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Prevalent regulation of GATA2/3 and MSX2 on endogenous retrovirus-derived regulatory elements in human trophoblast stem cells

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Running Title: GATA2/3 & MSX2 bind ERV-derived hTSC cis-elements

Abstract

The placenta is an organ with extraordinary phenotypic diversity in eutherian mammals. Recent evidence suggests that numerous human placental enhancers are evolved from lineage-specific insertions of endogenous retroviruses (ERVs), yet the transcription factors (TFs) underlying their regulation remain largely elusive. Here, by first focusing on MER41, a primate-specific ERV family previously linked to placenta and innate immunity, we uncover the binding motifs of multiple crucial trophoblast TFs (GATA2/3, MSX2, GRHL2) in addition to innate immunity TFs STAT1 and IRF1. Integration of ChIP-Seq data confirms the binding of GATA2/3, MSX2 and their related factors on the majority of MER41-derived enhancers in human trophoblast stem cells (TSCs). Notably, MER41-derived enhancers that are constitutively active in human TSCs are distinct from those activated upon interferon stimulation, which is determined by the binding of relevant TFs and their sub-family compositions. We further demonstrate that GATA2/3 and MSX2 have prevalent binding on numerous other ERV families – indicating their broad impact on ERV-derived enhancers. Functionally, the derepression of many syncytiotrophoblast genes after disruption of MSX2 is likely to be mediated by regulatory elements derived from ERVs – suggesting ERVs are also important for mediating transcriptional repression. Overall, this study characterized the prevalent regulation of GATA2/3, MSX2 and their co-factors on ERV-derived regulatory elements in human TSCs and provided mechanistic insights into the importance of ERVs in human trophoblast regulatory network.

Key words:

Introduction

Endogenous retroviruses (ERVs) make up ~8% of the human genome. ERVs originate from germline infection by exogenous retroviruses, which can then be vertically inherited and expanded in the host during evolution (Stoye 2012; Johnson 2019). The intact structure of ERVs includes the internal protein-coding genes (eg. *gag*, *pol and env*) flanked by Long Terminal Repeats (LTRs) at both ends, yet the internal genes frequently got lost via LTR recombination resulting in a high proportion of "solo-LTRs" left in the genome (Johnson 2019). ERVs have long been ignored as "junk DNA" - partly because most of them are epigenetically repressed (Sharif et al. 2016; Deniz et al. 2019; Wolf et al. 2020), yet accumulating evidence suggests that specific ERV families could be activated during embryonic development, tumorigenesis or immune response (Macfarlan et al. 2012; Chuong et al. 2016; Schoenfelder et al. 2018; Todd et al. 2019; Ito et al. 2020). Importantly, many ERV families are lineage-specific and rich of transcription factor binding sites (TFBSs) in their LTRs, therefore can be co-opted as cis-regulatory elements to boost the genetic novelty of the host (Chuong et al. 2016; Chuong et al. 2017; Senft and Macfarlan 2021; Sun et al. 2021; Buttler and Chuong 2022).

The placenta is a temporary organ crucial for nutrient/waste exchange, hormone secretion and maternal-fetus immune tolerance during pregnancy (Maltepe and Fisher 2015; Ander et al. 2019). Even though shared by all eutherian mammals, placentae are extraordinarily diversified in their shape, structure and cellular composition (Ramsey et al. 1976; Mossman 1987; Hemberger et al. 2020). At the molecular level, numerous genes have altered expression patterns in human placenta relative to rodents or even other primates (Rosenkrantz et al. 2021; Sun et al. 2021). Correspondingly, the enhancers of placenta are the least conserved across species compared with other tissues (Sun et al. 2021), with ERVs playing crucial roles for lineage-specific enhancer

evolution. For example, comparison between mouse and rat trophoblast stem cells (TSCs)

indicates that the mouse-specific RLTR13D5 family creates hundreds of enhancers co-bound by

the core trophoblast transcription factors (TFs) Cdx2, Eomes and Elf5 (Chuong et al. 2013). The

functional importance of ERVs in primate placentae has also been analyzed recently. For

example, one primate-specific THE1B element creates an enhancer driving *CRH* expression to

influence gestation length (Dunn-Fletcher et al. 2018). Recent transcriptomic and epigenomic

comparisons for human, macaque and mouse placentae further identified dozens of ERV families

that are significantly enriched in human placental enhancers (Sun et al. 2021).

