1	Transcriptional repression by FACT is linked to regulation of
2	chromatin accessibility at the promoter of ES cells
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The conserved and essential histone chaperone FACT (Facilitates Chromatin Transcription) reorganizes nucleosomes during DNA transcription, replication and repair and ensures both, efficient elongation of RNA Pol II and nucleosome integrity. In mammalian cells, FACT is a heterodimer, consisting of SSRP1 and SUPT16. Here, we show that in contrast to yeast, FACT accumulates at the transcription start site of genes reminiscent of RNA Polymerase II profile. Depletion of FACT in mouse embryonic stem cells leads to up-regulation of pro-proliferative genes and key pluripotency factors concomitant with hyper-proliferation of mES cells. Using MNase-, ATAC-, and Nascent Elongating Transcript Sequencing (NET-seq) we show that up-regulation of genes coincides with loss of nucleosomes upstream of the TSS and concomitant increase in antisense transcription, indicating that FACT impacts the promoter architecture to regulate expression of these genes. Finally, we demonstrate a role for FACT in cell fate determination and show that FACT depletion primes ES cells for the neuronal lineage.

42 Introduction

The basic functional unit of chromatin is the nucleosome consisting of around 147 bp of DNA 43 44 wrapped around an octamer of histone proteins - two copies each of histones H2A, H2B, H3 and H4. In vitro, chromatinized DNA templates are refractory to transcription suggesting that the 45 nucleosome might provide a barrier for the elongating RNA polymerase. Using elegant 46 biochemical fractionation assays coupled to in vitro transcription assays, FACT was initially 47 characterised as a factor that alleviated the repressive nature of chromatin in vitro (Orphanides, 48 Wu, Lane, Hampsey, & Reinberg, 1999). Meanwhile, it has been demonstrated that FACT can 49 cooperate with all RNA polymerases in the cell and ensure both, efficient transcription 50 elongation and nucleosome integrity. Both FACT subunits are highly conserved across all 51 52 eukaryotes with the exception of an HMG-like domain present in SSRP1 but absent in the yeast homolog Pob3. In yeast, an HMG domain protein named Nhp6 has been proposed to provide 53 54 the DNA binding capacity of FACT (Formosa et al., 2001).

55 The molecular basis for FACT activity has long remained elusive. However, recent biochemical 56 and structural studies are starting to elucidate how FACT engages nucleosomes (Hondele et al., 2013; Hsieh et al., 2013; Kemble, McCullough, Whitby, Formosa, & Hill, 2015; Winkler & Luger, 57 2011). Via its several domains, FACT binds to multiple surfaces on the nucleosome octamer 58 and acts by shielding histone-DNA interactions. Initially, it was proposed that FACT would evict 59 60 an H2A/B dimer from the nucleosome in front of the polymerase and then reinstate nucleosome 61 integrity in its wake. However, other data suggests that this dimer replacement is not part of 62 FACT function as it leaves the histone composition of the nucleosome intact (Formosa, 2012). 63 Based on recent biochemical data (Hsieh et al., 2013), a model emerges in which RNA Pol II 64 enters the nucleosome and partially uncoils the nucleosomal DNA. At the same time, FACT binds to the proximal and distal H2A/H2B dimer and these FACT-dimer interactions facilitate 65 66 nucleosome survival.

67 Although the genetics and biochemistry of FACT are relatively well understood, it is not known 68 whether cell-type dedicated functions are conferred by this histone chaperone. Interestingly, 69 genome-wide expression analyses across cell and tissue types implicate a role of FACT in 70 maintaining an undifferentiated state. Depletion of FACT subunits leads to growth reduction in 71 transformed, but not in immortalized cells (Garcia et al., 2013), indicating that FACT is essential 72 for tumour growth, but not for proliferation of untransformed cells. Finally, FACT regulates the 73 expression of Wnt-target genes during osteoblast differentiation in mesenchymal stem cells and 74 its deletion leads to a differentiation skew (Hossan et al., 2016). Taken together, these data suggested a more specific role for the FACT complex in undifferentiated cells as previously 75 76 assumed.

77 Recent studies have demonstrated that RNA Pol II can transcribe in both sense and anti-sense 78 directions near many mRNA genes (Kwak, Fuda, Core, & Lis, 2013; Mayer et al., 2015). At 79 these so-called bidirectional promoters, RNA Pol II initiates transcription and undergoes 80 promoter-proximal pausing in both the sense (at the protein-coding TSS) and anti-sense orientation (Kwak et al., 2013; Mayer et al., 2015). Divergent transcription is often found at 81 82 mammalian promoters that are rich in CpG content, but lack key core promoter elements such 83 as the TATA motif (Scruggs et al., 2015). A broader nucleosome free region (NFR) in the 84 promoter region is often accompanied by divergent transcription, and can lead to binding of 85 more transcription factors resulting in higher gene activity (Scruggs et al., 2015).

