**Microglia-astrocyte interplay mitigates Aβ toxicity in a novel human 3D neurosphere model of Alzheimer's Disease**

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## Abstract

Microgliosis and astrogliosis characteristically occur at Aβ plaques in the brains of Alzheimer's disease (AD) patients although the impact of gliosis in AD is poorly understood. We studied the impact of Aβ-induced gliosis using human induced pluripotent stem cell (hiPSC)-derived 3D neurospheres (hiNS), containing only astrocytes and neurons versus hiNS with the addition of iPSC-derived microglia (hiMG). Applying Aβ to hiNS containing only astrocytes and neurons triggered pathological features of AD including plaque-like aggregates, reactive astrocytes, oxidative stress, neuronal dysfunction and cell death. In contrast, when hiMG were combined with hiNS, infiltrating hiMG effectively phagocytose Aβ and facilitate neuroprotection. Our findings further support a pivotal role for microglia in modulating astrocyte Aβ responses by inducing AD-associated gene expression in astrocytes, including the upregulation of *APOE*, crucial for Aβ clearance. This model, highlighting the neuroprotective potential of microglia-astrocyte interactions, offers a novel platform for exploring AD mechanisms and novel therapeutic strategies.

### *Highlights*

- The study utilized reproducible human iPSC-derived neurospheres (hiNS) consisting of neurons and astrocytes alone or with the addition of microglia/macrophages (hiMG)
- Chronic Aβ treatment mimicked neurodegeneration by triggering Aβ plaque-like aggregates, dysfunctional neuronal activity, glia activation, oxidative stress, and extensive neuronal death
- Aβ induced neurotoxicity was prevented by hiMG in a time-dependent manner
- hiMG efficiently phagocytose Aβ in hiNS
- Adding hiMG during Aβ exposure induced changes in astrocyte gene expression that were similar to changes observed in human AD such as the induction of APOE expression

## Introduction

Alzheimer's disease (AD) remains inextricably linked to progressive aggregation of Aβ and tau in the brain. Both are prime targets for therapeutic interventions, with two monoclonal antibodies against Aβ recently approved by the US Food and Drug Administration for use in AD. The mechanisms by which Aβ and tau cause neurodegeneration remain incompletely understood. Aβ plaques initiates a significant neuroinflammatory reaction including robust microglial activation. Whether this activation is detrimental, neuroprotective, or both, remains controversial. A mutation in TREM2, which impacts the efficiency with which microglia phagocytose Aβ, confers significant risk for developing sporadic AD, suggestive an important protective role of microglia[1]. Microglial phagocytosis is also the principal mechanism by which the monoclonal antibodies against Aβ, such as lecanemab, remove brain Aβ, leading to improvement in clinical function and AD biomarkers[2,3]. However, in preclinical models, microglial activation can also lead to excessive synaptic pruning which could accelerate neurodegeneration[4]. Recent genomic analysis of sporadic AD has linked numerous genes of interest, such as *APOE,* to glial cells[5], further emphasizing the potential importance of glia in sporadic AD pathophysiology[6-8]

The development of physiologically relevant human models of AD is critical for discovering and defining potential therapeutic targets. While murine models of AD have been used to investigate cellular mechanisms in AD, clinical trials based on results from murine AD models, were rarely successful[9]. The establishment of cerebral organoid and neurosphere 3D human cell culture systems sparked widespread interest in developing 3D cell culture models that more faithfully resemble human AD, to achieve better translation of pre-clinical studies to novel therapies[10-13]. Many of these approaches rely on the expression of familial AD mutations in *APP* or *PSEN1*[14-17]. Mimicking the AD-associated transcriptional changes of glial cells in a human 3D sporadic AD model system could help to unravel the impact of neuron-glia-Aβ interactions in AD.

Here we investigated the utility of using human induced pluripotent stem cell (hiPSC)-derived 3D neurospheres (hiNS) to determine the impact of chronic amyloidosis, a characteristic feature of AD, on neuronal and glial function. The introduction of hiPSC-derived microglia (hiMG) into hiNS during chronic Aβ treatment triggered striking neuroprotection, by preventing Aβ-induced dysfunction of neuronal activity, oxidative stress and reducing neuronal death. While hiMG displayed a remarkable phagocytic activity towards Aβ, single nuclei RNA sequencing revealed that the addition of hiMG also had particularly dramatic effects on astrocyte transcriptional profiles. For example, many AD-associated genes of interest in astrocytes, such as *APOE*, *CLU*, *LRP1* and *VIM*, were upregulated only in the presence of hiMG, implying a shift in astrocytes towards enhanced neuroprotection. This study sheds light on the critical timing and multifaceted role of microglia and astrocyte neuroprotection, offering new insights into potential therapeutic strategies for AD.

## Results

### Formation of hiPSC-derived neurospheres (hiNS) as a 3D tissue culture system includes functional neurons, astrocytes and microglia (hiMG)

Blood-derived hiPSCs were generated from a healthy individual and subsequently differentiated into neural progenitor cells (NPCs) (Suppl. Table 1). NPCs were plated in an AggreWell™ 800 plate to initiate the formation of hiNS. After 7 days *in vitro* (DIV), hiNS were transferred to 10 cm petri dishes on an orbital shaker for subsequent differentiation and maturation before plating into

48-well plates. While NPCs differentiated into neurons and astrocytes spontaneously, microglia
did not differentiate in the 3D neurospheres. Therefore, hiMG were cultured in parallel to hiNS
and were added to a subset of mature neurospheres with neurons and astrocytes/NPCs to
determine the impact of microglia. Neurospheres in which hiMG were not added are termed
hiNS(-) whereas neurospheres after hiMG infiltration are termed hiNS(+) (Figure 1A). hiNS were
readily transduced using adeno associated viruses (AAVs) encoding cell type specific expression
with the neuronal-selective promoter *hSyn* or the astrocytes-selective promoter *gfaABC1D*. While
cerebral organoids are commonly used, their large size often leads to severe necrosis within the
central regions of the tissue[18]. Our hiNS did not develop necrotic regions, likely because they
remain a smaller size, rarely exceeding a diameter of 500 μm. To monitor tissue health of hiNS,
we transduced neurospheres with *hSyn*-roGFP1, a redox-sensitive green fluorescent protein that
detects cellular oxidative stress associated with reactive oxygen species production and typically,
necrosis[19,20]. As controls, DTT (5 mM) was used to fully reduce neurospheres and diamide (2 mM)
to fully oxidize the tissue. We found that neurons in hiNS displayed a largely reduced cytosol
throughout the neurosphere, confirming the absence of necrotic tissue (N = 4 each, Figure 1B).

To confirm the identity of cell types in hiNS, we performed single nuclei RNA sequencing (snRNA-
seq). Specifically, we cultured hiNS for 50 days, and hiMG were added and allowed to infiltrate
into the tissue for another 10 days. hiNS(+) or hiNS(-) were collected and flash frozen for
subsequent snRNA-seq analysis. Single cell nuclei were isolated and sequenced using the 10X
Genomics platform. Transcriptome analysis was performed using our previously described
pipeline[21-25]. After filtering the datasets for low quality cells with few expressed genes or high
mitochondrial proportions and cell doublets, we obtained 4750 and 1892 single cell
transcriptomes for the hiNS(+) and hiNS(-), respectively. We then merged the datasets to allow a
direct comparison of transcriptomes in the two conditions. Genes with high variance were used
to compute principal components as inputs for projecting cells in two-dimensions using t-
distributed stochastic neighbor embedding (t-SNE) and clustering performed using a shared
nearest neighbors-cliq (SNN-cliq)-inspired approach built into the Seurat R package at a range of
resolutions.

Uniform Manifold Approximation and Projection for Dimension Reduction (UMAP) visualization
and analysis of well-defined marker genes identified 15 clusters containing the predicted cell types
(Figure 1C,D). Cell clusters with similar gene expressions were grouped together in a two-
dimensional UMAP. This included astrocytes expressing *GFAP, AQP4, SLC1A3* and *GABBR2*
(cluster 0), and two types of neurons in various stages of maturation: inhibitory interneurons
(clusters 4, 7, 9 and 14) expressing *GAD1, GAD2* and *SYN3*, and excitatory neurons (clusters
2,3,5,6,11,12 and 15) enriched for *GRID2, GRM7, SLC17A6* and *SYN3*. The dataset also included
neural precursor cells (clusters 1, 10 and 14), and microglia/macrophages expressing *PTPRC,*
*AIF1, CX3CR1* and *CD68* (cluster 13). Note that *GFAP* expression was not exclusive to astrocytes
but also highly expressed in some neural precursor populations.

Analysis of the dataset of origin (Figure 1E) confirmed that the microglial cluster included cells
only from the hiNS(+) dataset. The other clusters included intermingled cells from both conditions,
except for cluster 0 astrocytes, where many of the cells appeared transcriptionally distinct. To
further explore this finding, we subsetted the astrocytes and reanalyzed them separately. This
analysis (Figure 1F,G) defined two large clusters and one smaller cluster. Two of the clusters (0a
and 0c) included astrocytes from both conditions, while the other large cluster (0b) was almost
completely comprised of hiNS(+) astrocytes. Pearson correlation analysis of average gene

expression confirmed that, as suggested by the clustering analysis, hiNS(+) astrocytes were similar but not identical to the hiNS(-) astrocytes, with r = 0.978 (Figure 1H).

To better understand these similarities and differences, we performed differential gene expression (DEG) analysis. There were 663 DEGs when comparing the two conditions, with 394 enriched in hiNS(+) astrocytes and 269 in hiNS(-) astrocytes (> 1.4-fold average change, p adj < 0.05; Suppl. Tables 2 and 3). Notably, DEG analysis coupled with gene ontology (Figure 1I,J; Suppl. Table 4) demonstrated that hiNS(+) astrocytes were highly enriched for genes and gene categories associated with oxidative phosphorylation such as *MT-CO3, MT-ND3*, *MT-ATP6,* and *MT-CYB*, suggesting they were more metabolically active. By contrast, hiNS(-) astrocytes gene ontology analysis identified only a few highly significant gene categories including nervous system development and post-synapse (Figure 1J, Suppl. Table 5).

To confirm the presence of our major cell populations from our snRNA-seq analysis, we performed immunofluorescence for neurons (MAP2), astrocytes/NPCs (GFAP), and microglia/macrophages (IBA1) in fixed hiNS(+) at DIV 60. Indeed, highly processed neuronal and astrocytic cells formed tight networks throughout the tissue with hiMG populating the 3D space (Figure 2A). Neuronal activity in hiNS was monitored by inducing *hSyn*-GCaMP6f expression for live imaging of neuronal intracellular calcium concentration $[Ca^{2+}]_i$ transients. Induction of *hSyn*-iGluSnFr expression in neurons was used for imaging of extracellular glutamate release. hiNS(-) displayed frequent calcium transients and glutamate release in a synchronized manner (Figure 2B). Due to the superior signal-to-noise ratio of GCaMP6f over iGluSnFr we used imaging of $[Ca^{2+}]_i$ transients to quantify neuronal activity. The synchronized large $[Ca^{2+}]_i$ transients traversed through hiNS in a wave-like pattern reminiscence of large calcium waves (Figure 2C) observed during neurodevelopment[26,27]. Calcium waves were suppressed by the $Na^+$ channel blockers TTX and the ionotropic glutamate receptor antagonists AP5/CNQX, and by GABA treatment. Picrotoxin application, which antagonizes GABA receptors and chloride channels, significantly increased calcium wave frequencies (Figure 2D). We then tested whether infiltrating hiMG alter calcium wave frequencies by comparing GCaMP6f recordings from hiNS(-) (N = 10) with hiNS(+) (N = 12). The presence of hiMG reduced the calcium wave frequency by half from 0.19 to 0.09 Hz (*** p<0.001) and increased wave duration from 3.2 to 5.0 sec (** p<0.01) indicating that hiMG leads to altered neuronal activity or neurodevelopment (Figure 2E).

