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piRNA-guided co-transcriptional silencing coopts nuclear export factors

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38 **Abstract**

39

40 The PIWI-interacting RNA (piRNA) pathway is a small RNA-based immune
41 system that controls the expression of transposons and maintains genome
42 integrity in animal gonads. In *Drosophila*, piRNA-guided silencing is achieved,
43 in part, via co-transcriptional repression of transposons by Piwi. This depends
44 on Panoramix (Panx); however, precisely how an RNA binding event silences
45 transcription remains to be determined. Here we show that Nuclear Export
46 Factor 2 (Nxf2) and its co-factor, Nxt1, form a complex with Panx and are
47 required for co-transcriptional silencing of transposons in somatic and
48 germline cells of the ovary. Tethering of Nxf2 or Nxt1 to RNA results in
49 silencing of target loci and the concomitant accumulation of repressive
50 chromatin marks. Nxf2 and Panx proteins are mutually required for proper
51 localization and stability. We mapped the protein domains crucial for the
52 Nxf2/Panx complex formation and show that the amino-terminal portion of
53 Panx is sufficient to induce transcriptional silencing.

54

55

56 Introduction

57
58 The piRNA pathway is a small RNA-based immune system that represses
59 transposable elements in animal gonadal tissues (Czech et al., 2018; Ozata et
60 al., 2019). At the core of this pathway are PIWI-clade Argonaute proteins that
61 are guided by 23-30nt piRNA partners to silence transposon targets via two
62 main mechanisms. In *Drosophila*, Aubergine and Argonaute3 enforce post-
63 transcriptional gene silencing (PTGS) via direct cleavage of transposon
64 mRNAs in the cytoplasm (Brennecke et al., 2007; Gunawardane et al., 2007).
65 Piwi, in contrast, operates in the nucleus where it instructs the co-
66 transcriptional gene silencing (TGS) of transposon insertions (Brennecke et
67 al., 2007; Klenov et al., 2011; Sienski et al., 2012). Mutations that compromise
68 TGS result in severe loss of transposon control, despite normal piRNA levels
69 (Donertas et al., 2013; Le Thomas et al., 2013; Muerdter et al., 2013; Ohtani
70 et al., 2013; Rozhkov et al., 2013; Sienski et al., 2015; Sienski et al., 2012; Yu
71 et al., 2015).

72
73 Piwi, in complex with piRNAs, detects nascent transposon RNAs arising from
74 active insertions and directs the silencing of these loci. Target silencing is
75 achieved via recruitment of histone modifying enzymes that deposit
76 repressive chromatin marks, mainly trimethylation of Lysine 9 on Histone 3
77 (H3K9me3) (Iwasaki et al., 2016; Klenov et al., 2014; Le Thomas et al., 2013;
78 Rozhkov et al., 2013; Sienski et al., 2012; Wang and Elgin, 2011). Panoramix
79 (Panx) is a key TGS effector, acting downstream of Piwi at the interface
80 between the piRNA pathway and the general chromatin silencing machinery
81 (Sienski et al., 2015; Yu et al., 2015). Strikingly, RNA-mediated recruitment of
82 Panx, but not Piwi, to a locus is sufficient to trigger its epigenetic silencing,
83 thus placing Panx at a critical node of the TGS mechanism. Downstream of
84 Panx, the concerted action of dLsd1/Su(var)3-3 and Eggless/dSETDB1
85 erases H3K4me2 and concomitantly deposits H3K9me3, followed by
86 chromatin compaction via Heterochromatin Protein 1a (HP1a/Su(var)205)
87 (Czech et al., 2013; Iwasaki et al., 2016; Rangan et al., 2011; Sienski et al.,
88 2015; Wang and Elgin, 2011; Yu et al., 2015). Precisely how Panx recruits
89 these histone modifying enzymes and what other factors participate in this
90 process remains an outstanding question.

91
92 Here we show that Panx coopts elements of the nuclear RNA export
93 machinery to trigger transcriptional silencing. Panx is part of a complex that
94 also contains Nuclear Export Factor 2 (Nxf2) and Nxt1/p15. Panx and Nxf2
95 are interdependent for their protein stability. *nxf2* mutants show strong de-
96 repression of Piwi-regulated transposons and severe loss of H3K9me3 at
97 affected loci, similarly to *panx* mutants. We find that the amino-terminus of
98 Panx delivers the critical silencing signal, as it is necessary and sufficient to
99 trigger the deposition of repressive chromatin marks if tethered to a reporter
100 construct, while its carboxyl-terminal region is involved in the interaction with
101 Nxf2. Nxf2 is closely related to the mRNA export factor Nxf1, which also
102 interacts and functions with Nxt1 (Fribourg et al., 2001; Herold et al., 2001;
103 Herold et al., 2000). Thus, our findings reveal that the evolution of transposon
104 defense mechanisms involved exaptation of the nuclear RNA export
105 machinery.

106
107

108 Results

109

110 Nxf2 is a TGS factor that interacts with Panx

111

112 To identify proteins associated with Panx, we immunoprecipitated a GFP-
113 Panx fusion protein expressed from its endogenous promoter ((Handler et al.,
114 2013); Figure 1—figure supplement 1A) from ovary lysates and identified co-
115 purifying proteins by quantitative mass spectrometry. Three proteins showed
116 the strongest enrichment and significance: Panx, Nxf2 and Nxt1 (Figure 1A,
117 Figure 1-Source Data 1). Nxf2 is a homolog of the general messenger RNA
118 (mRNA) export factor Nxf1 but was reported previously as being dispensable
119 for canonical mRNA transport in S2 cells (Herold et al., 2001; Herold et al.,
120 2003). Nxf2 contains all domains present in the family defined by Nxf1,
121 namely an amino-terminal region (NTR), an RNA-binding domain (RBD),
122 leucine-rich repeats (LRR), the NTF2-like domain (NTF2) and a Ubiquitin-
123 associated (UBA) domain (Figure 1B and Figure 1—figure supplement 1B)
124 (Herold et al., 2001). While the NTR, LRRs and RBD are typically involved in
125 cargo binding, the NTF2 and UBA domains mediate binding to the Nuclear
126 Pore Complex (NPC) and are required for Nxf1-mediated RNA export (Braun
127 et al., 2001; Fribourg et al., 2001). Nxt1, also known as p15, is a co-factor of
128 Nxf1 responsible for interaction with the NPC, specifically through the NTF2-
129 fold (Fribourg et al., 2001; Levesque et al., 2001). Interestingly, Nxt1 was also
130 reported to interact with Nxf2 (Herold et al., 2001; Herold et al., 2000). Both
131 Nxf2 and Nxt1 were previously identified in screens for piRNA-guided
132 silencing in somatic and germline cells, and their depletion resulted in female
133 sterility (Czech et al., 2013; Handler et al., 2013; Muerdter et al., 2013).
134 Contrary to expectations based upon previous findings (Sienski et al., 2015;
135 Yu et al., 2015), we saw no enrichment for Piwi by mass spectrometry (Figure
136 1A), results that are consistent with another recent study (Batki et al., 2019).
137 However, co-immunoprecipitation experiments detected weak but
138 reproducible interactions between Piwi and Panx, Nxf2, and Nxt1, but not with
139 a negative control (Figure 1—figure supplement 1D), suggesting that low
140 amounts of transposon substrates in unperturbed cells and/or transient
141 associations might push Piwi below the limit of detection by less sensitive
142 approaches.

143

144 Using CRISPR/Cas9, we generated flies that express a GFP-Nxf2 fusion
145 protein from the endogenous *nxf2* locus. GFP-Nxf2 is expressed in follicle and
146 germline cells of the ovary and localizes predominantly to nuclei (Figure 1C
147 and Figure 1—figure supplement 1C). Mass spectrometry of GFP-Nxf2-
148 associated proteins identified Panx, Nxf2, and Nxt1, as binding partners
149 (Figure 1D, Figure 1-Source Data 2), implying the existence of a complex
150 containing these three factors, which we named the Panx-induced co-
151 transcriptional silencing (PICTS) complex.

152

153 We therefore generated two *nxf2* mutant alleles, *nxf2*^{F10*} and *nxf2*^{Δ1*}, which
154 harbor premature stop codons that disrupt the *nxf2* open reading frame from
155 amino acid 10 onwards (Figure 1B and Figure 1—figure supplement 1E).
156 Trans-heterozygous mutants were female sterile, with fewer eggs laid and
157 none hatching (Figure 1—figure supplement 1F). *nxf2* mutants were severely

158 compromised in the repression of soma- and germline-specific transposons,
159 in a highly similar manner to *panx* mutants (Figure 1E), with no change in
160 piRNA levels or Piwi localization, despite compromised silencing (Figure 1—
161 figure supplement 1G-H).

162
163 To assess the specificity of the impact of *nxf2* mutations on the transcriptome,
164 we performed RNA-seq from total RNA of heterozygote and mutant ovaries,
165 using *panx* mutants for comparison. As reported previously, the expression of
166 protein-coding genes was not generally affected in *nxf2* mutants, with only 16
167 out of 7,252 ($r^2=0.963$) being changed more than 4-fold (Figure 1F) (Herold et
168 al., 2001; Herold et al., 2003). In contrast, 28 out of 60 transposon families
169 (that were above the expression threshold of 1 rpm) were de-repressed by
170 more than 4-fold in *nxf2* mutants. Similar results were obtained for *panx*
171 mutants: 16 out of 60 transposons were de-repressed and only 6 out of 7,252
172 genes mis-regulated ($r^2=0.991$). ChIP-seq for the H3K9me3 mark from *nxf2*
173 mutant ovaries showed reduced methylation levels at the same transposon
174 families that were de-repressed according to RNA-seq, such as *Het-A*, while
175 randomly chosen genomic intervals were not changed (Figure 1—figure
176 supplement 2A-B).

177
178 Ovarian somatic cells (OSCs), cultured *in vitro*, express a functional piRNA-
179 guided co-transcriptional gene silencing machinery and provide a convenient
180 context for mechanistic studies (Saito et al., 2009). RNA-seq from OSCs
181 depleted of Piwi, Panx or Nxf2 showed marked de-repression of soma-
182 specific (e.g. *mdg1*, *gypsy*, *297*) and intermediate transposon families (e.g.
183 *blood*) when compared to control cells treated with *GFP* siRNAs (Figure 1G
184 left; Figure 1—figure supplement 2C). The de-repression of transposon
185 families strongly correlates with the reduction in H3K9me3 levels mapped
186 over their consensus sequences in ChIP-seq samples generated from the
187 same knockdowns (Figure 1G right). In contrast, no major changes in
188 H3K9me3 were detected over transposons that show no de-repression in
189 these cells upon *piwi*, *panx*, or *nxf2* knockdown.