Despite the well-recognized importance of ERVs in the placenta, the transcription factors

that regulate ERV activation in the human placenta remain largely obscure. Previously we

demonstrated that the primate-specific MER41 is amongst the top most enriched ERV families in

human placental enhancers (Sun et al. 2021). MER41 has six sub-families including

A/B/C/D/E/G (Kojima 2018), that have been shown to play important roles in innate immunity

(Buttler and Chuong 2022). Multiple studies suggest that MER41 elements facilitate primate-

specific innate immunity evolution by creating hundreds of interferon (IFN)-stimulated cis-

elements bound by STAT1 and IRF1 (Schmid and Bucher 2010; Chuong et al. 2016; Raviram et

al. 2018). This raises the question of which TFs mediate the activation of MER41-associated

enhancers in placenta. We previously identified Serum response factor (SRF) as one TF that

binds dozens of MER41-associated enhancers (Sun et al. 2021), including one adjacent to *FBN2*,

a human-placenta-expressed gene crucial for cell invasion (Yu et al. 2020). However, SRF only

binds a relatively small percentage (~6%) of MER41-associated enhancers, indicating the

existence of additional upstream TFs. Uncovering the regulators of ERV-associated enhancers

will be crucial for an in-depth understanding of the gene regulatory network in human placenta.

In this study, we aim at identifying the TFs that potentially regulate the cis-regulatory elements associated with MER41 transposons and other ERV families in human trophoblast stem cells. By in-depth characterization of the genome-wide binding and regulatory function of the identified candidate TFs, we expect this study will improve our understanding about the regulatory mechanism and function of ERV-associated enhancers in human placenta.

Results

Tissue-specific activation of MER41-associated enhancers in human placenta and trophoblast cells

The primate-specific MER41 family creates numerous lineage-specific enhancers in human placenta (Sun et al. 2021). To better characterize MER41-associated enhancers (hereafter abbreviated as MER41-enhancer), we examined the epigenetically-annotated enhancers (ie. H3K27ac peaks that are more than 500 bp away from any TSSs) in different human tissues and trophoblast cells. Re-analysis of the ChIP-Seq data of H3K27ac from ENCODE project (**Table S1**) demonstrates that multiple subfamilies of MER41 (A/B/C/D) are specifically enriched in the enhancers of placenta (as well as the chorion, a fetally derived extraembryonic membrane) relative to other human tissues (**Fig. 1A; Supplemental Fig. S1, S2**). Furthermore, genes adjacent to MER41-enhancers have increased expression in human placenta relative to other tissues and mouse placenta (**Fig. 1B; Supplemental Fig. S3**), and some enriched GO terms (eg. endocytosis, chordae embryonic development) for MER41-enhancers are placenta-related (**Supplemental Fig. S4**). Further inspection suggests that the genes with increased expression in human placenta relative to mouse are most significantly enriched surrounding enhancers derived from MER41B/D, followed by moderate enriched surrounding MER41C-enhancers (**Supplemental Fig. S5**).

Through integration of published epigenomic data (Okae et al. 2018), we further

annotated the enhancers for human TSC, syncytiotrophoblast (STB) and extravillous trophoblast

(EVT) cells, which show substantial differences among these cell types (**Supplemental Fig. S6**).

MER41 elements are enriched in the enhancers for all three trophoblast cell types (**Fig. 1C**).

Notably, hundreds of MER41-enhancers are specifically activated in one or two trophoblast cell

types (**Fig. 1D,E; Table S2**), and their chromatin state correlates with the transcription of at least

some adjacent genes, such as *FBN2* and *C1QTNF6* (**Fig. 1F, Supplemental Fig. S7**). Together,

these results confirm the tissue-specific activation of MER41-associated enhancers in human

placenta and indicate their potential regulatory effects on some adjacent genes.

Identification of GATA2/3 and MSX2 as putative regulators of MER41-enhancers in

human TSCs

To screen for candidate TFs that bind MER41-enhancers, we first determined the motif

composition of MER41B consensus sequence and one representative MER41-enhancer adjacent

to *FBN2*. Apart from several TFs (ie. STAT1, IRF1, SRF) already known to bind MER41

elements (Chuong et al. 2016; Sun et al. 2021), the binding motifs for dozens of other TFs are

predicted (**Fig. 2A,B).** Importantly, four of them, including GATA2/3, MSX2 and GRHL2, have

placenta-enriched expression (**Fig. 2C; Supplemental Fig. S8**). Particularly, GATA2/3 are key

pioneer TFs for human and mouse TSC specification (Home et al. 2017; Krendl et al. 2017; Paul

et al. 2017) and MSX2 is essential in restraining STB gene expression in human TSCs

(Hornbachner et al. 2021). Even though GRHL2 has not been analyzed in human placenta, it is

known to regulate trophoblast branching morphogenesis in mice (Walentin et al. 2015).

Inspection of other subfamilies including MER41A/C/D also gave similar results (**Supplemental**

Fig. S9), and direct comparison of the MER41-enhancers against MER41-elements that lacking

the H3K27ac mark uncovered the enrichment of the motifs for GATA3 and GRHL2

(**Supplemental Fig. S10**), but not MSX2 which is assumed for transcriptional repression.

Therefore, motif prediction and transcriptomic analysis uncovered GATA2/3, MSX2 and

GRHL2 as candidate trophoblast TFs that bind MER41-enhancers in human placenta.