Here, we have confirmed an indispensable role of FACT in undifferentiated cells based on the expression levels of both FACT subunits and, thus chose mouse embryonic stem cells as a model to investigate how FACT might shape the transcriptome and maintain an undifferentiated state. To achieve this, we performed ChIP- and RNA-seq to identify genes bound and regulated by FACT. To address at a mechanistic level how FACT might regulate transcription in ES cells, we combined this analysis with MNase digestion of chromatin coupled to deep sequencing (MNase-seq), Assay for Transposase-Accessible Chromatin using sequencing (ATAC-seq), and

93 Nascent Elongating Transcript Sequencing (NET-seq). Using these approaches, we have 94 identified a specific gene cluster comprising of genes involved in embryogenesis/ neuronal development that are up-regulated upon FACT depletion. In addition, we observed a 95 96 concomitant increase in chromatin accessibility around the transcription start site, suggesting 97 that maintenance of nucleosomes at this position by FACT is part of the mechanism how FACT impacts on the regulation of these genes. Finally, our data support a role of FACT in the 98 99 maintenance of a pluripotent state by showing that its depletion leads to faster differentiation 100 into the neuronal lineage.

101

102 **Results**

103 Occupancy of FACT correlates with marks of active gene expression

High expression of FACT has been associated with stem or less-differentiated cells (Garcia et 104 al., 2011). Indeed, we were able to confirm that low FACT levels correlate with highly 105 differentiated cell lines as opposed to stem and cancer cells (Supplementary Fig. 1A). In 106 107 addition, differentiation of murine ES cells into terminally differentiated cardiomyocytes (Wamstad et al., 2012) reveals that FACT levels diminish throughout the course of 108 109 differentiation (Supplementary Fig. 1B). Thus, we chose to explore how FACT contributes to 110 the transcriptome of undifferentiated cells using mouse ES cells. Initially, we applied to mESCs 111 a chromatin immunoprecipitation and sequencing (ChIP-seq) assay to identify potential DNA binding regions for both FACT subunits. Subsequently, we examined FACT co-enrichment with 112 several other transcription factors, histone marks, and chromatin remodellers over the gene 113 114 body area of all uniquely annotated protein-coding genes (n = 11,305). High correlation scores 115 were observed between SSRP1, SUPT16, H3K4me3, H3K27ac, and Pol II variants (Pol II S5ph, 116 Pol II S2ph) confirming the role of FACT in active gene expression (Fig. 1A & Supplementary

117 Fig. 1E). A good correlation was also observed between both FACT subunits and Chd1, in line 118 with data demonstrating physical interaction and co-localization in mammalian cells (Kelley, Stokes, & Perry, 1999). However, only a moderate correlation was observed between FACT 119 120 and H3K36me3 on a genome wide level despite the fact that H3K36me3 directly recruits FACT 121 to actively transcribed genes (Carvalho et al., 2013). We suspect that the strong enrichment of FACT subunits around the TSS might mask this potential correlation. Nevertheless, FACT 122 123 subunits also co-localize to the gene body of actively transcribed genes and enrich towards the TES, similarly to H3K36me3 (Supplementary Fig. 1C,D). Pearson's correlation among FACT 124 and active marks remained elevated when we focused on promoter and enhancer regions (n =125 19,461) (Fig. 1B). Both subunits displayed very similar binding pattern to each other over the 126 transcription start site (TSS) of all the annotated genes and were tightly linked to H3K4me3 127 128 levels (Fig. 1C).

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130 Regulation of gene expression by FACT

131 To investigate how FACT orchestrates transcriptional regulation in mESCs, we depleted SSRP1 levels using short hairpin RNAs (shRNA – Supplementary Fig. 2A). Importantly, this also led to 132 a simultaneous depletion of SUPT16 levels as assessed by Mass spectrometry (Supplementary 133 134 Table 7). This interdependence of the two FACT subunits has been observed before (Garcia et al., 2013). Surprisingly, we observed an increase in mESC proliferation following Ssrp1 knock-135 136 down (KD) as measured by proliferation rate via MTT (metabolic activity measurement) cell 137 proliferation assays using independent shRNAs (Fig. 2A & Supplementary Fig. 2B). This is in contrast to previously published data from tumour cell lines, in which proliferation rates 138 decrease and also from terminally differentiated cells, where FACT depletion has no effect on 139 140 proliferation (Garcia et al., 2013). Subsequently, we sequenced the whole transcriptome (RNA-

141 seq). In total, we characterised 3,003 differentially expressed genes; 1,655 down-regulated and 142 1,348 up-regulated (Fig. 2B). Down-regulated genes were over-represented for pathways involved in development, while up-regulated genes were involved in metabolic processes and 143 144 positive regulation of proliferation (Fig. 2C), indicating that the change in the transcriptome 145 accounts for the faster proliferation rates. These results suggest that FACT impacts developmental processes and negatively controls cell proliferation in mES cells by controlling 146 147 gene expression patterns. A low correlation (Pearson's R = 0.11) was observed between the coverage of SSRP1 (ChIP-seg) and the gene fold change (RNA-seg) of those genes in the 148 Ssrp1 KD (Fig. 2D), indicating that FACT binding alone is not a predictor for gene expression 149 150 changes. Taking these findings together, FACT can work directly as an enhancer or repressor of transcription in mES cells. 151

Given the high correlation of FACT with H3K4me3 (Fig. 1A) and to understand how the 152 153 transcriptional changes might be linked to differences in recruitment of transcriptional regulators we performed an IP for H3K4me3 followed by Mass spectrometry both in Control and SSRP1-154 155 depleted ES cells (Supplementary Fig. 3A, Supplementary Table 5). We observed an 156 increased binding of Oct4 and Sox2 to H3K4me3 in the Ssrp1 KD state, in line with the observation that FACT depletion impacts developmental processes. Interestingly, we observed 157 reduced binding of many splicing factors on H3K4me3 in the absence of FACT 158 159 (Supplementary Fig. 3A). Differential splicing analysis between Control and Ssrp1 KD conditions confirmed in total 356 Exon skipping/inclusion and 97 Intronic retention events 160 161 following FACT depletion (Supplementary Fig. 3B,C). Interestingly, a fraction of the differential gene isoforms generated in the Ssrp1 KD group is over-represented in limbic system and 162 163 dendrite development pathways (Supplementary Fig. 3D), suggesting that genes involved in 164 neuronal development might be influenced by FACT.

