MORC2 directs transcription-dependent CpG methylation of human LINE-1 transposons in

early neurodevelopment

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ABSTRACT.

Methylation of CpG dinucleotides is essential for silencing genomic repeats such as LINE-1

retrotransposons (L1s) in the germline and soma. Evolutionarily-young L1s are transcribed in

human pluripotent stem cells, but how CpG methylation is patterned to these L1s upon exit

of pluripotency is unknown. Here we investigate the critical functions of chromatin regulator

MORC2 in epigenome reprogramming of the repetitive genome in early human

neurodevelopment. We find that reversible ATP-dependent dimerization is required for

MORC2 accumulation over L1s but not gene promoters. Engineered mutations of the MORC2

ATPase module severely disrupts the distribution of MORC2 chromatin binding, leading to

simultaneous loss of L1 transcriptional control and hyper-repression of clustered ZNF genes

in human pluripotent stem cells. Upon neural differentiation these phenotypes persist due to

striking, targeted defects in CpG methylation patterning. Together our results define the vital

role of MORC2 in safeguarding the somatic human genome upon exit of pluripotency by

directing CpG methylation patterning over transcriptionally-active retrotransposons in a

manner analogous to the piRNA pathway in the germline.

INTRODUCTION.

Transposable elements (TEs) – in particular, retrotransposons such as long interspersed

nuclear element 1 (L1) – have accumulated in mammalian genomes and account for at least

half of human DNA.[1] Out of more than half a million fixed L1s in the reference genome, around

two thousand hominoid-specific copies retain an intact internal promoter and are thus

competent for transcription. These elements are a source of novel transcripts in human

tissues.[2–5] A smaller subset of around 100 human-specific L1s encode proteins that enable

transposition of their own and other TE transcripts to new sites, resulting in polymorphisms

within and between individuals.[6,7] L1 fragments lacking their own promoter often reside in

introns of transcribed genes where they can influence mRNA processing and gene

expression.[8–11] L1 activity is therefore responsible for substantial genetic and transcriptional

variation in the human population.

Unrestricted mobilization of L1s and other TEs is thought to be deleterious and transcription

of intact sequences is controlled by promoter CpG methylation in somatic mammalian cells.[12–

15] As part of the epigenetic reprogramming that happens during germ cell and embryonic

development, when TE transcription is transiently tolerated and in certain cases functionally

important,[16–20] DNA methylation patterns are reestablished after periods of global erasure. In

the germline, the piRNA pathway licenses transcription-dependent TE methylation.[21] In

embryonic stem cells, the most studied mechanism of restriction works via the KRAB zinc-

finger (KRAB-ZNF) family of transcription factors, which bind to specific TE DNA sequences

and recruit the TRIM28 corepressor that promotes histone 3 lysine 9 trimethylation

(H3K9me3) and CpG methylation.[22,23] KRAB-ZNF genes have rapidly diversified by segmental

duplication during vertebrate evolution to recognize TE and repeat family sequences.[24,25]

However, in the human setting, it is thought the youngest L1 subfamilies have evaded this

DNA-directed silencing system: changes in the ancestral L1PA3 promoter allowed subsequent,

evolutionarily-younger L1 copies to escape silencing by ZNF93.[26,27] In human pluripotent stem

cells, L1 expression is indeed mostly restricted to human-specific (L1HS) and hominoid-

specific (L1PA2/3) elements, which correlates with relative promoter hypomethylation and

varies between individual integrants.[28–30] Although lineage-specific L1-driven transcripts exist,

and intronic L1s are passively transcribed in pre-mRNA of thousands of genes, CpG

methylation mostly silences the promoters of the youngest, intact L1s in somatic human

tissues.[13,31] How methylation is patterned to young L1 promoters upon exit of pluripotency

and differentiation has been an open question, but is not thought to depend solely on the

KRAB-ZNF/TRIM28 system.

A key player in the regulatory relationship (sometimes referred to as an 'arms race'[26])

between L1s and KRAB-ZNF genes is the chromatin remodelling ATPase MORC2.[8,32] In

collaboration with the human silencing hub (HUSH) complex, MORC2 is recruited to repress

transcriptionally-active L1s and repetitive gene clusters, including those encoding KRAB-ZNFs,

at H3K9me3-marked sites.[8,32–35] ChIP-seq experiments in cancer cell lines also identified a

second class of MORC2 peaks over transcription start sites, the functional significance of

which is unknown.[32] MORC2 contains an N-terminal ATPase module that reversibly dimerizes

upon ATP binding and hydrolysis, and a C-terminal coiled coil domain that forms constitutive

dimers.[36–38] Elegant recent experiments with purified components have shown that MORC2

binds and entraps free and nucleosomal DNA between these dimerization domains in a length

but not sequence-dependent manner, forming loops and multimeric assemblies that compact

the underlying chromatin.[36] This mechanism of MORC chromatin remodelling appears to be

conserved at least across the animal kingdom[39] and perhaps more deeply – MORCs are

encoded in plant, basal eukaryote and even prokaryote genomes.[40–43]

MORC2 functions are vital to human health: predicted loss of function alleles are strongly

selected against in the population[44] and heterozygous missense mutations in the MORC2

ATPase module cause severe neurodevelopmental disorders with symptoms including

intellectual disability and cerebellar ataxia.[45–47] Patient mutations cause changes to the

protein's enzymatic activity and hyperrepression of clustered KRAB-ZNF genes in cancer cell

lines.[32] A recent paper profiling peripheral blood and fibroblasts from MORC2 disorder

patients revealed an 'episignature' corresponding to hypermethylation and repression of

genes including KRAB-ZNFs, showing that MORC2 neurodevelopmental disorders are

characterized by striking epigenetic changes in cells outside the nervous system.[47] Notably,

the functional consequences of removing MORC2 depends substantially on the cellular

context. For example, loss of MORC2 in the globally-hypomethylated K562 line causes

massive upregulation of young L1 subfamilies, together with changes in KRAB-ZNF

expression.[8] In contrast, we recently found that removal of MORC2 in a robustly-methylated

neural progenitor cell line had only mild effects on L1 expression – indeed, only when DNA

methylation was experimentally removed did MORC2 bind to the activated L1s and dampen

their expression.[33] Thus, when young L1 promoters are methylated and silenced, MORC2

ignores these sequences and is bound to either older, intronic L1s (transcribed as part of genic

pre-mRNA) or other transcribed lineage-specific repeats – in the nervous system, data from

our lab and others suggest these to be primarily alpha-satellite repeats and clustered

protocadherin genes.[33,34]

Together these observations underscore the layered regulation of repeats in somatic cells and

suggest critical functions of MORC2 early in development when the genome is relatively

hypomethylated. In this study we use a combination of chromatin profiling, long-read DNA

methylation analysis and iPSC modelling to demonstrate (i) how ATPase mutations affect the

distribution of MORC2 chromatin binding in the neural lineage, and (ii) the critical function of

MORC2 chromatin binding in directing CpG methylation patterns over hominoid-specific L1s

and repetitive gene clusters in early neurodevelopment. Together our results define the vital

role of MORC2 in safeguarding the somatic human genome upon exit of pluripotency by

ensuring CpG methylation patterning over repeats in a transcription-dependent manner,

analogous to the piRNA pathway in the germline.

RESULTS.

MORC2 binds to distinct chromatin states in neural cell lines

MORC2 is a potent and avid dsDNA binding protein.[36,37] The prevailing biochemical model is

that reversible ATP-dependent dimerization of the N-terminal ATPase module coupled to

constitutive C-terminal dimerization via coiled coil domain 3 enables chromatin compaction

by trapping DNA between these domains (**Figure 1A**).[36,39] We first profiled MORC2 chromatin

binding using an optimized CUT&RUN (cleavage under targets and release using nuclease)

protocol in SHSY5Y cells and embryo-derived human neural progenitor cells (**Figure 1B, Supp**

Fig 1A,B).[48] In each cell type we clustered MORC2 binding regions by assessing peak shape

and co-occupancy with three histone modifications in control cells: H3K9me3, H3K4me3 and

H3K27Ac (**Figure 1C**). We observed broad MORC2 peaks in transcriptionally active, H3K9me3-

positive regions such as intronic full-length (>6 kb) L1 retrotransposons and 3' exons of

expressed zinc finger (ZNF) genes (**Figure 1D, Supp Fig 1C**). We also observed widespread

evidence of MORC2 binding to bivalent chromatin i.e. H3K4me3/H3K27Ac-marked promoters

of expressed genes embedded in H3K9me3-positive chromatin, such as clustered ZNF and

protocadherin genes. In our hands a minority of narrow MORC2 peaks were identified over
gene regulatory elements marked by H3K27Ac and/or H3K4me3 in H3K9me3-negative
chromatin contexts. Taken together, in neural cells MORC2 localizes to distinct chromatin
states characterized by transcriptional activity and either broad or narrow occupancy,
exemplified by L1 retrotransposons and repetitive clustered genes such as ZNFs.

Figure 1. MORC2 binds to distinct chromatin states in neural cell lines. (A) MORC2 domain structure (top) and
schematic of ATP-dependent N-terminal dimerization (bottom). **(B)** CUT&RUN workflow for epigenome profiling
of SHSY5Y and hNPC cell lines. **(C)** Heatmap illustrating the epigenomic context of distinct MORC2 targets by
CUT&RUN signal in SHSY5Y (left) and NPC (right) cell lines with indicated antibodies. Displayed are the genomic
regions spanning ± 10 kb from the center. K-means clustering defined H3K9me3-negative, MORC2-narrow peaks
(top) and H3K9me3-positive, MORC2-broad peaks (bottom) in each cell type. **(D)** Genome browser tracks
showing CUT&RUN enrichment profiles of MORC2 and histone modification over examples MORC2 targets with

distinct epigenomic associations. Data are representative of at least two replicates for MORC2, H3K9me3 and
H3K4me3 in each line, while H3K27Ac profiling was conducted once in SHSY5Y cells and twice in hNPCs.