190
191 We next focused on a set of 233 individual, Piwi-regulated genomic
192 transposon insertions in OSCs (see methods for details). This enabled
193 analysis of chromatin states on individual loci, including flanking regions,
194 rather than averaging contributions over a consensus sequence (Figure 1—
195 figure supplement 2D-H). Piwi depletion resulted in the accumulation of
196 H3K4me2 at these loci and spreading of the mark, indicative of active
197 transcription, beyond the transposon into downstream regions (Figure 1—
198 figure supplement 2D, F), similar to earlier reports (Donertas et al., 2013;
199 Klenov et al., 2014; Sienski et al., 2012). Knockdown of *panx* or *nxf2* showed
200 similar, though less pronounced, effects. H3K9me3 marks were strongly
201 reduced upon Piwi depletion, with *panx* and *nxf2* knockdowns showing a
202 similar but milder impact (Figure 1—figure supplement 2E,G). H3K4me2
203 spreading typically correlates with increased RNA output and a decrease in
204 H3K9me3 levels, as evident for a euchromatic *gypsy* insertion located within
205 an intron of the 5' UTR of the gene *ex* on chromosome 2L (Figure 1—figure
206 supplement 2H).

207

208 **Panx and Nxf2 proteins are interdependent for their stability**

209
210 Proteins that form complexes are often interdependent for either localization
211 or stability, and there are abundant examples of such interactions in the
212 piRNA pathway (Donertas et al., 2013; Ohtani et al., 2013). To test for such
213 dependencies among TGS factors, we depleted Piwi, Panx or Nxf2 in germ
214 cells of flies expressing GFP-Nxf2 (Figure 2A) or GFP-Panx (Figure 2B).
215 Germline knockdown of *piwi* had no effect on the localization of either Nxf2 or
216 Panx. Depletion of Panx, however, led to a pronounced loss of nuclear GFP-
217 Nxf2 in nurse cell nuclei (Figure 2A). The reciprocal was also true, with GFP-
218 Panx nuclear signal being reduced upon *nxf2* knockdown in nurse cells
219 (Figure 2B). Similarly, the individual depletion of Panx or Nxf2 in follicle cells
220 resulted in a reduction of both proteins (Figure 2—figure supplement 1A-B).
221 To assess whether the observed reduction reflects protein stability rather than
222 mislocalization, we performed western blots on ovarian lysates. Panx protein
223 level was strongly reduced in *nxf2* mutant ovaries (Figure 2C) and GFP-Nxf2
224 signal was completely lost in homozygous *panx* mutants (Figure 2D). Of note,
225 mRNA levels of Nxf2 and Panx were not affected when the other factor was
226 mutated (Figure 1F), implying regulation at the protein level. Considered
227 together, the localization and stability of Nxf2 and Panx are interdependent *in*
228 *vivo*.

230 **PICTS complex formation is required for TGS**

231
232 To map the domains of Nxf2 and Panx that mediate their interaction, we
233 expressed various combinations of full-length, truncated, or mutant proteins in
234 S2 cells or in OSCs where native protein expression had been reduced by
235 RNAi (Figure 3A). Interactions were tested by co-immunoprecipitation and
236 western blot analyses, and the subcellular localization analyzed by
237 immunofluorescence staining. In OSCs, the ability of each construct to rescue
238 transposon de-repression was monitored by qPCR.

239
240 Full-length Nxf2 and Panx robustly co-immunoprecipitated (Figure 3B) and co-
241 localized in S2 cell nuclei (Figure 3C). Removing the carboxy-terminal half of
242 Panx (Panx- Δ C) yielded a protein that remained nuclear, while co-expressed
243 Nxf2 remained largely cytoplasmic, and these proteins no longer formed a
244 complex (Figure 3B-D). When expressed alone in S2 cells, Nxf2 remained
245 predominantly cytoplasmic (ZsGreen-HA in Figure 3C), suggesting that
246 interaction with Panx is necessary for nuclear localization of Nxf2. Panx- Δ N, in
247 contrast, retained the ability to interact with Nxf2 but failed to localize to the
248 nucleus (Figure 3B-D). Strikingly, enforced localization of Panx- Δ N to the
249 nucleus also restored nuclear localization of Nxf2 (Figure 3D and Figure 3—
250 figure supplement 1C-D). Deleting only either the coiled coil domain #2 or C-
251 terminal region, which together make up most of the carboxy-terminal half of
252 Panx, reduced co-purification with Nxf2 (Figure 3D and Figure 3—figure
253 supplement 1C), with neither construct being able to rescue *mdg1* repression
254 upon *panx* knockdown (Figure 3E). Overall, these results suggest that the N-
255 terminal part of Panx carries its nuclear localization signal that aids proper
256 localization of Nxf2 via interaction with the Panx C-terminal region.

258 To probe the regions of Nxf2 that are essential for its function, we expressed,
259 in the presence of full-length Panx, Nxf2 proteins that lacked either the
260 regions required for RNA cargo binding or the region essential for its
261 association with the NPC (Braun et al., 2001; Fribourg et al., 2001; Herold et
262 al., 2001) (Figure 3A and Figure 3—figure supplement 2A left). Nxf2- Δ NPC
263 failed to co-purify with Panx, and this was accompanied by an increased
264 cytoplasmic protein localization (Figure 3B-D). In contrast, deleting the cargo-
265 binding region of Nxf2 had less impact on its co-purification with Panx or the
266 nuclear localization of either protein (Figure 3B-D). This mutant was able to
267 interact with Panx- Δ N but not Panx- Δ C, as expected (Figure 3F). Mutants of
268 Nxf2, which had individual domains removed, uniformly failed to rescue *nxf2*
269 knockdown in OSCs (Figure 3—figure supplement 2D), yet all but Nxf2- Δ UBA
270 still co-purified with full-length Panx (Figure 3D and Figure 3—figure
271 supplement 2B-C). We also generated point mutants within the UBA domain,
272 altering 2-4 highly conserved amino acids at a time (Figure 3—figure
273 supplement 2A right). UBA mutant #1, showed a phenotype similar to the
274 domain deletion with reduced binding to Panx, increased cytoplasmic
275 localization, and failure to rescue loss of Nxf2 (Figure 3B-E and Figure 3—
276 figure supplement 2E-F). Thus, the interaction of Nxf2 and Panx relies on an
277 intact UBA domain and requires the carboxy-terminal portion of Panx.

278

279 The NTF2-like fold was previously shown to mediate the interaction of NXF
280 proteins with Nxt1 (Herold et al., 2000; Kerkow et al., 2012; Suyama et al.,
281 2000). To probe a potential requirement for Nxt1 in silencing, we generated
282 NTF2 domain point mutants in residues involved in the interaction with Nxt1
283 (Kerkow et al., 2012). All four Nxf2-NTF2 point mutants localized
284 predominantly to the nucleus and co-precipitated quantities of Panx
285 comparable to the full-length control (Figure 3D and Figure 3—figure
286 supplement 2E-F). Yet, three mutants (#1, #2, and #3) failed to rescue
287 transposon de-repression upon depletion of Nxf2 (Figure 3E), pointing to an
288 involvement of Nxt1 in silencing. Indeed, reduced amounts of Nxt1 were
289 recovered with the NTF2 mutants #1 and #2, while the NTF2 mutant #4,
290 which rescued transposon expression (Figure 3E), as well as UBA mutants #1
291 and #2 showed levels comparable to full-length Nxf2 (Figure 3G and Figure
292 3—figure supplement 2G).

293

294 **Tethering of Nxf2 and Nxt1 to RNA triggers silencing**

295

296 Artificial tethering of Panx to nascent RNA or DNA was previously shown to
297 result in co-transcriptional silencing and the concurrent accumulation of
298 repressive chromatin marks (Sienski et al., 2015; Yu et al., 2015). To test
299 whether Nxf2 could induce TGS, we created an integrated sensor comprising
300 the *Drosophila simulans* ubiquitin promoter driving an HA-tagged ZsGreen
301 transcript with 9 BoxB sites in its 3' UTR in OSCs (Figure 4A). As expected
302 from previous studies (Sienski et al., 2015; Yu et al., 2015), expression of λ N-
303 Piwi did not lead to reduced RNA or protein levels (Figure 4B and Figure 4—
304 figure supplement 1A), although it did localize to nuclei (Figure 4—figure
305 supplement 1B). Tethering of λ N-Panx, in contrast, resulted in robust
306 repression of sensor RNA and protein signals, as reported (Sienski et al.,
307 2015; Yu et al., 2015). λ N-Nxf2 caused an even stronger reduction of RNA

308 and protein expression from the reporter (Figure 4B). FISH experiments
309 supported consistent repression by Panx and Nxf2 (Figure 4—figure
310 supplement 1C). Tethering of λ N-Nxt1 also induced reporter repression
311 (Figure 4B). Strikingly, upon tethering of Nxt1, Nxf2 or Panx, we observed
312 increased levels of H3K9me3 over the reporter (Figure 4C). These data
313 suggest that Nxf2 and Nxt1, along with Panx, act as key effectors of co-
314 transcriptional silencing and are each sufficient to recruit the downstream
315 silencing machinery.

316

317 We also tested whether Nxf2 could silence artificial targets upon tethering to
318 DNA rather than nascent transcripts. Our sensor construct carried 8 LacO
319 sites upstream of the *D. sim*. ubiquitin promoter, which drives the expression
320 of HA-ZsGreen (Figure 4D). While tethering of LacI-Piwi did not affect sensor
321 expression, LacI-Panx resulted in robust reductions in both RNA and protein
322 levels (Figure 4E and Figure 4—figure supplement 1D), as previously
323 reported (Sienski et al., 2015). LacI-Nxf2 also silenced the reporter, reducing
324 both mRNA and protein output, albeit to a lesser extent than LacI-Panx
325 tethering. Surprisingly, LacI-Nxt1 was unable to silence the sensor construct.
326 Repression by tethered Panx or Nxf2 resulted in a striking decrease in
327 H3K4me2 marks over the transcribed parts (i.e. promoter and ZsGreen
328 coding region), while the remainder of the reporter showed low read coverage
329 and little difference in the prevalence of the mark (Figure 4—figure
330 supplement 1E). Conversely, H3K9me3 increased upon repression (Figure
331 4F). Of note, the entire reporter sequence (except a small gap around the
332 LacO site and the 3' UTR where the mappability is poor) was prominently
333 decorated with H3K9me3, suggesting spreading of this chromatin mark
334 following initial silencing.