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166 **Depletion of FACT induces very specific changes in chromatin accessibility**

Since FACT is responsible for the remodelling of nucleosomes in front of RNA polymerase and 167 168 the re-establishment of nucleosome integrity in its wake (Formosa, 2012), we speculated 169 whether some of the observed transcriptional alterations could be connected to changes in nucleosome occupancy upon depletion of FACT. Mononucleosome-sized DNA fragments upon 170 treatment with MNase (135-170 bp) were purified from Control and Ssrp1-depleted conditions, 171 172 and sequenced (Supplementary Fig. 4A,B). Nucleosome occupancy was plotted for four 173 different gene classes according to the presence of SSRP1 in the control group (ChIP-Seg) and 174 their relative gene Fold Change (RNA-seq) in the Ssrp1 KD state. Overall, we observed little 175 changes in nucleosome occupancy genome-wide (Fig. 3A). Genes that are down-regulated in 176 the Ssrp1 KD ("Down-regulated" class) and bound by FACT exhibit a global mononucleosomal 177 shift by a few nucleotides right after the +1 nucleosome. Up-regulated genes showed a loss of 178 nucleosome occupancy in the gene body area regardless of FACT-bound status (Non-SSRP1 179 and SSRP1 targets) (Fig. 3A,B), potentially reflecting the higher transcription rate through these 180 genes. However, specifically in up-regulated genes bound by FACT ("Up-regulated" class), we 181 observed a significant loss of nucleosomes upstream of the TSS (Fig. 3A,B). This difference in nucleosome occupancy at the promoter region is highly reproducible among the different 182 183 replicates (Supplementary Fig. 4C). Splitting the up-regulated genes by the amount of 184 H3K4me3 levels (k-means clustering) as a proxy for gene-expression levels, also revealed that the loss of nucleosomes at the promoter is more profound over the promoters of lowly 185 186 expressed/ repressed genes (Control state) (Supplementary Fig. 4C). The observed nucleosome depleted regions (NDRs) were different between up- and down-regulated genes. 187 188 Such architectural differences have been previously attributed to different levels of GC 189 frequency. Indeed, GC frequency over SSRP1 targets was higher and broader in the "Downregulated" class corroborating a more open chromatin state (Fenouil et al., 2012) (Fig. 3A &

191 Supplementary Fig. 4D).

192 To confirm this difference in chromatin accessibility using an additional approach, we performed 193 ATAC-seq in Control and Ssrp1-depleted ES cells (Fig. 3C). In line with the observations of the MNase-seq experiments, we observed a statistically significant increase ($P < 10^{-10}$) in chromatin 194 accessibility in the absence of FACT upstream of the promoter region of FACT-bound, up-195 196 regulated genes (Fig. 3C,D,E). In combination with the RNA-seq data, this reduction in 197 nucleosome occupancy (and subsequently increase in chromatin accessibility) at the TSS 198 suggests that FACT might act as a repressor by enabling a more closed chromatin conformation 199 state at promoter regions.

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201 Gain in chromatin accessibility upon FACT depletion upstream of the TSS coincides with 202 antisense transcription

203 Over the last decade, it has become apparent that promoters can drive expression of sense and 204 antisense RNAs, with proximally paused RNA Pol II on both strands (Jonkers, Kwak, & Lis, 2014; Seila et al., 2008). In vitro, FACT has been demonstrated to facilitate transcription through 205 206 chromatinized templates (Orphanides et al., 1999) and reduces pausing of the elongating polymerase when it encounters nucleosomes (Hsieh et al., 2013). In yeast, depletion of Spt16 207 208 leads to upregulation of antisense transcription from gene-internal cryptic promoters (Feng et al., 2016). Thus, in order to understand how the observed changes in chromatin accessibility 209 210 would impact transcription initiation and to get more mechanistic insight into how FACT might 211 dampen expression of genes in mES cells, we performed NET-seg (Mayer & Churchman, 2016) 212 (Supplementary Fig. 5A), a method that allows quantitative, strand-specific and nucleotide resolution mapping of RNA Pol II. 213

214 Initially, we sought to determine whether nascent transcription positively correlates with mRNA levels. A higher correlation of nascent RNA - mRNA expression and a significantly higher slope 215 $(P < 10^{-5})$ was observed over SSRP1-target regions in the Control state suggesting higher levels 216 of Pol II pausing and mRNA levels in the presence of FACT (Fig. 4A). Nevertheless, in the 217 218 Ssrp1 KD state the SSRP1-bound regions maintained a higher slope, suggesting that pausing 219 and elongation speed of RNA Pol II are not controlled entirely by FACT (Supplementary Fig. 220 5B). To confirm this, we measured the travelling ratio of RNA Pol II over down-regulated and up-regulated genes. Indeed, "up-regulated" SSRP1-bound genes show a lower travelling ratio 221 overall, but no significant difference was observed among this group of genes following FACT 222 depletion (Control to Ssrp1 KD comparison), indicating that FACT is not involved into the 223 224 release of Pol II towards successive elongation in mammalian cells (Fig. 4B).