We next investigated the infiltration behaviour and physiological properties of hiMG during and after tissue infiltration into hiNS. hiMGs were identified after fixation by IBA1 immunofluorescence or were live-stained using tomato lectin conjugated dyes (Figure S1). We performed 24h-continuous confocal live imaging on hiNS expressing *hSyn*-mCherry and *gfaABC1D*-EGFP to monitor live-stained hiMG infiltrating into hiNS (N = 4). hiMG were pre-stained with tomato lectin DyLight 649. Tracking hiMG movements in hiNS revealed infiltration occurring 6-12h after the transfer (see yellow arrows, Figure 2F). To test if hiMG that infiltrated within hiNS(+) exhibit physiological microglia-like properties, we again stained hiMG with tomato lectin (DyLight 488) 7-9 days post-infiltration into hiNS. hiNS(+) were imaged by 2-photon microscopy to monitor microglial process movement, damage responses and for patch-clamp recordings. We observed tissue surveillance by hiMG processes as well as a robust process outgrowth towards a focal laser lesion mimicking *in vivo*-like behaviour (N=3, Figure 2G). Patch-clamp recordings on hiMG within hiNS(+) confirmed microglial identity, revealing average reversal potentials of -38 ± 3.9 mV and cell capacitances of 22 ± 2.4 pF (N = 9). A series of de- and hyperpolarizing voltage steps revealed inward rectifying potassium currents typical for microglia[28-30] (Figure 2H). We conclude

that infiltrating hiMG display a robust microglial-like phenotype exhibiting several properties that
resemble *in vivo* microglia.

**Chronic treatment of hiNS with oligomeric Aβ results in plaque-like aggregates and a series**
**of neurotoxic effects mimicking severe amyloidosis**

To model amyloidosis and AD neurodegeneration, we tested the impact of supplementing hiNS(-
) media with oligomeric Aβ42 (0.24 μg/mL) for up to 35 days, first in the absence of hiMG (Figure
3A). Chronic Aβ treatment results in extracellular plaque-like aggregates within hiNS(-) (Figure
3B). Immunostaining for neurons and astrocytes/NPCs revealed dystrophic processes and cell
bodies at the end of the treatment period indicating neurotoxicity (Figure 3C, see arrows). To
monitor neuronal redox levels, hiNS(-) expressing *hSyn*-roGFP1 were imaged after treatment,
revealing severe oxidative stress evident by a significant increase in roGFP redox ratio (green
emission acquired at 405nm divided by green emission acquired at 488 nm) (Figure 3D).
Continuous (up to 20h) live roGFP1 imaging in Aβ treated hiNS revealed a significant increase in
the frequency of oxidizing cells compared to hiNS not exposed to Aβ, further confirming Aβ-
induced oxidative stress (Figure S2). Neuronal activity was repeatedly monitored by imaging
GCaMP6f in hiNS(-) as described above. A significant reduction in calcium wave frequencies was
observed at the end of the third week and in the fourth week of Aβ exposure (Figure 3E).

We then investigated whether chronic Aβ treatment ultimately results in neuronal loss.
Immunostaining for cleaved Caspase-3 (c-Cas-3), a key mediator of neuronal apoptosis, indicated
a 50% increase in apoptotic cells after Aβ treatment in hiNS(-) as well as a significant reduction
of nuclei density within the tissue, suggesting cell death (Figure 3F). Neuronal apoptosis during
Aβ exposure was observed by co-staining for c-Cas-3 and the neuronal marker MAP2 (Figure
3G). To confirm the increase in apoptotic cell death, we performed terminal deoxynucleotidyl
transferase dUTP nick end labeling (TUNEL) to detect fragmented DNA. There was a significant
increase in TUNEL fluorescence confirming apoptosis during chronic Aβ exposure (Figure 3H). In
conclusion, our chronic Aβ stimulation protocol resulted in a sequence of neurotoxic effects
including the formation of plaque-like Aβ aggregates within days of exposure, oxidative stress and
dysfunctional neuronal activity 3-4 weeks into Aβ treatment and ultimately Caspase-3 dependent
apoptosis and neuronal loss 4-5 weeks after Aβ exposure, mimicking key hallmarks of AD.

**Time-dependent neuroprotective properties of hiMG during chronic Aβ stimulation**

The role of microglia in AD pathogenesis has been extensively studied, with both neurotoxic- and
neuroprotective roles described[31,32]. We designed two different chronic Aβ treatment protocols
that included six experimental conditions: control (ctrl), 3-week (3w Aβ hiNS) or 5-week (5w Aβ
hiNS) exposure each with (+) or without (-) hiMG. hiMG were added to the tissue for the last 10
days of the treatment protocol to test the impact of microglia on Aβ induced neurotoxicity after
either a mild (3w Aβ) or severe (5w Aβ) chronic treatment (Figure 4A). Visual inspection revealed
hiMG attached to and accumulate around hiNS prior to infiltration, and 5w Aβ treated hiNS
displayed morphological changes indicating tissue degeneration (Figure S3). We quantified Aβ
immunoreactivity using anti-Aβ (4G8) for all groups. As expected, the amount of Aβ was less at
3w Aβ compared to 5w Aβ. hiMG addition significantly reduced extracellular Aβ levels at 3w and
not at 5w, indicating that adding hiMG are more efficient at Aβ aggregate clearance during the
shorter Aβ treatment protocol. Analysis of soluble Aβ levels using ELISA, however, showed a

reduction in 5w hiNS(+), suggesting active phagocytosis but without a noticeable reduction in
extracellular aggregates (Figure 4B).

We investigated whether hiMG phagocytosis of Aβ contributed to the observed reduction in Aβ
deposits and soluble Aβ. Co-staining microglia (lectin or IBA1) and Aβ (6E10, 4G8 or mOC87)
revealed that Aβ was readily found in the cytosol of infiltrated hiMG in Aβ treated hiNS (Figure
S4A). The strongest intracellular Aβ was seen by staining specifically for fibrillar Aβ (mOC87[33]),
while the Aβ antibody clone 6E10 revealed only a faint signal inside hiMG, indicating that Aβ inside
hiMG appears mostly in a highly aggregated form. Intracellular Aβ was identified after both 3w
and 5w Aβ treatment (Figure S4B, white arrows). While we did not find microglia to significantly
reduce overall extracellular Aβ burden after 5w, microglia appear to have cleared noticeable
amounts of Aβ, leaving Aβ–cleared tissue in their path (Figure S4B, red arrows) which were absent
in 3w Aβ cultures.

Successful phagocytosis requires the uptake of Aβ into acidic phagocytic compartments. We
conjugated our oligomeric Aβ with pHrodo green which is fluorescent at acidic pH[34]. hiNS were
treated with regular oligomeric Aβ for 3w followed by pHrodo-Aβ for an additional 7 days (4w Aβ
total). Aβ treatment was then stopped prior to hiMG addition. hiNS were fixed 8 days later and
imaged to quantify intracellular pHrodo-Aβ levels in the tissue. We found a strong uptake of
pHrodo-Aβ inside IBA1 positive hiMG, whereas only small amounts overlapped with GFAP-
positive astrocytes/NPCs, confirming that the main cell type in hiNS(+) facilitating Aβ phagocytosis
were microglial cells (Figure S4C).

We then immunostained for neurons (MAP2), astrocytes/NPCs (GFAP), and microglia (IBA1)
markers in all six experimental conditions. First, we quantified the number of hiMG infiltrating into
hiNS and found that the number of hiMG within 5w Aβ hiNS(+) increased by more than two-fold
compared to ctrl hiNS(+), whereas the number of microglia in 3w Aβ hiNS(+) did not increase.
Additionally, we found that GFAP immunofluorescence increased significantly in the presence of
hiMG at 3w and 5w indicating microglial-dependent astrocyte reactivity by Aβ (Figure 4C). We
repeated our roGFP redox imaging (here fixed, following 4% PFA + 20 mM N-Ethylmaleimide
incubation at DIV 60) and found that 3w Aβ exposure in hiNS(-) resulted in mild, but highly
significant (***, p<0.001), oxidative stress which was completely inhibited by the presence of
hiMG, suggesting neuroprotective functions of microglia (Figure 4D, upper part). However, Aβ
induced oxidative stress at 5w was severe and not significantly reduced after hiMG infiltration
(Figure 4D, bottom). We monitored neuronal activity using GCaMP6f and found that calcium wave
frequencies were reduced in 3w Aβ hiNS(-), while microglia fully rescued neuronal activity in 3w
Aβ hiNS(+) (**, p<0.01), confirming their neuroprotective ability. At 5w Aβ, calcium waves were
completely absent without ameliorating effects of hiMG, suggesting that functional recovery is
only possible if hiMG are present relatively early during chronic Aβ treatment (Figure 4E).

We then determined whether hiMG prevented neuronal death by staining for c-Cas-3 and
quantifying nuclei in hiNS. While we found only a moderate increase in c-Cas-3 immunoreactivity
at 3w, it was significantly reduced in 3w Aβ hiNS(+). We found a significant loss of cells when
comparing the nuclei density of ctrl hiNS(-) with 3w Aβ hiNS(-) (*, p = 0.03), while the differences
of ctrl vs 3w Aβ hiNS(+) were not significant (p =0.35). Note that hiMG were identified by lectin
staining, and their nuclei count was subtracted from whole-tissue nuclei quantification. At 5w Aβ,
c-Cas-3 immunoreactivity was highest in hiNS(-), with a significant reduction in 5w Aβ hiNS(+).

Cell density in 5w Aβ hiNS(-) was dramatically reduced and partially but highly significantly
rescued in 5w Aβ hiNS(+) (***, p<0.001) (Figure 4F).

We further investigated the electrophysiological properties of hiMG in Aβ treated hiNS. Membrane
capacitances were significantly increased at 5w Aβ (Figure S5), but no other changes were
significant. These data indicate that the neuroprotective potential of hiMG during chronic Aβ
exposure is highly time-dependent: At 3w Aβ, added hiMG preserved neuronal function,
preventing oxidative stress, and reducing Caspase-3 cleavage. While at 5w Aβ, hiMG did not
rescue neuronal function or reduce oxidative stress but significantly reduce apoptosis and loss of
cell nuclei, demonstrating limited neuroprotective properties at late stages of amyloidosis.

