis* isolate Y-7124 was sequenced by Illumina short-  
246 read and MinION long-read technologies. To this end, DNA was extracted from an  
247 overnight culture using the QIAGEN genomic tip 100/G kit (Qiagen®, #10243)  
248 according to manufacturing protocol. For long-read sequencing, MinION (Oxford  
249 Nanopore, Oxford UK) was performed on a DNA library prepared from size selected  
250 gDNA. DNA fragments greater than 30 Kb were selected using a Blue Pippin (Sage  
251 Science) and concentrated using Ampure beads. From this, a DNA library was  
252 prepared using a Ligation Sequencing Kit 1D (SQK-LSK108) and run on the Oxford  
253 Nanopore MinION flowcell FLOMIN 106D. The same gDNA extract was also used  
254 for the preparation of Illumina libraries. In this case, the DNA was sheared using the  
255 Covaris M220 with microTUBE-50 (Covaris 520166) and size selected using the  
256 Blue Pippin (Sage Science). The library was constructed using a PCR-free kit with  
257 NEBNext End Repair (E6050S), NEBNext dA-tailing (E6053S) and Blunt T/A ligase  
258 (M0367S) New England Biolabs modules. Sequencing was performed on a MiSeq  
259 Benchtop Analyzer (Illumina) using a 2x300bp PE (MS-102-3003) flow cell.

260 **Genome assembly**

261 Base-calling and demultiplexing were conducted with Albacore v2.3.3 (available at  
262 <https://community.nanoporetech.com>). Adapters and low-quality data were trimmed  
263 using the eautils package fastq-mcf 1.04.636  
264 (<https://expressionanalysis.github.io/ea-utils/>). On nanopore sequence data, adapter

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265 trimming was performed with Porechop v.0.1.0 (<https://github.com/rrwick/Porechop>).  
266 Genome assembly was completed using long reads, with read correction performed  
267 with Canu v1.8 (41) followed by assembly in SMARTdenovo github commit id  
268 61cf13d (42)). The draft assembly was corrected using the corrected nanopore reads  
269 through five rounds of Racon github commit 24e30a9 (43), and then by raw fast5  
270 files using 10 rounds of Nanopolish v0.9.0 (44). Illumina sequencing reads were then  
271 used to polish the resulting assembly through 10 rounds of Pilon v1.17 (45).  
272 Following genome assembly, BUSCO v3 was run to assess evolutionary conserved  
273 gene content (46), using the Saccharomycetales\_odb9 gene database. The  
274 Saccharomycetales database contains 1711 genes, which are therefore expected to  
275 be present in *S. stipitis*. Of these, 1683 (98.36%) were identified in the Y-7124  
276 assembly demonstrating a good level of completeness (>95%) (Table S8). Assembly  
277 size and contiguity statistics were assessed using QUAST v4.5 (47). This initial  
278 assembly of the nuclear genome contained 10 contigs. A chromosome level  
279 assembly was produced by identification of overlapping regions between the contigs:  
280 a 244 Kbp overlapping region between contig 7 and 2 led to the final assembly of  
281 Chromosome 1, a 83 Kpb overlapping region between contig 9 and 10 led to the final  
282 assembly of Chromosome 8.

### 283 **Genome annotation**

284 Genome annotation was performed using FUNGAP v1.0.1 (48) with fastq  
285 reads from NCBI SRA accession SRR8420582 used as RNA-Seq training data and  
286 protein sequences taken from NCBI assembly accession GCA\_000209165.1 for *S.*  
287 *stipitis* NRRL Y-11545 (CBS6054) used for example proteins. Protein fasta files were  
288 extracted from predicted gene models using the yeast mitochondrial code (code 3)

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289 and the alternative yeast nuclear code (code 12). Functional annotation of gene  
290 models was performed through BLASTp searches vs all proteins from the NCBI  
291 reference fungal genomes (downloaded 11<sup>th</sup> April 2020), retrieving the top-scoring  
292 blast hit with an E-value < 1x10<sup>-30</sup>. These annotations were supplemented with  
293 domain annotations from Interproscan v5.42-78.0 (49). The annotated genome was  
294 submitted to NCBI, with submission files prepared using GAG v2.0.1  
295 (<http://genomeannotation.github.io/GAG.>), Annie github commit 4bb3980  
296 (<http://genomeannotation.github.io/annie>) and table2asn\_GFF v1.23.377 (available  
297 from [https://ftp.ncbi.nih.gov/toolbox/ncbi\\_tools/converters/by\\_program/tbl2asn/](https://ftp.ncbi.nih.gov/toolbox/ncbi_tools/converters/by_program/tbl2asn/)).

298 **Comparative genomics**

299 Whole-genome alignment between Y-7124 and Y-11545 was performed using  
300 the nucmer tool from the MUMmer package v4.0 (50) with results visualised using  
301 Circos v0.6 (51). Orthology analysis was performed between predicted proteins from  
302 these isolates using OrthoFinder v2.3.11 (52), with results visualised using the  
303 package VennDiagram in R (53).

304 Sequence variants were identified in Y-7124 through comparison to the Y-  
305 11545 assembly. Short read sequence data for Y-7124 were aligned to the reference  
306 genome using BWA v 0.7.15-r1140 (54), before filtering using picardtools  
307 v2.5.0 to remove optical duplicates (<http://broadinstitute.github.io/picard/>). SNP and  
308 insertion/deletion (InDel) calling was performed using GATK4 (55). Low confidence  
309 variants were then filtered using VCFtools v0.1.15 (56) using minimum mapping  
310 quality of 40, phred quality of 30, read depth of 10 and genotype quality of 30. Effect  
311 of variants on NRRL Y-11545 gene models was determined using SnpEff v4.2 (57).