225 Next, we assessed RNA Pol II pausing and directionality over up-regulated genes. NET-seq 226 density plots identified that FACT targets displayed higher levels of promoter-proximal RNA Pol 227 II in the sense strand, but not in the antisense strand, compared to SSRP1-unbound promoters (Fig. 4C,D). Upon knock-down of FACT, SSRP1 targets displayed an increase ($P < 10^{-6}$) in 228 229 divergent transcription compared to the non-SSRP1 targets (Fig. 4E). This occurred precisely at locations where nucleosomes were depleted upon knock-down of FACT (Fig. 4F). No change in 230 antisense transcription was observed for Down-regulated (Supplementary Fig. 6A,B) or 231 232 Unchanged (Supplementary Fig. 6C,D) genes suggesting that the presence of FACT over a specific gene class (Up-regulated genes) decreases the rate of antisense transcription by 233 234 maintaining higher nucleosome density upstream of the TSS.

A correlation between loss of nucleosomes upstream of the TSS, increase in antisense and sense transcription has recently been reported to occur in mammalian cells (Scruggs et al., 2015). Furthermore, this study showed that antisense transcription can lead to a more open chromatin structure enabling increased binding of transcription factors, which is favourable for 239 sense transcription. Taken together, our data suggest that the repressive function of FACT is

linked to nucleosome deposition at the promoter and obstruction of anti-sense transcription.

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ES cells differentiate more efficiently into the neuronal lineage upon FACT depletion

Finally, we wanted to investigate, whether the transcriptional changes induced by depletion of 243 FACT have physiological consequences. We tested this by differentiating mES cells into the 244 neuronal lineage. The rationale for this approach stems from previous studies that pinpoint a 245 246 specific role for FACT in neurons (Neumüller et al., 2011; Vied et al., 2014) as well as from the 247 gene ontology enrichment for neuronal terms that we obtained from mRNA isoform analysis (Supplementary Fig. 3E). We induced differentiation of ES cells towards a neuronal lineage via 248 249 embryoid body formation and treatment with retinoic acid (Bibel, Richter, Lacroix, & Barde, 250 2007). We created early stage Neural Precursor Cells (NPCs - 3 days into the differentiation process) and interrogated the whole transcriptome via RNA-seq. We identified that in early 251 252 stage NPCs, expression of key neurogenesis markers (Pax6, Nes, Tubb3) increases whereas 253 FACT mRNA levels and key pluripotency factors are unchanged but still maintained at a high level (Fig. 5A). A quarter of the up-regulated genes in ES cells after Ssrp1 KD overlaps with the 254 up-regulated genes instigated by neuronal differentiation ($P < 10^{-13}$, Fisher's exact test; Fig. 5B) 255 256 and are over-represented in pathways involved in neuronal development. Similarly to our previous observations, β 3-Tubulin (*Tubb3*) (SSRP1-bound gene), as an example for 257 258 neurogenesis genes up-regulated upon FACT depletion, shows higher chromatin accessibility 259 levels at the promoter region upon knock-down of FACT. This opening of the promoter is accompanied by an increase in anti-sense transcription (Fig. 5C). 260

We then depleted *Ssrp1* levels at the onset of neuronal differentiation and performed
 immunofluorescence for neurogenesis (β3-Tubulin) and dendritic (MAP2) markers at the same

time point as the RNA-seq experiment. *SSRP1 KD* caused a substantial increase in the expression of those markers, indicating that loss of FACT function primes ES cells for the neuronal lineage and enhances early neuronal differentiation (**Fig. 5D**).

266

267 **Discussion**

In this study we have addressed the role of the histone chaperone FACT in mouse ES cells. In contrast to the genomic profile identified for *S. cerevisiae* FACT, where the protein occupancy is depleted at the transcription start site and accumulates in the gene body (True et al., 2016), the genomic profile of mammalian FACT over active genes is reminiscent of a profile of the Ser5 phosphorylated form of RNA Pol II. This recruitment to the transcription start site might reflect binding of FACT to RNA Pol II. A similar profile for SSRP1 has been reported recently in HT1080 cells (Garcia et al., 2013).

In general, FACT depletion does not lead to gross alterations of the nucleosomal landscape as 275 measured by MNase- and ATAC-seq. In particular, genes down-regulated upon FACT depletion 276 277 only show a slight shift of nucleosomes, similar to what has been observed in yeast upon FACT 278 inactivation (Feng et al., 2016). It is tempting to speculate that the reason for down-regulation lies in the originally described function of FACT to help passage of RNA Pol II through 279 280 chromatin (Orphanides et al., 1999) and its depletion makes this process less efficient. FACT-281 bound genes that are up-regulated upon Ssrp1 depletion show a significant alteration in nucleosomal occupancy around the transcriptional start site (TSS). FACT depletion leads to loss 282 283 of nucleosomes and increased rates of bi-directional nascent transcription suggesting that these genes are usually dampened or repressed (in case of silent genes) by the maintenance of 284 nucleosomes at these sites. The loss of nucleosomal occupancy upon depletion of FACT goes 285 286 hand-in-hand with an increase in antisense transcription. Based on the data presented here, we