335

336 The data presented above identified functional elements within Nxf2 and Panx
337 that are required for proper localization, interaction, and Piwi-dependent
338 transcriptional gene silencing. We next examined the ability of Panx and Nxf2
339 mutants to silence our artificial DNA reporters, thus bypassing Piwi-piRNA
340 dependent target recognition. Neither LacI-Nxf2- Δ Cargo nor LacI-Panx- Δ N,
341 which were predicted to interact with their full-length partner in OSCs (Figure
342 3B-D), were able to repress the sensor (Figure 4G). Yet, LacI-Panx- Δ C,
343 which could not interact with Nxf2, substantially reduced RNA and protein
344 expression from the sensor, with its effects as robust as upon DNA tethering
345 of LacI-HP1a (Figure 4G). This suggests that the amino-terminal part of Panx
346 is necessary and sufficient to enforce silencing of an artificial reporter
347 independent of its interaction with Nxf2.

348

349

350 Discussion

351
352 Our data identify Nxf2 and Nxt1 as critical mediators of co-transcriptional gene
353 silencing, acting in concert with Panx to repress loci in response to Piwi-
354 piRNA target engagement (Figure 4H). The emerging model for piRNA-
355 dependent silencing implies that target recognition by Piwi is necessary to
356 recruit the PICTS complex onto the appropriate nascent RNA targets.
357 Difficulties in detecting stable interactions between Piwi and PICTS
358 components *in vivo* may arise from a requirement for Piwi target engagement
359 to licence it for recruitment of silencing complexes, as has been suggested
360 previously (Sienski et al., 2015; Yu et al., 2015). The same mechanism may
361 underlie the difficulties experienced in observing Piwi on its target loci by CHIP
362 (Marinov et al., 2015).

363
364 We find that Panx and Nxf2 are interdependent for their protein stability and
365 proper subcellular localization, underscoring the fact that correct assembly of
366 the PICTS complex is essential for TGS, while the silencing capacity, per se,
367 resides in Panx. Of note, previous work reported a partial destabilization of
368 Nxf2 in cells depleted of Nxt1 (Herold et al., 2001), potentially extending the
369 interdependency to all three proteins. RIP-seq experiments from unperturbed
370 cells found transposon RNAs enriched only with Panx, as reported (Sienski et
371 al., 2015), but not with Nxf2 (Figure 4—figure supplement 1F), possibly due to
372 low substrate availability combined with an insensitive assay. These results
373 are consistent with another recent report that did not detect transposon
374 enrichment in Nxf2 CLIP-seq from wild-type cells (Batki et al., 2019).
375 However, two other studies identified transposon mRNA association with Nxf2
376 in CLIP-seq experiments upon depletion of the previously described TGS
377 factor, Mael (Zhao et al., 2019), or by using a stable cell line and depletion of
378 endogenous Nxf2 (Murano et al., 2019). Considered together, these data
379 suggest that Nxf2 might be important for stabilizing the binding of Panx to
380 nascent RNAs. However, precisely how Nxf2 executes this function remains
381 to be fully elucidated. Of note, Murano and colleagues find that Panx interacts
382 with Nxf2, Piwi, Mael and Arx (Murano et al., 2019), which could imply that
383 other TGS factors come into contact with the PICTS complex, although the
384 relationship between these factors and PICTS requires further investigation.

385
386 Mutational analyses suggest that Panx and Nxf2 must normally bind Nxt1 to
387 carry out transposon repression. Direct recruitment of any of the PICTS
388 complex components to RNA reporters results in robust chromatin silencing.
389 Upon tethering to DNA, however, Panx induces potent TGS, whereas Nxf2
390 leads to less prominent effects and Nxt1 shows no silencing capability in our
391 assays. Interestingly, recruitment of the amino-terminal part of Panx alone is
392 necessary and sufficient to induce reporter repression, pinpointing this domain
393 of Panx as harboring the silencing effector function. Future investigations will
394 be crucial to uncover the molecular mechanism by which the Panx amino
395 terminus instructs the downstream chromatin silencing machinery.

396
397 Our work, and that of others (Batki et al., 2019; Murano et al., 2019; Zhao et
398 al., 2019) indicates that piRNA-guided co-transcriptional silencing of
399 transposons has coopted several components of the RNA export machinery,

400 namely Nxf2 and Nxt1. Of the four NXF proteins present in flies, only two
401 have thus far been characterized. Interestingly, while Nxf1, acting along with
402 Nxt1, is crucial for canonical mRNA export (Braun et al., 2001; Fribourg et al.,
403 2001; Herold et al., 2001; Wilkie et al., 2001), Nxf2 has been coopted by the
404 piRNA pathway and functions in co-transcriptional gene silencing. Nxf3, which
405 also is required for transposon repression in germ cells (Czech et al., 2013), is
406 emerging as being critical for the export of piRNA precursors generated from
407 dual-strand clusters in the germline (ElMaghraby et al., 2019; Kneuss, E.,
408 Munafò, M., Eastwood, E.L., Deumer, U.-S., Preall, J.B., Hannon, G.J., and
409 Czech, B. Specialization of the *Drosophila* nuclear export family protein, Nxf3,
410 for piRNA precursor export. *Submitted to Genes & Development*). The role of
411 Nxf4, whose expression is testis-specific, is yet to be established. This
412 remarkable functional diversity of NXF family members correlates with tissue-
413 specific expression patterns, and seems conserved in mammals (Yang et al.,
414 2001). However, deciphering how each achieves substrate specificity will be
415 critical to understanding how these homologs can be exclusively dedicated to
416 different targets and confer different fates upon the RNAs that they bind.

417
418 Importantly, the fate of the nascent transcript that is detected by Piwi and
419 instructed by PICTS for silencing remains unclear. One hypothesis is that
420 instead of being exported, these targets undergo degradation by the nuclear
421 exosome. Such mechanism would be contrary to yeast, where the TREX
422 complex subunit Mlo3 was shown to oppose siRNA-mediated
423 heterochromatin formation at gene loci (Yu et al., 2018), and suggests that
424 different lineages have evolved different silencing mechanisms. In any case, it
425 is possible that a single transcript from a locus that is marked for silencing
426 might pose a lesser threat than an unsilenced locus and, therefore, not be
427 capable of exerting evolutionary pressure for the determination of its fate.

428
429

430 **Materials and Methods**

431

432 **Fly stocks and handling**

433 All flies were kept at 25 °C. Flies carrying a BAC transgene expressing GFP-
434 Panx were generated by the Brennecke lab (Handler et al., 2013). Panx
435 frameshift mutants panx^{M1} and panx^{M4} were described earlier (Yu et al.,
436 2015). The GFP-Nxf2 fusion knock-in and nxf2 frameshift mutations
437 (*nxf2*[F10*] and *nxf2*[Δ1*]) were generated for this study (see below). Control
438 *w*¹¹¹⁸ flies were a gift from the University of Cambridge Department of
439 Genetics Fly Facility. For knockdowns we used a stock containing the Dcr2
440 transgene and a nos-GAL4 driver (described in (Czech et al., 2013)) and
441 dsRNA lines from the VDRC (panx^{KK102702}, nxf2^{KK101676}, piwi^{KK101658}). Fertility
442 of the *nxf2* and *panx* mutant females was scored by crossing ten freshly
443 hatched females to five *w*¹¹¹⁸ males and counting the number of eggs laid in
444 12 hr periods and pupae that developed after 7 days.

445

446 **Generation of mutant and transgenic fly strains**

447 Frameshift mutant alleles of *nxf2* were generated by injecting pCFD4
448 (addgene plasmid # 49411; (Port et al., 2014)) containing two gRNAs against
449 Nxf2 (generated by Gibson assembly) into embryos expressing vas-Cas9
450 (Bloomington stock 51323). To generate GFP-Nxf2 fusion knock-in flies,
451 homology arms of approximately 1 kb were cloned into pUC19 by Gibson
452 assembly and co-injected with pCFD3 (addgene plasmid # 49410; (Port et al.,
453 2014)) containing a single guide RNA into embryos expressing vas-Cas9 (#
454 51323, Bloomington stock center). Microinjection and fly stock generation was
455 carried out by the University of Cambridge Department of Genetics Fly
456 Facility. Mutant and knock-in flies were identified by genotyping PCRs and
457 confirmed by sanger sequencing.

458

459 **Immunoprecipitation from ovary lysates and Mass Spectrometry**

460 Ovaries from ~170 GFP-Panx, GFP-Nxf2 and control flies (3-5 days old) were
461 dissected in ice-cold PBS and lysed in 300 µl of CoIP Lysis Buffer (20 mM
462 Tris-HCl pH 7.5, 150 mM NaCl, 2 mM MgCl₂, 10% glycerol, 1 mM DTT, 0.1
463 mM PMSF, 0.2% NP-40 supplemented with complete protease inhibitors
464 [Roche]) and homogenized using a motorized pestle. Lysates were cleared for
465 5 min at 16000g and the residual pellet re-extracted with the same procedure.
466 GFP-tagged proteins were immunoprecipitated by incubation with 30 µl of
467 GFP-Trap magnetic beads (Chromotek) for 3 hrs at 4 °C on a tube rotator.
468 The beads were washed 6x with Lysis Buffer and 2x with 100 mM Ammonium
469 Bicarbonate, before TMT-labelling followed by quantitative Mass
470 Spectrometry. TMT chemical isobaric labelling were performed as described
471 (Papachristou et al., 2018).

472

473 **Analysis of Mass Spectrometry data**

474 Raw data were processed in Proteome Discoverer 2.1 software (Thermo
475 Fisher Scientific) using the SequestHT search engine. The data were
476 searched against a database derived from FlyBase ("*dmel-all-translation-*
477 *r6.24*") at a 1% spectrum level FDR criteria using Percolator (University of
478 Washington). For the SequestHT node the following parameters were
479 included: Precursor mass tolerance 20 ppm and fragment mass tolerance 0.5

480 Da. Dynamic modifications were oxidation of M (+15.995 Da), deamidation of
481 N, Q (+0.984 Da) and static modifications were TMT6plex at any N-Terminus
482 and K (+229.163 Da). The consensus workflow included S/N calculation for
483 TMT intensities and only unique peptides identified with high confidence (FDR
484 < 0.01) were considered for quantification. Downstream data analysis was
485 performed on R using the qPLEXanalyzer package
486 (<https://doi.org/10.5281/zenodo.1237825>) as described (Papachristou et al.,
487 2018). Only proteins with more than one unique peptide were considered.