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## RESULTS

### 313 Classification of *S. stipitis* DNA repeats

314 DNA repeats are drivers of genome variation. Understanding the repertoire of  
315 repetitive elements associated with a genome is critical to gain insights into the  
316 genome diversity of a specific organism. Comparative genomic analyses have  
317 identified different repetitive elements in some CTG(Ser1) clade members, yet a  
318 comprehensive survey of *S. stipitis* repetitive elements is lacking (18, 58). Therefore,  
319 we sought to classify the major classes of repetitive elements associated with the Y-  
320 11545 sequenced genome by aligning the genomic sequence of each strain to itself  
321 and identifying long sequences (>100 nucleotides) present more than once in the  
322 genome. The genomic position of these repeats was manually verified, and clustered  
323 repeats were combined and categorised depending on their genomic position,  
324 structure and sequence similarity. Our analyses identified known *S. stipitis* repeat-  
325 rich loci such as centromeric transposon-clusters, the NUPAV sequence, an  
326 integrated L-A ds-RNA virus, and several gene families (32, 33, 59). As observed in  
327 other members of the CTG (Ser1)-clade, we did not detect any MRS repeats, a class  
328 of repetitive elements found only in *C. albicans* and the closely related *C. dubliensis*  
329 and *C. tropicalis* species (58, 60). Here we focus on intra-chromosomal or inter-  
330 chromosomal repeats that have not been described to date: non-centromeric TEs,  
331 subtelomeric regions and telomeric repeats (**Fig 1**).  
332 We identified six novel retrotransposon families scattered along chromosome arms:  
333 3 LTR retrotransposons (*Ava*, *Bea* and *Caia*) and 3 LINE retrotransposons (*Ace*, *Bri*  
334 and *Can*) (**Fig 1A, Table S3**). *Ava*, *Bea* and *Caia* have a similar structure where two  
335 identical LTR sequences flank an internal domain. The internal domain contains two  
336 ORFs: one encoding for a putative POL and one encoding for an *S. stipitis*-specific

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337 protein that we named LTR-Associated Protein (Lap1 in *Ava*, Lap2 in *Bea* and Lap3  
338 in *Caia*). Homology search failed to identify any GAG gene associated with the *Ava*,  
339 *Bea* and *Caia* retrotransposons. As Gag proteins are poorly conserved among  
340 different organisms, we hypothesise that the Lap proteins are Gag proteins.  
341 *Ace*, *Bri* and *Can* are LINE elements composed of the Non-Coding regions NC-1 and  
342 NC-2 surrounding an internal coding region encoding for a Pol enzyme and an *S.*  
343 *stipitis*-specific LINE Associated protein (Linea1 in *Ace*, Linea2 in *Bri* and Linea3 in  
344 *Can*). Linea1 and Linea2, but not Linea 3, have a Zinc-Finger DNA binding motif  
345 (**Table S3**). Comparison across the CTG (Ser1)-clade revealed that *S. stipitis* TE  
346 repertoire is typical of this clade. Indeed, retrotransposons are common in this yeast  
347 group: the genome of all species analysed contains LTR elements, whereas LINE  
348 elements are present in 6/8 species (**Fig 1B, Table S4**). Similarly to other CTG-  
349 (Ser1) clade yeast, we did not detect any DNA transposons integrated into the *S.*  
350 *stipitis* genome (**Fig 1B, Table S4**).  
351 Our repeat analysis demonstrates that the terminal sequences of *S. stipitis*  
352 chromosomes are repeat-rich and composed of two elements with different degree  
353 of repetitiveness: telomere proximal-repeats and subtelomeric regions. The  
354 telomeric repeats are non-canonical and composed of 24-nucleotide units repeated  
355 in tandem. Each unit contains a TG motif reminiscent of typical telomeric repeats  
356 (**Fig 1C**). *S. stipitis* subtelomeric regions (the ~30KB region adjacent to telomeric  
357 repeats) are enriched in retrotransposon-derived elements. Indeed, DNA sequences  
358 with homology to *Bea* LTR-retrotransposons and *Ace* LINE-elements are found in  
359 5/16 subtelomeric regions (**Fig 1D, Table S3**). No full length-retrotransposons are  
360 detected at these genomic locations. Subtelomeric regions contain several gene  
361 families members, including gene encoding for ATP-dependent DNA helicases

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362 (found in 7/16 subtelomeres), fungal-specific transcription factors (8/16  
363 subtelomeres), MFS transporters (8/16 subtelomeres) and Agglutinine-like proteins  
364 (11/16 subtelomeres) (**Fig 1D, Table S5**) (39). In summary, our analysis  
365 demonstrates that the *S. stipitis* genome contains several classes of repetitive  
366 elements that could be major  
367 contributors of genome plasticity.

368

### 369 ***S. stipitis* natural isolates have distinct genomic organisations**

370 Having identified *S. stipitis* DNA repeats, our next step was to examine *S. stipitis*  
371 phenotypic and genotypic diversity across a geographically diverse set of strains  
372 (n=27) that were collected in different habitats (**Table S1** source NRRL and NCYC  
373 collection), and that includes the sequenced Y-11545 strain (31). rDNA fingerprinting  
374 confirm that all isolates belong to the *S. stipitis* species (D1/D2 domain of the S26S  
375 rDNA similarity >99 %) (**Table S6**). Phenotypic analyses established that the natural  
376 isolates vary in their ability to utilise and grow on different carbon sources. Indeed,  
377 when compared to the reference Y-11545 strain, different natural isolates cultured in  
378 Synthetic Complete media containing the hexose sugar Glucose (SC-G), the  
379 pentose sugar Xylose (SC-X) or a mixture of both sugars as found in lignocellulose  
380 (SC-G+X) display distinct growth rate, maximum culture density and lag phase (**Fig**  
381 **2A and Table S7**). To determine whether the natural isolates have distinct genomic  
382 organisations, we analysed their karyotype by chromosomes Contour-clamped  
383 Homogenous Electric Field (CHEF) gel electrophoresis, a technique allowing  
384 chromosome separation according to size. The CHEF electrophoresis analysis  
385 reveals clear differences in chromosome patterns demonstrating that *S. stipitis*  
386 natural isolates have a genome organised in different-sized chromosomes (**Figure**

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387 **2B).** We concluded that intra-species phenotypic and genotypic variation is a  
388 common feature of *S. stipitis*.

389

390 **Hybrid genomic sequencing identifies transposable elements as drivers of *S.***  
391 ***stipitis* genome plasticity**

392 To date, only one *S. stipitis* isolate (Y-11545) has been sequenced and assembled  
393 at chromosome level (31). To gain insights into *S. stipitis* genetic diversity, we  
394 generated a chromosome-level sequence assembly of a second *S. stipitis* natural  
395 isolate (Y-7124) by combining MinION Nanopore with Illumina genome sequencing.  
396 This isolate was chosen because (i) karyotypic analysis reveals that its genomic  
397 organisation is distinct from the genomic organisation of the reference strain Y-  
398 11545, and (ii) Y-7124 is widely used both for industrial applications and for basic  
399 research (61).

400 The Y-7124 genome was sequenced to 186.88x coverage resulting in a 15.69 Mb  
401 assembly arranged in 10 contigs (**Table S8**). High accuracy reads from Illumina-  
402 sequencing enabled the correction of errors that are associated with the MinION  
403 technology. A final chromosome-level assembly was produced by manually  
404 identifying overlapping regions between contigs. Comparing the Y-7124 and Y-  
405 11545 nucleotide sequences reveals that the two natural isolates overall share a  
406 similar coding DNA sequence. The total number of SNPs between the two natural  
407 isolates is 50,495 SNPs, equating to one variant every 306 bases. The majority of  
408 these SNPs are synonymous changes (16,294 =74.25%), while ~25% (5,622) of  
409 SNPs are missense and only (0.13% (28) are nonsense (**Table S9**). Despite this  
410 high DNA sequence similarity, the Y-7124 genome is organised in eight  
411 chromosomes with different sizes and organisations from that of Y-11545 (**Fig 3A**).