287 cannot determine if the loss of nucleosomes precedes upregulation of antisense transcription or 288 vice versa. Also, it is not clear, whether this is driven by FACT alone, or in combination with RNA polymerase and/or chromatin remodellers. However, it is clear that this observed effect is 289 290 very specific to SSRP1-bound genes, in which the histone chaperone operates as a repressor, 291 suggesting that FACT is required to maintain the observed high level of nucleosome occupancy 292 and to inhibit antisense transcription. One should note however, that this gene class shows low 293 levels of antisense transcription (Fig. 4C,D). Therefore, one plausible model would be that FACT is required on these promoters to reinstate nucleosomes after initiation of antisense 294 transcription. Depletion of FACT would lead to loss of this function and loss of nucleosomes, 295 296 which in turn would drive higher levels of antisense transcription. It is of interest to note that FACT depletion in S. cerevisiae by using a thermosensitive allele of spt16 also leads to 297 298 upregulation of sense/antisense transcription. However, this occurs at cryptic promoters within 299 the coding region of the gene due to a defect in re-establishing chromatin structure after 300 passage of the elongating polymerase (Feng et al., 2016). Given the differences of FACT occupancy between mammals (this study and Garcia et al., 2013) and yeast (True et al., 2016), 301 this might reflect evolutionary differences between mammalian and yeast FACT. 302

This scenario described for mammalian FACT would lead to a wider NFR and allow more 303 efficient recruitment of TFs and RNA polymerase. In addition, the torque generated by two 304 305 divergently elongating RNAPII molecules can create sufficient negative supercoiling density in the DNA between the two promoters, which is known to increase RNAPII transcription efficiency 306 307 (Seila, Core, Lis, & Sharp, 2009). Taken together, we have shown that FACT can function both as an enhancer and a repressor of transcription. The repressive function of FACT correlates 308 309 well with nucleosomal occupancy at the TSS and suppression of antisense transcription. In ES cells, genes repressed by FACT in this way encode for proteins involved in embryogenesis, 310

particularly in early neuronal differentiation, which is accelerated when FACT is depleted (Fig.6).

313 FACT expression correlates with the differentiation state of the cell, being highest in 314 undifferentiated and lowest in terminally differentiated cells. This cannot be simply explained by differences in proliferation rates as e.g. NIH-3T3 also exhibit low levels of FACT expression, but 315 proliferate comparably to mouse ES cells. These observations suggest that FACT assists to 316 maintain a chromatin/ transcription state that allows self-renewal. Indeed, depletion of FACT 317 leads to an imbalance of the ES cell transcriptome. On the one hand, pro-proliferative genes are 318 319 up-regulated and lowly expressed developmental factors are further down-regulated leading in 320 the hyper-proliferation of ES cells. Moreover, the FACT-depleted gene signature has a large 321 overlap with gene expression changes observed upon differentiation into the neuronal lineage. 322 Interestingly, a comparison of expression patterns in the early developing mouse brain identified 323 a set of only 13 genes, including Ssrp1 with high correlation of expression in the proliferating cells of the VZ (Ventricular Zone) of the neocortex at early stages of development (Vied et al., 324 325 2014). This is a transient embryonic layer of tissue containing neural stem cells (Rakic, 2009) 326 and a place for neurogenesis during development dependent on the Notch pathway (Rash, Lim, Breunig, & Vaccarino, 2011). Similarly to our study, hyperproliferation in a stem cell 327 compartment upon FACT depletion has been observed before. Drosophila neuroblasts 328 329 hyperproliferate upon deletion of SSRP1 suggesting that it is involved in the regulation of balancing neuroblast self-renewal and differentiation (Neumüller et al., 2011). A very recent 330 331 report also highlights the role of FACT in assisting cell fate maintenance. Using a genetic screen in C. elegans, all FACT subunits were identified as barriers for cellular reprogramming of germ 332 333 cells into the neuronal lineage (Kolundzic et al., 2017). Comparable to our results, the authors did not observe major chromatin architecture alterations, but observed larger colonies during 334 reprogramming assays in the absence of FACT, indicative of higher proliferation rates. In 335

agreement with these reports, our data demonstrate that FACT-depleted ES cells differentiate
 much more efficiently into early neuronal precursors. Taken together, the data suggest a role for
 FACT activity during neuronal differentiation and the proper levels of FACT might assist in
 balancing proliferation speed and timing of differentiation processes.

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353 Author Contributions

C.M. and P.T. designed the study, C.M. performed all experiments and analysed data, C.M. andP.T. interpreted results and wrote the manuscript.

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358 Conflict of Interest

- 359 The authors declare no conflict of interest.
- 360

361 **Deposition of sequencing data**

- 362 Data have been deposited in Gene Expression Omnibus (GEO) under accession numbers GSE
- 363 90906 (ChIP-seq, RNA-seq, chrRNA-seq, MNase-seq, ATAC-seq, and NET-seq).

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Materials and Methods 377

378 Cell culture. The E14 cell line (mESCs) was cultured at 37 °C, 7.5% CO₂ on 0.1% gelatin 379 coated plates, in DMEM + GlutaMax[™] (Gibco) with 15% fetal bovine serum (Gibco), MEM non-380 essential amino acids (Gibco), penicillin/streptomycin (Gibco), 550 µM 2-mercaptoethanol (Gibco), and 10 ng/ml of leukaemia inhibitory factor (LIF) (eBioscience). HEK293T, N2a, MEFs, 381 382 NIH3T3, and B16 cell lines were cultured at 37 °C, 5% CO₂ in DMEM + GlutaMax[™] (Gibco) with 10% fetal bovine serum (Gibco), and penicillin/streptomycin (Gibco). Early Neuronal Precursor 383 384 Cells (NPCs) were generated as previously described (Bibel et al., 2007). Briefly, embryoid bodies were created with the hanging drop technique and were further treated with 1 µM retinoic 385 acid (RA) for 4 days. RA-treated embryoid bodies were trypsinised and cultured in DMEM + 386 387 GlutaMax[™] (Gibco) with 15% fetal bovine serum without LIF for 3 days.