488

489 **Cell Culture**

490 *Drosophila* Ovarian Somatic Cells (OSCs) were a gift from Mikiko Siomi and
491 were cultured at 26 °C in Shields and Sang M3 Insect Medium (Sigma
492 Aldrich) supplemented with 0.6 mg/ml Glutathione, 10% FBS, 10 mU/ml
493 insulin and 10% fly extract (purchased from DGRC) as described (Niki et al.,
494 2006; Saito, 2014; Saito et al., 2009). Cell identity was authenticated by whole
495 genome DNA sequencing in-house. Gibco® *Drosophila* Schneider 2 (S2) cells
496 were purchased from Thermo Fisher Scientific (catalog number R69007) and
497 were grown at 26 °C in Schneider's *Drosophila* Media (Gibco) supplemented
498 with 10% heat-inactivated FBS. Cell identity was characterized by Thermo
499 Fisher Scientific through isozyme and karyotype analysis (see product
500 description). OSCs and S2 cells tested negative for mycoplasma
501 contamination in-house. Knockdowns (all siRNA sequences are given in
502 Supplementary file 1) and transfections in OSCs were carried out as
503 previously described (Saito, 2014). In short, for knockdown experiments
504 10×10^6 cells were nucleofected with 200 pmol annealed siRNAs using the
505 Amaxa Cell Line Nucleofector Kit V (Lonza, program T-029). After 48 hrs,
506 10×10^6 cells were nucleofected again with 200 pmol of the same siRNA and
507 allowed to grow for an additional 48 hrs before further processing. For rescue
508 experiments, 5 µg of rescue construct plasmid were added to the second
509 knockdown solution. OSCs were transfected with 10 µg of plasmid using Xfect
510 (Clontech), according to manufacturer's instruction. S2 cells were transfected
511 with 2 µg of plasmid using Effectene (Qiagen), according to manufacturer's
512 instructions.

513

514 **Co-immunoprecipitation from cell lysates**

515 S2 cells or OSCs were transfected with 3xFLAG- and HA-tagged constructs
516 (wild-type and mutants). Cells were harvested 48 hrs after transfection and
517 lysed in 250 µl of CoIP Lysis Buffer (Pierce) supplemented with Complete
518 protease inhibitors (Roche). 200 µg of proteins for each sample were diluted
519 to 1 ml with CoIP Lysis Buffer and the 3xFLAG-tagged bait was
520 immunoprecipitated by incubation with 20 µl of anti-FLAG M2 Magnetic Beads
521 (Sigma M8823) for 2 hrs at 4 °C on a tube rotator. The beads were washed 3x
522 15 min with TBS supplemented with protease inhibitors. Beads were then
523 resuspended in 2x NuPAGE LDS Sample Buffer (Thermo Fisher Scientific)
524 without reducing agent and boiled for 3 min at 90 °C to elute
525 immunoprecipitated proteins. IPs, unbound fractions and input fractions were
526 diluted to 1x NuPAGE LDS Sample Buffer concentration and reducing agent
527 was added. Samples were boiled at 90 °C for 10 min before separating
528 proteins as described below.

529

530 **Western Blot**

531 Protein concentration was measured using a Direct Detect Infrared
532 Spectrometer (Merck). 20 µg of proteins were separated on a NuPAGE 4-
533 12% Bis-Tris gel (Thermo Fisher Scientific). Proteins were transferred with an
534 iBLOT2 device (Invitrogen) on a nitrocellulose membrane and blocked for 1 hr
535 in 1x Licor TBS Blocking Buffer (Licor). Primary antibodies were incubated
536 over night at 4 °C. Licor secondary antibodies were incubated for 45 min at
537 room temperature (RT) and images acquired with an Odyssey CLx scanner
538 (Licor). The following antibodies were used: anti-HA (ab9110), anti-FLAG
539 (Sigma #F1804), anti-GFP (ab13970), anti-Piwi (described in (Brennecke et
540 al., 2007)), anti-Nxt1 (Herold et al., 2001), anti-Histone H3 (ab10799), anti-
541 Tubulin (ab18251), mouse anti-Panx (Sienski et al., 2015), IRDye® 680RD
542 Donkey anti-Rabbit IgG (H + L) (Licor), IRDye® 800CW Donkey anti-Mouse
543 IgG (H + L) (Licor), IRDye® 800CW Goat anti-Rat IgG (H + L) (Licor).

544

545

546 **Immunofluorescence in ovaries**

547 Fly ovaries were dissected in ice-cold PBS and fixed in 4% paraformaldehyde
548 (PFA) at RT for 15 min. After 2 quick rinses in PBS with Triton at 0.3% (PBS-
549 Tr), samples were permeabilized with 3x 10 min washes with PBS-Tr.
550 Samples were then blocked in PBS-Tr with 1% BSA for 2 hrs at RT and then
551 incubated overnight at 4 °C with primary antibodies in PBS-Tr and 1% BSA.
552 The next day, samples were washed 3x 10 min at RT in PBS-Tr and
553 incubated overnight at 4 °C with secondary antibodies in PBS-Tr and 1%
554 BSA. The next day, samples were washed 4x 10 min in PBS-Tr at RT and
555 DAPI (Thermo Fisher Scientific #D1306) was added during the third wash.
556 After 2x 5 min washes in PBS, samples were mounted on slides with ProLong
557 Diamond Antifade Mountant (Thermo Fisher Scientific #P36961) and imaged
558 on a Leica SP8 confocal microscope (63x and 100x Oil objective). The
559 following antibodies were used: chicken anti-GFP (ab13970), rabbit anti-Piwi
560 (described in (Brennecke et al., 2007)), mouse anti-Aub (Senti et al., 2015),
561 anti-Rabbit-555 (Thermo Fisher), anti-Mouse-647 (Thermo Fisher), anti-
562 Chicken-647 (Abcam).

563

564

565 **Immunofluorescence from cells**

566 Cells were plated one day in advance on Fibronectin- or Concanavalin A-
567 coated coverslips (for OSCs and S2 cells, respectively), fixed for 15 min in 4%
568 PFA, permeabilized for 10 min in PBS with 0.2% Triton (PBST) and blocked
569 for 30 min in PBS, 0.1% Tween-20 and 1% BSA. Primary antibodies were
570 diluted in PBS, 0.1% Tween-20 and 0.1% BSA and incubated overnight at 4
571 °C. After 3x 5 min washes in PBST, secondary antibodies were incubated for
572 1 hr at RT. After 3x 5 min washes in PBST, DAPI was incubated for 10 min at
573 RT, washed 2 times and the coverslips were mounted using ProLong
574 Diamond Antifade Mountant (Thermo Fisher Scientific #P36961) and imaged
575 on a Leica SP8 confocal microscope (100x Oil objective). The following
576 antibodies were used: anti-Lamin (Developmental Studies Hybridoma Bank
577 ADL67.10), anti-HA (ab9111), anti-FLAG (Cell Signaling Technology 14793S),
578 anti-chicken-488 (Abcam), anti-Rabbit-555 (Thermo Fisher), anti-Mouse-647
579 (Thermo Fisher).

580

581 **RNA Fluorescent in situ hybridization (RNA FISH)**

582 RNA FISH was performed with Hybridization Chain Reaction (HCR), similar
583 as reported (Ang and Yung, 2016; Choi et al., 2014). OSCs were fixed for 15
584 min in 4% PFA, washed 2x 5 min with PBS and permeabilized for at least 24
585 hrs in 70% ethanol at -20 °C. Ethanol was removed and slides washed twice
586 for 5 min in 2x Saline-Sodium Citrate buffer (SSC). Priming for hybridization
587 was done by incubating for 10 min in 15% formamide in 2x SSC. HCR probes
588 were diluted to 1 nM each in hybridization buffer (15% formamide, 10%
589 dextran sulfate in 2x SSC) and incubated overnight at 37 °C in a humidified
590 chamber. Excess probes were removed by rinsing twice in 2x SSC and
591 washing once in 30% formamide for 10 min at 37 °C. HCR hairpins
592 conjugated to AlexaFluor-647[®] (IDT) were heat-denatured and diluted to 120
593 nM in 5x SSC and 0.1% Tween-20. HCR amplification was carried out for 2
594 hrs at RT in the dark and washed 3x 10 min with 5x SSC and 0.1% Tween-20.
595 Nuclei were stained with DAPI for 10 min, followed by 3x 10 min washes in 5x
596 SSC. Slides were mounted with ProLong Diamond Antifade Mountant
597 (Thermo Fisher Scientific) and imaged on a Leica SP8 confocal microscope
598 (100x Oil objective). The sequences of all probes are given in Supplementary
599 file 1.

600

601 **Image analysis**

602 Intensity plot profiles across individual egg chambers were acquired in Fiji
603 (lines displayed). Intensity values for each channel were averaged over 10
604 pixels and adjusted as a percentage of the highest value along the profile. A
605 threshold of 30% DAPI intensity was set to define nuclei. Individual egg
606 chambers used for analysis are displayed for each channel with inverted LUT.

607

608 **Tethering experiments**

609 For RNA tethering, OSCs with a stable integration of the sensor plasmid
610 (pDsimUbi-HA-ZsGreen-NLuc-9xBoxB) were generated in the lab. 4×10^6 cells
611 were nucleofected with 5 μ g of plasmid expressing λ N-3xFLAG-tagged
612 constructs, as described above. After 48 hrs, 4×10^6 cells were nucleofected
613 again with 5 μ g of the same plasmid and allowed to grow for an additional 48
614 hrs before the relative expression of the sensor was analyzed. For DNA
615 tethering, OSCs were transiently transfected with 8xLacO-pDsimUbi-HA-
616 ZsGreen sensor plasmid and LacI-3xFLAG fusion constructs. Cells were
617 allowed to grow for 72 hrs before the relative expression of the sensor was
618 determined.