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412 Comparison of the Y-7124 and Y-11545 genomes establishes that retrotransposons  
413 are significant drivers of *S. stipitis* genome diversity as one of the most prominent  
414 differences between the two genomes is the abundance and localisation of these  
415 retrotransposons (**Fig 3B**). Indeed, the number of LTR and LINE non-centromeric  
416 retrotransposons and transposons-derived repeats is greater in the Y-11545  
417 reference genome compared to the Y-7124 genome: retrotransposons, solo LTR and  
418 truncated LINE elements account for approximately 2% of the reference Y-11545  
419 genome and only for ~1% of the Y-7124 genome (**Fig 3C**). We classified  
420 retrotransposons loci present in both isolates (ancestral loci), those present in the  
421 reference Y-11545 genome but absent in Y-7124 (deletion loci) and those not  
422 present in the reference genome but present in a given strain (insertion loci). Out of  
423 69 transposons loci, only ten ancestral loci (~15%) were detected in the two isolates.  
424 These sites are likely to be inactive transposons or transposons that rarely  
425 transpose. In addition, we detected 42 deletion loci (60 %) and 17 (24%) insertion  
426 loci (**Fig 3D**). The presence of deletion and insertion loci suggests that *S. stipitis* LTR  
427 transposons and LINE elements are active and competent of transposition. Although  
428 active transposons can insert into genes to cause functional consequences (62), we  
429 did not detect any TE-driven alteration in coding regions.

430

### 431 **Transposable Elements are sites of chromosome rearrangements**

432 Comparison of the Y-11545 and Y-7124 genome reveals that transposon-rich  
433 regions are sites of complex chromosome rearrangements. Indeed, a transposon-  
434 rich region is the breakpoint of a reciprocal translocation between chromosome 5  
435 and chromosome 7. This translocation causes the size change of chromosome 5 <sup>Y-</sup>  
436 <sup>7124</sup> and chromosome 7 <sup>Y-7124</sup> detected by CHEF karyotyping (**Fig 4A**). Southern

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437 analyses with a probe specific for chromosome 5 Y-11545 confirms this finding (**Fig**  
438 **S1**). The evolutionary history of Y-11545 and Y-7124 is unknown, and therefore it is  
439 difficult to predict the molecular events underlying these genomic changes. However,  
440 sequence analysis of the rearrangement breakpoint reveals that this structural  
441 variation occurs in a genomic region that (*i*) contains homologous sequences  
442 between chromosome 5 and 7 and (*ii*) is transposon-rich and contains two inverted  
443 repeats on chromosome 7 (**Fig 4B**). A second significant difference between the  
444 genome organisation of Y-11545 and Y-7124 is found at subtelomeric regions: these  
445 regions differ in the number and organisation of subtelomeric gene families and in  
446 the number of transposon-associated repeats (**Fig 4C**). Lastly, we detected a distinct  
447 centromeres organisation where the numbers of *Tps5* retrotransposons, LTRs and  
448 LARD regions differ between the two isolates (**Fig 4D**). The presence of transposons  
449 and transposon-derived repeats associated with all these genomic locations strongly  
450 suggest that retrotransposons have mediated the chromosomal rearrangement by  
451 recombination-mediated mechanisms. Therefore, changes in transposons  
452 organisation are responsible for the bulk of genomic changes identified in two  
453 different natural isolates.

454

#### 455 ***S. stipitis* real-time evolution leads to extensive genomic changes**

456 Our results demonstrate that intraspecies genetic diversity is common in *S. stipitis*.  
457 However, as the evolutionary history of the analysed natural isolates are unknown, it  
458 is difficult to predict whether the observed genomic changes are due to the selection  
459 of rare genomic rearrangements events. To determine the time scale of *S. stipitis*  
460 genome evolution, we investigated the genome organisation of 72 single colonies  
461 passaged daily for 8 weeks (56 passages, ~672 divisions) in SC-G+X, as its sugar

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462 composition resembles what found in lignocellulose (29) (**Fig 5A**). Strains were  
463 grown at 30 °C, a temperature that does not lead to any growth defect, and 37 °C, a  
464 stressful temperature that strongly inhibits *S. stipitis* growth (**Fig 5B**). CHEF gel  
465 electrophoresis was conducted to identify possible changes in the chromosome  
466 organisation of the evolved strains. This analysis identifies genome rearrangements  
467 in 19/36 strains evolved at 30 °C and 12/36 strains evolved at 37 °C (Blue and  
468 Magenta- **Fig 5C**). Thus, changes in chromosome organisation were detected in the  
469 presence (37 °C) or absence (30 °C) of stress. To test whether chromosome  
470 rearrangements are associated with a fitness benefit, we tested the ability of the  
471 parental and 37 °C-evolved strains to grow in SC-G+X media at permissive (30 °C)  
472 and restrictive (37 °C) temperature (**Fig 5D**). This analysis demonstrates that 37 °C-  
473 evolved strains with no chromosomal rearrangement grow poorly at 37 °C (**Fig 5D**).  
474 In contrast, 5/12 37 °C-evolved strains with chromosome rearrangements grow  
475 better than the parental strain at this restrictive temperature (**Fig 5D**). This result  
476 suggests that changes in chromosome organisation have an adaptive value. Thus,  
477 genome plasticity is a defining feature of the *S. stipitis* genome, and its genome can  
478 rapidly change in mitotic cells propagated *in vitro*. Our results strongly suggest that  
479 the extensive genomic changes can lead to adaptation to hostile environments.

480

## 481 **DISCUSSION**

482 Here we demonstrate that the yeast *S. stipitis* has a plastic genome and that  
483 genome plasticity is linked to adaptation to hostile environments. We show that non-  
484 centromeric retrotransposons are significant drivers of *S. stipitis* genome diversity.  
485 These findings have important implications for developing economically viable  
486 second-generation biofuels and better understanding the CTG (Ser1)-clade biology.