Recent studies have profiled the genome-wide binding of GATA2/3 (together with

TFAP2A/C which are collectively coined as the "trophectoderm four") and MSX2 (together with

its co-factors ARID1A and SMARCA4) in human TSCs by using ChIP-Seq (Krendl et al. 2017;

Hornbachner et al. 2021). Through re-analysis of these data, we demonstrate that GATA2/3 and

MSX2 have substantially overlapped binding (**Fig. 2D**), and all these TFs and co-factors have

enriched binding on MER41-enhancers in human TSCs (**Fig. 2E; Table S3**). Notably, the

majority (>60%) of 634 MER41-enhancers annotated for human TSC are bound by GATA3 and

MSX2 (and its co-factors ARID1A and SMARCA4), as indicated by both overlapping analysis

and heatmap visualization (**Fig. 2F,G**). The remaining TFs also have widespread binding on

MER41-enhancers, even though of lower frequency (**Fig. 2F,G**). These results were further

confirmed by manual inspection of a few representative loci, such as *FBN2*, and *C1QTNF6*

(**Supplemental Fig. S11**). Together, our integrative analyses identified several crucial

trophoblast TFs, including GATA2/3 and MSX2, as putative regulators of MER41-enhancers in

human TSCs.

Direct comparison of MER41-enhancers that are constitutively-active or IFN-stimulated in

human TSCs

Intrigued by previous findings that MER41 elements facilitate the evolution of lineage-specific

enhancers that are either constitutively activated in normal placenta (Sun et al. 2021) or

interferon-stimulated in different human cells (Chuong et al. 2016), we directly compared

between placenta- and immune-related MER41-enhancers using human TSC as model. For this

purpose, we performed transcriptomic and epigenomic (H3K27ac) profiling of human TSCs with

or without interferon gamma (IFNG) stimulation (**Supplemental Table S1**). As expected, IFNG

stimulates hundreds of genes in human TSCs which are highly associated with immune response

(**Supplemental Fig. S12**). We next determined thousands of IFN-stimulated enhancers

(**Supplemental Fig. S13**) and further examined their overlap with MER41 subfamilies. While

MER41A/B/C are enriched with similar fold within constitutively-active enhancers, MER41B is

enriched within IFN-stimulated enhancers to a higher degree (**Fig. 3A**). Impressively, the

constitutively-active enhancers – in contrast to IFN-stimulated ones – are indeed unresponsive to

IFN-stimulation (**Fig. 3B,C; Table S4**), and closer inspection of representative loci adjacent to

FBN2 and *AIM2* confirmed their distinct IFN-response (**Fig. 3D,E**). As expected, the motifs for

GATA3 and STAT1 are enriched within constitutively-active and IFN-stimulated MER41-

enhancers, respectively (**Fig. 3F**). Accordingly, GATA2/3, MSX2 and co-factors bind the

constitutively-active group with higher frequency and intensity (**Fig. 3G,H**), and in contrast,

immune TFs including STAT1 and IRF1 prefer to bind IFN-stimulated enhancers based on the

data for multiple human cell types (**Supplemental Fig. S14**) - partly explains why one group of

MER41-enhancers are IFN-stimulated while the other group is constitutively-activate in human

TSCs. Together, substantial differences regarding the subfamilies and TF binding exist between

the placenta- and immune-related MER41-enhancers, suggesting the functional divergence of

MER41 elements during evolution.

Prevalent binding of GATA2/3 and MSX2 on different families of ERV- enhancers in

human TSCs

Given the enriched binding of the aforementioned trophoblast TFs on MER41-enhancers, we are

eager to check if other families of ERV-associated enhancers are also bound by these TFs in

human TSCs. Globally, GATA2/3, MSX2 and co-factors preferentially occupy ERVs;

specifically, 30.0% and 23.8% of the peaks for GATA2 and GATA3 overlap ERV elements,

which is remarkably higher than the 8.8% as expected in randomly shuffled peaks across genome

(**Fig. 4A**). We further examined their binding on each ERV family, and as expected,

MER41A/B/C are among the top enriched (**Fig. 4B**). Interestingly, dozens of other ERV

families, such as LTR8, MER11A, MER4B, LTR5_Hs and MER4A1/D1/D/E, are also

significantly enriched (**Fig. 4B, Supplemental Fig. S15**). Notably, many of the enriched ERV

families are primate- or even human-specific (**Table S5**). Importantly, the ERV families enriched

in TSC enhancers and in the peaks for GATA2/3 and MSX2 correlate well (**Fig. 4C**), and

correspondingly, 49.2% (7,637 out of 15,504) of the TSC enhancers that overlap ERVs are

bound by GATA2/3 or MSX2 (**Fig. 4D**) – significantly higher than the percentage for other

enhancers (P<2.2e-16, OddRatio=3.1). Notably, the degree of enriched binding on ERV-derived

enhancers is higher for GATA2/3+MSX2 and GATA-only peaks relative to MSX2-only peaks

(**Supplemental Fig. S16, S17, S18**). Indeed, the top enriched ERV families not only have global

binding by GATA3 and MSX2, but also possess high intensity of H3K27ac marks (**Fig. 4E**) –

suggesting these ERV elements also form enhancers. Closer inspection further confirmed the

binding of these TFs on one LTR8-associated enhancer adjacent to the imprinted gene *H19* (**Fig.**

4F) and one MER11A-associated enhancer adjacent to *FSTL3* (**Fig. 4G**) – these two genes are

both tightly associated with placenta development and diseases (Fowden et al. 2006; Xie et al.