388 Depletion of SSRP1 from mESCs via shRNA and RNA preparation. E14 were transfected 389 with lentiviral vectors containing either a scramble Control or Ssrp1 shRNAs (MISSION® shRNA, Sigma) with the following sequences: 390

<u>Scramb</u>	<u>e</u>
Contro	CCGGGCGCGATAGCGCTAATAATTTCTCGAGAAATTATTAGCGCTATCGCGCTTTTT
shRNA	1
<u>(Ssrp1</u>	CCGGCCTACCTTTCTACACCTGCATCTCGAGATGCAGGTGTAGAAAGGTAGGT
<u>shRNA</u>	2
<u>(Ssrp1)</u>	CCGGGCGTACATGCTGTGGCTTAATCTCGAGATTAAGCCACAGCATGTACGCTTTTG
<u>shRNA</u>	3
<u>(Ssrp1</u>	CCGGGCAGAGGAGTTTGACAGCAATCTCGAGATTGCTGTCAAACTCCTCTGCTTTTG
<u>shRNA</u>	4
<u>(Ssrp1</u>	CCGGCCGTCAGGGTATCATCTTTAACTCGAGTTAAAGATGATACCCTGACGGTTTTTG
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A combination of two different Ssrp1 shRNAs was used (1&2, 3&4) at a time and depletion was 392 393 quantified via western blotting using a monoclonal anti-Ssrp1 antibody (Biolegends). Anti-alpha

Tubulin was used as a reference control. The 1&2 combination was used for subsequent 394 395 experiments as it yielded higher depletion of SSRP1 levels (Supplementary Figure 2a,b). Fourty-eight hours (48h) after transfection, puromycin (2 µg /ml) selection was applied for an 396 397 additional 24h period, before cell collection and RNA preparation. Total RNA was obtained via 398 phenol-chloroform extraction (QIAzol Lysis Reagent - QIAGEN) followed by purification via Quick-RNA™ MicroPrep (Zymo Research). Library preparation and ribosomal depletion were 399 400 performed via the NEBNext Directional RNA Ultra Kit (NEB) and the RiboZero Kit (Illumina) according to the manufacturer's instructions, respectively. Four different biological replicates 401 (Control or SSRP1-depleted mESCs) were prepared and processed for transcriptome analysis. 402

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MTT proliferation assay. 48h after transfection, different cell densities $(3x10^4, 2x10^4, 1x10^4)$ were seeded on 96-well plates (Sarstedt) along with puromycin (2 µg /ml). Twenty-four hours later, the CellTiter 96® Non-Radioactive Cell Proliferation Assay kit (Promega) was used according to the manufacturer's instructions in order to assess the rate of cell proliferation between the two conditions (Control, *Ssrp1* KD). Statistical analysis was performed using a twotailed *t-test*.

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Transcriptome analysis in SSRP1-depleted mESCs. Sequenced reads were aligned to the mm10 genome via STAR (v 2.4.1b) (Dobin et al., 2013). Gene and exon counts were obtained from featureCounts of the Rsubread package (R/Bioconductor). Only reads with CPM (counts per million) > 1 were kept for subsequent analysis. Counts were normalised using the internal TMM normalisation in edgeR (Robinson, McCarthy, & Smyth, 2009) and differential expression was performed using the limma (Ritchie et al., 2015) package. All of the RNA-seq data presented in this manuscript have been normalised to the total library size. Significant genes with an absolute logFC > 1 and Adjusted P.Value < 0.01 were considered as differentially
expressed (Supplementary Table 1). The "Unchanged" gene class (n=2,179) was obtained from
genes with an Adjusted P.Value > 0.05. The diffSplice function implemented in limma was used
to identify differentially spliced exons between the two conditions (Supplementary Table 2).
Significant exons with an FDR < 0.001 were considered as differentially spliced. Retention
Introns were identified using the MISO (Katz, Wang, Airoldi, & Burge, 2010) (Mixture of
Isoforms) probabilistic framework (Supplementary Table 3).

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426 Retention intron events. We verified the presence of retained introns in the *Ssrp1* KD by 427 randomly selecting ten intron retention events. The FastStart SYBR Green Master (Roche) was 428 used along with the following primers to amplify via PCR the retained intragenic regions;

Gene name	Forward primer	Reverse primer
Men1	ATTTCCCAGCAGGCTTCAGG	GGGATGACACGGTTGACAGC
Dvl1	CCTGGGACTACCTCCAGACA	CCTTCATGATGGATCCAATGTA
Map4k2	GCTGCAGTCAGTCCAGGAGG	TCCTGTTGCTTCAGAGTAGCC
Ctsa	GCAATACTCCGGCTACCTCA	TGGGGACTCGATATACAGCA
Pol2ri	CGAAATCGGGAGTGAGTAGC	GGTGGAAGAAGGAACGATCA
Wipf2	TAGAGATGAGCAGCGGAATC	TCGAGAGCTGGGGACTTGCA
Fuz	GACCCAGTGTGTGGACTGTG	GACAAAGGCTGTGCCAGTGG
Rfx5	CACCAGTTGCCCTCTCTGAA	CAATTCTCTTCCTCCCATGC
Fhod1	CACCAGGGAGCAGAGATGAT	CCATCAACATTGGCCTAACC
Tcirg1	AGCGACAGCACTCACTCCTT	CAACACCCCTGCTTCCAGGC

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430 Amplified products were run on a 1.5% Agarose gel and visualized under UV. Band 431 guantification was performed with ImageJ.