619

620 **ChIP-seq from ovaries**

621 Ovaries from 120 to 150 adult flies were dissected in ice-cold PBS, collected
622 in 1.5 ml Bioruptor[®] Microtubes (Diagenode #C30010016), and immediately
623 frozen at -80 °C. Samples were crosslinked in 1 ml A1 buffer (60 mM KCl, 15
624 mM NaCl, 15 mM HEPES pH 7.6, 4 mM MgCl₂, 0.5% Triton X-100, 0.5 mM
625 dithiothreitol (DTT), 10 mM sodium butyrate and complete EDTA-free
626 protease inhibitor cocktail [Roche #04693159001]), in the presence of 1.8%
627 formaldehyde. Samples were homogenized with a micropestle for 2 min and
628 incubated for a total time of 15 min at RT on a rotating wheel. Crosslinking
629 was stopped by adding 225 mM glycine followed by incubation for 5 min on a

630 rotating wheel. The homogenate was centrifuged for 5 min at 4,000g at 4 °C.
631 The supernatant was discarded, and the nuclear pellet was washed twice in 1
632 ml A1 buffer and once in 1 ml of A2 buffer (140 mM NaCl, 15 mM HEPES pH
633 7.6, 1 mM EDTA, 0.5 mM EGTA, 1% Triton X-100, 0.5 mM DTT, 0.1% sodium
634 deoxycholate, 10 mM sodium butyrate and complete mini EDTA-free protease
635 inhibitor cocktail) at 4 °C. Nuclei were then resuspended in 100 µl A2 buffer
636 with 1% SDS and 0.5% N-lauroylsarcosine and incubated for 2 hrs at 4 °C
637 with agitation at 1,500 rpm. Chromatin was sonicated using a Bioruptor[®] Pico
638 (Diagenode #B01060010) for 16 cycles of 30 sec on/30 sec off. Sheared
639 chromatin size peaked at 150 bp. After sonication and 5 min high-speed
640 centrifugation at 4 °C, fragmented chromatin was recovered in the
641 supernatant and the final volume was raised to 1 ml in A2 buffer with 0.1%
642 SDS. 50 µl of the diluted samples were used as DNA input control, in a final
643 volume of 200 µl of A2 buffer with 0.1% SDS. Chromatin for IP was
644 precleared by addition of 15 µl of Protein A/G Magnetic Beads (Thermo Fisher
645 Scientific) suspension followed by overnight incubation at 4 °C. Beads were
646 removed by centrifugation, and anti-H3K9me3 (Active Motif #39161) antibody
647 was added (1:200 dilution) to 5 µg of chromatin and incubated for 4 hrs at 4
648 °C on a rotating wheel. 50 µl of Protein A/G Magnetic Beads were added, and
649 incubation was continued overnight at 4 °C. Antibody-protein complexes were
650 washed 4 times in A3 (A2+ 0.05% SDS) buffer and twice in 1 mM EDTA, 10
651 mM Tris (pH 8) buffer for 5 minutes at 4 °C on a rotating wheel. Chromatin
652 was eluted from the beads in 200 µl of 10 mM EDTA, 1% SDS, 50 mM Tris
653 (pH 8) for 30 min with agitation at 1,500 rpm and then reverse-crosslinked
654 overnight at 65 °C, together with the input DNA. IP and input samples were
655 treated with 2 µl of Proteinase K (Thermo Fisher Scientific #EO0491) for 3 hrs
656 at 56 °C. DNA was purified using the MinElute PCR purification Kit (Thermo
657 Fisher Scientific), according to manufacturer's instructions, and resuspended
658 in 30 µl water. Recovered DNA was quantified with Qubit 4 Fluorometer
659 (Thermo Fisher Scientific) and analysed with Agilent Bioanalyzer 2100 High
660 Sensitivity DNA Chip (Agilent). DNA libraries were prepared with NEBNext[®]
661 Ultra[™] II DNA Library Prep Kit for Illumina[®] (NEB), according to
662 manufacturer's instructions. DNA libraries were quantified with KAPA Library
663 Quantification Kit for Illumina (Kapa Biosystems) and deep-sequenced with
664 Illumina HiSeq 4000 (Illumina).

665

666 **ChIP-seq from OSCs**

667 For ChIP from OSCs we adapted a protocol by Schmidt and
668 colleagues (Schmidt et al., 2009). In short, 10×10^6 OSCs were crosslinked in
669 1% formaldehyde for 10 min. Crosslinking was quenched by addition of
670 glycine solution, followed by 3 washes in ice-cold PBS. Crosslinked cells were
671 either snap-frozen in liquid nitrogen and stored at -80 °C or processed
672 immediately. Cells were resuspended in 1 ml buffer LB1 (50 mM HEPES-KOH
673 pH 7.5, 140 mM NaCl, 1 mM EDTA, 10% glycerol, 0.5% Igepal CA-630,
674 0.25% Triton-X 100, EDTA-free protease inhibitor cocktail [Roche]) and
675 incubated on ice for 10 min while inverting several times. Cells were
676 centrifuged for 5 min at 2,000g at 4 °C. Supernatant was discarded and pellet
677 resuspended in 1 ml LB2 (10 mM Tris-HCL pH 8.0, 200 mM NaCl, 1 mM
678 EDTA, 0.5 M EGTA, EDTA-free protease inhibitor cocktail). Cells were
679 incubated on ice for 5 min and centrifuged again. Isolated nuclei were

680 resuspended in 300 μ l sonication buffer LB3 (10 mM Tris-HCL pH 8, 100 mM
681 NaCl, 1 mM EDTA, 0.5 mM EGTA, 0.1% Na-Deoxycholate, 0.5% N-
682 lauroylsarcosine, EDTA-free protease inhibitor cocktail) and transferred in 1.5
683 ml Bioruptor[®] Microtubes (Diagenode). Chromatin was sonicated using a
684 Bioruptor[®] Pico (Diagenode) for 16 cycles of 30 sec on/30 sec off. Sheared
685 chromatin size peaked at 150 bp. The lysate was cleared by high-speed
686 centrifugation at 4 °C. 100 μ l Protein A Dynabeads (Thermo Fisher Scientific)
687 were incubated with 5 μ l H3K9me3 (Active Motif #39161) or H3K4me2
688 antibody (Millipore # 07-030) over night at 4 °C while rotating. The cleared
689 lysate was split in two equal fractions and a 5 μ l input fraction was saved for
690 further processing. Lysate volumes were adjusted to 300 μ l with LB3 and
691 Triton-X 100 was added to a final concentration of 1%. Lysates were
692 incubated with either H3K9me3 or H3K4me2 coated beads over night at 4 °C
693 while rotating. Washing, reverse-crosslinking, DNA purification and library
694 preparation was done as described above (ChIP-seq from ovaries).

695

696 **RNA isolation**

697 Cell pellets or fly ovaries were lysed in 1ml Trizol and RNA was extracted
698 using RNeasy mini prep column (Qiagen), according to manufacturer's
699 instructions.

700

701 **qPCR analysis**

702 1 μ g of total RNA was treated with DNaseI (Thermo Fisher Scientific),
703 according to manufacturer's instructions. Reverse transcription was performed
704 with Superscript III First Strand Synthesis Kit (Thermo Fisher Scientific), using
705 oligo(dT)₂₀ primers, according to the manufacturer's instructions. Real-time
706 PCR (qPCR) experiments were performed with a QuantStudio Real-Time
707 PCR Light Cycler (Thermo Fisher Scientific). Transposon levels were
708 quantified using the $\Delta\Delta$ CT method (Livak and Schmittgen, 2001), normalized
709 to *rp49* and fold changes were calculated relative to the indicated controls. All
710 oligonucleotide sequences are given in Supplementary file 1.

711

712 **RIP-seq from ovaries**

713 Ovaries from ~100 GFP-Panx or GFP-Nxf2 flies (3-5 days old) were dissected
714 in ice-cold PBS and fixed with 0.1% PFA for 20 min, followed by quenching
715 with equal volumes of 125 mM Glycine. Fixed ovaries were lysed in 200 μ l of
716 RIPA Buffer (supplemented with complete protease inhibitors (Roche) and
717 RNasin Plus 40 U/ml) and homogenized using a motorized pestle. Lysates
718 were incubated 3 min at 37 °C with 4 μ l of Turbo DNase, incubated 20 min at
719 4 °C on a tube rotator and sonicated with a Bioruptor[®] Pico (3 cycles of 30 sec
720 on/30 sec off). Lysates were pre-cleared using 40 μ l of Pierce Protein A/G
721 beads for 1 hr at 4 °C and GFP-tagged proteins were immunoprecipitated by
722 incubation with 50 μ l of GFP-Trap magnetic agarose beads (Chromotek)
723 overnight at 4 °C. An aliquot of pre-cleared input lysate was saved for RNA
724 isolation and library preparation. Following 3 washes in 150 mM KCl, 25 mM
725 Tris (pH 7.5), 5 mM EDTA, 0.5% NP40, 0.5 mM DTT (supplemented with
726 protease inhibitors and RNasin Plus 1:1000), IP and input samples were
727 reverse crosslinked in 1x Reverse Crosslinking buffer (PBS, 2% Nlauroyl
728 sarcosine, 10 mM EDTA, 5 mM DTT) and Proteinase K. RNA isolation was
729 performed using Trizol and 100 ng of input or IP RNA were used for library

730 preparation using the SMARTer stranded RNA-seq Kit (Clontech). DNA
731 libraries were quantified with KAPA Library Quantification Kit for Illumina
732 (Kapa Biosystems) and deep-sequenced with Illumina HiSeq 4000 (Illumina).

733

734 **Small RNA-seq library preparation**

735 Small RNA libraries were generated as described previously (Jayaprakash et
736 al., 2011). Briefly, 18- to 29-nt-long small RNAs were purified by PAGE from
737 10 µg of total ovarian RNA. Next, the 3' adapter (containing four random
738 nucleotides at the 5' end) was ligated overnight using T4 RNA ligase 2,
739 truncated KQ (NEB). Following recovery of the products by PAGE purification,
740 the 5' adapter (containing four random nucleotides at the 3' end) was ligated
741 to the small RNAs using T4 RNA ligase (Abcam) for 1 hr. Small RNAs
742 containing both adapters were recovered by PAGE purification, reverse
743 transcribed and PCR amplified prior quantification using the Library
744 Quantification Kit for Illumina (Kapa Biosystems) and sequenced on an
745 Illumina HiSeq 4000 (Illumina). All adapter sequences are given in
746 Supplementary file 1.

747

748 **RNA-seq library preparation**

749 1 µg of total RNA was used as input material for library preparation. The
750 NEBNext Poly(A) mRNA magnetic Isolation Module (NEB) was used to isolate
751 poly(A) RNAs. Libraries were generated with the NEBNext Ultra Directional
752 RNA Library Prep kit for Illumina (NEB) according to manufacturer's
753 instructions. The pooled libraries were quantified with KAPA Library
754 Quantification Kit for Illumina (Kapa Biosystems) and sequenced on an
755 Illumina HiSeq 4000 (Illumina).