To better understand the phenotypical changes of hiMG during chronic Aβ treatment, we analyzed
cell culture supernatant of the above hiNS conditions for proinflammatory cytokine levels using a
multiplex ELISA. Supernatant was collected on the last day of the treatment protocol. Overall,
cytokine levels were enriched in media of all hiNS(+) samples but not in hiNS(-), indicating that
hiMG produce the listed cytokines independent of Aβ exposure. Note that IL-8 data was excluded
from the panel due to saturated readings for hiNS(+) groups, preventing accurate quantification.
Interestingly, only IL-6 and IL-12 levels increased significantly (** p<0.01) with 5w Aβ treatment,
indicating an Aβ induced shift in hiMG cytokine production (Figure 4G). Note that classical
markers for proinflammatory microglia, such as IL1β and TNFα were not increased in 3w/5w Aβ
hiNS(+).

**Expression of subsets of astrocyte marker genes for AD depends on the presence of hiMG**

We performed snRNA-seq on all six hiNS culture conditions (ctrl, 3w Aβ, 5w Aβ with or without
hiMG). We isolated and sequenced single cell nuclei using the 10X Genomics platform and put
the resultant transcriptomes through our pipeline[21-25]. After filtering the datasets for low quality
cells, we merged these transcriptomes with those of the previously analyzed control hiNS (as in
Figure. 1C,E).

UMAP visualization and analysis of the datasets of origin showed that the datasets merged well
(Figure 5A,B). Marker gene analysis defined all of the same cell types that were seen in the control
hiNS cultures including neural and glial precursor cells, astrocytes, inhibitory and excitatory
neuron lineages, and microglia/macrophages. However, analysis of the datasets of origin
identified differences in cellular composition that were most obvious in the 5w Aβ hiNS.
Specifically, in the 5w Aβ hiNS(-), the only surviving cells were astrocytes and inhibitory neurons,
while excitatory neurons were almost entirely absent which is consistent with the reduction of
nuclei numbers in this group (Figure 4F). The 5w Aβ hiNS(+) did contain some excitatory and
inhibitory neurons, but these were reduced relative to the 3w Aβ cultures and control groups. In
addition, relative to the ctrl and 3w Aβ hiNS (+), there were proportionately more hiMG in 5w Aβ
hiNS(+), likely reflecting increased proliferation or infiltration of microglia matching our hiMG
quantification (Figure 4C). By contrast, the distribution of cell types in the 3w Aβ hiNS cultures
was similar to that seen in the control groups.

We next compared astrocytes in these different culture conditions by subsetting and reanalyzing
transcriptomes from cluster 0. UMAP cluster and dataset of origin visualizations (Figure 5C,D)
identified four clusters containing variable proportions of astrocytes from the different culture
conditions. In particular, most astrocytes that came from cultures without added microglia were

localized to cluster 0b regardless of whether they were exposed to control peptide or Aβ.
Conversely, most astrocytes from cultures with hiMG were localized to cluster 0a. The exceptions
to this intermingling were cluster 0d, which was almost completely comprised of transcriptomes
from the 5w Aβ hiNS(+) cultures, and cluster 0c, which was comprised of astrocytes from the
control hiNS(+) cultures (Figure 5E).

These data suggest that astrocytes in the different cultures were transcriptionally distinct. We
therefore assessed how Aβ altered astrocytes in the presence of hiMG by performing DEG
analysis comparing the 5w Aβ hiNS(+) cells with ctrl hiNS(+). This analysis identified 288 DEGs
when comparing the two conditions, with 174 enriched in 5w Aβ hiNS+ cells and 114 in ctrl hiNS(+)
without Aβ (> 1.4-fold average change, p adj < 0.05; Suppl. Tables 6 and 7). Single-cell gene
expression heatmaps (Figure 5F) showed that only a few of these mRNAs were upregulated in
the 3w Aβ hiNS(+) astrocytes, and required exposure to both Aβ for 5w and the presence of hiMG
before seeing a significant change in mRNA expression. Notably, gene expression overlays
showed some of the most highly upregulated genes following Aβ exposure are known to be
associated with the astrocyte response in AD, including *APOE, CLU, SPP1, TLR4, VIM, S100A11*
and *LRP1* (Figure 5G). Notably, gene ontology comparing mRNAs upregulated in 5w Aβ hiNS(+)
relative to ctrl hiNS(+) astrocytes (Suppl. Table 8) showed that the top-ranked term in the
molecular function category was Aβ binding (Figure 5H). By contrast, genes that were significantly
decreased in 5w Aβ hiNS(+) astrocytes were highly associated with gene ontology terms like
nervous system development and postsynaptic membrane (Suppl. Table 9), suggesting that the
presence of Aβ interferes with normal astrocyte biology and cellular interactions.

Next, we compared astrocytes of 3w and 5w Aβ directly with or without hiMG addition and plotted
the results in volcano plots (Figure 5I). Again, the expression of AD-associated astrocyte genes
depends on the presence of hiMG during Aβ exposure, including genes such as *GFAP*, *APOE*,
and *VIM.* Interestingly, we found DEGs linked to oxidative stress handling (*OXR1*, *CCL2* and
*CHL1*) to be upregulated only in 3w Aβ hiNS(+), the experimental group in which we observed a
significant reduction in Aβ induced oxidative stress (Figure 4D). Thus, in hiNS(+) exposed to Aβ
for 3 weeks, hiMG increase the expression of subsets of astrocyte marker genes associated with
AD as well as the expression of genes handling oxidative stress.

**Chronic Aβ treatment results in heterogenous gene expression profiles in hiMG**

After characterizing the shift in astrocyte gene expression by hiMG during chronic Aβ exposure
we subsetted the microglia/macrophages (cluster 13, Figure 5A) of the 5w Aβ hiNS(+)
experimental group to investigate gene expression profiles in hiMG to better understand their
reactive state. We identified 3 distinct clusters within the microglia/macrophage group which we
identified further by DEG analysis (Figure 6A). Cluster 13a showed similarities to a more
macrophage-like population characterized by upregulation of *CD36, TLR2, SYK, SLC11A1* and
*PTPRC.* Cluster 13c mimics gene expression of homeostatic microglia-like cells including
upregulation of *ITGAM*, *CX3CR1* and *P2RY12*. Cluster 13b gene expression was similar to a
disease associated microglia (DAM)[35]-like state, sharing a large number of DEGs including
*APOE*, *TREM2*, *CD9*, *LPL*, *CD9* and *B2M,* indicating that chronic Aβ exposure induces a similar
activation state in a subset of hiMG in 5w Aβ hiNS(+) (Figure 6B). We conclude that the
microglia/macrophage population in Aβ treated hiNS(+) is heterogeneous and that each
subpopulation could play distinct pathophysiological roles. We performed gene ontology analysis

on all three clusters highlighting distinct biological processes of each individual group (Figure 6C).
Volcano plots highlighting DEGs genes of interest for each sub-cluster displayed in Figure 6D
(see heatmap with most significant DEGs in Figure S6).

**APOE expression in Aβ treated hiNS is hiMG-dependent**

*APOE* is well known for being the most important genetic risk factor for sporadic AD and its role
in amyloid clearance[36]. The iPSC-line used in this study carries the common homozygous ε3 allele
thought to be 'neutral' without increasing or decreasing AD risk. We found astrocytic *APOE*
expression to be upregulated in 5w Aβ hiNS(+) (Figure 5F,G) as well as in a subset of hiMG
(Figure 6B,D) from the same treatment group. We next immunostained for APOE in fixed slices
(80 μm) of hiNS of all six experimental groups and found significant increases in immunoreactivity
exclusively in 3w/5w Aβ hiNS(+), indicating that high expression of APOE appears only in Aβ-
treated hiNS that also contain hiMG (Figure 7A,B). Next, we investigated if APOE is present
intracellularly in hiMG and/or astrocytes by co-staining for IBA1 and GFAP. We observed APOE-
positive hiMG whereas APOE-positive astrocytes were less frequent (Figure 7C). Additional co-
staining for APOE and Aβ (4G8) of 5w Aβ hiNS(-/+) confirmed that extracellular APOE aggregates
co-localized with extracellular Aβ at the outer tissue volumes of hiNS in a microglia-dependent
manner (Figure 7D). We then examined APOE expression patterns in human post-mortem AD
brain sections to validate our APOE expression data in our AD neurosphere model. To remove
background and autofluorescence of paraffin-embedded human cryosections, we cleared and
expanded the tissue, based on a recently developed protocol[37] prior to immunofluorescence, and
stained sections from two familial AD as well as one sporadic AD patient. In all three patients, we
found APOE co-localized with dense-core Aβ plaques, while co-staining for GFAP revealed
APOE-positive astrocytes in AD patients (Figure 7E). In summary, our 5w Aβ hiNS(+)
experimental condition mimics key features of AD APOE expression, offering a novel tool to study
APOE function in microglia and/or astrocytes.

**Discussion**

**Functional characteristics of hiNS demonstrate healthy brain physiology**

Our protocol for the generation of hiNS relies on the differentiation of human iPSC-derived NPCs
into neuronal and astrocyte-like cell populations into a spherical 3D tissue culture model (Figure
1,2). We extensively characterized the physiological properties of hiNS and showed that neurons
in hiNS maintain a healthy reduced redox status with high levels of synchronized wave-like
neuronal activity, matching previous reports of calcium waves in both brain development[38,39] and
other neurosphere cultures[40,41]. Our pharmacological data suggest that both excitatory and
inhibitory neurons contribute to calcium wave formation and dynamics matching other
pharmacological studies[41]. During brain development, not only do neurons and astrocytes play
key roles, but infiltrating microglial cells into the brain are vital in shaping the neuronal network[42].
Few other studies[15,43] have incorporated microglia into neurospheres using different protocols
suggesting robust tissue infiltrating properties of iPSC-derived microglia/macrophages. hiMG
readily infiltrate hiNS attached to Matrigel-coated surfaces, and we demonstrate that hiMG display
microglia-like electrophysiological properties similar to mature *in situ* ramified mouse or human
microglia[28,30,44]. Moreover, we show that the presence of microglia shapes neuronal calcium wave
frequency and duration but also how they alter the transcriptional landscape of other cell types in
hiNS (Figure 1). Our gene expression analysis of astrocytes in hiNS with vs. without hiMG
revealed an increase of gene expression linked to mitochondrial function and oxidative

phosphorylation, indicating increased metabolic function in the presence of microglia. We believe
that our hiNS offer unique opportunities to investigate neuron-glia interaction in human brain
development.