2018; Gong et al. 2021). Together, these results suggest that apart from MER41 elements, these

core trophoblast TFs also have prevalent binding on many other families of ERV-associated

enhancers – suggesting the broad involvement of these TFs and the bound ERV-associated

enhancers in human TSCs.

211 MSX2 represses numerous STB-genes in human TSCs through the binding on ERV-

212 associated regulatory elements

Despite the prevalent binding of GATA2/3 and MSX2 on ERV-associated enhancers, it should

be noted that these TFs have distinct functions: while GATA2/3 are recognized as pioneer TFs in

human TSCs for transcriptional activation (Krendl et al. 2017), MSX2 was recently identified as

a transcriptional repressor to restrain the undesired expression of STB-genes in human TSCs

(Hornbachner et al. 2021). Given that how ERV elements mediate the function of transcription

repressors is rarely reported, in-depth analysis on the binding and function of MSX2 on ERV-

associated enhancers is highly desirable. After confirming the repression of STB-genes by

MSX2 (**Supplemental Fig. S19**) through re-analysis of public transcriptome data (Hornbachner

et al. 2021), we further found that MSX2 has enriched binding on dozens of ERV families,

including MER41A/B/C, LTR8, LTR8B, MER21A, and LTR3A (**Fig. 5A**). To clarify the

function of MSX2 on ERVs, we compared the H3K27ac marks on the top ten enriched ERV

families after the knockdown of MSX2. As expected, knockdown of MSX2 causes increased

H3K27ac levels on the MSX2-bound ERV elements, yet the degrees of changes differ among

ERV families (**Fig. 5B**). For example, the H3K27ac level for LTR8B is increased more than

three folds, while LTR3A is increased more moderately. As control, the H3K27ac level on

unbound ERV families shows no remarkable change (**Supplemental Fig. S20**). These results

suggest that MSX2 has a global repressive effect on the bound ERV-enhancers in human TSCs.

MSX2 is known to restrict the expression of STB-genes in human TSCs (Hornbachner et

al. 2021). To uncover if ERV-associated cis-elements participate in this process, we determined

the loci with significantly altered H3K27ac levels after knockdown of MSX2 (MSX2KD) for

further analysis by integrating recently published data (Hornbachner et al. 2021). The majority

(2,519 out of 2,706) of these differential loci have increased H3K27ac levels (**Fig. 5C**), and

MSX2 peaks overlap 54.4% of those with increased H3K27ac – significantly higher than those

with decreased H3K27ac (**Fig. 5D**). Several ERV families are also significantly overrepresented

within the MSX2-regulated cis-elements (defined as genomic loci that overlap MSX2 peaks and

have increased H3K27ac levels in MSX2KD), including LTR8B, HERVK3-int and LTR8 (**Fig.**

5E). We further examined the genes adjacent to MSX2-regulated cis-elements which are further

classified as ERV-derived or non-ERV-derived, and as expected, they both have increased

expression after MSX2KD (**Fig. 5F**). Manual inspection of the canonical STB-genes repressed

by MSX2 indicates that some are likely to be regulated through ERV-derived cis-elements. For

example, multiple *PSG* genes (PSG1/3/4/6/8/9) that get derepressed in MSX2KD harbor

LTR8B-derived cis-elements that underlie the regulation of MSX2 (**Fig. 5G; Supplemental Fig.**

S21). In addition, one LTR8-derived cis-elements between *DPEP2NB* and *DDX28*, and another

within *DYSF* are also likely regulated by MSX2 (**Fig. 5H**). Together, these results suggest that

MSX2 restricts the undesired expression of many STB-genes in human TSCs through ERV-

associated regulatory elements.

Discussion

250 In eutherian mammals, the placenta is a transient organ characterized with extraordinary

251 phenotypic diversity (Gerri et al. 2020; Hemberger et al. 2020). At the molecular level, hundreds

252 of placental genes have lineage-specific expression (Dunn-Fletcher et al. 2018; Soncin et al.

253 2018; Rosenkrantz et al. 2021; Sun et al. 2021), and many are driven by the fast-evolving

254 enhancers which frequently overlap specific ERV families (Chuong et al. 2013; Sun et al. 2021).