ATPase dimerization mutants abolish L1 binding and disrupt the balance of MORC2 chromatin occupancy

Mutations associated with MORC2 neurodevelopmental disorders all cluster to the N-
terminal ATPase module.[46] To interrogate how reversible ATP-dependent dimerization
impacts MORC2 chromatin binding we made use of two mutants that we previously found
shift this equilibrium in opposite directions: Y18A, a structure-guided mutation that prevents
ATPase dimer formation, and S87L, a patient mutation that leads to constitutive ATPase
dimerization (**Figure 2A**).[37] We reintroduced HA-tagged proteins to clonal MORC2-KO SHSY5Y
cells (**Figure 2B**) and first confirmed that WT, Y18A and S87L MORC2 variants were expressed
and nuclear as assessed by Western blotting (**Figure 2C**) and imaging (**Supp Fig 2**). CUT&RUN
analysis revealed that both Y18A and S87L variants were completely lost over L1s bound by
the WT protein (**Figure 2D,E**). Importantly, these effects were reproducible using antibodies
raised against the MORC2 protein itself and its HA epitope tag. Both variants were lost from
3' exons of ZNF genes but remained bound to the promoters of those genes, suggesting that
ATPase dimerization is not required for promoter occupancy. Notably, the binding of S87L
MORC2 to ZNF promoters was reproducibly enhanced relative to WT, suggesting that this
mutation causes relocalization of the protein away from L1s and onto gene promoters (**Figure
2F,G**). Indeed, peak calling revealed a substantially greater overlap of S87L MORC2 with
promoters when compared to the WT distribution (**Figure 2H**). Taken together, these results
demonstrate that ATPase dimerization mutants disrupt the balance of MORC2 chromatin
occupancy. Reversible ATP-dependent dimerization is required for broad MORC2
accumulation over L1s but not promoters of target genes (**Figure 2I**). The S87L mutation
directs the protein away from L1s and other broad MORC2 targets and increases binding over
gene promoters.

Figure 2. ATPase dimerization mutants abolish L1 binding and disrupt the balance of MORC2 chromatin occupancy. (A) Schematic representation of MORC2 protein domains and the position of ATPase disease mutations (top) and the effect of the mutations on the N-terminal dimerization equilibrium (bottom). **(B)** Schematic workflow of MORC2 complementation experiments and subsequent analyses. **(C)** Western blot validating the expression of complemented HA-tagged MORC2 variants. **(D)** Heatmap showing CUT&RUN enrichment of MORC2 binding over full length (FL, >6 kb) LINE1 elements bound by MORC2 WT in KO and complemented cell lines (+WT MORC2, +Y18A MORC2, +S87L MORC2) as detected using HA-tag antibody (left) and MORC2 antibody (right). Shown are the LINE1 loci scaled to 6 kb with 10 kb up- and down-stream of the elements. Unique mapping was enforced and experiments were repeated at least once with similar results. **(E)**

Genome browser tracks of CUT&RUN enrichment signal for MORC2 binding (KO and complemented cell lines) and histone modifications (H3K27ac, H3K4me3, H3K9me3) over an example LINE1 element. Unique mapping was enforced. **(F)** Heatmap showing CUT&RUN enrichment of MORC2 binding over all ZNF genes (n=503, hg38) in KO and complemented cell lines (+WT MORC2, +Y18A MORC2, +S87L MORC2) as detected using HA-tag antibody (left) and MORC2 antibody (right). Shown are the scaled ZNF genes ± 5 kb. K-means clustering on the S87L MORC2 sample identified 5'-enriched (top) and 3'-enriched (bottom) ZNF genes. **(G)** Genome browser tracks of CUT&RUN enrichment signal for MORC2 binding (KO and complemented cell lines) and histone modifications (H3K27ac, H3K4me3, H3K9me3) over a ZNF gene cluster on chr19. **(H)** Genome overlaps of WT and S87L HA-MORC2 peaks. **(I)** Schematic of the requirements for reversible N-terminal dimerization over different target classes of MORC2. MORC2 accumulation over broad peaks is found over regions enriched in H3K9me3 signal, such as LINE1s and ZNF 3´exons, and requires reversible N-terminal dimerization. Narrow MORC2 binding to gene regulatory elements such as ZNF gene promoters is found in regions enriched in H3K4me3 and H3K27ac signal, and does not require reversible N-terminal dimerization.

MORC2 ATPase mutations cause loss of L1 silencing and ZNF hyperrepression in iPSCs

Next we sought to explore the functional impact of chromatin binding on transcriptional regulation in a relevant developmental cell model. We used CRISPR editing to derive induced pluripotent stem cell (iPSC) clones bearing the S87L mutation described above and a second ATPase mutation, E27K, which also causes a severe neurodevelopmental phenotype and would be predicted to similarly disrupt ATPase activity based on its structural position at the N-terminal ATP-induced dimerization interface.[37,46] We note here that though patients carry heterozygous mutations, our study sought to provide mechanistic insight into how ATPase mutations affect MORC2 function over a developmental timecourse and as such we induced homozygous *MORC2* editing (**Figure 3A, Supp Fig 3A**). We subjected unedited controls to the same clonal expansion procedures and confirmed that each iPSC clone expressed pluripotency markers and that the copy number and genomic integrity at predicted off-targets was not affected by the editing (**Figure 3B, Supp Fig 3B,C**). Transcriptomic analysis using paired-end (150x150-bp) polyA+ RNA sequencing (RNA-seq) showed that the ATPase mutations both cause significant derepression of evolutionarily-young, hominoid-specific L1 subfamilies, with the S87L mutation having a more pronounced effect (**Figure 3C, D**). CUT&RUN profiling of the H3K4me3 mark mapped to individual full-length L1 elements provided orthogonal validation of young L1 expression **(Figure 3E)**. In line with chromatin binding data above illustrating complete loss of L1 binding, the S87L mutation caused L1 transcriptional activation at comparable levels to a loss of function control in which we used a validated CRISPRi vector [33] to robustly knock down MORC2 expression in iPSCs (**Figure 3E, Supp. Fig 3D-G**). L1 derepression was further confirmed in Western blots and immunofluorescence experiments as measured by L1-encoded protein orf1p in the mutant

and CRISPRi conditions relative to controls (**Figure 3F, Supp Fig 3H**). We also observed pronounced derepression of L1 fusion genes where evolutionarily-young L1s act as alternative promoters (**Supp Fig 4A**). Several of these genes have documented or predicted functions in the brain. For example, *GABRR1*, whose promoter is shared with a L1PA2 element, encodes a key factor involved in GABAergic neurotransmission in the central nervous system[49] and *DYNC1I1*, which contains an intronic L1PA3, encodes a neuron-enriched dynein intermediate chain (**Supp Fig 4B**). Notably, and in line with the chromatin binding data, alongside L1 loss of function we observed simultaneous hyperrepression of zinc finger genes in E27K (n=22), S87L (n=11) or both (n=19) MORC2 mutants (log2 fold-change < -2, padj < 0.05, DESeq2) (**Figure 3G,H**). This effect was a gain of function associated with the S87L and E27K mutants that was not observed in the MORC2-CRISPRi cells. Taken together these data show how MORC2 ATPase mutations change the dynamics of chromatin target engagement, leading to both loss and gain of function effects on transcriptional control of its distinct targets.

Figure 3. MORC2 ATPase mutations cause loss of L1 silencing and ZNF hyperrepression in iPSCs. (A) Schematic
of CRISPR editing and subsequent analyses. Induced homozygous mutations were c79G>A and c260C>T for E27K
and S87L mutants, respectively. **(B)** Immunocytochemistry of pluripotency markers (NANOG, OCT4, SOX2) for a
representative hiPSC clone of each MORC2 genotype. **(C)** Volcano plot showing the results of the differential
expression analysis (DESeq2) on a TE subfamily level using TEtranscripts. Differentially expressed LINE1
subfamilies are highlighted in red, other differentially expressed subfamilies are presented in grey
(log2FoldChange ≠0, padj <0.05). Two experimental replicates per clone were sequenced and data from each
clone pooled prior to differential analysis (n=4 WT vs n=4 E27K vs n=4 S87L). **(D)** Genome browser tracks showing
H3K4me3 and bulk RNA-seq data over two example loci of derepressed hominoid-specific full-length L1s. Unique

mapping was enforced for all data over individual loci. Also shown are representative data from MORC2 CRISPRi
(n=3) and Control (n=3) hiPSCs, see also Supp Fig 3. **(E)** Heatmap of the CUT&RUN signal enrichment of H3K4me3
and non-targeting IgG controls over reference L1 insertions belonging to the evolutionarily-youngest subfamilies
(L1HS, L1PA2-4) in MORC2 mutant and CRISPRi cell lines. For each WT and mutant cell line, cells from two clones
were pooled prior to CUT&RUN, which was conducted at least twice with similar results. Experiments with
control and MORC2 CRISPRi cells were repeated twice with similar results. Unique mapping was enforced for
CUT&RUN data shown. **(F)** Western Blot showing expression of MORC2 and of L1 ORF1p in MORC2 mutant and
CRISPRi cell lines. The experiment was repeated once with similar results. **(G)** Volcano plot showing the results
of the differential gene expression analysis (DESeq2). Differentially expressed ZNF genes are highlighted in red,
other differentially expressed genes are presented in grey (padj <0.05). Two experimental replicates per clone
were sequenced and data from each clone pooled prior to differential analysis (n=4 WT vs n=4 E27K vs n=4 S87L).
(H) Genome browser tracks showing H3K4me3 and bulk RNA-seq data over example loci of two hyperrepressed
ZNF genes. Unique mapping was enforced for all data over individual loci. Also shown are data from MORC2
CRISPRi (n=3) and Control (n=3) hiPSCs, see also Supp Fig 3.