**Chronic Aβ induced neurotoxicity in hiNS mimics hallmarks of AD pathology**

Instead of utilizing familial AD mutations in *APP* or *PS1* to drive Aβ pathology, we modeled chronic
amyloidosis by supplementing hiNS media with low concentrations of oligomeric Aβ (~0.24
μg/mL) for 3 to 5 weeks to induce transient and slow neurotoxicity (Figure 3). Accumulation of Aβ
in the brain of AD patients is believed to be one of the earliest pathological events, occurring
decades before dementia manifests[45]. We did not observe any pathological impact within the first
2 weeks of Aβ exposure in hiNS, even though Aβ aggregates can be detected in the tissue at that
point. However, at the end of 3-week long exposure to Aβ we found that calcium wave frequency
dropped and that oxidative stress became evident (Figure 3). Oxidative stress is a known early
hallmark of AD believed to precede the loss of neurons[46,47]. It can be observed by
immunofluorescence staining of post-mortem AD brain tissue[48]. Here we demonstrate how
chronic Aβ exposure over time leads to the build-up of oxidative stress in neurons, which precedes
the severe cell death observed after 4-5 weeks of Aβ treatment. Similarly, network dysfunction
and synaptic dysregulation[49] are early known features of AD pathogenesis are believed to
precede neurodegeneration and coincide with the formation of Aβ induced oxidative stress in
hiNS. Our immunofluorescence staining of hiNS after long Aβ exposure indicates an increase in
cleaved Casp-3 immunoreactivity and TUNEL fluorescence, implicating apoptosis as a key cell
death pathway. Although caspase-dependent cell death has been proposed as a neuronal death
pathway in AD[50,51], multiple other pathways have more recently been proposed to play a  role in
later stages of disease progression[52]. More research is needed to decipher the exact cell death
pathways in our Aβ treated hiNS, but our model offers a slow-progressing pathology to study key
AD disease mechanisms in a human 3D tissue environment.

**Impact of hiMG on Aβ clearance and neurodegeneration**

While microglia have gained substantial attention in the field over the past 10 years, their precise
role in AD pathogenesis remains elusive[53-55]. During the initial stages of AD, microglia are
generally believed to release anti-inflammatory cytokines and neurotrophic factors, and are
efficient in phagocytosing Aβ; later in AD pathology microglia switch to producing pro-inflammatory
cytokines, actively contribute to neurodegeneration and have a reduced capacity to clear Aβ from
the brain[56-58]. We have demonstrated that hiMG, within a 10-day time window, prevent oxidative
stress and sustain neuronal calcium wave activity early during chronic Aβ treatment. When
introducing hiMG at a later stage, loss of neuronal activity or severe oxidative stress was not
recovered, but overall cell death in hiNS was markedly reduced, highlighting robust
neuroprotection (Figure 4D-F). Quantifying levels of a series of pro-inflammatory cytokines from
the supernatant of all treatment groups revealed that all measured cytokines were produced in all
hiNS(+) groups. However, typical pro-inflammatory cytokines, like IL1β and TNFα, were not
elevated in 3w/5w Aβ hiNS(+) when compared to ctrl hiNS(+). Indeed, we saw a robust release
of these cytokines (Figure S1) when hiMG were stimulated with LPS, which is known to induce
pro-inflammatory cytokine production[59]. We conclude that the production of cytokines in ctrl
hiNS(+) marks the baseline levels without indicating a pro-inflammatory phenotype. The only two
cytokines significantly increased with Aβ treatment were IL-6 and IL-12 (Figure 4G), which have
previously been reported to play either pro- or anti-inflammatory roles[60-64]. Defining the definite

roles of these cytokines should be addressed in future studies to shed light on which cytokines
have a clear neuroprotective function in our human AD model system. Levels of aggregated and
soluble Aβ were markedly reduced in 3w Aβ and 5w Aβ hiNS(+), respectively, strongly indicating
active phagocytic capacities of hiMG. Other groups have reported that human iPSC-derived
microglia are capable of phagocytosing Aβ[65,66]. We, therefore, conclude that hiMG acquired an
overall neuroprotective phenotype in our chronic Aβ model system.

Recently, Takata et al.[67] have demonstrated in a similar 3D cell culture model that the addition of
iPSC-derived primitive macrophages during Aβ treatment resulted in less Aβ aggregation and
better survival of neurons, indicating that this activation state of microglia-like cells is consistent
between similar model systems. Modelling interaction with peripheral immune cells is a possible
requirement to trigger robust pro-inflammatory phenotypes. Blood-brain-barrier (BBB) breakdown
leads to infiltration of soluble factors and cells from the periphery and is a known hallmark of AD
and linked to neuroinflammation[68], this process is not modelled in the current study. Most recently,
in an amyloid-overproducing 3D tissue culture model comprised of neurons, astrocytes and
microglia, the addition of peripheral immune cells, particularly CD8[+] T cells, greatly facilitated Aβ
induced neurodegeneration; although the addition of microglia alone appeared to have neurotoxic
effects[15], matching previous observations using the same model system[43]. It is therefore
reasonable to suggest that our hiMG could be polarized to a more neurotoxic function by further
modelling aspects of BBB breakdown or interaction with peripheral immune cells.

**Astrocyte AD-like activation state depends on hiMG-facilitating neuroprotection**

Our immunofluorescence staining revealed a dramatic increase in reactive microglia and GFAP
immunoreactivity in 5w Aβ hiNS(+), suggesting gliosis triggered by Aβ exposure (Figure 4C).
Reactive astrocytes are known to play both beneficial and detrimental roles in AD pathology[69]. To
understand the reactive state of astrocytes in our AD model system we performed snRNA-seq
analysis on Aβ treated hiNS with or without hiMG, comparing gene expression levels to control
hiNS. The size differences of identified cell populations in our merged data set confirmed our
immunohistochemical analysis. Firstly, hiMG populations were exclusive to hiNS(+) treatment
groups in which 5w Aβ hiNS(+) harbored far more microglia than ctrl and 3w Aβ hiNS(+). Secondly,
in the absence of hiMG, chronic Aβ treatment resulted in much lower cell counts, indicating severe
loss of excitatory neurons in 5w Aβ hiNS(-) (Figure 5B).

We found that the presence of hiMG shifted the transcriptional profile of the astrocyte cluster in
Aβ treated groups. Interestingly, 3w and 5w Aβ hiNS(+) astrocytes appeared to have unique
transcriptional profiles (Figure 5C,D). DEG analysis comparing astrocytes of 5w Aβ vs. ctrl hiNS(+)
highlighted significant upregulation of a number of genes associated with reactive astrocytes in
human AD. One of the most significantly upregulated genes was *APOE*, which is known to be the
largest genetic risk factor for sporadic AD and is expressed predominantly by astrocytes and
microglia in the human brain[36,70]. Surprisingly, our results show that Aβ induced upregulation of
*APOE* depends on the presence of hiMG. *APOE* is closely involved in amyloid clearance, and its
alleles ε2 and ε4 are extensively studied for their protective and deleterious roles, respectively[71].
The iPSC-line used in this study carries homozygous ε3 alleles not associated with any changes
in AD risk.

Cytokines produced by microglia are known to shape astrocyte activation states[72,73]. We found
that the addition of hiMG to hiNS increases the soluble level of a range of different cytokines in

the cell culture media (Figure 4G) and we found hiMG to be able to change the astrocytic transcriptomic state under control conditions (Figure 1). We hypothesize that microglial cytokines are the key driver in shaping astrocyte function in our neurosphere model system.

Our data indicates a previously unknown microglia-astrocyte crosstalk in AD and speculate that hiMG cytokine production could be the trigger for *APOE* expression in astrocytes since a crosstalk of cytokine and *APOE* expression has been reported in various tissues and model systems[74]. A number of other genes of interest were also only upregulated in the presence of hiMG: 1) *LRP1* is a receptor for APOE and has been associated with neuroprotection in animal models of AD[75,76], 2) *CLU* is an extracellular chaperone linked to neuroprotection via Aβ aggregation and clearance by astrocytes[77,78], and 3) *VIM* was reported to be upregulated in AD although its role in pathology remains elusive[79-81]. Significant gene ontology processes in 5w Aβ hiNS(+) astrocytes included Aβ binding, phagocytosis and endocytosis, indicating that, in the presence of microglia, astrocytes become reactive and could participate in Aβ clearance. Next, we analyzed astrocytes comparing DEGs of hiNS(-) vs hiNS(+) after 3w/5w Aβ treatment separately to identify more microglia-dependent astrocyte genes. Many DEGs were re-identified to the previous 5w Aβ hiNS(+) vs ctrl hiNS(+) comparison such as *VIM*, *SPP1*, *APOE*, *LRP1* and *S100A11*, highlighting the importance of hiMG in driving astrocyte gene expression (Figure 5I). Interestingly, *GFAP* was significantly upregulated in hiNS(+) astrocytes compared to their hiNS(-) counterpart in both 3w and 5w Aβ comparisons. Note that *GFAP* was not differentially expressed when comparing 5w Aβ hiNS(+) to ctrl hiNS(+) astrocytes earlier, although our immunofluorescence analysis strongly indicates an increase in GFAP immunoreactivity indicating astrocyte activation (Figure 4C). Our snRNA-seq quantification of astrocyte numbers (Figure 5E) indicates that 5w Aβ hiNS(+) harbors the largest population of astrocytes compared to all other groups. Therefore, the increased GFAP immunoreactivity could be a result of either or both an increase in astrocyte numbers or increase in *GFAP* expression. This highlights possible limitations of snRNA-seq, as it only captures mRNA still inside the nuclei at the time of tissue harvest, not the full transcriptome[82]. Upregulation of *GFAP* in AD-associated astrocytes is a well-known biomarker for AD[80,83,84] and is believed to be associated with a neuroprotective reactive phenotype[85,86]. A recent study described a loss of homeostatic gene expression in AD astrocytes, including downregulation of *NRXN1* and *CADM2*[87]. Both genes were significantly downregulated in astrocytes of 3w/5w Aβ hiNS(+) compared to hiNS(-), indicating hiMG dependence. Another gene of interest that was downregulated is *SLC7A11*. Since its upregulation was recently associated with neurotoxic functions of astrocytes[88], this further supports a neuroprotective astrocyte phenotype in the presence of hiMG.

The presence of hiMG in 3w Aβ hiNS dramatically ameliorated Aβ induced oxidative stress (Figure 4D). Interestingly, we identified genes linked to oxidative stress response in astrocytes (*OXR1*, *CCL2*, *CHL1)* were significantly upregulated with hiMG, indicating astrocytes could play a role in reducing neuronal oxidative stress. *OXR1* increases oxidative stress resistance[88]. A recent study found upregulation of *OXR1* following omaveloxolone treatment in a mouse model of AD linked to markedly reduced AD pathology[89]. *OXR1* therefore could be an interesting target for future studies.

We further found that hiMG in 5w Aβ hiMG(+) sub-cluster into three distinct populations including one group resembling a unique transcriptional profile of damage associated microglia[35] which includes the expression of *APOE* and *TREM2*, two genes extensively studied in AD research.

Overall, our snRNA-seq analysis indicates that astrocytes, in the presence of hiMG, and hiMG themselves during our chronic Aβ model acquire neuroprotective reactive phenotypes matching gene expression of human AD-glia. Our here presented model therefore offers unique opportunities to study AD pathways involving neuron-glia-Aβ interaction to identify new therapeutic targets for the treatment of AD.