756

757 **RNA-seq, small RNA-seq, RIP-seq and ChIP-seq analysis**

758 Raw fastq files generated by Illumina sequencing were analysed by a pipeline
759 developed in-house. In short, the first and last base of each 50 bp read were
760 removed using fastx trimmer (http://hannonlab.cshl.edu/fastx_toolkit/). RIP-
761 seq reads were first aligned against rRNAs and mapped reads discarded.
762 High-quality reads were aligned to the *Drosophila melanogaster* genome
763 release 6 (dm6) downloaded from Flybase using STAR (Dobin et al., 2013).
764 For transposon-wide analysis, genome multi-mapping reads were randomly
765 assigned to one location using option '--outFilterMultimapNmax 1000 --
766 outMultimapperOrder Random' and non-mapping reads were removed.
767 Alignment files were then converted back to fastq format with samtools (Li et
768 al., 2009) and re-aligned to the transposon consensus sequences allowing
769 multi-mappers that were assigned to a random position. Generated bam
770 alignment files were indexed using samtools index. For genome-wide
771 analyses, multi-mapping reads were removed to ensure unique locations of
772 reads. Normalization was achieved by calculating rpm (reads per million)
773 using the deepTools2 bamCoverage function (Ramirez et al., 2016) with 10
774 bp bin sizes. The scaling factor for transposon mapping reads was calculated
775 from reads that aligned to transposon consensus sequences relative to
776 genome aligned reads. Reads mapping to genes were counted with htseq
777 (Anders et al., 2015) and transposon derived reads were calculated using a
778 custom script (available with this article as Source Code File 1). Metaplots
779 flanking euchromatic insertion sites and transposon coverage plots were

780 calculated by deepTools2 with bin sizes of 10 bp and 50 bp, respectively.
781 Stranded RNA libraries were trimmed, aligned and indexed as described
782 above. Alignment files were split in sense and antisense reads using samtools
783 view. Normalization of the split alignment files as well as feature counting was
784 performed as described above. For transposon expression analysis only
785 sense reads were considered. Differential expression analysis was performed
786 using a custom build R script (available with this article as Source Code File
787 2). Adapters from raw small RNA fastq files were clipped with fastx_clipper
788 (adapter sequence AGATCGGAAGAGCACACGTCTGAACTCCAGTCA)
789 keeping only reads with at least 23 bp length. Then the first and last 4 bases
790 were trimmed using seqtk (<https://github.com/lh3/seqtk>). Alignment and
791 normalization were performed as described above. Only high-quality small
792 RNA reads with a length between 23 and 29 bp were used for further analysis
793 of piRNA profiles. piRNA distribution was calculated and plotted in R. For
794 piRNA coverage plots over TEs, only the 5' position of reads was plotted.

795

796 **Generation of annotation files for RNA-seq and ChIP-seq analysis**

797 The locations of euchromatic transposon insertions in OSCs were derived
798 from Sienski et al., 2012 and updated to dm6 genome release coordinates
799 using the UCSC liftOver tool. Transposon consensus sequences were
800 downloaded from Flybase. Mappability tracks for dm6 with 50 bp resolution
801 were calculated as described (Derrien et al., 2012). Piwi-dependent OSC
802 insertions were defined by comparing H3K9me3 signal intensities of siRNA-
803 mediated knockdowns for *gfp* and *piwi*. Signal was counted by htseq using a
804 customized GTF file including the locations of all euchromatic TE insertions in
805 OSCs and reads were normalized to rpm. TE insertions were annotated as
806 Piwi-dependent if the ratio of normalized signal intensity of GFP knockdown
807 versus Piwi knockdown was higher than 2.

808

809 **Plotting and data visualization**

810 Random genomic windows for box plots of H3K9me3 ChIP-seq data were
811 calculated using BEDtools' random function (Quinlan and Hall, 2010) with bin
812 size 5,000 bp, bin number 1,000 and random seed number 800. 100 random
813 windows were chosen (number 200-300) and analysed along with ChIP-seq
814 data for de-repressed TEs and those not affected. Welch two sample t-test
815 was applied for statistics. Metaplots of euchromatic TE insertions as well as
816 TE coverage plots for RNA-seq and ChIP-seq data were generated with
817 deepTools2 and Adobe Illustrator. Scatterplots for differentially expressed
818 transposons and genes were generated with R package ggplot2. Heatmaps
819 were calculated with deepTools2 and data plotted in R. For scatterplots, only
820 TEs and genes with a scaled read count larger than 1 (rpm > 1) were used in
821 the analysis and included in plots.

822

823

824 **Quantification and Statistical Analysis**

825

826 Statistical analysis applied to qPCR data sets was calculated by unpaired (two
827 sample) t Test. The number of biological replicates is indicated in the figure
828 legends. Statistical analysis applied to data sets displayed as box plots
829 (Figure 1—figure supplement 2A) was calculated by Welch two sample t-test.

830

831

832 **Data Availability**

833

834 Sequencing data reported in this paper has been deposited in Gene
835 Expression Omnibus under ID code GSE121661. Mass Spectrometry data
836 has been deposited to PRIDE Archive under ID code PXD011415.