Transcriptional phenotypes of MORC2 mislocalization persist upon neural differentiation

To model how these transcriptional phenotypes change upon exit from pluripotency and

neural differentiation, we set out to differentiate the iPSC lines to neural progenitor cells

(NPCs). Using a previously-described 2D NPC differentiation protocol[50] we observed

widespread cell death in the MORC2-CRISPRi and S87L lines after pluripotency exit, precluding

further analysis. As an alternative we made use of an undirected 15-day cerebral organoid

protocol as a model for human brain development in 3D (**Figure 4A**). At this timepoint our

previous data showed that organoids are largely composed of NPCs, enabling detailed

analysis of L1 and gene regulation in bulk.[28] 3D differentiation improved cell survival and cells

bearing both MORC2 mutations or carrying the MORC2 CRISPRi lentiviral vector could form

characteristic neural rosettes after 15 days, albeit with morphological and size changes

(**Figure 4B**). Single nucleus RNA sequencing confirmed that NPCs and early neurons

constituted the major cell populations in these preparations across multiple batches and

clones (**Supp Fig 4A-D**). Differential expression analysis on day-15 organoids from at least two

clones and three experimental batches showed that the transcriptional phenotype observed

in hiPSCs – that is, L1 derepression in mutant and CRISPRi lines and ZNF hyperrepression

specifically in the mutants – persisted upon differentiation (**Figure 4C-G**). We found that the

promoters of young L1 integrants identified to be derepressed in hiPSCs were highly enriched

with the H3K4me3 active mark in MORC2-S87L and MORC2-CRISPRi day 15 organoids (**Figure**

4F). We also observed upregulation of lineage-specific clustered protocadherin genes in

MORC2 mutant organoids, while this effect was stronger in MORC2-CRISPRi samples (**Supp**

 Fig 5A,B). Taken together, our data illustrate that the transcriptional phenotypes of MORC2

targets in the pluripotent state persist upon exit from pluripotency and early

neurodevelopment.

Figure 4. Transcriptional phenotypes of MORC2 mislocalization persist upon neural differentiation. (A)
Schematic of differentiation of MORC2 mutant and CRISPRi cell lines from hiPSCs to cerebral organoids. Two
batches of organoids were produced for both S87L and E27K clones and three for WT clones. One batch was
produced for MORC2 CRISPRi and its corresponding control cell line in which hiPSCs were transduced with a non-
targeting lentiviral CRISPRi vector. **(B)** Representative bright field images and immunohistochemistry of cerebral
organoid formation in a control line at different time points (top). Immunohistochemistry of PAX6 (green) and
ZO1 (red) in day 15 organoid sections (bottom). **(C)** Scaled heatmap showing the normalized read counts of

individual full length (FL) LINE1 from youngest subfamilies (L1HS, L1PA2-4) that had been derepressed in MORC2
E27K and S87L mutant and MORC2 CRISPRi hiPSCs (log2FoldChange >0, padj <0.05). Data are representative of
three replicates of two clone across two batches (n=9 WT vs n=9 E27K vs n=9 S87L). Unique mapping was
enforced. **(D)** Genome browser tracks showing CUT&RUN H3K4me3 enrichment and bulk RNA-seq data over an
example derepressed full-length L1. Unique mapping was enforced. **(E)** Heatmap of the CUT&RUN signal
enrichment of H3K4me3 and non-targeting IgG control over reference full-length L1 insertions belonging to the
to the youngest subfamilies (L1HS, L1PA2-4) that were expressed in MORC2 mutants and CRISPRi hiPSCs. For WT
and mutant genotypes, organoids from two clones were pooled prior to CUT&RUN, which was conducted at
least twice with similar results. Unique mapping was enforced **(F)** Scaled heatmap showing the normalized read
counts over ZNF genes hyperrepressed in MORC2 E27K and S87L mutants hiPSCs (log2FoldChange <0, padj
<0.05). **(G)** Genome browser tracks showing CUT&RUN H3K4me3 enrichment and bulk RNA-seq data over a
hyper-repressed ZNF cluster on chr19. Unique mapping was enforced.

MORC2 directs CpG methylation patterning over the repetitive human genome

As the observed transcriptional phenotypes persisted from the pluripotent state to day-15

organoids, we hypothesized a defect in CpG methylation patterning over MORC2 targets. To

investigate methylation changes over MORC2-targeted repetitive elements we used whole-

genome Oxford Nanopore long-read sequencing (**Figure 5A**). While genome-wide

methylation was robust and stable across all conditions (**Figure 5B**), the S87L mutation in

MORC2 caused a catastrophic methylation loss over the promoter of the youngest L1Hs and

L1PA2 integrants (**Figure 5C-E**). Loss of methylation over young L1 promoters was mirrored

in the MORC2-CRISPRi organoids and across organoid preparations derived from independent

clones, confirming the effect over these targets was reproducible and a direct loss of function

effect (**Figure 5C-E, Supp Fig 6A**). Leveraging the Nanopore data to call polymorphic L1

insertions absent from the hg38 reference, we also observed striking loss of methylation over

these youngest copies in both genetic backgrounds tested (**Supp Fig 6B**). Importantly, we

found that the effect was most striking to the L1 elements transcribed in the pluripotent state,

illustrating a transcription dependence of the methylation patterning directed by MORC2

(**Figure 5F**). We also observed hypermethylation over zinc finger gene clusters that were

specific to the MORC2 mutant but not CRISPRi organoids – in particular the ZNF genes

hyperrepressed in pluripotent cells **(Figure 5G,H).** As major alterations of the methylation are

present across the ZNF gene clusters (**Supp Fig 6C**), including gene bodies, we speculate that

this could be driven by effects on 3D chromatin structure in MORC2 mutant cells, though this

remains to be tested systematically. Together our observations demonstrate the critical role

of MORC2 in directing transcription dependent CpG methylation patterning over its repetitive

targets in early development.

Figure 5. MORC2 directs CpG methylation patterning over the repetitive human genome. (A) Schematic of DNA methylation analysis workflow. For each clone and cell line, DNA from three organoids was extracted and pooled for Oxford Nanopore sequencing (ONT). **(B)** Boxplots showing the CpG methylation levels across the whole genome and **(C)** over the first 900-bp of full length (FL) evolutionary young LINE1 elements (L1HS, L1PA2-4), which corresponds to the 5' UTR promoter region. P-value as calculated by a two-sided Wilcoxon rank sum test with continuity correction (p-values adjusted following Benjamini–Hochberg correction). **(D)** Composite plot showing CpG methylation levels of all reference FL-L1HS elements greater than 6 kb (hg38) over the entire element in the given conditions. **(E)** Aligned Nanopore reads showing loss of CpG methylation over the promoter of an example L1HS locus in S87L and MORC2i organoids. Methylated and non-methylated CpGs are represented by filled black circles and open (coloured) circles, respectively. **(F)** Heatmap showing the CpG methylation level over the promoter of FL-L1HS, sorted by expression level in hiPSC S87L mutants as assessed by promoter H3K4me3 level. Methylation changes are anti-correlated to their expression in hiPSCs. **(G)** CpG methylation level of the promoter of ZNF genes downregulated in MORC2-mutant iPSCs. **(H)** Aligned Nanopore reads showing hypermethylation over the promoter and general methylation alteration over the body of a hyperrepressed ZNF gene. ns, non-significant; *, p < 0.05; **, p < 0.01; ***, p < 0.001.

L1 derepression upon exit of pluripotency causes loss of NPC proliferation

Finally we tested the impact of young L1 derepression on NPC differentiation. We returned to a directed 2D NPC protocol where both MORC2-CRISPRi and S87L mutant cells – i.e. those lines with high L1 expression – had undergone cell death in differentiation trials. Leveraging our recently-developed L1 CRISPRi lentiviral vector (**Fig. 6A,B**), which efficiently and specifically silences expression from full-length L1Hs, L1PA2 and L1PA3 subfamilies,[28] we

asked whether re-silencing L1s on the MORC2 S87L genetic background could rescue this

apparent loss of cellular fitness. We generated six iPSC lines where WT or S87L clones were

transduced with the L1 CRISPRi vector or a non-targeting control (**Fig. 6B**). We confirmed high

young L1 expression in S87L clones by Western blot analysis of L1-orf1p, which was robustly

lost upon L1 CRISPRi (**Fig. 6C**). Upon dual-SMAD inhibition to direct neural induction, we found

that all lines exited pluripotency as assessed by RT-qPCR analysis of marker genes (**Supp Fig**

8A) and characteristic morphological changes of cellular polarization between days 4-7 of

differentiation (**Fig. 6D, Supp Fig 8B**).[50] By day 14, surviving cells from all lines expressed PAX6

and FOXG1 according to RT-qPCR and immunocytochemistry analysis (**Supp Fig 8A,B**).

However, between day 9-14 of differentiation we observed striking cell death and 6-16 fold

lower final cell yields in S87L clones transduced with the control CRISPRi vector, but not in

those same clones transduced with the L1 CRISPRi vector, an effect that was reproducible

across multiple blinded differentiation batches (**Fig 6E,F**). Thus, excessive L1 expression may

be incompatible with rapid proliferation and/or early maturation of NPCs leading to loss of

fitness, at least in this protocol. Taken together, our data indicate that MORC2-directed CpG

methylation safeguards the somatic human genome against deleterious L1 expression upon

exit of pluripotency and early neurodevelopment.