It is highly desirable to delineate how ERV-associated enhancers participate in the trophoblast gene network, which is under the cooperative regulation of many TFs (Papuchova and Latos 2022).

Our study was initiated by focusing on the primate-specific MER41 family, which is among the top enriched in human placental enhancers (Sun et al. 2021). MER41 elements are also known to create thousands of IFN-stimulated enhancers to drive innate immunity evolution (Schmid and Bucher 2010; Chuong et al. 2016; Raviram et al. 2018). Yet unlike immune-related MER41 elements which have already been well characterized, how MER41-enhancers are regulated in human placenta remains obscure. Interestingly, motif scanning of the consensus and representative sequences of MER41 indicates that they harbors the binding motifs for multiple TFs, including GATA2/3, MSX2 and GRHL2 which are important regulators for trophoblast lineage maintenance and development in human and/or mice (Ralston et al. 2010; Walentin et al. 2015; Home et al. 2017; Krendl et al. 2017; Rhee et al. 2017; Hornbachner et al. 2021). Notably, integration of public data (Krendl et al. 2017; Hornbachner et al. 2021) verified that the majority of MER41-enhancers are bound by GATA3, MSX2 and their co-factors (TFAP2A/2C, ARID1A and SMARCA4). Therefore, the trophoblast TFs, particularly GATA2/3 and MSX2, were identified as promising regulators of MER41-enhancers in human TSCs. Functionally, it is tempting to speculate that, through the binding of GATA2/3, MSX2 and their co-factors, MER41-enhancers particulate in the human trophoblast regulatory network.

While MER41 is among the top enriched in human placental enhancers, dozens of other ERV families are also highly enriched – therefore we were wondering if they are regulated through the same set of TFs. Strikingly, we found that GATA2/3 and MSX2 have prevalent binding on dozens of other families of ERV-associated enhancers, many are primate-specific (eg.

LTR8, MER4 and MER11) or even human-specific (eg. LTR5_Hs). Indeed, the ERV families

frequently bound by these TFs are well correlated with those enriched in TSC enhancers,

suggesting GATA2/3 and MSX2 have broad effect on ERV-associated TSC enhancers. Notably,

GATA2/3 are generally recognized as transcriptional activators (Takaku et al. 2016; Krendl et al.

2017), while MSX2 as a transcriptional repressor for STB genes (Hornbachner et al. 2021). In

addition, GATA2 and GATA3 are known to have functional redundancy in mouse placenta

(Home et al. 2017). Therefore, the cooperation or even competition of these TFs in regulating

ERV-associated enhancers is expected. Currently, the molecular functions of these TFs have still

not been systematically compared. We expect that the combinatorial function of these TFs on the

co-binding loci – including ERV-derived ones – will be clarified through the knockout of each

TF and the manipulation of their binding motifs in representative cis-elements.

Even though GATA2/3 and MSX2 are most abundant in placenta, they also express and

function in a few other tissues or cell types. For example, GATA3 is also expressed in T cells

(Wei et al. 2011; Van de Walle et al. 2016) and mammary gland (Theodorou et al. 2013). So,

why the ERV-associated enhancers – which are frequently bound by these TFs – are preferably

active in placenta? One possible reason is the unique epigenetic and chromatin signatures owned

by placenta. Unlike most other tissues which have global hyper-methylation, placenta is

abundant with partially methylated domains (Schroeder et al. 2013; Decato et al. 2017) which are

also featured by many tumors (Hansen et al. 2011). Mechanistically, one previous study

speculated that placenta and tumor share converged DNA methylation pathways that mediate the

establishment of such epigenetic features (Lorincz and Schubeler 2017). Given the well-

recognized function of DNA methylation for epigenetic repression, it is possible that many

genomic loci (particularly ERV-derived ones) are more accessible in the placenta relative to

other tissues – thus these loci are more likely to be activated in placenta. The derepression of

ERVs has also been observed in numerous types of tumors, presumably due to the attenuation of

the epigenetic silencing (Chuong et al. 2017; Ito et al. 2020). Therefore, it is possible that the

prevalent binding of trophoblast TFs on ERV-associated enhancers may also rely on the

relatively relaxed epigenetic environment in trophoblast cells. Apart from the

epigenetic/chromatin environment, additional mechanisms, such as the existence of specific co-

factors, may also contribute to the tissue-specific binding and regulation of ERV-associated

enhancers by these TFs in placenta.