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**Methods**

**Generation of human iPSCs and induction of NPCs**

The presented work on hiPSCs was approved by the University of British Columbia's Clinical Research Ethics board. A single cell line was used, obtained from a healthy female individual carrying the *APOE* alleles ε3/ε3. Peripheral blood was drawn and hiPSCs were generated from erythroid progenitor cells. The cell line has been used and characterized by our laboratory in the past[90,91].

hiPSCs were grown on Matrigel (BD Biosciences, Franklin Lakes, USA) coated 6-well plates in mTeSR™ Plus (STEMCELL Technologies, Vancouver, Canada). Media was supplemented with 10 μM Y-27632 (EMD Millipore, Burlington, USA) for 24h after plating. Cells were fed every 2-3 days and used for both the induction of neural progenitor cells (NPCs) and microglial differentiation. For storage, cells were frozen in media, supplemented with Y-27632 and 10% DMSO (EMD Millipore) in liquid nitrogen (LN).

hiPSCs to NPC differentiation was achieved by a dual SMAD inhibition protocol as described before[92]. In short, hiPSCs were plated in 6-well plates in Basal Neural Maintenance media (BNMM) (Suppl. Table 1) supplemented with 10 μM SB-431542 (Tocris, Bristol, United Kingdom) and 0.5 μM LDN-193189 (Tocris) for 7 days, followed by a 3-week differentiation in Neural Stem Cell Media (see Supplementary Table 1) with media changes every 2-3 days. NPCs were then expanded and passaged twice before freezing them down in LN (BNMM supplemented with Y-27632 and 10% DMSO) at P2.

**Neurosphere generation**

To generate human iPSC-derived neurospheres (hiNS), P2 NPCs were thawed and plated in Matrigel-coated 6-well plates using Neurosphere Expansion Media (NEX) (Suppl. Table 1) supplemented with 10 μM Y-27632 for 24h. Cells were fed every 2-3 days and allowed to recover for at least 5 days until the cell density was sufficient to start hiNS generation. To start hiNS formation, NPCs were lifted using Accutase (STEMCELL Technologies) and plated in single wells of AggreWell™800 plates at a density of $1.2 * 10^6$ NPCs per well in NEX supplemented with 10 μM Y-27632 for 24h and centrifuged for 2 min at 100g. hiNS were fed daily by careful partial media changes until day 7 (days in vitro, DIV 7). At DIV7 hiNS were dislodged using wide bore tips and 37 μm reversible strainers (STEMCELL Technologies) and transferred to standard 10 cm cell culture petri dishes in Neurosphere Differentiation Media (NDM) (Suppl. Table 1) and immediately

placed on an orbital shaker (Celltron, Infors HT, Bottmingen, Switzerland) in the cell culture
incubator at 65 rpm. hiNS were fed every 2-3 days by full media change and switched to
Neurosphere Maintenance Media (NMM) (Suppl. Table 1) on DIV 28. hiNS were kept in the petri
dishes until DIV 39-41 when they were transferred to Matrigel coated (1% overnight) single wells
of 48-well plates for future experiments either on regular cell culture plates, 8 mm coverslips or
glass bottom live imaging plates (MatTek, Ashland, USA). For precise positioning on glass
surfaces a tissue dissection microscope (Zeiss Stereo Discovery V8) was used inside a biosafety
cabinet. Plated hiNS readily attach to surfaces allowing for easy confocal live imaging. To induce
the expression of genetically encoded fluorescent proteins, hiNS were transduced with 0.5-0.75
$\mu$L of custom AAVs (AAV2/PHP.eB) on the day of plating. Promoters used were *gfaABC1D* (for
EGFP) and *hSyn* (for mCherry, roGFP1, GCaMP6f and iGluSnFr) and all AAVs titers ranged from
1-2 * $10^{13}$ gene copies per mL. After plating and transduction, hiNS media was partially changed
every 2-3 days.

**Differentiation of human iPSC-derived microglia**

Human iPSC-derived microglia (hiMG) were differentiated based on a protocol by the Cowley lab
with minor adjustments[90] as follows. hiPSCs were collected from 6-well plates using Accutase and
1.5 * $10^6$ cells were added to a single well of an AggreWell™800 plate in Embryoid Body Media a
(Suppl. Table 1) and centrifuged at 100g for 2 min. Media was changed daily for 4 days. On day
5, EBs were collected using a wide bore tip and a 37 $\mu$m reversible strainer and resuspended in
10 mL Hematopoietic Differentiation Media (HDM) (Suppl. Table 1) in a standard T75 Cell Culture
flask. The flask was kept in the incubator for 7 days without feeding or moving for EBs to attach
to the surface. Afterwards, EBs were fed with 5 mL of HDM twice a week. As early as day 35,
accumulating macrophage precursors were harvested for subsequent microglia differentiation.
Collected HDM enriched with macrophage precursors was centrifuged at 400g for 5 min and cells
were resuspended in Microglial Differentiation Media (MDM) (Suppl. Table 1) and plated in 6-well
glass bottom plates at densities of 0.75-1 * $10^6$ cells/cm$^2$. Partial media changes were conducted
every 2-3 days with MDM and hiMG were allowed to differentiate for 10-14 days.

**Microglia transfer into neurospheres**

589  Mature hiMG after 10-14 days of differentiation were collected using TrypLE Express (Thermo
590  Scientific, Waltham, USA) and resuspended in NMM supplemented with 100 ng/mL IL-34
591  (BioLegend, San Diego, USA)) and 25 ng/mL TGF$\beta$1(PeproTech, Cranbury, USA) and added to
592  well-attached hiNS in 48-well plates at a density of 35,000 cells/well between DIV 49-60. hiNS(+)
593  were fed with partial media changes every 2-3 days with NMM supplemented with IL-34/TGF$\beta$1.

**ELISA**

For multiplex ELISA assays of hiNS media, the supernatant of 6 individual hiNS (across all
treatment groups) was pooled together and frozen at -80°C. Before analysis, samples were
thawed on ice and concentrated using Amicon Ultra 3kDa centrifugal filters (EMD Millipore) by
centrifuging 500 $\mu$L at 14,000g for 15 min. This step was repeated twice until all media was
concentrated. Concentrated media was then collected after flipping the filter and centrifuging
again at 1000 g for 2 minutes. The resulting total volume for each pooled sample of concentrated
media was ~80 $\mu$L. For soluble A$\beta$ quantification the V-PLEX A$\beta$ Peptide Panel 1 (4G8) (Meso
Scale Diagnostics, Rockville, USA) was used for electro chemiluminescent detection
of A$\beta$38, A$\beta$40, and A$\beta$42 in concentrated supernatant. Samples were diluted 1/5,000 in Diluent

35 (provided in the kit). All samples and calibrators were run in duplicate following manufacturers' instructions.  To quantify cytokine expression in hiNS media, the same samples were used for the V-PLEX Cytokine Panel 1 Human Kit (Meso Scale Diagnostics) for the quantification of ten cytokines: GM-CSF, IL-1α, IL-5, IL-7, IL-12/IL-23p40, IL-15, IL-16, IL-17A, TNF-β, and VEGF-A. All concentrated samples were diluted 15x and all samples/calibrators were run in duplicate following the manufacturer's instructions. MESO QuickPlex SQ 120MM was used for plate reading and protein concentrations were determined using the Discovery WorkBench Software provided by Meso Scale. For cytokine quantification, concentrated supernatant protein concentration was detected via BCA for normalization of cytokines between samples.

**Oligomeric Aβ preparation**

Synthetic lyophilised Aβ1-42 (ERI Amyloid Laboratory, New Haven, USA) was mixed thoroughly and dissolved in 40 µL of DMSO for 20 minutes at room temperature (RT) at a concentration of ~2 mM. The mixture was then separated into two 20 µL aliquots and 1 mL of F12 (Thermo Scientific) media was added to each aliquot. The dissolved Aβ was incubated at RT for 24 hours to induce oligomerization. Next, 500 µL of the oligomeric Aβ1-42 (Aβ) was centrifuged at 14,000 g for 15 minutes using Amicon Ultra 3kDa centrifugal filters. This was repeated 3 times to concentrate the Aβ. The Aβ was then washed twice with 500 µL of PBS and centrifuged at 14,000 g for 15 minutes. The filters were then flipped onto collection tubes and centrifuged at 1000 g for 2 minutes to collect the Aβ. The final Aβ was stored at –80°C. To determine the final Aβ concentration we used a multiplex Aβ (6E10) ELISA panel (see above) on four different batches of Aβ. The final stock concentration of Aβ was 0.24 ± 3.4 mg/mL.

To conjugate Aβ with pHrodo red/green (Thermo Scientific), 2 µL were added into each 1 mL of the F12/Aβ mix prior to centrifugation and incubated at 4°C in the dark for 3 hours. Centrifugation steps were continued afterwards as described above with one additional PBS washing step and the conjugated pHrodo-Aβ was stored in the dark at -80°C.

**Chronic Aβ treatment paradigm**

To model chronic amyloidosis in our 3D neurosphere cultures, we supplemented NMD/NMM with Aβ in a 1:1000 dilution resulting in a final Aβ concentration in the media to be 0.24 µg/mL. Aβ was added during partial media changes (150 µL from a total of 400 µL per well) calculated for the total volume of the wells resulting in a gradual increase of aggregated Aβ over time. The duration of Aβ treatment was either 3 or 5 weeks. For the control groups (ctrl hiNS(-/+)), media was supplemented with 3.6 µg/mL scrambled Aβ42-1 for a total of 3 weeks.

**Confocal microscopy of neurospheres**

For live neurosphere imaging, hiNS were plated and transduced with AAVs in 48-well glass bottom plates as described above. hiNS were imaged 7-10 days post transfection using a confocal microscope equipped with a live imaging incubator system (LSM 880, Zeiss, Oberkochen, Germany). For *hSyn*-GCaMP6f and *hSyn*-iGluSnFr, 3-5 min time series were recorded of green emission excited using a 488 nm argon laser. hiNS display synchronized wave-like neuronal activity leading to rises in neuronal calcium levels (quantifying GCaMP6f) or a rise in extracellular glutamate concentrations (quantifying iGluSnFr) (Figure 1). AQuA[93] was used for calcium wave quantification as follows. For each hiNS, calcium activity was recorded at one z-plane for 300 frames at a frame rate of 0.931 seconds per frame, and the resolution was 0.692 µm per pixel.

Prior to analysis, the resolution was downsized to 1.384 μm/pixel in FIJI to allow for smoother
processing. In AQuA, an ROI was drawn around each neurosphere. For event detection, AQuA
uses the parameters intensity threshold, smoothing, and minimum pixel size, which were adjusted
so that signals that spanned the entire neurosphere were counted as a single event, and other
background single cell activity was classified as noise and ignored.

To quantify neuronal redox states in hiNS we employed roGFP1[19], a genetically encoded redox
indicator we have used in the past[20]. roGFP is a ratiometric indicator in which upon oxidation, the
excitation spectrum of roGFP shifts to lower wavelengths (~400 nm) while fully reduced roGFP
has a maximum excitation peak at ~490 nm. The green fluorescence of roGFP on the other hand
is not affected by its redox states. Therefore, roGFP1 was imaged on our live imaging confocal
microscope alternately with either a 405 nm laser (maximum excitation for oxidized roGFP1) and
a 488 nm laser (maximum excitation for reduced roGFP1) to quantify neuronal redox states
across experimental conditions. Laser settings were kept constant and green emission for both
excitation wavelengths were captured and averaged across a 30 μm z-stack. The '*roGFP1 ratio*'
(Figure 1) was defined as green emission acquired exciting at 405 nm and divided by green
emission acquired exciting at 488 nm. For one data set (Figure 3D) hiNS expressing roGFP1
were fixed in 4% PFA substituted with 20 mM N-Ethylmaleimide to preserve the redox state of
roGFP1 allowing post-fixation redox imaging[20].