Figure 6. L1 derepression upon exit of pluripotency causes loss of NPC proliferation. (A) Schematic of L1 CRISPRi gRNA design to ectopically silence young full-length L1s. For full validation see Adami et al.[28] **(B)** Experimental outline for L1 CRISPRi experiment in WT and S87L MORC2 iPSC lines, and subsequent 2D NPC differentiation. **(C)** Validation of young L1 silencing by Western blot of orf1p in the indicated iPSC lines. Experiment was repeated twice with similar results. **(D)** Representative brightfield (left) and ICC (right) images of WT Ctrl line during 2D NPC differentiation at the indicated timepoints. See also Supp Fig 8. **(E)** Representative brightfield images of the six indicated lines at the end of the 14-day 2D NPC differentiation protocol. **(F)** Quantification of live cell counts at the end of NPC differentiations from five replicates across three experimental batches. Cell counts given are the mean value of two counts from each tube of cells. Bars indicate the mean (n=5) and error bars indicate the standard deviation. In batch 2, a small subset of cells were removed from all conditions at day 11 for subsequent immunocytochemistry. Experimenters were blinded to the identity of the cell lines during differentiation experiments. Significance was assessed using paired t-tests between indicated conditions. *, p < 0.05; ***, p < 0.001; ****, p < 0.0001; ns, not significant.

DISCUSSION.

In this study we report and relate two key mechanistic insights on the role of the MORC2 ATPase in epigenetic reprogramming of the repetitive genome. First, we find that reversible ATP-dependent dimerization is required for broad MORC2 accumulation over L1

retrotransposons, but not required for its binding to gene promoters, and that mutation of the ATPase module titrates MORC2 occupancy between these target classes. Second, we find that MORC2 chromatin binding directs CpG methylation patterns over its targets upon exit of pluripotency and early human neurodevelopment, which protects against the otherwise deleterious effects of unrestricted L1 expression. The model is summarized in **Figure 7**.

Figure 7. Model for MORC2-directed CpG methylation patterning over repetitive targets during the exit from pluripotency and early human brain development.

The physiological relevance of MORC2 ATP-dependent dimerization is evident from clinical genetics reports over the past ten years, where missense mutations in patients with severe neurodevelopmental disorders all map to the ATPase module.[45–47] Our previous biochemical and structural studies identified that these mutations change the ATPase activity and dimerization dynamics of the purified protein,[37] and here we provide a framework to explain how this translates at the level of chromatin binding. MORC2 has two main chromatin binding modes – broad accumulation over H3K9me3-marked sites, and narrow binding to gene regulatory elements marked by H3K4me3/H3K27Ac.[32] When reversible ATP-dependent dimerization is perturbed by mutation of the ATPase module, MORC2 fails to accumulate over

broad sites but binding is maintained or enhanced at narrow sites. Crucially, mutations that

shift the equilibrium of N-terminal dimerization in either direction cause loss of function over

L1s – supporting the notion that the lifetime of ATP-dependent MORC dimers is a critical

parameter in driving chromatinization of certain targets.[36,37,39] The observation that binding

of MORC2 mutants to gene promoters is maintained or enhanced explains the hyper-

repression phenotype observed in engineered cell lines or patient samples,[32,47] and in the

stem cell models of early brain development that we characterize here. That many of the

genes hyperrepressed in MORC2 mutant cells encode KRAB-ZNFs, themselves associated with

epigenetic TE silencing, highlights the central and multifaceted role of MORC2 in TE biology.

Many of the hyperrepressed ZNFs in MORC2 mutant lines are transcription factors or

repressors that each target hundreds of genomic locations, illustrating enormous potential

for pleiotropic, indirect effects on chromatin and transcription of disrupting the balance of

MORC2 chromatin binding sites via ATPase mutation. These complex gene regulatory

networks require further investigation, but our data suggest that TE transcription and TE-

induced chromatin structure are likely important molecular phenotypes to consider in MORC2

disorders.

Work by us and others has established that the HUSH-MORC2 corepressor targets transcribed

and relatively hypomethylated repeats with little apparent preference for particular DNA

sequence motifs.[8,33,51,52] The prevailing model is that the complex is recruited to long,

intronless units with some A-rich bias in the sense strand.[51] In human pluripotent stem cells,

the primary targets of MORC2 are the hominoid-specific LINE-1 retrotransposons that we

recently reported to be transcribed and relatively hypomethylated at steady-state.[28] This is

likely the critical way that the HUSH-MORC2 axis preserves genome stability in early

development: a subset of the youngest L1s remain competent for autonomous transposition

and their encoded proteins provide the molecular apparatus for mobilization of other TEs.

Transcription-dependent TE targeting is in contrast to the KRAB-ZNF/TRIM28 pathway, which

is recruited to particular DNA sequence motifs in repeats via rapidly-evolving ZNF domains.[22–

26] Such complementary modes of targeting help explain why HUSH-MORC2 and KRAB-ZNFs

may regulate overlapping yet distinct sets of genomic repeats and genes in different cellular

contexts.[30,35] The situation at the youngest human L1s is of particular interest: while

numerous KRAB-ZNFs (and TRIM28) are competent to bind L1HS and L1PA2 subfamilies

through conserved sequences in the L1 ORFs,[24,25] deletion of 129 bp in the ancestral L1PA3

promoter region within the ZNF93 binding site may have evaded promoter methylation by

this factor in evolutionarily-younger copies.[26,27] Our data supports the idea that the HUSH-

MORC2 corepressor is recruited to these youngest, transcriptionally-active elements for

which a new KRAB-ZNF has yet to evolve.[51]

The interplay of these epigenetic silencing systems is of particular interest in early

development, when methylation patterns of the germline are globally erased and re-

established.[12] The KRAB-ZNF/TRIM28 system is thought to protect against erasure of germline

methylation at certain targets: for example, ZFP57 and ZFP445 bind DNA sequences at

imprinting control regions, recruiting TRIM28 and DNMTs to maintain methylation at paternal

or maternal imprints.[53,54] Many TEs are also resistant to demethylation, but it is thought the

youngest human L1s are demethylated early post-fertilization, maintaining relative

hypomethylation throughout pre-implantation development.[27] Although our primed iPSC

models reflect a post-implantation developmental stage, we note that *MORC2* is also robustly

expressed in the pre-implantation human embryo[55] and our data suggest that the protein is

a key factor that directs methylation over these youngest L1 copies. Whether MORC2 protects

against erasure of germline methylation or promotes re-establishment of human L1

methylation following erasure is challenging to answer definitively, but the transcription-

dependence of HUSH-MORC2 recruitment to L1s strongly favours a reestablishment model.

Nevertheless, the underlying mechanism and timing of human L1 promoter methylation

warrants further investigation, for example leveraging new blastoid models.[56]

Taken together, our study reveals how ATP-dependent dimerization of MORC2 is coupled to

chromatin binding and DNA methylation patterning. The precise sequence of how

establishment and/or maintenance DNA methyltransferases (DNMTs) are recruited to

MORC2 targets in early development remains an interesting open question. MORC2-driven

chromatin compaction is known to correlate with H3K9me3 deposition at certain sites,[8,32,33]

which may directly recruit maintenance methyltransferase DNMT1.[57,58] However, since

aberrant MORC2 mutant binding to certain (H3K9me3-negative) gene promoters also results

in promoter hypermethylation, we suggest that MORC2 may be directly involved in licensing

DNA methylation its target sites. This is somewhat reminiscent of a recent study in mouse

gonocytes where Morc1, a germline-restricted TE repressor,[59] was suggested to make distinct

complexes leading to piRNA-directed H3K9me3 and DNA methylation at different TEs.[60] Our

data reinforce the model that the transcriptional activity of a locus determines its sensitivity

to MORC2 binding and, we show here, targeted CpG methylation upon differentiation. Such

a model could explain how the transcription factor yin-yang 1 (YY1) functions as both

activator[61] and repressor[31] of human L1s: YY1 drive transcription initiation of these young

elements in the pluripotent state, which marks the locus for MORC2-directed methylation. It

is also noteworthy that certain young L1s are demethylated and transcriptionally-active in

both organoids and human brain tissue.[3,28,31] Further work is required to determine how

MORC2-directed methylation may be avoided over these elements – or whether the elements

are subject to active demethylation upon neural differentiation. How the mechanisms we

describe here play out in terminally differentiated cells such as neurons also promises to be a

fruitful area of research.

METHODS.

Cell culture.

hiPSCs. Two human iPSC lines were used in this study: Ctrl-14 hiPSCs, which were

reprogrammed by the Cell and Gene Therapy Core at Lund Stem Cell Center from human

fibroblasts via mRNA mediated reprogramming as described elsewhere,[62] and a

commercially-available line from RIKEN (RBRC-HPS0328 606A1). hiPSCs were cultured based

on previously developed protocols.[50,63] Briefly, cells were maintained in multi-well plates

coated with Biolaminin 521 (0.7 mg cm^{-2}), and fed daily with StemMACS iPS-Brew XF

containing 0.5% penicillin–streptomycin (Gibco). hiPSCs were passaged upon reaching 70-

80% confluency. Firstly, cells were rinsed with DPBS (Gibco), dissociated using Accutase

(Gibco) for 5-7 min at 37°C then washed off by DMEM-F12 (Gibco) and KnockOut Serum

Replacement (KSR) (Gibco) and centrifuged at 400g for 5 min. Rock inhibitor (10 μM, Miltenyi)

was added to the media following cell thawing, lentiviral transduction, FACS and CUT&RUN

experiments.

SH-SY5Y cells. SH-SY5Y human neuroblastoma cells (ATCC CRL-2266) were a gift from Harvey

McMahon (MRC-LMB). Cells were cultured in flasks and fed every 3-4 days with complete

culture medium containing DMEM-F12, 10% FBS, MEM non-essential amino acids solution

and 1x penicillin/streptomycin (Gibco). When 80% confluent, cells were rinsed with DPBS

(Gibco), incubated with trypsin (Gibco) for 5-7 minutes at 37°C to detach, and washed off with

the media to quench the enzyme. To maintain a Mycoplasma-free culture, cells were routinely

tested and returned negative.