Most previous studies about ERV-derived enhancers focused on their activation, yet how

they mediate the function of transcription repressors is rarely reported. Aiming at mechanistic

insights into the involvement of ERVs for transcriptional repression, we performed in-depth

analysis on MSX2, a homeobox gene which is known to be crucial in restraining the undesired

expression of STB-genes in human TSCs (Hornbachner et al. 2021). Notably, while hundreds of

KRAB zinc finger proteins are known to be evolved to repress ERVs in mammals (Imbeault et

al. 2017; Wolf et al. 2020), how homeobox genes participate in the repression of ERVs remains

poorly understood. Interestingly, the knockdown of MSX2 resulted in globally increased

H3K27ac levels on the ERV-associated enhancers it bound, which suggests that it has global

repressive effect on the bound ERVs. Importantly, for the genomic loci under the repression of

MSX2, several ERV families are also significantly overrepresented. Genes adjacent to MSX2-

bound enhancers – no matter they are ERV-derived or not - usually have increased expression

after MSX2KD. Furthermore, some STB-genes are likely to be regulated through ERV-derived

enhancers, such as LTR8B-derived enhancers for multiple *PSG* genes, an LTR8-derived adjacent

to *DPEP2NB*, *DDX28* and *DYSF*. Therefore, MSX2 restricts the undesired expression of many

STB-genes in human TSCs through ERV-associated enhancers. These results further suggest that

through the recruiting of different transcriptional activators and repressors, ERVs can be co-

opted as a cis-regulatory module to mediate the accurate expression of associated genes in the

host.

Taken together, this study uncovered the prevalent regulation of multiple trophoblast

TFs, particularly GATA2/3, MSX2 and their co-factors, on numerous ERV-derived enhancers in

human TSCs. Through comprehensive analysis on the links between ERV-derived enhancers,

upstream regulators and downstream targets, this study provides novel mechanistic insights into

the functional involvement of ERVs in the human trophoblast regulatory network.

Materials and methods

Human TSC culture and treatment

335 Human TSCs derived from human cytotrophoblast cells (Okae et al. 2018) were a gift from the

336 Okae lab. They were cultured in trophoblast stem cell medium (TSM), as described previously

337 (Sun et al. 2021). Interferon stimulation was performed by adding 1000U/mL of IFNG (PBL,

338 11500-2) into the culturing medium of human TSCs. After 24 hours, untreated and IFNG treated

339 samples were both collected for subsequent ChIP-Seq (H3K27ac) and RNA-Seq experiments.

RNA-Seq

Total RNA for human TSCs was extracted using RNeasy Micro kit (Qiagen, 74004) with on-

column DNase digestion, and then submitted for library construction by TruSeq stranded mRNA

sample preparation kit (Illumina). Two biological replicates were used per sample. RNA-Seq

libraries were sequenced as 75 bp paired-end reads with HiSeq2500 (Illumina) platform.

Raw reads were trimmed with Trim Galore v0.6.4

(https://github.com/FelixKrueger/TrimGalore). Transcript Per Million (TPM) values were

calculated with RSEM v1.3.2 (Li and Dewey 2011). To perform differential expression analysis,

we aligned trimmed reads to the reference genome (GRCh38 for human) using STAR v2.7.3

(Dobin et al. 2013), and then obtained gene-level read counts using the *featureCount* function

from subread v2.0.0 (Liao et al. 2013). At last, differentially expressed genes were identified

using DESeq2 v1.30.1 (Love et al. 2014) with the cutoff: FDR<0.05 and |log2Foldchange|>1.

ChIP-Seq

ChIP-Seq for human TSCs was performed following our previous study (Sun et al. 2021).

Chromatin fragmentation was performed using Diagenode Bioruptor Plus Sonicator. The

antibody for H3K27ac (Abcam, ab4729) is used. The amount of chromatin is 20 μg per reaction.

Two biological replicates were used per sample. ChIP-Seq libraries were constructed using

Takara SMARTer ThruPLEX DNA-Seq Kit (Takara, R400674), and sequenced as 50 bp paired-

end reads with HiSeq2500 (Illumina) platform.

Reads were trimmed with TrimGalore v0.6.4 and then aligned to the corresponding

reference genome (GRCh38 for human) using Bowtie v2.3.5 (Langmead and Salzberg 2012)

with default settings. PCR duplicates were removed using the *rmdup* function of samtools v1.13

(Li et al. 2009). After confirming the data reproducibility, reads from biological replicates were

pooled together for further analysis. Peak calling was performed with MACS v2.2.6 (Zhang et al.

2008). The peaks were further cleaned by removing those that overlap ENCODE Blacklist V2

regions (Amemiya et al. 2019). Differential binding analysis was performed using DiffBind

v3.4.11 (Ross-Innes et al. 2012) with settings: minOverlap = 1, summits = 400, method =

DBA_EDGER.

Reference genome and annotation

Reference genome and gene annotation for human (GRCh38) were downloaded from the ENSEMBL database (release 102) (Yates et al. 2020). Transposable element annotations were downloaded from the RepeatMasker website (http://www.repeatmasker.org/) on May 27, 2016. The clades for ERV families were obtained from the Dfam database (Hubley et al. 2016). Genome mappability along the reference genome was calculated using the GEM-mappability program from GEM (GEnome Multitool) suite (Derrien et al. 2012).