837

838

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840

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853

854

855

856 **Declaration of interests**

857

858 The authors declare no competing interests.

859

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861

862 **References**

863

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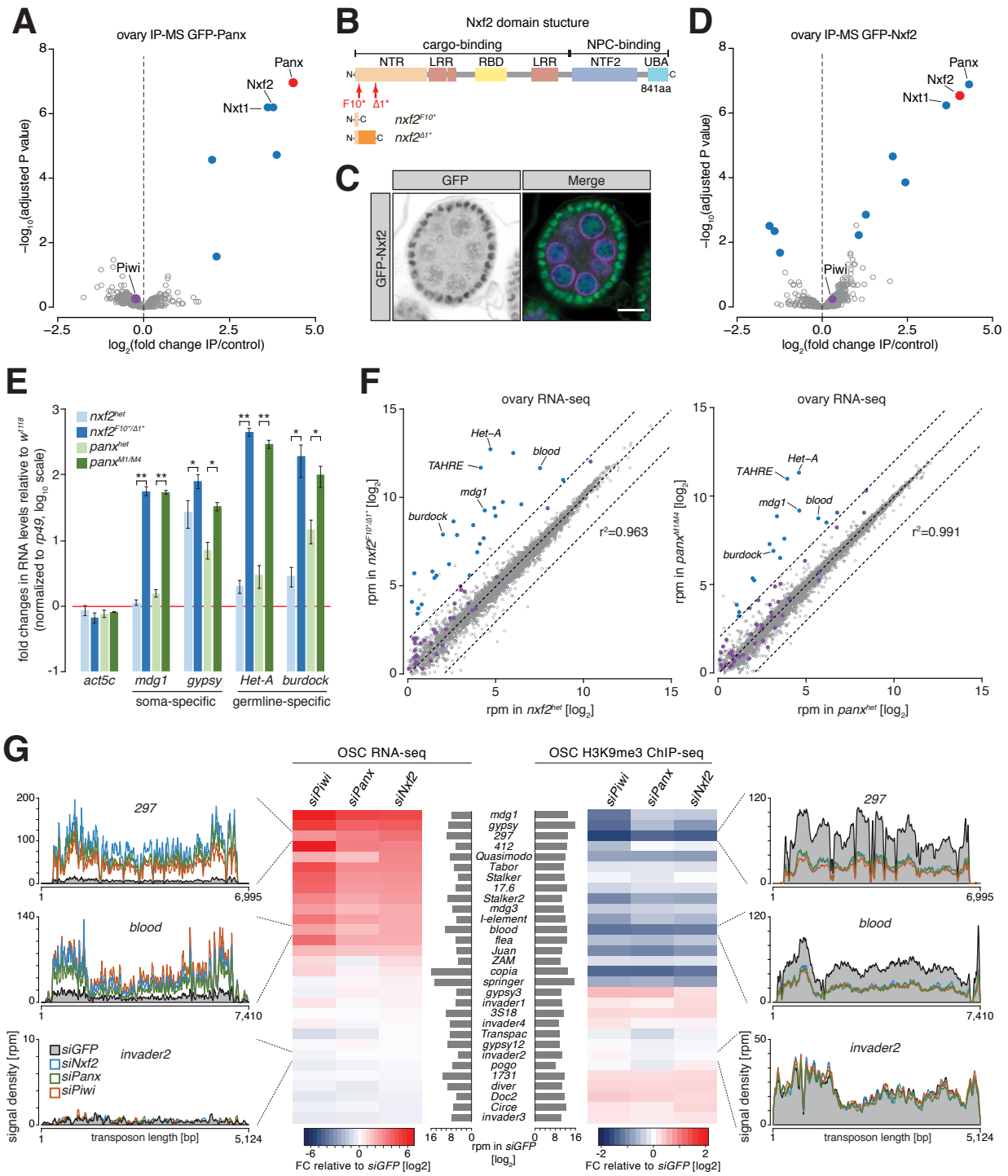
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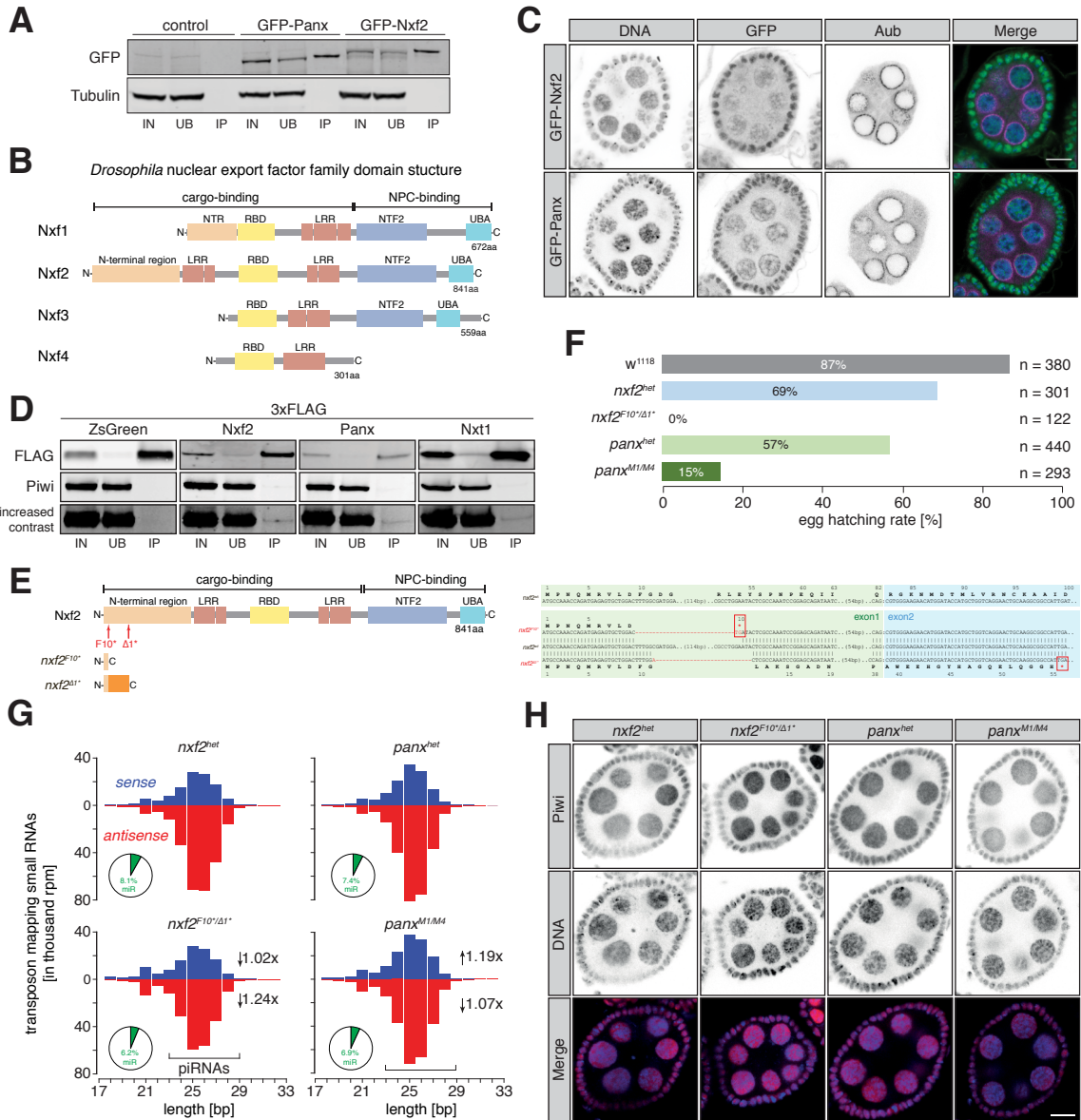
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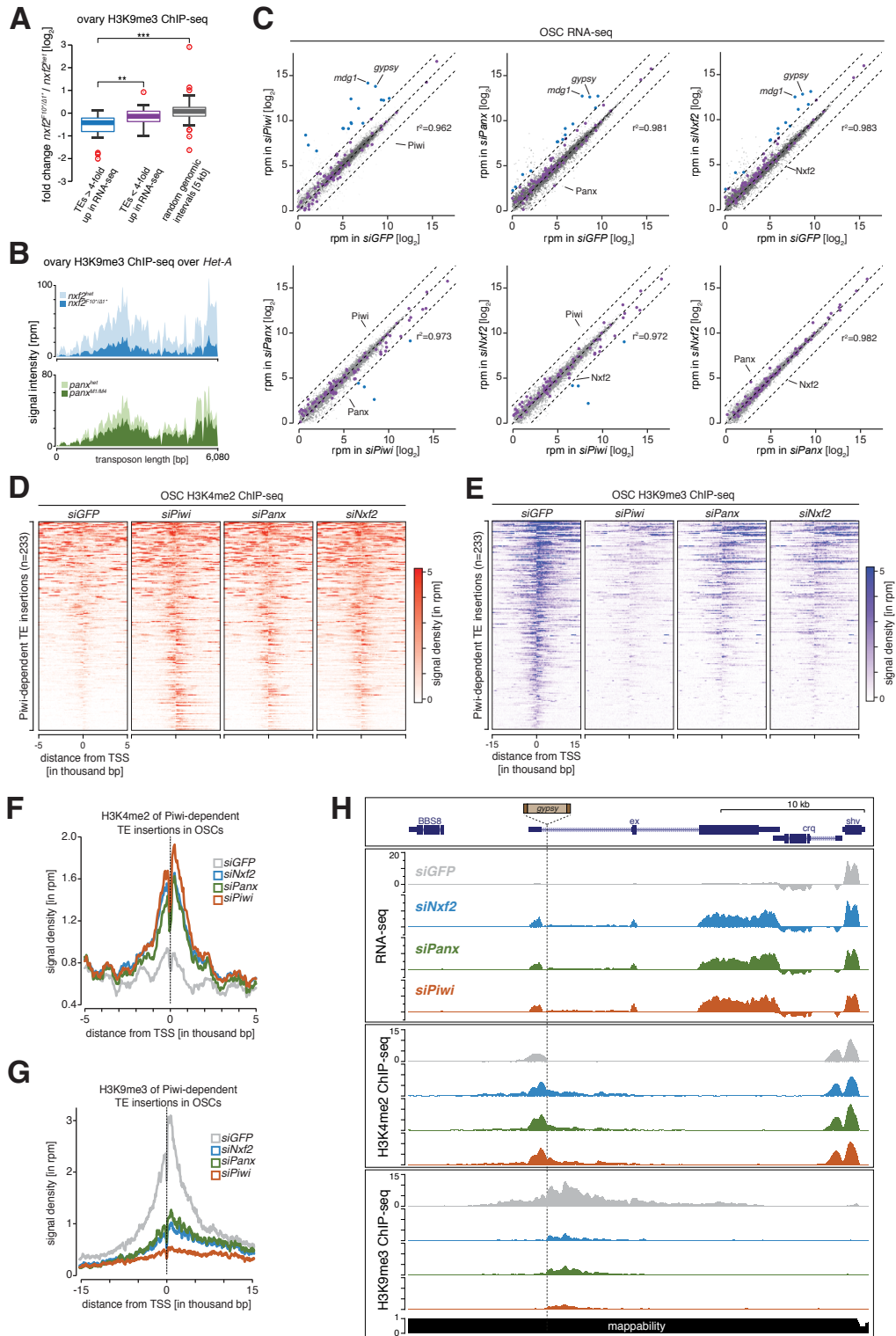
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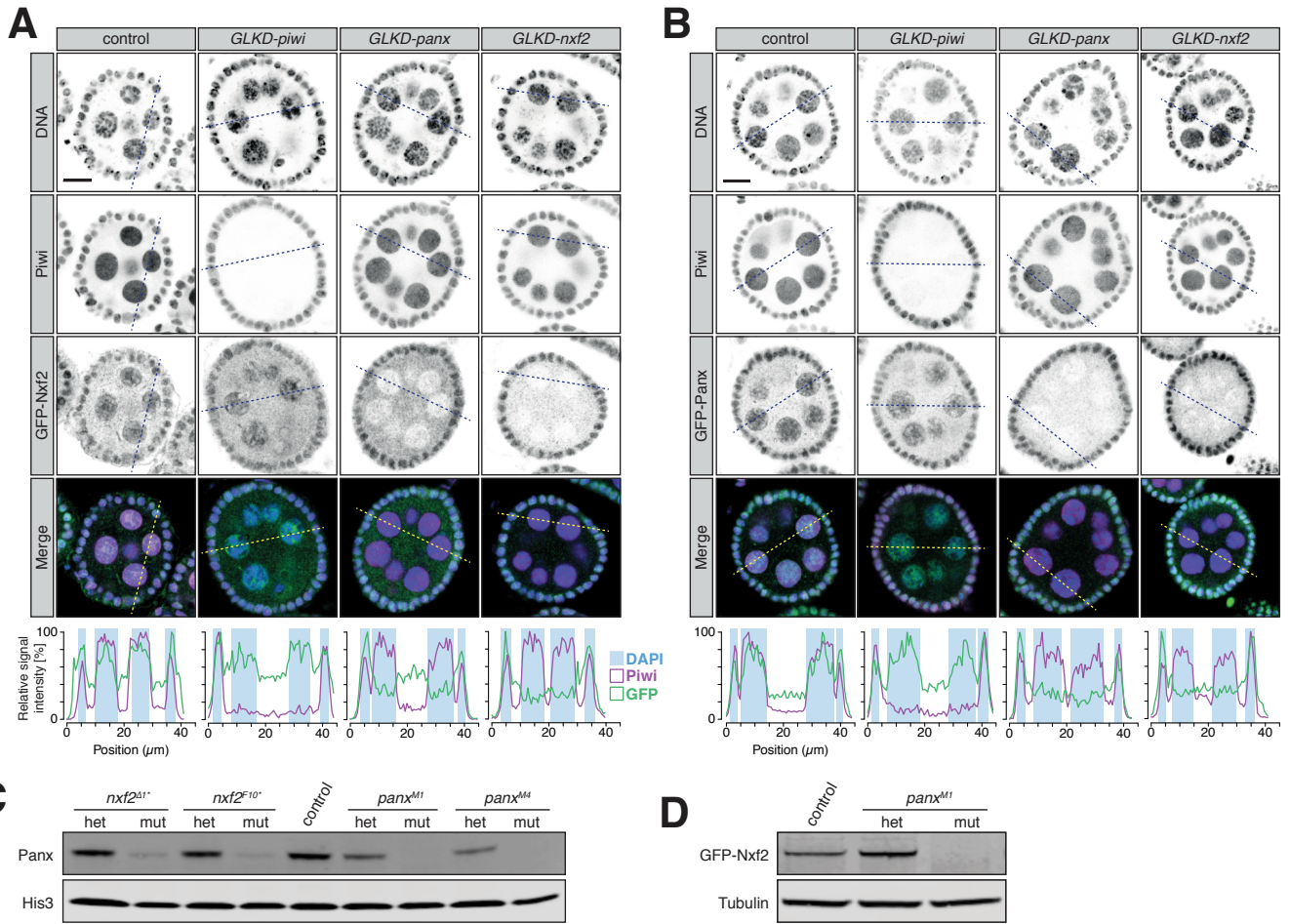
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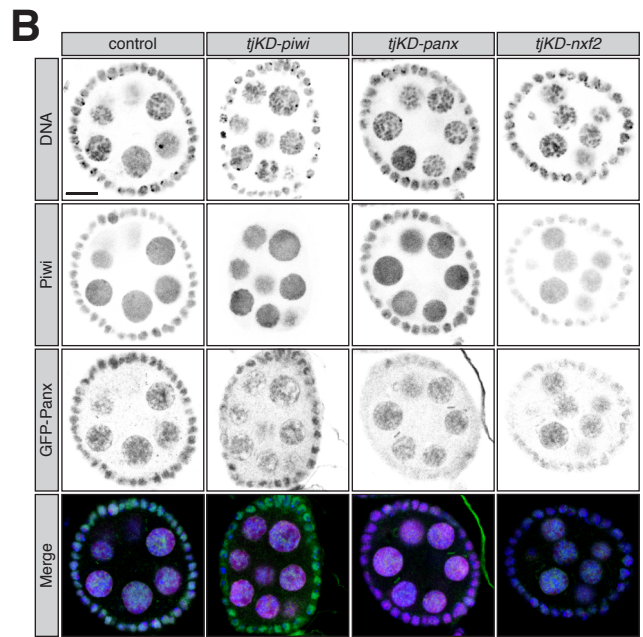
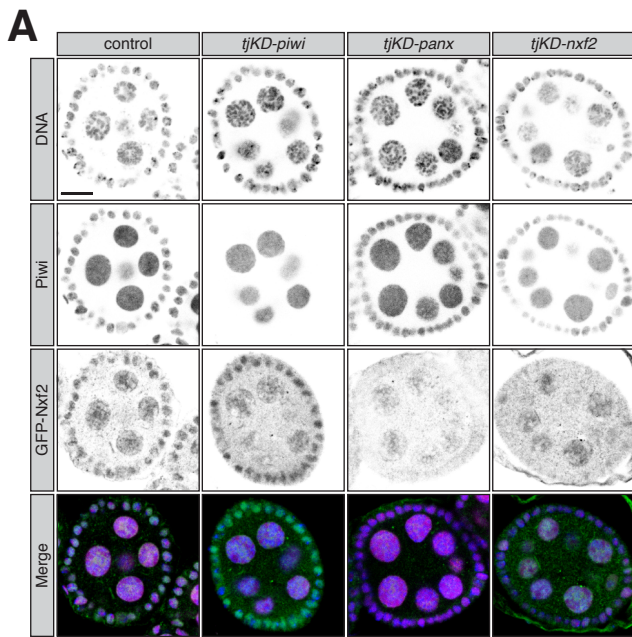
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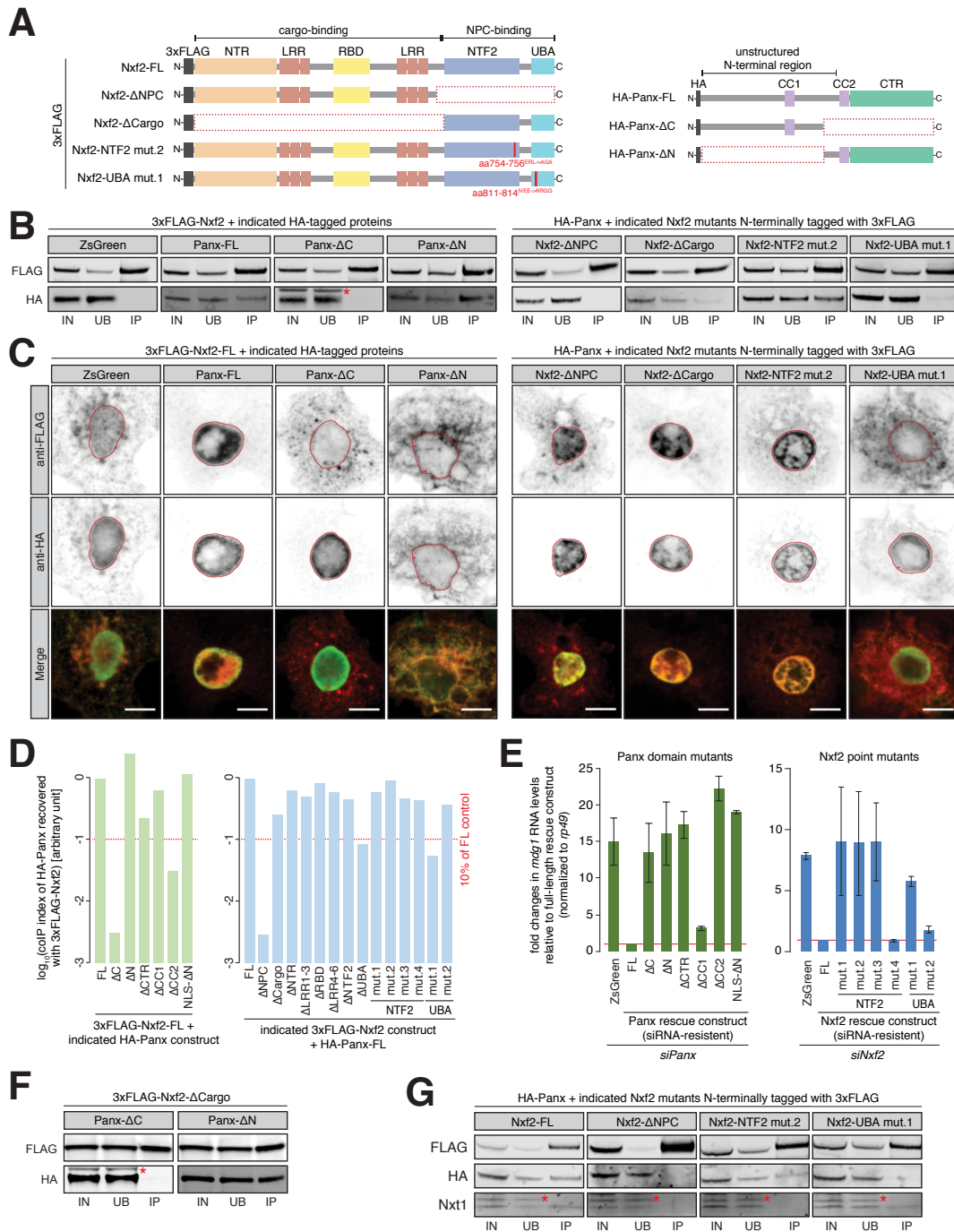