Unguided cerebral organoid differentiation. Human cerebral brain organoids were generated

using the STEMdiff Cerebral organoid kit (Stem Cell Technologies) following the

manufacturer's instructions and based on a previously established protocol.[64] First, embryoid

bodies (EB) were generated following disassociation and resuspension of hiPSCs in EB seeding

medium (STEMdiff™ Cerebral Organoids Basal Medium 1 and STEMdiff™ Cerebral Organoids

Supplement A, supplemented with 10 μM of Y-27632) in round bottom ultra-low attachment

96-well plates. On day 5, to avoid EB fusion individual EBs were distributed into single wells

of ultra-low attachment 24-well plates and incubated with Induction Medium (STEMdiff™

Cerebral Organoids Basal Medium 1 and STEMdiff™ Cerebral Organoids Supplement B) for

48 h at 37°C. On day 7, organoids were then embedded into Matrigel (Stem Sell Technologies)

and cultured in ultra-low attachment 6-well plates (10-12 organoids/well) with Expansion

medium (STEMdiff™ Cerebral Organoids Basal Medium 2, STEMdiff™ Cerebral Organoids

Supplement C, STEMdiff™ Cerebral Organoids Supplement D). Up until day 15, organoids

were fed twice (on day 10 &13) with Maturation media (STEMdiff™ Cerebral Organoids Basal

Medium 2, STEMdiff™ Cerebral Organoids Supplement E). Organoids were harvested on day

15 for downstream analysis such as bulk RNA-seq (3 snap-frozen organoids per replicate),

snRNA-seq (4-5 organoids per replicate), whole genome Oxford Nanopore sequencing (3-4

organoids per replicate), immunostaining (3-4 organoids) and CUT&RUN (3-4 organoids per

replicate).

2D NPC differentiation. Transduced iPSC cell lines vectors were differentiated to neural

progenitor cells (NPCs) using a 2D-protocol based on dual inhibition of the SMAD-signalling

with Noggin and SB431542 from the start of the differentiation as described elsewhere.[50] A

two-day coating protocol was followed. On the first day, 6-well plate was coated with 100 μL

of poly-L-ornithine (PLO, Sigma-Aldrich) diluted in 10 mL of PBS +/+ (1.2 mL per well) and

incubated at 37℃ overnight. The following day, PLO solution was aspirated and the wells were

washed three times with PBS +/+. PBS +/+ was aspirated and the plate was coated with 50 μL

of Laminin-23017-015 (Fisher Scientific) diluted in 10 mL of PBS +/+ (1.2 mL per well). The

plate was wrapped in parafilm and placed in the fridge to incubate at 4℃ overnight. Before

seeding the cells, Laminin-23017-015 was aspirated, and the wells were washed once with

PBS +/+. hiPSC lines were counted and 90,000 cells were transferred to a tube, pelleted then

resuspended in N2 medium supplemented with SB431542, Noggin and Rock Inhibitor, before

being seeded into the wells. On days 2, 4 and 7 of the differentiation, N2 media supplemented

with SB431542 and Noggin was supplied to the cells. On the 9th and 10th day of

differentiation N2 media without supplements was used. On day 11 cells were passaged and

replated in B27 media (Table 3) supplemented with brain-derived neurotrophic factor (BDNF,

R&D systems), ascorbic acid (AA, Sigma-Aldrich) and Revita (Thermo Fisher Scientific). B27

media supplemented with BDNF and AA was supplied to the cells every day until the day of

the harvest.

Lentiviral vectors.

Lentiviral vectors were produced according to a standard protocol described previously.[65]

Briefly, HEK293T cells with a confluency of ~80% were co-transfected with three packaging

plasmids (pMDL, psRev, and pMD2G) and the relevant transfer plasmid using

polyethyleneimine (PEI; Polysciences), in DPBS. Cell culture media containing lentiviral

particles was harvested 48 h after transfection, filtered, and centrifuged at 25,000xg for 1.5h

at 4 °C. After removing the supernatant, pellets were gently resuspended in cold PBS and

incubated overnight at 4°C. Finally, the lentivirus was aliquoted and stored at -80 °C until use.

Lentiviral titration was determined using qPCR targeting the viral WPRE sequence and

comparison to a reference virus batch with known titre.

CRISPR approaches.

CRISPR KO. To generate MORC2 KO SHSY5Y cells two sgRNA were cloned into pSpCas9(BB)-

2A-Puro vector (Addgene #48139). sg21 (GGGATCAATATAGAGCACAG) targets exon 9 and

sg22 (GCGGACATTAGAAGTACGCCT) exon 11 of *MORC2*. 8 mg of the plasmids was

electroporated into $2x10^6$ cells using 100ul tips from Neon electroporation system and placed

into 25 cm flasks. After 24 h, 4 mg/mL of puromycin was added to select for electroporated

cells. After 10 days single cells were sorted into 96-well plates. Chosen clones were first

analysed for the presence of the MORC2 band using Western blotting. Cells were lysed for 30

min at 4°C in buffer containing 300 mM NaCl, 100 mM Tris pH 8.0, 0.2 mM EDTA, 0.1% NP40,

10% glycerol supplemented with protease inhibitors. Lysates were cleared by centrifugation

and supernatant was used for Western blotting using MORC2 (anti-rabbit MORC2, Bethyl),

HA (Mouse HA11 901501, Biolegend) and actin antibodies (Mouse α-β-actin, ab8226).

DyLight-680 or 800-conjugated secondary antibodies (Thermo Fisher Scientific) were used at
1:10,000 dilution and blots were imaged on the Odyssey near-infrared system (LI-COR).
Following isolation of genomic DNA (Qiagen), the knockout was confirmed using Sanger
sequencing and TIDE analysis.

CRISPR-editing. To introduce MORC2 S87L and E27K mutations in Ctrl-14 hiPSCs, HiFi Cas9v3,
relevant gRNAs and desired sequences to target the MORC2 gene were delivered to cells as
Ribonucleoprotein (RNP) and single-stranded oligodeoxynucleotide (ssODN) via
nucleofection (P3 Primary Cell 4D-Nucleofector X Kit, Lonza) (**Table 1**). CRISPR editing
efficiency was estimated in bulk using genomic PCR and restriction enzyme digestion followed
by clonal expansion. Individual clones were collected and primarily tested for the presence of
the edit using genomic PCR and restriction enzyme digestion followed by Sanger sequencing.
The selected clones with the desired edits underwent karyotyping and sequencing of the 5
top-predicted off-targets. Once these quality controls were passed, immunostaining of
pluripotency markers OCT4, NANOG and SOX2 was performed on selected clones.

Genotype	gRNA	ssODN	hiPSC clone numbers
WT	-	-	P14, 14.1, 14.2, 14.3
MORC2 E27K	ACCAAACAAGAATTCGTGAG	TTATCAACCAGTTCAGCAAGGGCACCAA ACAAGAATTTGTGAGTGGTTCTGAAATG ATAAATACTAAAAGTCAGCAAAAG	27.3, 27.5
MORC2 S87L	CTTCCCAAACTGGATCACAC	GACTCAGGTGTTCGCTTGGCCAACTTCC CAAACTGGATCACACTAGCAGCATCACC TGAAAGGGCAGA CACAAGAGAAAG	87.18, 87.22

Table 1. CRISPR editing of *MORC2*.

CRISPR interference. A previously-described protocol for CRISPR interference was used to
silence *MORC2* or young L1 transcription in hiPSCs.[66] gRNAs (**Table 2**) were cloned into a
dCas9-KRAB-T2A-GFP lentiviral backbone containing both the gRNA under the U6 promoter
and dCas9-KRAB-T2A-GFP under the Ubiquitin C promoter (pLV hU6-sgRNA hUbC-dCas9-
KRAB-T2a-GFP) using annealed oligos and the BsmBI cloning site. An identical CRISPRi vector
containing a gRNA sequence absent from the human genome (LacZ) was used as a non-
targeting control. hiPSCs were transduced with MOI 5 and GFP-positive cells were sorted
using FACS (FACSAria, BD sciences) on day 10 at 10°C. Sorted cells were centrifuged at 400x*g*
for 7 min and pellets were snap frozen on dry ice and kept at −80°C for downstream analysis,

or maintained in culture. MORC2 CRISPRi was validated in Pandiloski et al.[33]. Young LINE-1

silencing was validated in Adami et al.[28]

CRISPRi sgRNA target	20-bp targeting sequence (5'-3')
LacZ non-targeting control	TGCGAATACGCCCACGCGAT
MORC2	GCTTCCAAGGACCGGATCGA
LINE-1	GTGGAGCCCACCACAGCTCA

Table 2. CRISPRi gRNA sequences.

RT-qPCR.

RT-qPCR was used to check the efficiency of MORC2 CRISPRi. 500 ng RNA was extracted from

hiPSCs and used for reverse transcription to generate cDNA with random hexamer primers

and the Superscript III reverse transcriptase (Invitrogen). RT-qPCR was performed using SYBR

Green I master (Roche) on a LightCycler 480 instrument (Roche). Data were analysed with the

ΔΔCt method normalized to housekeeping gene *ACTB*. Primer sequences are given below.

Target	Forward (5'-3')	Reverse (5'-3')
MORC2	ACATGAAGACGCAGGAAGAG	ACTTCCAAGGGCAATTTCTT
Beta-Actin	CCTTGCACATGCCGGAG	GCACAGAGCCTCGCCTT
NANOG	TTGGGACTGGTGGAAGAATC	GATTTGTGGGCCTGAAGAAA
OCT4	TCTCCAGGTTGCCTCTCACT	GTGGAGGAAGCTGACAACAA
FOXG1	TGGCCCATGTCGCCCTTCCT	GCCGACGTGGTGCCGTTGTA
PAX6	TGGTATTCTCTCCCCCTCCT	TAAGGATGTTGAACGGGCAG

Table 3. RT-qPCR primer sequences.