432 Chromatin Immunoprecipitation (ChIP) of FACT subunits. ChIP was performed in ~20 433 million ES cells, per assay, as described previously (Tessarz et al., 2014) with a few modifications. Briefly, cells were crosslinked with 1% formaldehyde for 20 min followed by 434 quenching for 5 min with the addition of glycine to a final concentration of 0.125 M. After 435 washing with PBS buffer, cells were collected and lysed in Cell Lysis buffer (5 mM Tris pH8.0, 436 437 85 mM KCI, 0.5% NP40) with proteinase inhibitors (10 µl/mL Phenylmethylsulfonyl fluoride 438 (PMSF), 1 µl/mL Leupeptin and 1 µl/mL Pepstatin). Pellets were spun for 5 min at 5000 rpm at 4°C. Nuclei were lysed in Nuclei Lysis Buffer (1% SDS, 10 mM EDTA, 50 mM Tris HCl) and 439 440 samples were sonicated for 12 min. Samples were centrifuged for 20 min at 13,000 rpm at 4°C 441 and the supernatant was diluted in IP buffer (0.01% SDS, 1.1% Triton-X-100, 1.2 mM EDTA, 16.7 mM Tris HCl, 167 mM NaCl) and the appropriate antibody was added and left overnight 442 443 with rotation at 4°C. Anti-Ssrp1 and anti-Supt16 antibodies were purchased from Biolegends (#609702) and Cell Signalling (#12191), respectively. Anti-AP- 2γ (Tfap2c) antibody was 444 purchased from Santa Cruz (#sc-12762). Two biological replicates were prepared for each 445 FACT subunit, using independent cell cultures and chromatin precipitations. Protein A/G 446 Dynabeads (Invitrogen) were added for 1h and after extensive washes, samples were eluted in 447 Elution Buffer (1% SDS, 0.1 M NaHCO₃). 20 µL of 5 M NaCl were added and samples were 448 449 reverse-crosslinked at 65°C for 4h. Following phenol-chloroform extraction and ethanol 450 precipitation, DNA was incubated at 37°C for 4h with RNAse (Sigma).

451 ChIP-seq library preparation, sequencing, and peak-calling. Approximately 10-20 ng of 452 ChIP material was used for library preparation. End-repair and adaptor ligation was prepared as 453 described previously with a few modifications (Tessarz et al., 2014). Double sided size 454 selections (~200 – 650bp) were performed using the MagSI-NGS Dynabeads (MagnaMedics, #MD61021) according to the manufacturer's instructions. Purified adapter-ligated ChIP material
was run on a high sensitivity DNA chip on a 2200 TapeStation (Agilent) to assess size
distribution and adaptor contamination.

Samples were single-end deep-sequenced and reads were aligned to the mm10 genome using Bowtie2 (v 2.2.6)(Langmead & Salzberg, 2012). Peak-calling was performed using PePr (v 1.1) (Zhang, Lin, Johnson, Rozek, & Sartor, 2014) with peaks displaying an FDR < 10^{-5} considered as statistically significant (Supplementary Table 4). Peak annotation was performed via the chipenrich (Welch et al., 2014) R package with the following parameters (locusdef = "nearest_gene", method = "broadenrich").

464

ChIP-seq normalisation and metagene analysis. All the ChIP-seq BAM files were converted 465 466 to bigwig (10 bp bin) and normalised to x1 sequencing depth using Deeptools (v 2.4) (Ramirez et al., 2016). Blacklisted mm9 co-ordinates were converted to mm10 using the LiftOver tool from 467 UCSC and were further removed from the analysis. Average binding profiles were visualised 468 469 using R (v 3.3.0). Heatmaps were generated via Deeptools. For the average profiles in Supplementary Fig. 1C,D, RPKM values from Control ES RNA-seq data were divided into four 470 different quantiles and the average profile for each FACT subunit was generated for each 471 guantile. The Pearson's correlation plot in Figure 1A was generated using all unique annotated 472 mm10 RefSeq genes (n = 11,305) from UCSC (blacklisted regions were removed). 473

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475 **MNase-seq following SSRP1 depletion in mESCs**. ES cells were cultured and transfected 476 with shRNA vectors as described above. Biological replicates were obtained from two 477 independent transfection experiments for each shRNA vector. Briefly, ~5 million cells were 478 crosslinked with 1% formaldehyde for 20 min followed by quenching for 5 min with the addition