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487 **Retrotransposon are drivers of *S. stipitis* genome diversity**

488 Our repetitive sequence analysis demonstrates that *S. stipitis* has a DNA repeats  
489 content typical of the CTG (Ser1)-clade including TEs, non-canonical terminal  
490 telomeric repeats and subtelomeric regions. As observed in other members of the  
491 CTG (Ser1)-clade (60), we did not detect any DNA-transposons or MRS repeats.  
492 One of our major findings is that non-centromeric retrotransposons are  
493 significant drivers of *S. stipitis* genome diversity. Our data support the hypothesis  
494 that *S. stipitis* TEs generate genome diversity via two distinct mechanisms:  
495 transposition into new genomic locations and recombination-mediated chromosome  
496 rearrangements. Indeed, we demonstrated that the number and genomic position of  
497 non-centromeric retrotransposons vary between the Y-11545 and Y-7124 *S. stipitis*  
498 isolates. Significantly, we did not detect transposon insertions into coding regions.  
499 However, transposons might alter *S. stipitis* gene expression by inserting into gene  
500 regulatory regions (62). We propose that *S. stipitis* transposons are active and  
501 generate genome diversity by jumping into different genomic locations. Our data also  
502 indicate that TEs can generate further genome diversity through either homologous  
503 recombination of nearly identical TE copies or by faulty repair of double-strand  
504 breaks generated during transposable elements excision (62). Indeed, we find that  
505 the translocation breakpoint between chromosome 5 and chromosome 7 is enriched  
506 in retrotransposons. Furthermore, TE-rich subtelomeric regions and centromeres  
507 have a distinct organisation in the two analysed isolates suggesting that the  
508 transposons drive this genetic diversity. We hypothesise that transposons elements  
509 cause the genetic variability observed during laboratory passaging. In the future, it  
510 will be important to apply the hybrid genome sequencing approaches presented in  
511 this study to dissect the nature of these rearrangements.

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512 **Genome plasticity and production of second-generation biofuels**

513 One of our key findings is that the *S. stipitis* genome is intrinsically plastic and that  
514 chromosome rearrangements are frequent events under stress or unstressed  
515 conditions. Second-generation biofuels, generated by fermentation of agriculture and  
516 forestry waste, have an enormous potential to meet future energy demands and  
517 significantly reduce petroleum consumption. To meet the requirements for industrial  
518 applications, second-generation biofuels need to be generated by microorganisms  
519 that can efficiently utilise and ferment all the sugars found in lignobiomass (63).  
520 Consequently, *S. stipitis* is one of the most promising yeast for producing second-  
521 generation bioethanol as it can efficiently ferment both hexose and pentose sugars  
522 (25, 26, 29). However, robust economically viable *S. stipitis* platforms still require  
523 significant development as this organism struggles to survive under the harsh  
524 environments generated during second-generation biofuel production. For example,  
525 *S. stipitis* growth and fermentation is inhibited by the chemical pre-treatment required  
526 to extract glucose and xylose from lignobiomass (61). Growth is also inhibited at high  
527 ethanol concentration, and *S. stipitis* ferments xylose less efficiently than glucose.  
528 Evolutionary engineering approaches under selective conditions (i.e. presence of  
529 inhibitory compounds, high concentration of xylose or ethanol) have been applied to  
530 isolate better performing *S. stipitis* strains (61).  
531 Our data predict that the genetic make-up and associated improved phenotypes of  
532 superior biofuel-producer strains are unstable and that the genetic drivers of  
533 improved phenotypes might be lost over time. This hypothesis could explain why  
534 short-read Illumina genome sequencing has failed to identify point mutations or  
535 indels that could explain the superior performance of *S. stipitis* strains (64). It is also  
536 possible that *S. stipitis* superior strains carry stable complex chromosomal

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537 rearrangements with a breakpoint at DNA repeats. Such rearrangements could not  
538 have been identified by Illumina sequencing as short sequenced fragments will not  
539 resolve changes associated with long repetitive elements. Thus, economically viable  
540 use of *S. stipitis* for second-generation biofuels production will require an in-depth  
541 analysis of the genomic structures of superior strains.

542

### 543 **Genome plasticity in the CTG (Ser1)-clade**

544 The CTG-Ser1 clade is an incredibly diverse yeast group that includes many  
545 important human pathogens and non-pathogenic species (17). Our data support the  
546 hypothesis that genome plasticity is a general feature of the CTG (Ser1) yeast clade  
547 as it has been observed in *C. albicans* and *S. stipitis* ((21, 22, 65) and this study),  
548 two organisms with a very different lifestyle. Indeed, while *C. albicans* is a diploid  
549 opportunistic human fungal pathogen that lives almost exclusively in the human host,  
550 *S. stipitis* is a haploid non-pathogenic yeast found in the gut of wood-ingesting  
551 beetles hardwood forests or areas high in agricultural waste (29, 66). Furthermore,  
552 while *C. albicans* lacks a canonical sexual cycle and its associated meiosis, *S.*  
553 *stipitis* has a canonical sexual cycle whereby mating of haploid cells generate diploid  
554 cells that undergo meiosis and produce haploid spores (30).

555 Our results highlight that stress regulates genome plasticity differently in *C. albicans*  
556 and *S. stipitis*. It has been demonstrated that stress exacerbates *C. albicans* genome  
557 instability (21, 67). In contrast, we found that *S. stipitis* genome instability is not  
558 regulated by stress as we detected a similar rate of chromosomal rearrangements  
559 when cells are continuously passaged in unstress (30 °C) or stress (37 °C)  
560 conditions. Importantly, we also demonstrated that the large genomic changes are

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561 associated with fitness benefits suggesting that genome plasticity is instrumental for  
562 adaptation to hostile environments.

563 In summary, our study demonstrates for the first time that *S. stipitis* genome is  
564 plastic. Understanding the cause and effect of this extensive genome plasticity is of  
565 paramount importance to understand the biology of the CTG(Ser1)-clade of fungi.

566

## 567 **DATA AVAILABILITY**

568 This Whole Genome Shotgun project has been deposited at DDBJ/ENA/GenBank  
569 under the accession JADGGA000000000. The version described in this paper is  
570 version JADGGA010000000. Illumina and nanopore sequence data associated with  
571 this work have been deposited on the Sequence Read Archive (SRA) under  
572 BioProject PRJNA609885.

573

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578

## 579 **CONFLICT OF INTERESTS DISCLOSURE**

580 None declared.

581

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585

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807

808 **FIGURE LEGENDS**

809 **Figure 1.** Classification of non-centromeric *S. stipitis* repeats

810 **A)** Schematics of non-centromeric retrotransposons identified in this study.