Lentiviral expression of HA-MORC2 variants.

To express WT and mutant versions of MORC2 on the SHSY5Y MORC2-KO background, we

cloned MORC2 into the lentiviral pHRSIN-pSFFV-WPRE-pPGK-Hygro vector (a gift from Paul

Lehner, University of Cambridge) with an N-terminal HA-tag. For lentiviral production 293T

cells were co-transfected with lentiviral MORC2 vector, pCMVΔR8.91 and pMD.G using the

TransIT-293 transfection reagent (Mirus). Supernatants were collected two days post-

transfection and cleared by filtering through 0.45 mm membranes. 1x10^6 of cells were

transduced by centrifugation for 90 min at 1000xg in the presence of 300 μL lentivirus-

containing supernatant and 5 μg/mL of polybrene. The following day, cells were transferred

into 10cm dishes and hygromycin at 400 μg/mL added for selection.

Quantitative genotyping qPCR.

Quantitative genotyping PCR (qgPCR) was performed to rule out unintended CRISPR-induced on-target effects (onTEs) at the edited sites. We followed the protocol described in Weisheit et al., 2021.[67] In brief, genomic DNA was extracted from iPSC cells using the DNeasy Blood & Tissue kit (QIAGEN). IDTPrimerQuest was used to design primer pairs to amplify the regions surrounding the edits and FAM-labeled target-specific probes and purchased from IDT (see **Table 4**). We use the TERT Taqman Copy Number Reference assay (Thermo Fisher Scientific) labeled with VIC as a control assay. The qgPCR reaction mix was prepared using the Prime-Time Gene Expression Master Mix (IDT). Each sample was run in technical triplicates on a LightCycler 480 instrument (Roche). Protocol guidelines were followed to perform the Ct values analysis and total allele number calculation.

Primers	Sequence (5'-3')
MORC2_E27K-gqPCR-F	AGTTGGGGAGCTCTGGAAAG
MORC2_E27K-gqPCR-F	AGGGAAGTGGTTTTGGAGGT
MORC2_E27K-FAM-probe	56-FAM/TTGTTTGGT/ZEN/GCCCTTGCT
MORC2_S87L-gqPCR-F	ACCCTGGGAAAGAAATGCAAA
MORC2_S87L -gqPCR-F	GCTACTCGAGAAACCACCACT
MORC2_ S87L -FAM-probe	56-FAM/TGGGCAGTA/ZEN/CGGGAATGG

Table 4. Primers for quantitative genotyping qPCR.

Bulk RNA sequencing and analysis.

RNA was extracted from cells and organoids using the RNeasy mini and QIAshredder kits (Qiagen) respectively. Sequencing libraries were prepared using the Illumina TruSeq Stranded mRNA Library prep kit optimized for long fragments and subsequently sequenced on a NovoSeq X Plus platform with paired end reads (2x150bp) sequencing.

Genes and repetitive element subfamilies quantification. The generated reads were mapped to the human reference genome hg38 (GRCh38) with STAR aligner (v 2.6.0)[68] with modified parameters (--outFilterMultimapNmax 100 and --winAnchorMultimapNmax 200). BAM files were sorted using SAMtools (v 1.16.1).[69] For visualisation, BigWig files were created from the BAM files using bamCoverage (v 2.5.4) applying RPKM normalization. Gene quantification was conducted with Subread featureCounts (v1.6.3; flags -p and -s 2 for paired-end reads and strand-specific reads, respectively) using the reference annotation GENCODE version 38.

Repetitive elements quantification at a subfamily level was conducted with TEtranscripts (v

2.2.3) using default options and using a curated annotation file.[70]

Individual repetitive elements quantification. To obtain an accurate quantification of

individual repetitive elements, alignment of the reads to the reference genome with STAR

aligner was conducted to allow only for uniquely mapped reads. To this end, the reads were

allowed to map only to a single locus (--outFilterMultimapNmax 1) and the allowed

mismatched ratio was decreased (--outFilterMismatchNoverLmax 0.03) compared to default

settings. After sorting the obtained BAM files with SAMtools, the quantification was

conducted with featureCounts (v1.6.3) using the curated annotation file provided within the

TEtranscripts package. Generation of the BigWig files was conducted as described above.

Differential expression analysis. Differential expression analysis was conducted with DESeq2

(v 1.40.2)[71] using as input the count matrices obtained from featureCounts and TEtranscripts.

Raw reads were normalized with DESeq2's median-of-ratios normalization method and fold

changes were shrunk using DESeq2's lfcShrink. For creating the heatmaps, the mean of

replicates for each condition + 0.5 was used and further visualized with pheatmap.

Nuclear isolation.

Nuclei extraction was performed from day-15 organoids according to previously described

protocols.[72,73] Briefly, organoids were dissociated in cold lysis buffer (0.32 M sucrose, 5 mM

$CaCl_2$, 3 mM MgAc, 0.1 mM Na_2EDTA, 10 mM Tris-HCl, pH 8.0, 1 mM DTT) using a 1ml tissue

douncer (Wheaton). Isolation was sucrose gradient-based, thus the lysate was layered

carefully on top of a sucrose cusion (1.8 M sucrose, 3 mM MgAc, 10 mM Tris-HCl pH 8.0, and

1 mM DTT diluted in milliQ water) and then centrifuged for 2h and 15 minutes at 30,000xg 4

^{o}C. Supernatant was thoroughly aspirated, pellet was soften for 10 minutes by adding nuclear

storage buffer (15% sucrose, 10 mM Tris-HCl pH 7.2, 70 mM KCl, and 2 mM $MgCl_2$, all diluted

in milliQ water), resuspended in dilution buffer (10 mM Tris-HCl pH 7.2, 70 mM KCl, and 2 mM

$MgCl_2$, diluted in milliQ water) and filtered using a 70um cell strainer. Finally, nuclei were

sorted using FACS (Aria, BD Biosciences) at low flow rate and 4° C.

Single-nuclei RNA-sequencing and analysis.

Approximately 8,500 to 10,000 nuclei per sample were prepared for single-nucleus RNA

sequencing and loaded onto the Chromium Next GEM Chip G using the Single Cell Kit, along

with the reverse transcription mastermix, following the manufacturer's protocol for the

Chromium Next GEM Single Cell 3' Kit (10X Genomics, PN-1000268). Single-cell gel beads in

emulsion (GEMs) were generated during this process. cDNA was then amplified according to

guidelines from 10X Genomics, using 13 PCR cycles for the 3' libraries. Sequencing libraries

were constructed with unique dual indices (TT set A), pooled, and sequenced on a NovaSeq X

Plus system using a 100-cycle kit with 28-10-10-90 read lengths. Cell Ranger count (v 6.0.0)

was run with default settings,[74] with an mRNA and pre-mRNA reference for single-cell samples

(generated using 10x Genomics Cell Ranger 6.0.0 guidelines) for single-nucleus samples.

Samples clustering was analyzed using Seurat (version 5.1.0).[75] Each sample was filtered

according to two criteria, I) nuclei with percentage of mitochondrial content over 2%

(perc_mitochondrial) and II) nuclei with number of features (n_Feature) lower than 600 and

greater than 2 standard deviations were filtered out. The counts were normalized using

Seurat's LogNormalize (NormalizeData) and clusters were defined with a resolution of 0.1

(FindClusters). Standard Seurat functions (e.g. DimPlot and DotPlot) were used for all

downstream visualization of the data.

Oxford Nanopore sequencing and analysis.

For each sample, high molecular weight DNA was extracted from pooled organoids (n = 3)

using the Nanobind HMW DNA extraction kit (PacBio) according to manufacturer´s

instructions. Extracted DNA was then depleted of short DNA fragments (< 10 kb) and sheared

to 10 kb using the Short Reads Eliminator (SRE) XS kit (PacBio) and the g-TUBE (Covaris),

respectively. The sequencing libraries for LacZ control and MORC2 CRISPRi samples were

prepared using the Ligation Sequencing Kit V14 (SQK-LSK114 - ONT), while for the WT control

(clones P14 and 14.3) and S87L MORC2 mutant (clones 87.18 and 87.22) the library was

prepared, and the clones were barcoded and using the Native Barcoding Kit 24 V14 (SQK-

NBD114.24 - ONT). All libraries were sequenced on FLO-PRO114M flow cells on a PromethION

device (ONT) for 72 h. Basecalling and alignment to the human reference genome hg38 was

conducted with Dorado (v0.7.1) using the DNA model dna_r10.4.1_e8.2_400bps_sup@v4.3.0

and the DNA modification model dna_r10.4.1_e8.2_400bps_sup@v4.3.0_5mCG_5hmCG@v1

for the detection of CpG methylation. Resulting BAM files were sorted with SAMtools (v1.18).

Methylartist (v1.3.0) was used for the subsequent analysis of the methylation data visualised

through Methylartist and R (v4.4.2).[76] Modkit (v0.3.3) and BedGraphToBigWig (v4) were used

to produce bedGraph from the BAM files and BigWigs from the bedGraph files, respectively.

The BigWig files were then used for visualisation of the methylation with computeMatrix and

plotHeatmap (DeepTools v2.5.4).

CUT&RUN.

Two different CUT&RUN approaches were followed. For profiling histone modifications

(H3K4me3, H3K9me3, H3K27Ac), a standard CUT&RUN protocol was used. To profile MORC2

chromatin binding, a crosslinked protocol was used.