**Human formalin-fixed paraffin-embedded (FFPE) Magnified Analysis of Proteome (MAP)**
**tissue clearing and expansion**

666  The FFPE MAP procedure was adapted from the original MAP procedure[94] with slight
667  modifications[37]. Three FFPE brain sections with 4 μm thickness were used, two familial AD
668  patients and one sporadic AD patient.

*Deparaffinization and rehydration:*

High precision #1.5 coverslips were cut and glued directly on the original slides to which the
sections were attached on each side of the sections. These served as spacers for the gel
embedding (see below). Then sections were deparaffinized and rehydrated by washing them
with xylene three times for 5 min each and then two times for 5 min each in the following
solutions: 100% ethanol 95% ethanol, 70% ethanol, and 50% ethanol. Finally, the samples were
rinsed two times with deionized water for 5 min each. From this step onward, samples were
protected from light.

*Post-fixation:*

678  Sections were kept in fixative solution (4% PFA in PBS) for 2 h at 37°C then washed three times
679  in washing solution (PBS with 0.02% of NaN3) from 30 min each at 37°C with gentle shaking.

*AA-integration:*

681  Sections were incubated in low-AA solution (4% acrylamide (Sigma Aldrich, A3553), 4% PFA in
682  PBS) at 4°C with agitation overnight, followed by a 2 h incubation at 37°C with gentle shaking.

*Inactivation:*

684  Brain sections were washed with washing solution three times at 37°C for 30 min each.
685  Sections were then incubated in Inactivation solution (1% acetamide (Sigma Aldrich, A0500),

686    1% glycine (Sigma Aldrich, G7126), 0.02% NaN3 (Sigma Aldrich, S2002) with the pH titrated to
687    9.0 with NaOH) at 37°C for 3 h with gentle shaking.

*Monomer incubation:*

689    Brain sections were washed with washing solution three times at 37°C for 30 min each. MAP
690    solution was made by freshly adding V-50 initiator (Sigma Aldrich; 440914) to a solution of 30%
691    acrylamide, 0.1% bisacrylamide (Sigma Aldrich, M7279), and 10% sodium acrylate (Sigma
692    Aldrich, 408220) in PBS; the brain sections were incubated in MAP solution overnight at 4°C
693    with gentle shaking.

*Mounting and gel embedding*:

The gelation was done directly on the original slides to which the sections were attached. 100
µL of MAP solution with freshly added V-50 initiator was placed directly on each section and
topped with a coverslip to form gelation chambers. Gelation chambers were placed in a humid
gelation box which was sealed, and the air purged with nitrogen gas. The gelation box was put
in the oven at 45°C for 2 h 30 min, following which the hybrid gel–tissue was removed and
excess gel around the tissue cut away.

*Denaturation, clearing, and expansion:*

The tissue–gel hybrid sections still attached to the slides were immersed in denaturation
solution (in mM, 200 SDS, 200 NaCl, 50 Tris, pH 9) and incubated at 65°C for 3 days with gentle
shaking using an EasyClear device (LifeCanvas Technologies). The FFPE-MAP tissue–gel
hybrids generally floated free of the slides after denaturation. Sections were washed 4 times for
1 h each with 0.001× PBS and gentle shaking and then incubated in 0.001× PBS at RT
overnight with gentle shaking. To prepare the sections for immunostaining, the 0.001× PBS was
replaced with PBST (0.1% Triton X-100 in PBS) for 1 h before staining. The side that had been
facing the original slide, thus which had the tissue at the surface, was mounted next to the
coverslip for imaging.

**Immunofluorescence**

For immunofluorescence staining, hiNS were plated on 8 mm glass coverslips and fixed in 4%
paraformaldehyde for 1h. Fixed hiNS were washed and kept in PBS at 4°C before staining.
Immunofluorescence stainings were conducted as described before[20]. hiNS were either stained
in full or sliced with a vibratome into 80 μm thin sections (VT1200, Leica, Nussloch, Germany)
before immunostainings. In brief, hiNS (full or slices) were blocked with 10% normal donkey
serum (NDS) (Jackson ImmunoResearch, West Grove, USA) in 0.1M PBS containing 2% Triton
X-100 and 20% DMSO for 1h. Afterwards, samples were washed once with PBS before incubating
in primary antibody solution containing 0.1M PBS, 2.5% NDS, 2%Triton X-100 and 20% DMSO.
Primary antibodies used were Aβ (6E10), 1:500 (BioLegend, San Diego, USA); Aβ (4G8), 1:500
(BioLegend); Aβ (mOC87), 1:500 (abcam, Cambridge, United Kingdom); GFAP, 1:1500 (Thermo
Scientific); MAP2, 1:1500 (abcam); IBA1, 1:500 (FUJIFILM Wako Chemicals, Richmond, USA);
Cleaved Caspase-3, 1:500 (Cell Signaling Technologies, Danvers, USA). Afterwards, samples
were thoroughly washed with PBS 3-4 times before incubating in secondary antibody solution
containing 0.1M PBS, 2.5% NDS, 2%Triton X-100 and 20% DMSO and secondary antibodies
targeted against the host species of primary antibodies conjugated with either Alexa Fluor 405,
488, 568 or 647 (Thermo Scientific) and incubated for 1h. For quantification of apoptosis, TUNEL

(Click-iT™ Plus, Invitrogen) was used following the manufacturer guidelines after immunostainings were performed. After 3-4 washing steps in PBS, stained hiNS were imaged on the LSM 980 confocal microscope (Zeiss). Quantification of fluorescence was performed using FIJI (ImageJ 1.53t). The immunostaining protocol for FFPE MAP human sections was performed the same way except for using a 0.1% Triton-X-100 PBS solution for blocking and staining buffers instead of the 2% Triton-X-100/20% DMSO mix.

**Western Blot**

Western blot analysis was performed on differentiating hiMG harvested at different time points. Cell lysates were prepared using RIPA lysis buffer supplemented with phosphatase and protease inhibitor cocktail (Roche, Basel, Switzerland), followed by centrifugation at 13,000g for 10 minutes at 4°C. The resulting supernatant was diluted with 4x Laemmli sample buffer and boiled for 5 minutes before loading onto Mini-Protean TGX gels (Bio-Rad, Hercules, USA). Subsequently, SDS-PAGE was conducted, and the separated proteins were transferred onto PVDF membranes using a Trans-Blot Turbo semi-dry transfer system (Bio-Rad). Membranes were blocked using 3% BSA in TBS with 0.1% Tween20 (TBST), followed by overnight incubation at 4°C in TBST with primary antibodies against IBA1 (GTX635400, 1:500, GeneTex, Irvine, USA,) or GAPDH (PA1988, Thermo Scientific, 1:1000). After washing, membranes were probed with HRP-conjugated secondary antibodies (Jackson ImmunoResearch) for 2 hours at room temperature. Protein bands were visualized using Bio-Rad Clarity Western ECL substrate and imaged with a ChemiDoc MP imaging system. Protein band size and intensity were quantified using ImageJ software.

**Electrophysiology and 2-photon imaging**

Patch-clamp recordings on microglial cells were performed on hiNS(+) either ctrl or Aβ (3w/5w) treated after plating them on coverslips, which allowed moving them to a 2-photon microscope for patch-clamp and image recordings (Zeiss 510Meta microscope with a Ti:Sapphire Chameleon laser). hiMG were stained with 2 μL tomato-lectin-488 (for patch-clamp) or 594 (for process motility quantification) (Thermo Scientific) per well for 30 min to allow for the identification of microglia in neurospheres using the 2-photon microscope. hiNS were supplied with a continuous perfusion of carbogen (95% $O_2$/ 5% $CO_2$) infused BrainPhys Imaging Optimized media (STEMCELL Technologies) and the following intracellular solution was used for microglial patch-clamp recordings, as described before (in mM)[28,29]: KCl,130; $MgCl_2$,2;$CaCl_2$, 0.5; Na-ATP, 2; EGTA, 5; HEPES, 10 and sulforhodamine 101, 0.01 (Sigma Aldrich) at an osmolarity of ~370 mOsm and a pH of 7.3. Borosilicate patch pipettes were pulled with a final pipette resistance of 3-5 MΩ. hiMG were targeted using the lectin fluorescence and clamped at -40 mV after reaching whole-cell configuration. A series of de- and hyperpolarizing voltage steps were applied ranging from -150 to + 60 mV with 10 mV increments and patched hiMG with abnormally small capacitances (<10 pF) or a series resistance of >65 MΩ were discarded. To test if hiMG perform surveillance functions and respond to tissue damage, ctrl hiNS(+) (N=3) were stained with lectin-594 and z-stack (27 μm thick) time series were acquired using our 2-photon microscope at 850 nm. After recording a baseline to monitor process movement, a laser lesion was burned into the centre of the neurosphere by tuning the laser to 800 nm at 100% power for 15 seconds. hiMG process movement towards the lesion was then imaged again using 850 nm excitation wavelengths in a z-stack time series recording.

**Single nuclei RNA sequencing**

Single nucleus capture was performed at the Princess Margaret Genomics Centre (Toronto, ON)
using the relevant Genomics Chromium system protocol. Libraries were sequenced on the
Illumina NovaseqX Plus instrument. FASTQ reads were aligned to the wild-type human genome
(hg38) using the relevant 10x Genomics Cell Ranger software. Output data was analyzed using
a previously described computational pipeline[21-25]. In brief, cells with low UMI counts, red blood
cells, cells with high mitochondrial DNA content, and putative doublets were removed. Genes
detected in fewer than three cells were removed and cell transcriptomes were normalized using
the scran R package to account for read depth and library size[22]. The Seurat package (v4.2.0)[21]
was then used to process the normalized expression matrices. Following this, principal
component analysis (PCA) was performed using the top 2000 highly variable genes. Next, the
top principal components were used to project the dataset into two-dimensional space as Uniform
Manifold Approximation and Projection (UMAP) embeddings using the RunUMAP function in
Seurat. Afterwards, the top principal components were also used to iteratively carry out SNN-Cliq-
inspired clustering using the FindClusters function in Seurat at resolutions ranging from 0.2 to 2.4.
Each dataset was analyzed by choosing the most conservative resolution; resolution was only
increased to interrogate cell heterogeneity or if two cell populations of known identity, based on
the expression of canonical markers, were not separating into distinct clusters as expected. To
merge or subset datasets, barcodes corresponding to the cells or cell types of interest were used
to extract relevant gene expression information from filtered gene expression matrices. For the
merging of datasets, the gene expression information from each respective dataset was then
combined. The cells were then once again run through the pipeline as described above.

For the hiNS(-/+) merged dataset (as in Figure 1A), clusters were assigned at a resolution of 0.4
(16 clusters identified with at least 107 DEGs between most similar clusters, FDR < 0.01). To
generate the subsetted astrocyte dataset (as in Figure 1D), cells from cluster 0 (res. 0.4) were
extracted and run through the pipeline. Clusters were assigned at a resolution of 0.2 (4 clusters
identified with at least 112 DEGs between most similar clusters, FDR <0.01). For the hiNS(-/+) in
control, 3w and 5w Aβ merged dataset (as in Figure 5A), clusters were assigned at a resolution
of 0.4 (16 clusters identified with at least 204 DEGs between most similar clusters, FDR < 0.01).
To generate the subsetted astrocyte dataset (as in Figure 5C), cells from cluster 0 (res 0.4) were
extracted and run through the pipeline. Clusters were assigned at a resolution of 0.2 (4 clusters
identified with at least 112 DEGs between most similar clusters, FDR <0.01).