Gene Ontology enrichment analysis

Gene Ontology enrichment analyses for differentially expressed genes were performed using Metascape (Zhou et al. 2019). Gene Ontology enrichment analyses for genomic regions (eg. peaks and putative enhancers) were performed with GREAT (McLean et al. 2010).

Motif analysis

Motif scanning on MER41 consensus sequences (downloaded from the RepeatMasker website on May 27, 2016) were performed against the non-redundant JASPAR2022 CORE vertebrates motif database (JASPAR2022_CORE_vertebrates_non-redundant) using FIMO (Grant et al. 2011) with settings: --text --thresh 1e-3. The locations of predicted motifs were visualized with IGV v2.11.1 (Thorvaldsdottir et al. 2013), and redundant predictions (eg. multiple prediction results of the same TF on overlapped position) were manually adjusted to get optimized visualization. Motif occurrence on representative MER41 elements was retrieved directly from UCSC Genome Browser (Lee et al. 2020). Motif enrichment analysis on MER41-derived enhancers relative to MER41-elements that lacking H3K27ac mark was performed by using the findMotifs.pl script from HOMER v4.11 (Heinz et al. 2010) with default settings.

Epigenetic-annotation of regulatory elements

390 Putative regulatory elements are defined based on histone modifications and genomic

391 distribution. Promoters are defined as H3K4me3 occupied regions, and enhancers as H3K27ac

392 peaks that are more than 500 bp away from TSSs.

Annotation of the genes adjacent to given genomic regions

394 The genes adjacent to given genomic regions (eg. peaks, enhancers, ERV elements) were

395 determined by comparing gene TSSs against specified genomic regions using the *window*

396 function of BEDtools v2.29.2 (Quinlan and Hall 2010), with the distance threshold specified by

397 the papameter *w*. TSS annotation file was retrieved from ENSEMBL database (release 102) by

398 using BioMart (Yates et al. 2020).

Differential expression analysis between human and mouse

400 Interspecies differential expression analysis between human and mouse placentae were

401 performed using ExprX (https://github.com/mingansun/ExprX) as previous described (Sun et al.

402 2021). In brief, only 1-to-1 orthologous gene pairs annotated by ENSEMBL database (Yates et

403 al. 2020) were used for analysis, and differentially expressed genes were determined using Rank

404 Product method with the cutoff of FDR < 0.05 and |log2foldchange| > 1.

ERV enrichment analysis

To determine if certain ERV families are overrepresented within given genomic regions (eg.

enhancers or peaks), we adopted the *fisher* function of BEDtools v2.29.2 (Quinlan and Hall

2010), which determines the enrichment fold and p-value between two lists of genomic intervals

by using Fisher's Exact Test. A wrapper named TEenrich-FET

(https://github.com/mingansun/TE_analysis) was further implemented to simplify the analysis of

multiple ERV families. To control for Family-Wise Error Rate, the calculated p-values were

further adjusted with Bonferroni method.

Statistical analysis and data visualization

All statistical analyses were performed with R statistical programming language (Team 2020).

Heatmaps for ChIP-Seq data were generated using DeepTools v3.5.1 (Ramirez et al. 2014), with

ChIP signal normalized as RPKM values. Heatmaps from gene expression clustering analysis

were generated using pheatmap (https://github.com/raivokolde/pheatmap). RNA-Seq and ChIP-

Seq tracks were visualized using IGV v2.11.1 (Thorvaldsdottir et al. 2013).

Data access

All raw and processed sequencing data generated in this study have been submitted to the NCBI

Gene Expression Omnibus (GEO; https://www.ncbi.nlm.nih.gov/geo/) under accession number

GSE209541.

Competing interest statement

The authors declare no competing interests.

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Figure legends

Figure 1. Characterization of MER41-enhancers in different human tissues and trophoblast cells

(A) Enrichment of MER41 subfamilies in the epigenetically-annotated enhancers for different human tissues. Enhancers were annotated as H3K27ac peaks that are more than 500 away from any TSSs. **(B)** The bar plot shows that, relative to distal genes, higher proportion of MER41-enhancer adjacent genes have increased expression in human placenta relative to mouse. MER41-enhancer adjacent genes are defined as those with their TSSs within 50 KB from any MER41-enhancers. P-value calculated using Fisher's Exact Test is indicated. **(C)** Enrichment of MER41 subfamilies in the enhancers annotated for human TSC, STB and EVT. **(D)** Overlapping of the MER41-enhancers annotated for human TSC, STB and EVT. **(E)** Heatmap shows the H3K27ac and H3K9me3 intensity for the shared or cell-specific MER41-enhancers for different human trophoblast cells. **(F)** IGV tracks showing the transcriptomic and epigenomic profiles surrounding the representative MER41-enhancer adjacent to *FBN2*.