Standard CUT&RUN. The CUT&RUN protocol used here has previously been described.[77,78]

Briefly, 500k cells were harvested as described above (see cell culture: hiPSCs or SHSY5Y) and

washed three times using Wash buffer containing 20 mM HEPES pH 7.5, 150 mM NaCl, 0.5

mM spermidine, 1x Roche cOmplete protease inhibitors. Cells were then incubated and

attached to 10 uL pre-activated ConA-coated magnetic beads (Bangs Laboratories) on an end-

to-end rotator for 7-10 min. To activate ConA-coated magnetic beads, they were washed

twice with binding buffer containing 20 mM HEPES pH 7.9, 10 mM KCl, 1 mM $CaCl_2$, 1 mM

$MnCl_2$. Bead-bound cells then were incubated with primary antibody solution (20 mM HEPES

pH 7.5, 0.15 M NaCl, 0.5 mM Spermidine, 1x Roche complete protease inhibitors, 0.05% w/v

digitonin, 2 mM EDTA and 1:100 primary antibody) overnight at 4 °C. On the second day,

bead-bound cells were washed twice using digitonin buffer (20 mM HEPES pH 7.5, 150 mM

NaCl, 0.5 mM Spermidine, 1x Roche cOmplete protease inhibitors, 0.05% digitonin) then

incubated with pAG-MNase enzyme resuspended in digitonin buffer at 4 °C for 1 h with a

gentle mixing. Bead-bound cells were then washed twice with digitonin buffer, resuspended

in 100µL digitonin buffer, chilled to 0 °C for 5 min then incubated for 30 min at 0 °C with 2 mM

CaCl2 to activate genome cleavage. Finally, the reaction was quenched by adding 100 mL 2x

stop buffer (0.35 M NaCl, 20 mM EDTA, 4mM EGTA, 0.05% digitonin, 50 ng/mL glycogen, 50

ng/mL RNase A) and gentle vortexing followed by a 30 min incubation at 37 °C to release the

genomic fragments. The supernatant was collected and purified using PCR clean-up spin

columns (Macherey-Nagel).

Day-15 organoid CUT&RUN. 3-6 organoids per cell line was used. Organoids were collected

on day-15 of differentiation, washed with PBS, and incubated 3 minutes with Accutase on a

shaker at 37 °C to dissociate cells. They were then gently resuspended in Accutase and

incubated on the shaker for another 4 minutes followed by a 5-minute centrifugation at 400xg.

Finally, the cell suspension was filtered to remove Matrigel. The standard *CUT&RUN* protocol

was followed as described above.

Crosslinked CUT&RUN. The approach was same as above with addition of the followings: a

cross-linking step, an increase in cell number and a slightly higher centrifugation force. 900K-

1M cells were collected by centrifugation at 600xg for 3 minutes and crosslinked for 1 min

using 1% formaldehyde (in cell culture media, diluted from a 16% solution, Thermo Scientific).

Cross-linked cells were then washed three times with wash buffer containing 20 mM HEPES

pH 7.5, 150 mM NaCl, 0.5 mM spermidine, 1x Roche complete protease inhibitors, 1% Triton

X-100, 0.05% SDS. To avoid loss of the crosslinked cell/nuclear pellet during washes, a slight

increase in centrifugation speed (1000-1300xg) was applied. Cells were incubated with ConA

beads for 7-10 minutes as above and then resuspended in primary antibody buffer (20 mM

HEPES pH 7.5, 150 mM NaCl, 0.5 mM spermidine, 1x Roche complete protease inhibitors, 1%

Triton X-100, 0.05% SDS, 0.05% digitonin, 2 mM EDTA). After an overnight incubation at 4 $^{\circ}$C

with the primary antibody, bead-bound cells were thoroughly washed two times with

digitonin buffer (20 mM HEPES pH 7.5, 150 mM NaCl, 0.5 mM Spermidine, 1x Roche complete

protease inhibitors, 1% Triton X-100, 0.05% SDS, 0.05% digitonin). Following the 37 $^{\circ}$C

incubation to release genomic fragments, 0.09% SDS and 0.22 mg/ml proteinase K (Thermo

Scientific) was added to supernatant to reverse the crosslinking reaction. Finally, DNA was

purified using PCR clean-up spin column (Macherey-Nagel).

CUT&RUN sequencing and analysis.

Hyperprep kit (KAPA) with unique dual indexed adaptors were used to prepare sequencing

libraries which were then pooled and sequenced on NovaSeqX plus machine

(Illumina). Paired-end reads (2×75) were aligned to the human genome (GRCh38) using

bowtie2 (v 2.4.5) (–local –very-sensitive-local –no-mixed –no-unal –no-discordant –phred33

-I 10 -X 700),[79] converted to BAM files and further sorted with SAMtools (v 1.16.1). Peaks were

called using HOMER (v 4.10). Tag directories were created from the BAM files using

makeTagDirectory, and peaks were called with findPeaks (-style histone -minDist 1000 and -

size 300). When available, MORC2 CRISPR KO samples were used as control for peak calling

within the findPeaks command (-i). For the NPC lines, where the MORC2 CRISPR KO was not

available, the IgG sample was used as control, and MORC2 peaks with signal in the IgG

samples were removed. Peaks were filtered based on number of tags (> 10) and on fold-

change compared to control (> 8).Reads per kilobase per million mapped reads (RPKM)-

normalized BigWig coverage tracks were made with bamCoverage (DeepTools, v 2.5.4).

Heatmaps matrices were created by computeMatrix (DeepTools v2.5.4) using called peaks as

the input regions and RPKM normalized bigwigs as input signal. Matrices were then visualized

using plotHeatmap (DeepTools, v2.5.4), adjusting the upstream and downstream visualization

parameters (-a and -b) and splitting the signal in heatmaps (--kmeans 2).

Immunostaining.

hiPSCs immunostaining. Cells cultured on 24-well ibidi plates were rinsed three times with

DPBS and fixed in 4% formaldehyde for 15 min at room temperature. Before blocking with

TKPBS (KPBS with 0.25% Triton X-100) and 5% Normal Donkey Serum (NDS), cells were

washed another three times with DPBS. After 1h blocking, they were incubated overnight at

4 °C with primary antibody or TKPBS + 5% NDS for negative controls. The next day cells were

rinsed in TKPBS twice for 5 minutes each and once in TKBPS/ 5% NDS. They were then

incubated with secondary antibody solution (TKPBS + 5% NDS) at room temperature for 2 h

followed by a 5-minute incubation with DAPI (1:1000, Sigma D817) diluted in TKPBS. After

two washes with KPBS, cells were imaged using a Zeiss 780 confocal microscope.

Day-15 organoid immunostaining. Organoids harvested at day 15 of differentiation were

gently rinsed once with DPBS (Gibco) in 24-well plates then fixed with 4% paraformaldehyde

(PFA) for 90-120 minutes at room temperature. After fixation, organoids were washed three

times with KPBS for 10 minutes each time and incubated overnight with 30% sucrose at 4 °C

overnight on gentle shake. The following day, organoids were immersed in OCT (catalog no.

45830, HistoLab), snap frozen on dry ice and stored in -20°C until use. Before staining,

organoids were sliced into 20-μm sections using a cryostat (Thermo Scientific Cryostar NX70)

at -20°C and placed onto Superfrost Plus microscope slides. Borders of each slide were

defined using a hydrophobic PAP Pen before starting the immunostaining. After two washes

with KPBS, slides were incubated with blocking solution (TKPBS & 5% NDS) for 1 h at room

temperature. They were then incubated with primary antibody solution (relevant primary

antibody diluted in TKPBS & 5% NDS) overnight at 4 °C. The following day slides were washed

three times with KPBS and incubated with secondary antibody solution for 1 h at room

temperature. Finally, after three more washes, slides were incubated with DAPI, rinsed off

with KPBS, mounted using FluorSave mounting medium and imaged with a Zeiss 780 Confocal

microscope. Further image adjustments were performed in batch on Image J.

STORM.

Cells were seeded on glass 8-well Ibidi dishes and next day fixed with 4% formaldehyde in PBS

for 15 min. Membranes were permeabilised with 0.1% Triton-X100 in PBS for 5 min. For

staining, wells were first blocked with 10% FBS in PBS then incubated with primary anti-HA

antibody at 1/500 followed by secondary Alexa Fluor 647 at 1/1000. After washing samples

were fixed again for 5 min, washed and kept in PBS at 4°C till the imaging. STORM data was

acquired using Nikon N-STORM inverted microscope with 647 nm laser line, Apochromat TIRF

100×/1.49 NA oil immersion objective and single-photon detection iXon Ultra DU897 EMCCD

camera (Andor). Samples were washed with PBS and then STORM buffer (7mM NaOH, 100

mM mercaptoethylamine (MEA) in PBS) was added for the imaging. Samples were illuminated

with the 647 nm laser at 2–3 kW·cm^{-2} and 100 000 frames were collected for each field of

view at a frame rate of 50–70 Hz. Data was processed in NIS elements Advanced Research

with N-STORM module. Further image processing and cropping was performed using ImageJ.

Western blot.

Cell lysis was performed using either RIPA (Sigma-Aldrich) containing complete protease

inhibitor cocktail or 1:100 benzonase in 1% SDS on ice for 30 minutes and pelleted for 20

minutes at 4 °C and 12,000xg. Before running on a 4–12% Tris-glycine SDS-PAGE gel (200 V,

40-45 min, RT) (Life Technologies), supernatant was aspirated into new tubes and mixed with

loading dye (Novex LDS 4x) and reducing agent (Thermo) then boiled for 10 minutes at 70 °C.