**DEG statistical analysis**

DEG analysis of snRNA-seq data was performed using the FindMarkers function in Seurat.
Expression levels were tested using a Wilcoxon Rank Sum Test. A Bonferroni-adjusted p-value
smaller than 0.05 (padj < 0.05), coupled with an average fold-change of greater than 1.4 (FC >
1.4), was considered statistically significant.

**Gene ontology analysis**

g:Profiler (version e109_eg56_p17_1d3191d, https://biit.cs.ut.ee/gprofiler/)[95] was used to
determine which gene ontology (GO) terms were significantly differentially overrepresented in
cell populations following gene expression (fold-change > 1.4, adjusted p- value < 0.05)
comparisons. If multiple Ensembl IDs were detected for a particular gene, the ID with the most
GO annotations was used. In cases with multiple IDs with the same number of GO annotations,
the first ID was used. Some genes were excluded from analysis if Ensembl IDs could not be

found. The g:SCS multiple testing correction algorithm was used for p-value correction with a
significance threshold of 0.05.

**Pearson and single-cell correlation analyses**

Pearson correlation analysis (Figure 1H) was performed by averaging the expression of a given
transcript within each cluster/cell type of interest and correlating the expression values between
clusters/cell types using the cor.test function in R.

**Statistical analysis**

For the comparison of calcium wave frequencies (quantified by GCaMP6f imaging), paired
student-t-tests were used for pharmacological experiments and comparing two different time
points. Unpaired student t-tests were used when comparing baseline calcium wave frequencies,
Aβ phagocytosis, immunoreactivity and nuclei density of control hiNS vs. Aβ treated hiNS. For
comparing microglial densities and GFAP immunoreactivity between control, 3w Aβ and 5w Aβ
hiNS(+) ordinary one-way ANOVA followed by Holm-Sidak post-hoc tests were used. Logarithmic
transformation was done on all data sets comparing control, 3w Aβ and 5w Aβ hiNS with or without
hiMG prior to using two-way ANOVAs, testing for the effect of hiMG, followed by Holm-Sidak post-
hoc tests. Statistical significance was indicated as follows: * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$;
**** $p < 0.0001$.

**Figures legends**

**Figure 1:** Human iPSC-derived mixed cell type neurospheres (hiNS) are comprised of neurons and glia. **A**: Schematic of hiNS generation and infiltration of human iPSC-derived microglia (hiMG) to form mature hiNS. hiNS after hiMG infiltration are defined as hiNS(+) while labelled hiNS(-) in the absence of hiMG. **B**: Redox imaging of hiNS(-) following transduction with AAV.php.eb.hSyn-roGFP1. Resting redox states of hiNS(-) (N=6) were only slightly higher than that of fully reduced DTT (5mM) -treated hiNS (N=5) indicating healthy neurons throughout the 3D tissue. Full oxidation by diamide (2 mM) (N=4) indicates maximum roGFP ratios **C**: Single nuclei RNA sequencing (snRNA-seq) on hiNS(+/-). Overview of identified cell clusters and cell type identification in a merged data set of both groups **D**: Expression pattern of genes across cell populations for neuronal, astrocytic and microglia/macrophage displaying example marker genes. **E**: Datasets of origin confirming the presence of microglia/macrophage (marked in green) is exclusive to hiNS(+) and that astrocyte gene expression (marked in red) appears shifted by the presence of hiMG. **F**: UMAP of isolated astrocyte populations from both data sets reveals 3 distinct sub-clusters with clusters 0b and 0c predominantly in hiNS(+) astrocytes and cluster 0a preferentially in hiNS(-) astrocytes. **G**: Analysis of the dataset of origin illustrating the shift in astrocyte gene expression in the presence of microglia. **H**: Pearson correlation (r = 0.978) confirms the close similarities between the two astrocyte populations. **I**: Differential gene expression (DEGs) pattern of a selection of DEGs shown in heatmaps. **J**: Gene ontology analysis of astrocyte clusters with and without hiMG.

**Figure 2:** Neurons and glia are highly functional in hiNS mimicking early brain physiology. **A**: Immunofluorescence of MAP2, GFAP and IBA1 in a mature neurosphere at day in vitro (DIV) 60. **B**: Functional intracellular calcium (AAV.php.eb.-*hSyn*-GCaMP6f) and extracellular glutamate (AAV2/9-*hSyn*-iGluSnFr) imaging shows highly synchronized calcium and glutamate activity in hiNS(-). **C**: Spontaneous neuronal calcium activity traverses through hiNS in a wave-like manner. **D**: Pharmacological block of calcium waves by TTX (1 $\mu$M) (N=6), AP5 (100 $\mu$M)/CNQX (20 $\mu$M) (N=6) and GABA (300 $\mu$M) (N=6). Application of picrotoxin (100 $\mu$M) (N=4) resulted in a significant increase in calcium wave frequencies. **E**: Infiltration of hiMG in hiNS(+) results in a significant reduction in calcium wave frequencies with longer wave durations (hiNS(-): N=10; hiNS(+): N=12). **F**: Long-term confocal imaging of transduced hiNS(+) (N=4) with AAV.php.eb-hSyn-mCherry (red) and AAV.php.eb-gfaABC1D-EGFP (green) and tomato lectin DyLight 649 stained hiMG. hiMG infiltration into the tissue was quantified within the first 24h post-transfer (see yellow arrows and areas). **G**: hiMG within hiNS display surveillance behaviour with rapidly moving processes and a more stationary soma. Tissue damage induced by a laser lesion leads to rapid process outgrowth of microglia towards the lesion. **H**: Electrophysiological properties of hiMG 7-10 days post infiltration (N=9).

**Figure 3:** Chronic A$\beta$ stimulation in hiNS(-) triggers a sequence of neurotoxic events and phenotypes in the absence of hiMG. **A**: hiNS(-) cell culture media was supplemented with ~0.24 $\mu$g/mL oligomeric A$\beta$1–42 for up to 35 days. **B**: Treatment results in the formation of plaque-like A$\beta$ aggregates in hiNS(-) which can be stained with different A$\beta$ antibodies (here 6E10 and mOC87). **C**: Immunostaining for neurons (MAP2) and astrocytes/NPCs (GFAP) after 35 days of A$\beta$ exposure reveals dystrophic appearing neuronal and astrocytic processes (see white arrows) **D**: roGFP1 based redox imaging in neurospheres reveals significant oxidation indicating oxidative stress in neurons following chronic A$\beta$ treatment (N=4 each). **E**: Calcium wave frequencies (quantified by GCaMP6f live imaging) gradually decline with A$\beta$ treatment resulting in

dysfunctional neuronal activity (N=4 each). **F**: Immunostaining for cleaved Caspase-3 (c-Cas-3)
indicates apoptosis in hiNS(-) after chronic Aβ exposure. Quantification of DAPI positive nuclei in
hiNS(-) suggests neuronal death as the ultimate fate following 35 days of chronic Aβ treatment.
**G**: Co-staining for c-Cas-3/MAP2 indicates neurons undergoing apoptosis and loss of nuclei
density (N=4 each). **H**: Apoptosis after 35 days of Aβ exposure was further confirmed by a
significant increase in TUNEL fluorescence (control: N=4; Aβ: N=5).

**Figure 4:** Timing-dependent neuroprotection by hiMG in hiNS(+) during two different chronic Aβ
treatment protocols. **A**: Schematic illustrating 3-weeks (3w Aβ hiNS(+)) and 5-weeks (5w Aβ
hiNS(+)) long chronic Aβ protocols. In each, hiMG were transferred 10 days before the end of
both protocols. **B**: Quantification of hiNS areas covered by Aβ (stained for 4G8) reveals less Aβ
burden after 3w than 5w with a significant reduction in Aβ levels in 3w Aβ hiNS(+) compared to
3w Aβ hiNS(-) (N=6 each). At 5w soluble Aβ was significantly reduced in hiNS(+) supernatant at
DIV 60 measured using ELISA (4G8) (N=3; pooled supernatant from six individual hiNS each). **C**:
Immunofluorescence staining for MAP2, GFAP and IBA1 reveals a larger hiMG population in 5w
Aβ hiNS(+) compared to 3w Aβ hiNS(+) or controls (ctrl hiNS(+)) as well as an increase in GFAP
immunoreactivity in 3w/5w Aβ hiNS(+) (N=6 each). **D**: Redox imaging using roGFP1 indicates
mild oxidative stress in 3w Aβ hiNS(-) with a full rescue in 3w Aβ hiNS(+). Severe oxidative stress
in 5w Aβ hiNS(-) was not ameliorated by hiMG (N=6 each). **E**: Functional recovery in calcium
wave activity by hiMG in 3w Aβ hiNS(+) quantified using GCaMP6f. Calcium waves in 5w Aβ hiNS
were completely absent and hiMG did not result in a functional recovery (ctrl hiNS(-): N=10; ctrl
hiNS(+): N=12; 3w/5w Aβ hiNS(-/+): N=6 each). **F**: At both time points, hiMG resulted in a
reduction in c-Cas-3 immunoreactivity and ameliorated cell death (ctrl hiNS(-): N=9; ctrl hiNS(+):
N=11; 3w Aβ hiNS(-/+): N=10 each; 5w Aβ hiNS(-): N=8; 5w Aβ hiNS(+): N=11). **G**: Cytokine levels
in hiNS concentrated supernatant of all experimental conditions measured via multiplex ELISA
(N=3; pooled supernatant from six individual hiNS each). In all hiNS(-) samples, cytokine levels
were mostly undetectable or low. Cytokine production increases in hiNS(+) in ctrl and Aβ treated
hiNS with IL-6 and IL-12 levels significantly increased from ctrl hiNS(+) to 5w Aβ hiNS(+).

**Figure 5:** snRNA-seq on hiNS(-/+) in ctrl, 3w and 5w Aβ conditions reveals a hiMG-dependent
astrocyte AD-like transcriptional profile in 3w/5w Aβ hiNS(+). **A**: Merged UMAP of all 6
experimental groups displaying cell clusters and cell type identification. **B**: Split merged UMAPs
without hiMG (left) and with hiMG (right). Note the lack of a microglial population in hiNS(-),
reduced neuronal populations in the absence of microglia indicating severe cell loss after 5w Aβ
treatment. **C**: Isolated astrocyte population in a merged UMAP displaying four distinct clusters. **D**:
Data set of origin for all 6 conditions illustrating significant shifts of astrocyte gene expression
depending on Aβ treatment and hiMG presence. Dashed lines mark the rough outline of the
predominantly 3w/5w Aβ hiNS(+) astrocyte populations. **E**: Number of astrocytes sorted per sub-
cluster (top panel) and sorted by condition (bottom panel). Note that astrocyte numbers varied
between conditions with 5w Aβ hiNS(+) marking the largest astrocyte population. **F**: Differential
gene expression pattern of a selection of DEGs in 5w Aβ hiNS(+) astrocytes shown in heatmaps,
compared to ctrl hiNS(+). Note that upregulation of genes with Aβ treatment required the presence
of hiMG, including *APOE*. **G**: Overlay examples of AD-associated gene expression in astrocytes
in 5w Aβ hiNS(+) astrocytes. **H**: Gene ontology analysis of ctrl hiNS(+) and 5w Aβ hiNS(+)
astrocyte groups highlight distinct hiMG-dependent phenotypical differences in Aβ treated
astrocytes. **I**: Direct comparison of DEGs depending on hiMG in 3w (left) and 5w (right) Aβ treated

hiNS shown in volcano plots (compared in pairs). Genes of interest are labelled. Note that many AD-associated genes, such as *GFAP*, *VIM* and *APOE*, are only upregulated if hiMG were present during Aβ treatment.