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811 For each transposon, subclass, superfamily and family is indicated. The organisation  
812 of coding and non-coding sequences of each transposon is displayed. **B)** Cladogram  
813 showing CTG (Ser1)-clade species with known transposable elements (this study  
814 and (60, 68). The presence (V) or absence (X) of a TE is indicated. **C)** Sequence  
815 alignment of telomeric terminal repeats in members of the CTG (Ser1)-clade (C.  
816 *lusitaniae*, *S. stipitis*, *L. elongisporus*, *C. albicans* and *C. tropicalis*) (this study and  
817 (60, 68). Consensus sequence to the *S. cerevisiae* telomeric repeats is indicated  
818 (Magenta box). **D)** Schematics of gene family members associated with *S. stipitis*  
819 subtelomeres (30 Kb from chromosome end).

820

821 **Figure 2.** Phenotypic and Genotypic Diversity in *S. stipitis*

822 **A)** Heatmaps comparing growth rate (Left), maximum OD (Middle) and lag time  
823 (Right) for each *S. stipitis* natural isolate in comparison to the reference Y-11545  
824 strain (blue). Analyses were performed in Glucose (G), Xylose (X) and  
825 Glucose/Xylose (G+X) media. The heatmap data are the average of 3 biological  
826 replicates. **B)** Karyotyping of *S. stipitis* natural isolates by CHEF electrophoresis. Y-  
827 11545 strain is highlighted in blue and the size of its eight chromosome is indicated.

828

829 **Figure 3.** Differences in TE distribution and organisation

830 **A)** The genomic organisation of Y-11545 and Y-7124 is distinct .*Left*: Schematics of  
831 Y-11545 chromosome organisation. Chromosome (Chr) number and size (Mbp) is  
832 indicated. *Middle*: Karyotyping of *S. stipitis* Y-11545 and Y-7124 strains by CHEF  
833 electrophoresis. *Right*: Schematics of Y-7124 chromosome organisation.  
834 Chromosome (Chr) number and size (Mbp) is indicated **B)** Schematics of non-  
835 centromeric transposon family distribution in Y-11545 (*left*) and Y-7124 (*right*) **C)**

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836 Copy Number of full-length transposons (Left) and transposon-associated repeats  
837 associated with the Y-11545 (dark grey) and Y-7124 (light grey) genome. **D**)  
838 Percentage (%) of Ancestral, Deletion and Insertion sites associated with the Y-  
839 11545 and Y-7124 genomes

840 **Figure 4.** Chromosome rearrangements between *S. stipitis* natural isolates

841 **A)** Circos plot displaying macrosynteny between Y-11545 (Left) and Y-7124 (Right).  
842 Chromosome (Chr) number and size is indicated. Reciprocal translocation between  
843 the two genomes is highlighted in purple and pink. **B)** Schematics of repetitive  
844 sequences associated with the translocation junction in the Y-11545 (Left) and Y-  
845 7124 (Right) genomes. **C)** Subtelomeric gene families and TEs distribution in the Y-  
846 11545 and Y-7124 genomes **D)** Schematics of centromere organisation in the Y-  
847 11545 (Left) and Y-7124 (Right)

848 **Figure 5** The *S. stipitis* genome is plastic following real-time evolution

849 **A)** Schematics of laboratory evolution strategy **B)** *S. stipitis* growth curve in SC G+X  
850 liquid media at permissive (30 °C) and restrictive (37 °C) temperature **C)** Karyotype  
851 organisation of *S. stipitis* colonies following 8 weeks of laboratory evolution at 30 °C  
852 and 37 °C. Variation in the structure following laboratory evolution at 30 °C (blue)  
853 and 37 °C (magenta) is indicated **D)** Serial dilution assay showing growth of parental  
854 (P) and 37 °C-evolved strains without (NO Rearrangements) and with  
855 (Rearrangements) at 30 °C and 37 °C. The CHEF analysis strain number is indicated  
856 (Magenta). \* indicates colonies with a fitness advantage compared to the parental  
857 strain.

858 **Figure S1.** Southern Blot analysis confirm the Chr5 / Chr7 translocation

859 Left: Schematics of chromosome 5 (Chr 5) and chromosome 7 (Chr 7) in Y-11545  
860 (Left) and Y-7124 (Right). Reciprocal translocation is highlighted in purple and pink.

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861 Southern Probe is indicated. Right: Southern Blot of Y-11545 and Y-7124  
862 chromosomes separated by CHEF gel electrophoresis. Full chromosome profiling  
863 (EtBr) and Southern Blot results (Southern) are indicated  
864

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**Fig 1**

**A**

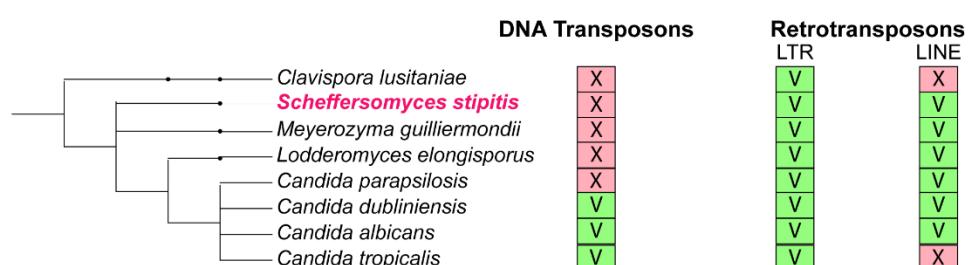
Subclass	Superfamily	Family	Class I Retrotransposon		Size
			Structure	POL	
LTR	Copia	Ava	LTR <i>LAP1</i>	Integrase (blue), Reverse Transcriptase (pink), RNase H (green)	~ 6.0 Kb
		Bea	LTR <i>LAP2</i>	Integrase (blue), Reverse Transcriptase (pink), RNase H (green)	~ 6.0 Kb
		Caia	LTR <i>LAP3</i>	Integrase (blue), Reverse Transcriptase (pink), RNase H (green)	~ 6.5 Kb
LINE	LINE	Ace	NC-1 <i>LINEA1</i>	Integrase (blue), Reverse Transcriptase (pink), RNase H (green), Endonucleases (grey)	~ 6.8 Kb
		Bri	NC-1 <i>LINEA2</i>	Integrase (blue), Reverse Transcriptase (pink), RNase H (green), Endonucleases (grey)	~ 6.0 Kb
		Can	NC-1 <i>LINEA3</i>	Integrase (blue), Reverse Transcriptase (pink), RNase H (green), Endonucleases (grey)	~ 6.8 Kb

Key:

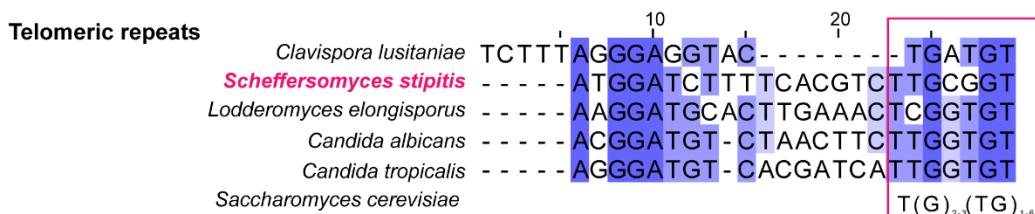
■ Integrase ■ Reverse Transcriptase ■ RNase H ■ Endonucleases