Figure 2. Integrative analysis identified GATA2/3 and MSX2 as candidate regulators of MER41-enhancers in human TSCs

(A,B) Motif configurations of MER41B consensus (A) and one representative MER41-enhancer adjacent to *FBN2* (B) The motifs for several known (STAT1, SRF) and novel (GATA2/3, MSX2, GRHL2) TFs of MER41 are labelled in red color. **(C)** Expression profiles of the four TFs, including *GATA2/3*, *MSX2* and *GRHL2*, that have placenta-enriched expression. The color gradient indicates the column Z-score based on normalized TPM values. **(D)** Venn diagram showing the peak overlapping of GATA2/3 and MSX2. **(E)** Enrichment of MER41 subfamilies

in the peaks for GATA2/3, MSX2 and co-factors. **(F)** Bar plots demonstrate the percentages of

MER41-enhancers that are bound by GATA2/3, MSX2 and co-factors. (**G**) Heatmaps

demonstrate the prevalent binding of GATA2/3, MSX2 and co-factors on MER41-enhancers in

human TSCs.

Figure 3. Characterization and comparison of the MER41-enhancers that are

constitutively-active or IFN-stimulated in human TSCs

(A) Enrichment of MER41 subfamilies in the two groups of MER41-enhancers that are

constitutively-active or IFN-stimulated in human TSCs. (**B,C**) Heatmaps show the H3K27ac

intensity flanking the two groups of MER41-enhancers with or without IFNG-stimulation. (**D**)

Frequency of the motifs for GATA3 and STAT1 in constitutively-active or IFN-stimulated

MER41-enhancers, respectively. P-values calculated by using Fisher's Exact Test are indicated.

(E,F) Representative IGV tracks show the alterations of gene expression and H3K27ac

occupancy flanking the MER41-enhancers adjacent to *FBN2* and *AIM2*, respectively. The color

gradients indicate the RPKM values (ChIP – Input) calculated from the ChIP-Seq data. **(G)** Bar

plots for the binding frequency of GATA2/3, MSX2 and co-factors on the two groups of

MER41-enhancers. P-values calculated by using Fisher's Exact Test are indicated. **(H)** Heatmaps

show the binding intensity of GATA2/3, MSX2 and co-factors on the two groups of MER41-

enhancers. The color gradients indicate the RPKM values (ChIP – Input) calculated from the

ChIP-Seq data.

Figure 4. Binding of GATA2/3 and co-factors on different families of ERV-associated

enhancers in human TSCs

(**A**) Percentages of the peaks that binding ERV elements for GATA2/3, MSX2 and co-factors. The gray line represents the expected percentage calculated through the comparison of the randomly shuffled peaks (after pooling the peaks for GATA2/3, MSX2 and co-factors) against ERV elements. (**B**) Enrichment of the top twenty ERV families that have enriched binding by GATA2/3, MSX2 or co-factors. These ERV families are selected based on the ranking according to the enrichment p-values against the TF peaks. (**C**) Correlation for the ERV enrichment in annotated enhancers vs. GATA2/3 and MSX2 peaks. (**D**) Comparison of the percentages of enhancers (w/wo ERV overlapping) that are bound by at least one TFs among GATA2/3 and MSX2. P-value calculated by Fisher's Exact Test is denoted. (**E**) Averaged profiles show the intensity of H3K27ac, GATA3 and MSX2 occupancy on the top ten ERV families that have enriched binding by GATA2/3, MSX2 and co-factors. (**F,G**) Representative IGV tracks show the epigenetic profiles and trophoblast TF binding near the LTR8- and MER11A-associated enhancers adjacent to *H19* and *FSTL3*, respectively.

Figure 5. MSX2 restricts the expression of some STB-genes in human TSCs through the binding of ERV-derived enhancers

(**A**) Enrichment of ERV families within MSX2 peaks. The top 20 families as ranked by p-values are presented. (**B**) Averaged curves show the ChIP intensity of MSX2 and H3K27ac (WT vs. MSX2KD) flanking the MSX2-bound elements from the top ten ERV families. (**C**) MA-plot shows the differential H3K27ac peaks between WT and MSX2KD human TSCs. (**D**) Comparison of the MSX2-bound percentages between genomic loci with increased or decreased H3K27ac levels after MSX2KD. P-value calculated with Fisher's Exact Test is denoted. (**E**) Enrichment of ERV families within MSX2-bound loci that have increased H3K27ac levels after MSX2KD. (**F**) Comparison of the altered expression (MSX2KD vs. WT) across different groups

of genes defined based on their association with MSX2-regulated enhancers. A threshold of less

than 10 kb from TSSs was used to group genes. MSX2-regulated enhancers are further classified

as two groups (ERV-derived or non-ERV-derived) based on their overlapping with ERV

elements. P-values calculated from Two-sided Student's t-test are denoted. **(G,H)** Representative

IGV tracks showing several LTR8B- or LTR8-derived enhancers that are likely mediating the

MSX2-dependent repression of STB-genes, including *PSG1/3/4*, *DPEP2NB*, *DDX28* and *DYSF*.