To transfer proteins from gel to membrane, pre-made transfer stacks were used (Transblot-

Turbo Transfer system, BioRad) according to manufacturer's instructions. Membrane was

briefly rinsed with TBS-T (Tris-buffered saline with 0.1% Tween) and blocked in 5% skimmed

milk diluted in TBS-T (MTBST) for 1h at RT on a shaker. Membrane was rinsed once in TBS-T

and incubated at 4 °C overnight (for abundant targets e.g., Actin 1h incubation at RT is

sufficient) with primary antibody diluted in MTBST. The following day membrane was washed

three times in TBS-T each time for 5-10 minutes with shaking. It was then incubated with HRP-

conjugated anti-mouse (Cell signalling) or anti-rabbit secondary antibody (Santa Cruz

Biotechnology, 1:5,000) diluted in MTBST. Before protein detection, membrane was washed

three times in TBS-T each time for 5-10 minutes with shaking and once with TBS. Protein was
detected by chemiluminescence using ECL Select reagents (Cytiva) according to
manufacturer's instructions and imaged on a Chemi-Doc system (BioRad). Finally, β-actin
staining was performed by stripping the membrane using the Restore PLUS Western Blot
Stripping Buffer (Thermo) as per instructions, and re-blocking for 1 h in MTBST.

Antibodies.

CUT&RUN: Goat anti-rabbit IgG (abcam ab97047), Rabbit anti-H3K4me3 (Active Motif 39159),
Rabbit anti-MORC2(A300-149A, Bethyl), Rabbit anti HA-Tag (C29F4) mAb 3724, Rabbit anti-
H3K9me3 (abcam 8898), Rabbit anti-H3K27ac (MABE647 clone RM172) (1:50-1:100 dilution).
Immunostaining: Rabbit anti-NANOG (1:600 dilution, Abcam, RRID: AB446437), Mouse anti-
OCT3/4 (1:300 dilution,Santa Cruz, RRID: AB628051), Rabbit anti-Sox2 1:500 (Merck AB5603,
RRID: AB2286686), DAPI (1:1000 dilution, Sigma-Aldrich), Mouse anti-ORF1p, clone 4H1
(1:300 dilution, Sigma-Aldrich, RRID: RRID:AB2941775), Rabbit anti-PAX6 (1:300, Biolegend,
901301), Mouse anti-ZO1 (1:300, Invitrogen, 339100), Mouse anti-HA11 (Biolegend,
901501) ,Donkey anti-mouse Cy3 (1:500 dilution, Jackson Lab), Donkey anti-rabbit Alexa647
(1:500 dilution,Jackson Lab), Alexa-488 anti-mouse (Thermofisher, A21202, RRID AB141607),
Alexa-568 anti-rabbit (Thermofisher A10042, RRID AB2534017).
Western Blot: Rabbit anti-MORC2 (A300-149A, Bethyl), Rabbit mAb HA-Tag (C29F4), Anti
LINE-1 ORF1p clone 4H1 (Merck Millipore, MABC1152), HRP-472 conjugated anti-β-actin
(1:50000 dilution Sigma A3854), HRP-conjugated anti-mouse IgG (1:10000, Cell signalling
7076P2), HRP-conjugated anti-rabbit IgG (1:5000, Santa Cruz Biotechnology), Mouse α-β-
actin (abcam ab8226).

DATA AVAILABILITY.

There are no restrictions on data availability. The RNA and DNA sequencing data presented in
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AUTHOR CONTRIBUTIONS.

AA made and validated the SHSY5Y MORC2 KO cell line and complemented cell lines. FD and

LC-V designed and performed iPSC culture and cerebral organoid differentiations. FD, SK, SB

and AK performed CUT&RUN experiments. FD, LC-V and CD-H performed quality control

analysis of iPSC lines. FD and JM conducted L1 CRISPRi experiments, validations and 2D NPC

differentiations, with expert advice from AAd. CF prepared DNA for Nanopore sequencing and

performed bioinformatic analysis of the data. CF, NP and SK processed Illumina sequencing

experiments and performed bioinformatic analysis of the data. OEK, CD-H and JM tested 2D

neural differentiation protocols. FD, LC-V and AAd performed nuclear isolation of organoids.

JGJ prepared all Illumina sequencing libraries for bulk and single-nuclei RNA-seq and

CUT&RUN experiments. CHD conceived and designed the study. YM, JJ and CHD supervised

the study and acquired funding. FD, CF and CHD wrote the manuscript and made figures with

assistance from NP. All authors reviewed the final version.

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1072 **SUPPLEMENTARY FIGURES.**

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1074 **Supplementary Figure 1. (A)** Workflow for generating the MORC2 KO SHSY5Y cell line. **(B)** Validation of MORC2
1075 KO by Western blot. **(C)** Further examples of the different chromatin states characterizing MORC2 targets, see
1076 also Fig 1.

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1079 **Supplementary Figure 2.** Nuclear STORM imaging of SHSY5Y MORC2 KO cells complemented with HA-MORC2
1080 (WT, Y18A, S87L) targeting the HA epitope tag.

Supplementary Figure 3. (A) Electropherogram of the Sanger sequencing confirming the CRISPR-directed MORC2 mutations (E27K and S87L) in representative clones **(B)** Copy number analysis showing allele count for each MORC2 mutant clone and WT hiPSC lines. **(C)** Unscaled heatmap showing normalized read counts of pluripotency and neural marker genes as calculated by DESeq2 in the hiPSCs used in the study. Two batches of RNA from each clone was used for WT (n=4), E27K (n=4) and S87L (n=4) genotypes. **(D)** Schematic workflow of MORC2 CRISPRi experiment in hiPSCs and subsequent analyses. **(E)** Validation of CRISPRi through RT-qPCR analysis of MORC2 expression in control (n=3) and CRISPRi (n=3) hiPSCs. **(F)** Immunohistochemistry of pluripotency markers (NANOG, OCT4) for MORC2 control and CRISPRi cell lines. **(G)** Volcano plot showing the results of the differential expression analysis (DESeq2) for genes (left) and TE subfamilies using TEtranscripts (right) in the MORC2 CRISPRi cell line (n=3) compared to control (n=3). Differentially expressed genes and LINE1 subfamilies are highlighted in red, other differentially expressed genes and subfamilies are presented in grey (padj <0.05). **(H)** Immunohistochemistry of L1-ORF1p (green) in E27K and S87L MORC2 mutant and CRISPRi cell lines with their respective controls. Experiments were performed at least twice with similar results.

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1096 **Supplementary Figure 4. (A)** Unscaled heatmap showing the normalized read counts of L1 fusion genes in the
1097 E27K (n=4) and S87L (n=4) MORC2 mutant iPSC lines as compared to WT controls (n=4) and MORC2 CRISPRi
1098 (n=3) iPSCs compared to its control (n=3). **(B)** Genome browser snapshots showing two examples of L1 fusion
1099 genes derepressed in MORC2 mutant and CRISPRi treatments.

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Supplementary Figure 5. Cell composition of day 15, unguided cerebral organoids. **(A)** Left/Middle: UMAP showing the cell types identified in MORC2-WT (4-5 organoids from n=4 batches/clones), MORC2-E27K (4-5 organoids from n=2 batches/clones) and MORC2-S87L mutant (4-5 organoids from n=2 batches/clones) unguided cerebral organoids. Bottom: bar plot showing percentage of the cell type composition of the MORC2 WT and MORC2-S87L mutant cerebral organoids. **(B)** Dot plot showing neuronal and NPC gene markers used to characterize the cell clusters. Dot size corresponds to the proportion of cells expressing the gene. Dot color indicates average expression in each cell type. **(C)** Left/Middle: UMAP showing the cell types identified in control (4-5 organoids from n=1 batch) and MORC2 CRISPRi (4-5 organoids from n=1 batch) unguided cerebral organoids. Bottom: bar plot showing percentage of the cell type composition of the control and MORC2 CRISPRi cerebral organoids. **(D)** Dot plot showing neuronal and NPC gene markers used to characterize the cell clusters. Dot size corresponds to the proportion of cells expressing the gene. Dot color indicates average expression in each cell type.

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Supplementary Figure 6. (A) Unscaled heatmap showing normalized read counts of bulk RNA-seq data for
clustered protocadherin genes (PCDHα, PCDHβ and PCDHγ) as calculated by DESeq2 in WT (n=9 samples from a
total of 27 organoids differentiated from 3 iPSC lines across 3 batches,) E27K (n=9 samples from a total of 27
organoids differentiated from 2 iPSC lines across 2 batches) and S87L (n=9 samples from a total of 27 organoids
differentiated from 2 iPSC lines across 2 batches) cell lines, and from Control (n=3 samples derived from 9
organoids differentiated from 1 bulk transduced cell line across 1 batch) and MORC2 CRISPRi (n=3 samples
derived from 9 organoids differentiated from 1 bulk transduced cell line across 1 batch). **(B)** Genome browser

view of bulk RNA-seq and H3K4me3 CUT&RUN from organoid experiments of the PCDHγ cluster (top) and PCDHα, PCDHβ and PCDHγ clusters (center), and their mean percentage methylation profile (bottom). Data are representative of all replicates performed.

Supplementary Figure 7. (A) Aligned Nanopore reads showing CpG methylation across clones belonging to the WT (n=2) and S87L (n=2) cell lines over example L1 and ZNF gene loci. **(B)** Aligned Nanopore reads showing CpG methylation over examples of non-reference LINE1 insertions in WT and S87L cell lines, and Ctrl and MORC2 CRISPRi cell lines. **(C)** Aligned Nanopore reads showing long-range dysregulated CpG methylation over a ZNF gene cluster.

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Supplementary Figure 8. (A) RT-qPCR data from indicated iPSC (n=1) and NPCs derived therefrom (n=2 from two
separate differentiation batches) to assess expression of pluripotency and neural progenitor markers. Each value
is the mean of three technical replicates. nd, not determined due to insufficient RNA yield from the 87.22-Ctrl
condition. In all cases Ct values were normalized to the *ACTB* housekeeping gene and fold-change calculated
relative to the WT-Ctrl condition. **(B)** Representative brightfield and immunocytochemistry analysis of NPC
differentiations from six cell lines at the indicated timepoints. Note, data shown for the WT-Ctrl line is the same
as that shown in figure 6.