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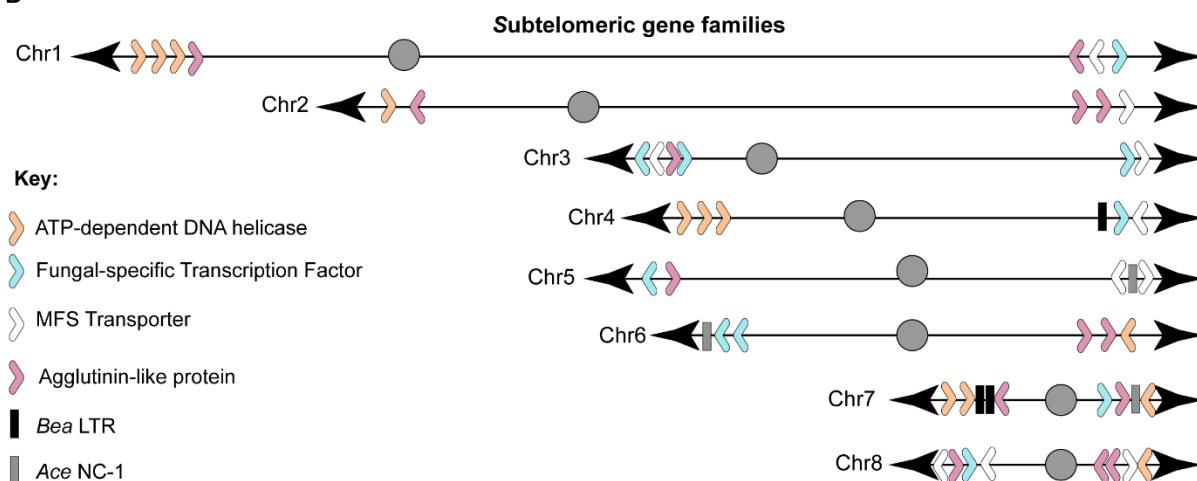
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**C**