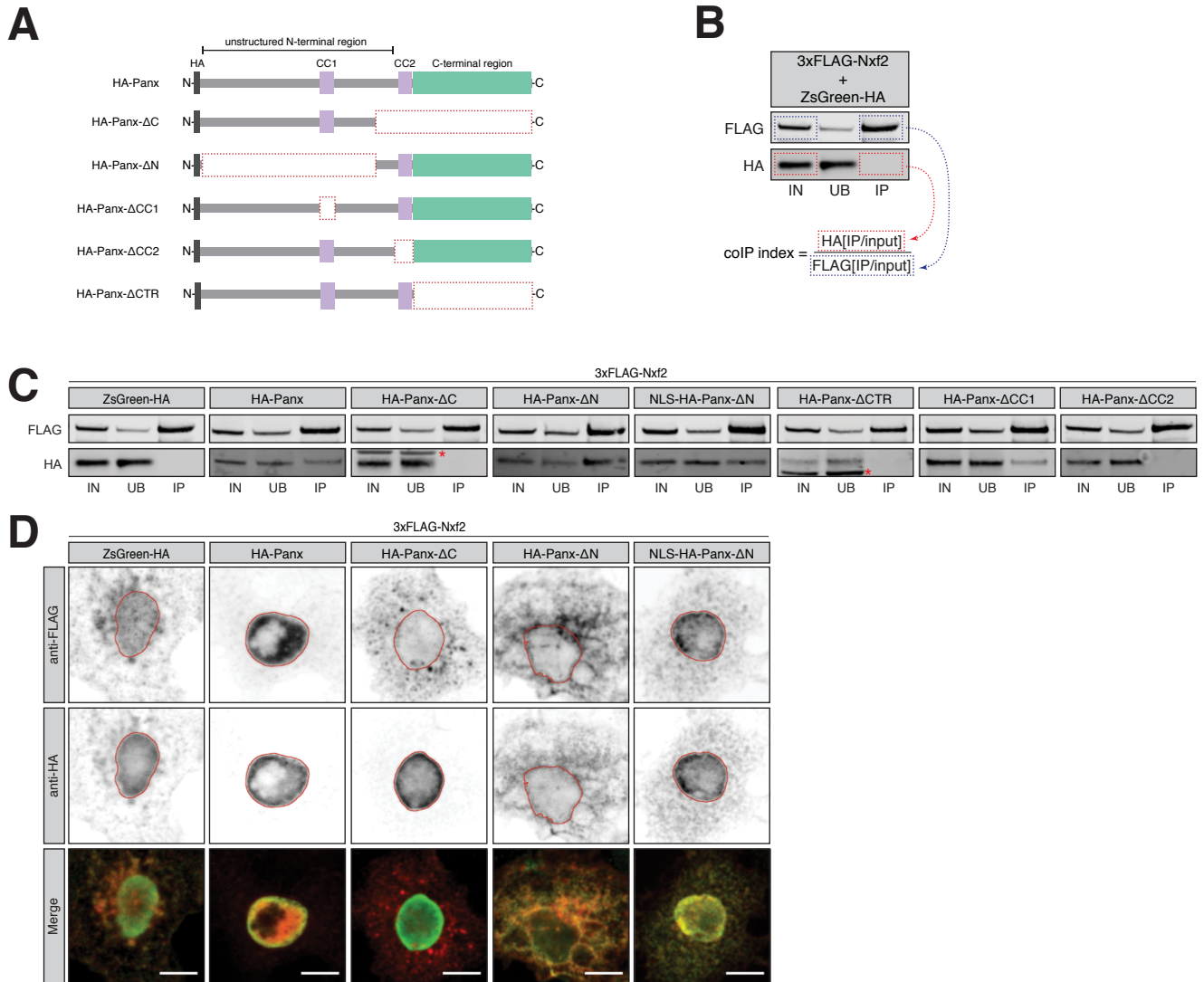




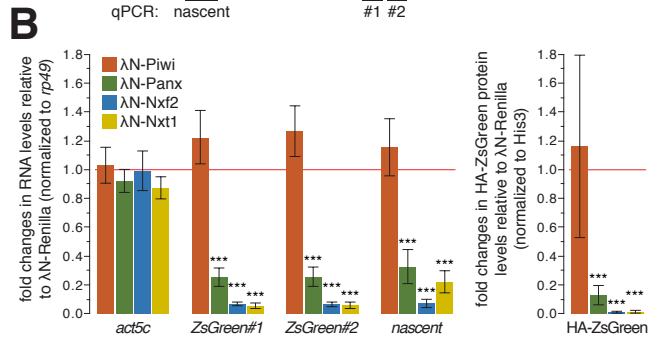
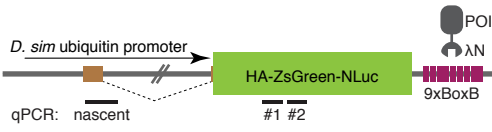




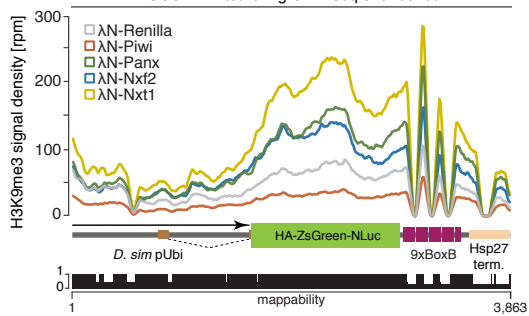




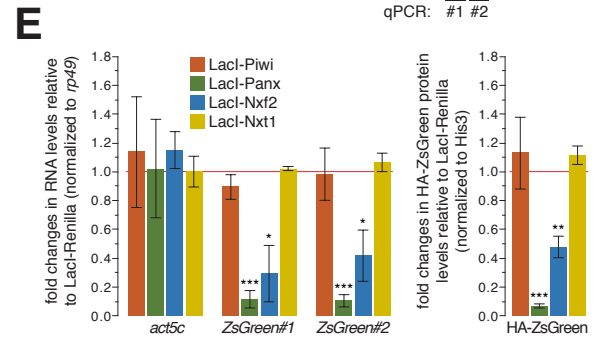
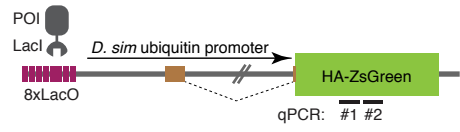
A RNA tethering in OSCs [λ N/BoxB]



C OSC RNA tethering ChIP-seq over sensor



D DNA tethering in OSCs [LacO/LacI]



F OSC DNA tethering ChIP-seq over sensor