**Figure 6**: hiMG after chronic Aβ treatment are a heterogeneous cell population of microglia and macrophage-like cells mimicking AD. **A**: The subset of hiMG generated from cell cluster 13 (Figure 5A) from the 5w Aβ hiNS(+) data set reveals three distinct sub-clusters (13a-c). **B**: Overlay examples are shown for each cluster of hiMG. **C**: Gene ontology analysis suggests different biological properties of each cluster. **D**: Volcano plots of DEGs with highlighted genes of interest, including *APOE* in cluster 1 of DAM-like microglia.

**Figure 7:** APOE expression in hiNS and human AD. **A**: APOE immunofluorescence in hiNS slices reveals large quantities of extracellular APOE in 5w Aβ hiNS(+). **B**: Quantification of APOE immunofluorescence (ctrl hiNS(-/+): N=4 each; 3w Aβ hiNS(-/+): N=5 each; 5w Aβ hiNS(-/+): N=5 each). **C**: Intracellular APOE identified in hiMG (stained for IBA1, cell labelled 'mg') and astrocytes in 5w Aβ hiNS(+). **D**: Co-staining of APOE with 4G8 indicates that extracellular APOE is in close proximity to Aβ aggregates close to the surface of hiNS (N=3 each). **E**: Immunofluorescence staining in cleared and expanded human AD post-mortem brain sections confirms the close proximity of APOE with Aβ deposits and intracellular APOE in astrocytes in AD (N=3, 1 sporadic AD, 2 familial AD).

**Figure S1:** hiMG differentiation timeline shows a gradual increase in IBA1 expression. **A**: hiMG were plated on coverslips and fixed at different time points during differentiation (8 to 21 days) (N=3 coverslips each time point). Immunofluorescence for IBA1 (magenta) is detectable at all time points. Co-staining with tomato lectin-488 confirms that lectin can be used to label hiMG *in vitro*. **B**: Western blot for IBA1 confirms stable expression in hiMG up to at least day 21 (N=3 each). **C**: Stimulation of hiMG with LPS for 24h results in significant TNFα and IL1β release confirming their capacity to react to proinflammatory stimuli (N=3 each).

**Figure S2:** Over-night live confocal imaging of hSyn-roGFP1 expressing hiNS(-) during chronic Aβ treatment. Recordings of 18-22h duration were conducted between DIV 87-104 with chronic Aβ treatment ranging from 7 to 23 days (N=5 over-night recordings each). **A**: Example section of an Aβ treated hiNS displaying multiple neurons oxidizing during the recording time period (see arrows). **B**: The total number of oxidizing cells per hour was quantified for both Aβ treated as well as control hiNS. In Aβ treated spheres 0.29 ± 0.02 cells oxidized per hour compared to 0.07 ± 0.01 under control conditions (student's t-test, **** p<0.0001).

**Figure S3:** Example transmitted light images of control and Aβ treated hiNS with and without hiMG. hiMG attach to the surface surrounding hiNS Note that 5w Aβ hiNS (+/-) display a darker contrast and appear to detach from the surface (see red arrows).

**Figure S4:** hiMG are effective in phagocytosing Aβ and facilitate APOE expression. **A**: Co-localization of Aβ in IBA1 or lectin-stained hiMG indicates phagocytosis of highly aggregated Aβ. **B**: In both, 3w/5w Aβ treated hiNS(+), Aβ co-localizes with hiMG cell bodies (see white arrows). Only at 5w, hiMG appear to clear volumes of tissue from Aβ leaving dark shadows in the Aβ staining pattern (see red arrows). **C**: Conjugation of Aβ oligomers with pHrodo green (pHrodo-Aβ) confirms functional phagocytosis of Aβ in hiMG. Successful microglial uptake of pHrodo-Aβ was first tested in 2D hiMG (left). 3w Aβ hiNS(+) were treated for 1w with pHrodo-Aβ to confirm

microglial Aβ phagocytosis in 3D. Additional co-staining for IBA1 and GFAP reveals that microglia
are the main cell type phagocytosing Aβ in hiNS (right) (N=6 IBA1 co-stainings; N=3 GFAP co-
stainings).

**Figure S5:** Electrophysiological properties of hiMG in 3w and 5w Aβ hiNS(+). **A**: Current-voltage
relationship of hiMG ranging from -150 to +50 mV after chronic Aβ treatment appears similar to
hiMG from ctrl hiNS(+) with no significant increase in outward or inward currents. **B**: Reversal
potentials of hiMG do not differ between treatment groups indicating membrane potentials of ~-
40 mV. **c**: Membrane capacitance of hiMG was significantly increased in hiMG of 5w Aβ hiNS(+)
indicating potentially larger cell sizes with prolonged Aβ treatment (ctrl, 3w Aβ, 5w Aβ hiNS(+):
N=9 each).

**Figure S6**: Top 10 most significant DEGs per subcluster of hiMG from 5w Aβ hiNS(+) displayed
in a heatmap.

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**Figures:**

**Figure 1:**

**Figure 2:**

**A** DIV 60 — MAP2 GFAP IBA1 — 0.1 mm

**1** — MAP2 / GFAP / IBA1 — 10 μm

**B** *neuronal activity monitored by calcium or glutamate imaging*

GCaMP6f — t1 / t2 — 0.1 mm — t1 / t2 — 0.5 ΔF/F$_o$ — 1 min

iGluSnFr — t1 / t2 — 0.1 mm — t1 / t2 — 0.05 ΔF/F$_o$ — 0.5 min

**C** *neuronal activity traverses in wave-like patterns through hiNS*

GCaMP6f — bl / t1 / t2 / t3 — ROI 3 / ROI 2 / ROI 1 — 0.1 mm

ROI 1 / ROI 2 / ROI 3 — bl t1 t2 t3 — 1 ΔF/F$_o$ — 2 sec

**D** calcium wave frequency (Hz)

baseline TTX ** / baseline AP5/CNQX *** / baseline GABA ** / baseline picrotoxin *

**E** *impact of hiMG on calcium wave kinetics*

GCaMP6f — hiNS(-) / hiNS(+) — 1 ΔF/F$_o$ — 20 sec

hiNS(-) / hiNS(+) — calcium wave frequency (Hz) *** — wave duration (s) **

**F** lectin-649 (hiMG) hSyn-mCherry gfaABC1D-EGFP

14h / 17h / 19h / 21h — 0.1 mm

infiltrating hiMG (bin 1.6h) — hours since hiMG transfer

**G** *hiMG surveillance within hiNS* — *hiMG responding to tissue damage*

lectin-staining — +50 sec / -50 sec — 10 μm

baseline — 10 μm / +15 min — laser lesion

**H** *hiMG electrophysiology post-infiltration into hiNS*

brightfield / lectin-488 — 10 μm — patch fill (SR101) / merged

60 mV / -40 mV / -150 mV — 200 pA — 20 ms

$V_m = -38 \pm 3.9$ mV
$C_m = 22 \pm 2.4$ pF

pA/pF — -150 -100 -50 / 50 — mV

**Figure 3:**

**Figure 4:**

# Figure 5:

**A** hiNS cell clusters: 0 to 15

microglia/macrophages
excitatory neurons
neural precursors
astrocytes
inhibitory neurons
glial precursors

**B** 3w Aβ hiNS(-), 5w Aβ hiNS(-), ctrl hiNS(-)
3w Aβ hiNS(+), 5w Aβ hiNS(+), ctrl hiNS(+)

*impact of hiMG on astrocyte (cluster 0) gene expression after chronic Aβ treatment*

**C** 0a, 0b, 0c, 0d

**D** 5w Aβ hiNS(-), 3w Aβ hiNS(-), ctrl hiNS(-), ctrl hiNS(+), 3w Aβ hiNS(+), 5w Aβ hiNS(+)

**E** astrocytes per cluster (n); astrocytes per condition (n)

**F** ctrl hiNS(-), 3w Aβ hiNS(-), 5w Aβ hiNS(-); ctrl hiNS(+), 3w Aβ hiNS(+), 5w Aβ hiNS(+)
APOE, SPP1, S100A11, CLU, C1QA, TLR4, CD74, LRP1, FTL, MEG3, VIM

**G** *Astrocyte Alzheimer's Disease-associated gene examples differentially expressed in astrocytes of 5w Aβ hiNS(+)*
APOE, TLR4, SPP1, VIM, CLU, CD74, S100A11, LRP1

**H** *gene ontology analysis*
ctrl hiNS(+): axon development, synapse organization, postsynaptic membrane, neurogenesis, nervous system development
5w Aβ hiNS(+): apolipoprotein binding, regulation of immune system process, amyloid-beta binding, phagocytosis, endocytosis
$-\log_{10}(p_{adj})$

**I** upregulated in 3w Aβ hiNS(-); upregulated in 3w Aβ hiNS(+)
$-\log10$ (adj. pvalue); avg. log2 fold change
OXR1, CD44, CCL2, CHL1, GFAP, SPP1, NRXN1, CADM2, VIM, SLC7A1, MEG3

**J** upregulated in 5w Aβ hiNS(-); upregulated in 5w Aβ hiNS(+)
$-\log10$ (adj. pvalue); avg. log2 fold change
SLC7A11, FTL, SPP1, APOE, CADM2, MEG3, GFAP, NRXN1, LRP1, S100A11

**Figure 6:**

**Figure 7:**

**A** DAPI IBA1 APOE GFAP

ctrl hiNS(-)    3w Aβ hiNS(-)    5w Aβ hiNS(-)

0.1 mm

ctrl hiNS(+)    3w Aβ hiNS(+)    5w Aβ hiNS(+)

**B**
- ctrl hiNS
- 3w Aβ hiNS
- 5w Aβ hiNS

APOE ir (a.u.)

(-) (+)   (-) (+)   (-) (+)

***   ****

**C** APOE IBA1 GFAP

mg

astrocyte

extracellular APOE

10 μm

YZ

ZX

**D**

5w Aβ hiNS(-)

Aβ(4G8)    APOE GFAP    merge

hiNS surface

10 μm

5w Aβ hiNS(+)

hiNS surface

extracellular APOE

**E** human AD post-mortem

Aβ(4G8)    GFAP

Aβ plaque

0.1 mm (expanded)

APOE    merge

astrocyte

extracellular APOE