**D**

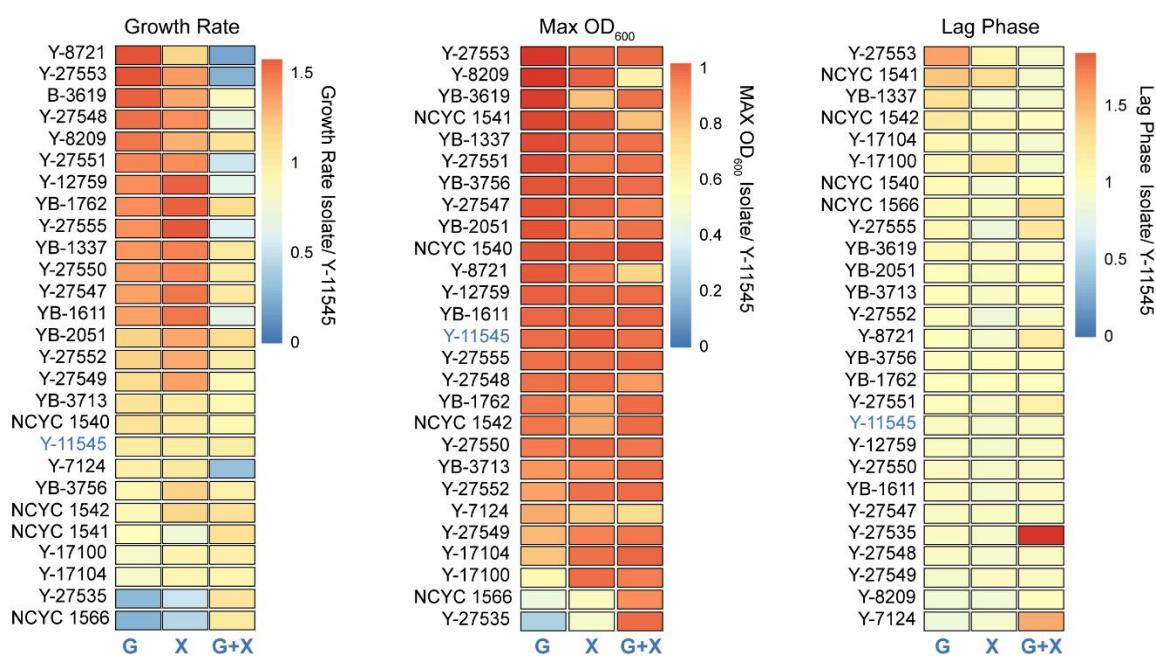


Vega Estevez et al

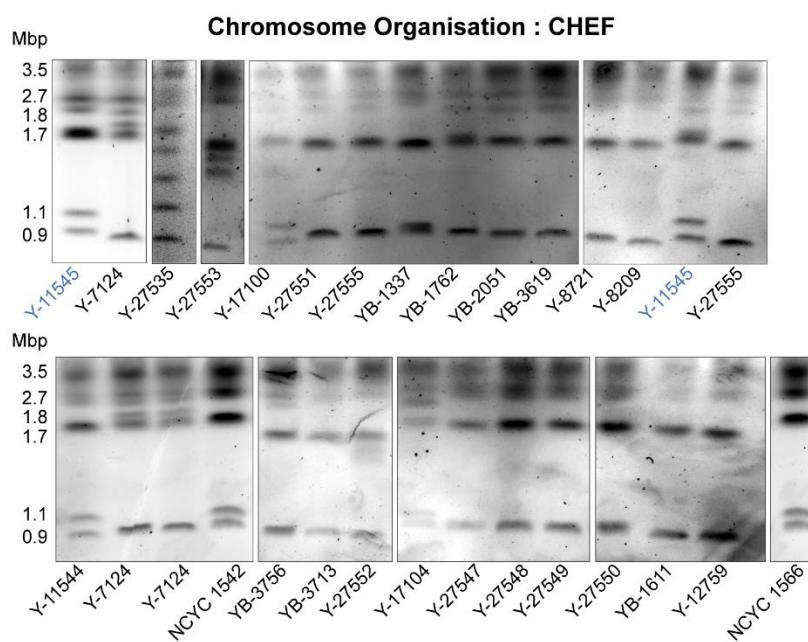
**Fig 2**

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**A**



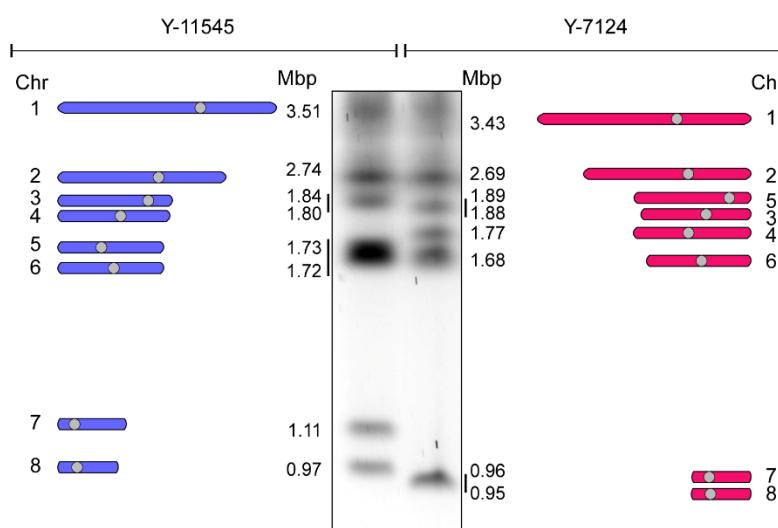
**B**



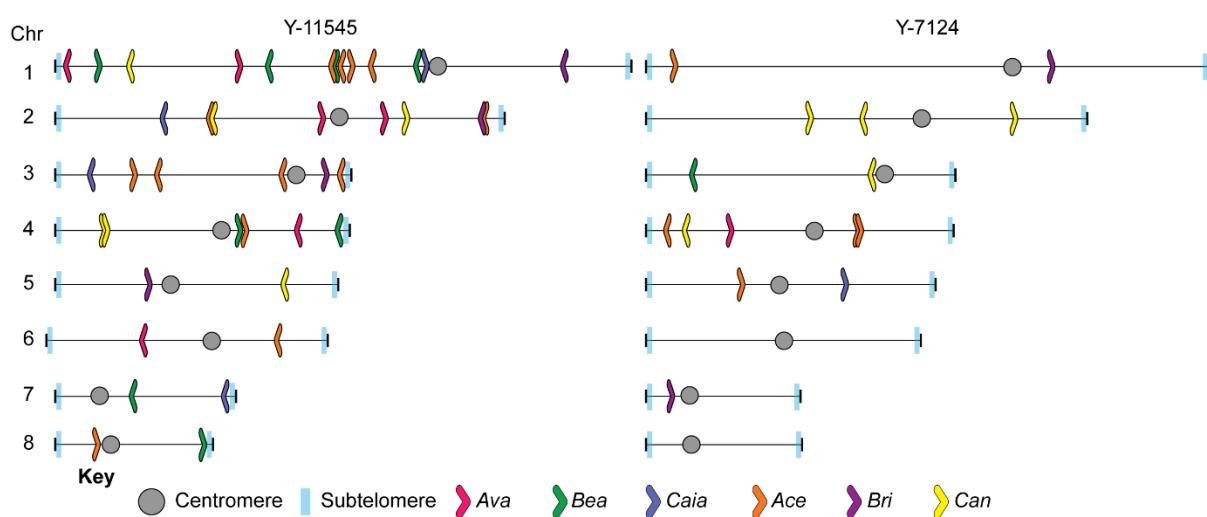
**Fig 3**

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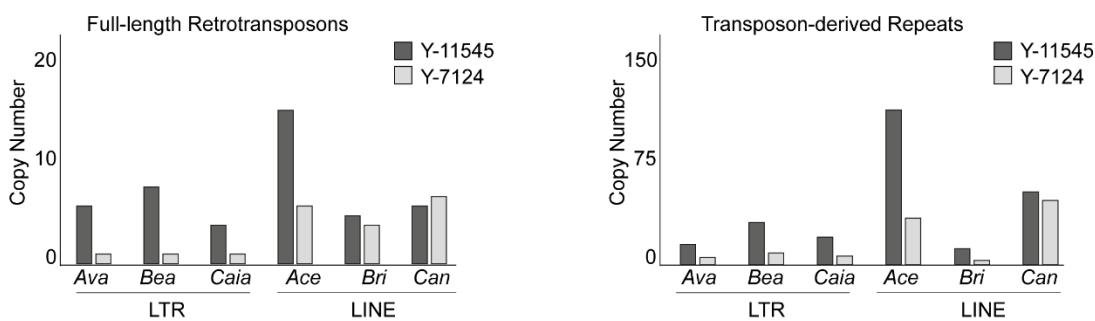
**A**



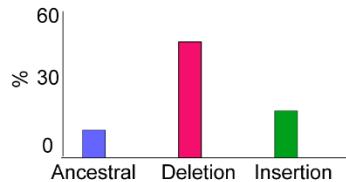
**B**



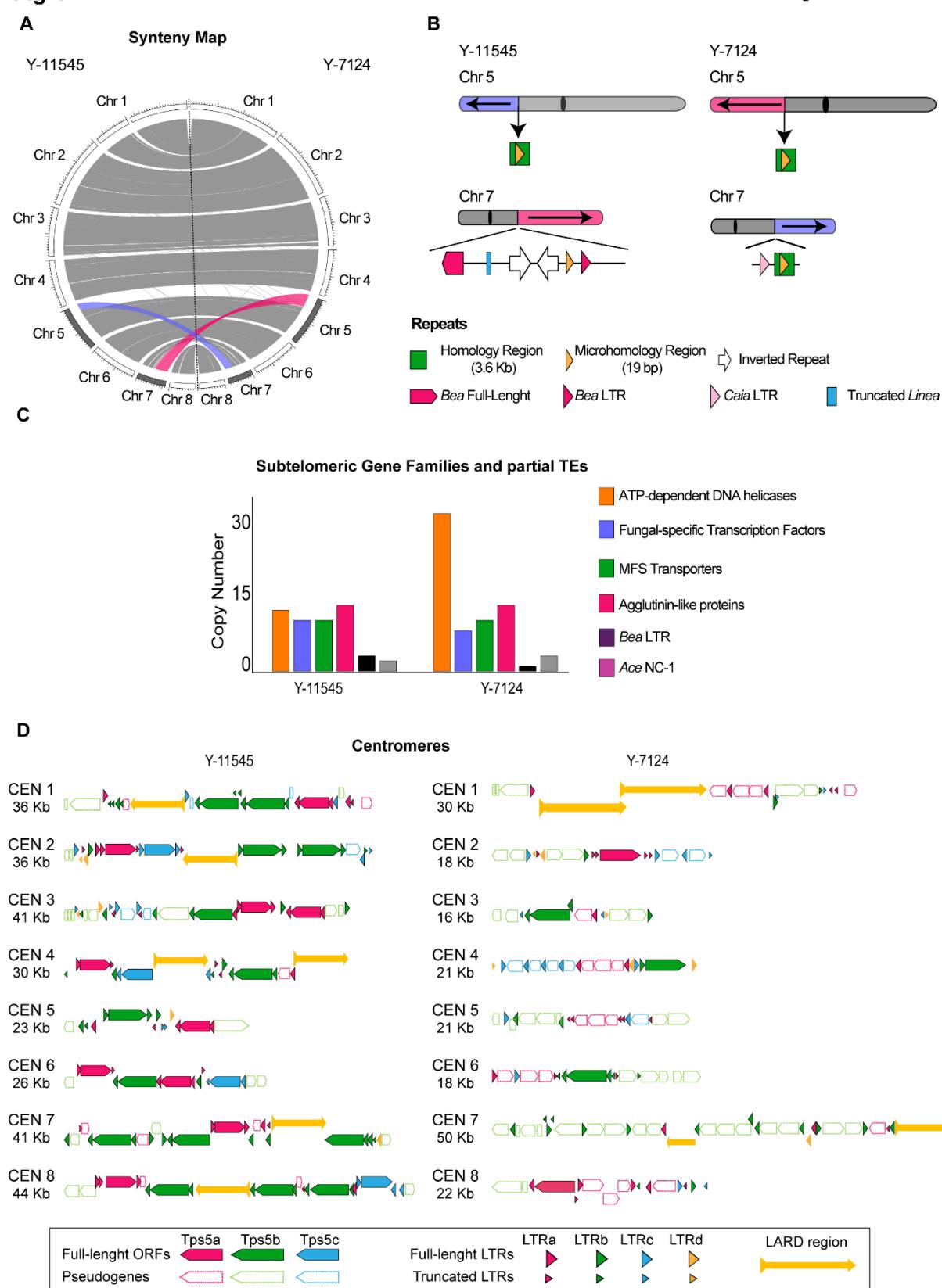
**C**



**D**



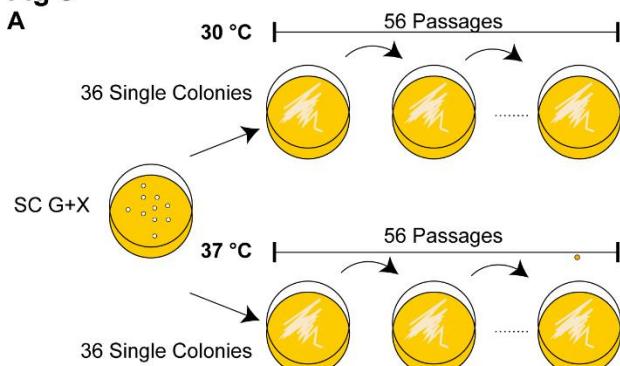
**Fig 4**



Vega Estevez et al

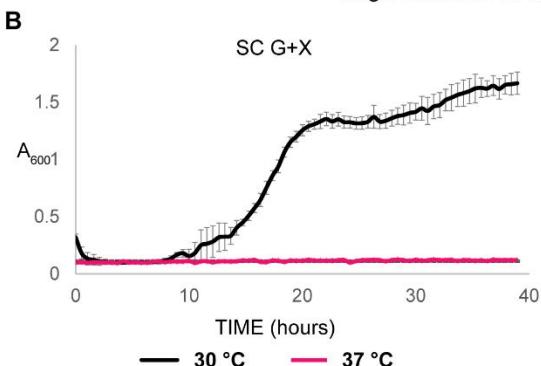
**Fig 5**

**A**



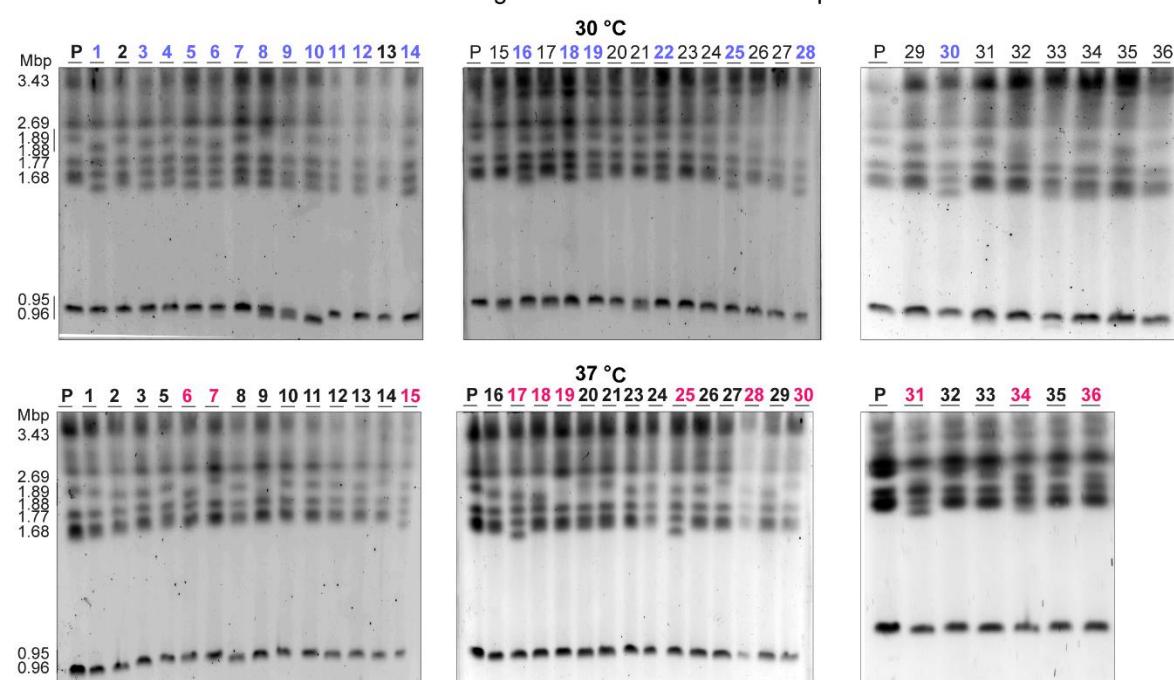
Vega-Estevez et al

**B**



**C**

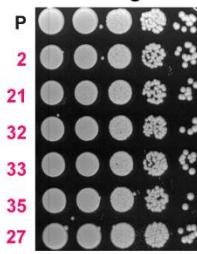
Chromosome Organisation: CHEF Gel Electrophoresis



**D**

NO Rearrangements

30 °C



Chromosome Rearrangements

37 °C