of glycine to a final concentration of 0.125 M. After washing with PBS buffer, cells were 479 480 collected and lysed in Cell Lysis buffer (5 mM Tris pH8.0, 85 mM KCl, 0.5% NP40) with proteinase inhibitors (10 µl/mL Phenylmethylsulfonyl fluoride (PMSF), 1 µl/mL Leupeptin and 1 481 482 µl/mL Pepstatin). Nuclei were gathered by centrifugation (5000 rpm for 2 min) and were treated with 10 Kunitz Units/10⁶ cells of micrococcal nuclease (NEB, #M0247S) for 5 min at 37°C in 40 483 ul of Micrococcal Nuclease Buffer (NEB, #M0247S). The reaction was stopped with the addition 484 485 of 60 µl 50 mM EDTA, 25 µl 5 M NaCl, 15 µl 20% NP-40 and incubated on a rotator for 1h at room temperature to release soluble nucleosomes. Samples were centrifuged for 5 min at 486 10,000 g and supernatant was transferred to a new tube. This centrifugation step is important to 487 488 obtain highly soluble nucleosomes and remove nucleosome-protein complexes, which can raise 489 bias in subsequent data interpretation (Carone et al., 2014) (Supplementary Fig. 7). Samples 490 were reverse-crosslinked by incubating overnight at 65°C with 0.5% SDS and proteinase K. 491 Following phenol-chloroform extraction and ethanol precipitation, DNA was incubated at 37°C for 4h with RNAse (Sigma). All samples were run in a 2% agarose gel and fragments <200 bp 492 493 were extracted and purified using the NucleoSpin® Gel and PCR Clean-up kit (Macherey-494 Nagel) according to the manufacturer's instructions.

Purified DNA (500 ng) was used for library preparation as described above. The only difference was the PCR amplification step where we used the same conditions as mentioned in (Henikoff et al., 2011) but with only three amplification cycles. Libraries were verified using a 2200 TapeStation and were paired-end deep-sequenced (~250 million reads per sample). For quality checks and reproducibility, please refer to **Supplementary Fig. 7**.

500

501 **MNase-seq normalisation and metagene analysis.** All the MNase-seq BAM files were 502 converted to bigwig, binned (1 bp), smoothed (20-bp window), and normalised to x1 sequencing 503 depth using Deeptools (v 2.4). Moreover, they were split into two different categories according to fragment length; <80 bp Transcription factor (TF)-sized fragments and 135-170 bp mononucleosome fragments). Average nucleosome occupancy profiles were visualised using R (v 3.3.0). For the **Supplementary Fig. 7D,E** the mm10 annotated exon list for mononucleosomal profiling was obtained from UCSC.

508 **ATAC-seq following SSRP1 depletion in mESCs**. ES cells were cultured and transfected with 509 shRNA vectors as described above. Biological replicates were obtained from two independent 510 transfection experiments for each shRNA vector. ATAC-seq was performed on 50,000 cells as 511 previously described (Buenrostro, Giresi, Zaba, Chang, & Greenleaf, 2013). All samples were 512 PCR amplified for 9 cycles were paired-end sequenced on an Illumina Hi-Seq 2500 platform.

ATAC-seq normalisation and metagene analysis. Sequenced paired mates were mapped on mm10 genome build using Bowtie2 with the following parameters: –X 2000. Reads corresponding to nucleosome free regions were selected via a random forest approach using the "ATACseqQC" R package. All the ATAC-seq BAM files were converted to bigwig, binned (1 bp), and normalised to x1 sequencing depth using Deeptools (v 2.4). Duplicated reads were removed. Chromatin accessibility profiles were visualised using R (v 3.3.0).

519 Mass spectrometry sample preparation and analysis. Nuclei were isolated from ~5 million 520 ES cells under hypotonic conditions and samples were incubated overnight at 4°C with an anti-H3K4me3 antibody (Active Motif, #39159) in the presence of low-salt Binding buffer (150 mM 521 NaCl, 50 mM Tris-HCl pH 8.0, 1% NP-40), protease inhibitors, and Protein G Dynabeads 522 523 (Invitrogen). The following day, after several rounds of bead washing with Binding Buffer, 524 samples were incubated overnight at 37°C with Tris pH 8.8 and 300 ng Trypsin Gold (Promega). 525 In total, four samples were prepared for each condition (Control, Ssrp1 KD). For the full protein 526 interactome of both FACT subunits, nuclei were extracted as descripted above, and anti-Ssrp1 and anti-Supt16 antibodies were used. Peptides were desalted using StageTips(Rappsilber, 527

Ishihama, & Mann, 2003) and dried. The peptides were resuspended in 0.1% formic acid and
analyzed using liquid chromatography - mass spectrometry (LC-MS/MS).

530

531 **LC-MS/MS** analysis. For mass spectrometric analysis, peptides were separated online on a 25 cm 75 µm ID PicoFrit analytical column (New Objective) packed with 1.9 µm ReproSil-Pur 532 533 media (Dr. Maisch) using an EASY-nLC 1000 (Thermo Fisher Scientific). The column was 534 maintained at 50°C. Buffer A and B were 0.1% formic acid in water and 0.1% formic acid in acetonitrile respectively. Peptides were separated on a segmented gradient from 5% to 25% 535 536 buffer B for 45 min, from 25% to 35% buffer B for 8 min, and from 35% to 45% buffer B for 4 537 min, at 200nl / min. Eluting peptides were analyzed on a QExactive HF mass spectrometer (Thermo Fisher Scientific). Peptide precursor mass to charge ratio (m/z) measurements (MS1) 538 were carried out at 60000 resolution in the 300 to 1500 m/z range. The top ten most intense 539 precursors with charge state from 2 to 7 only, were selected for HCD fragmentation using 27% 540 collision energy. The m/z of the peptide fragments (MS2) were measured at 15000 resolution, 541 using an AGC target of 1e6 and 80 ms maximum injection time. Upon fragmentation, precursors 542 were put on an exclusion list for 45 seconds. 543

544

LC-MS/MS data analysis. The raw data were analysed with MaxQuant (Jurgen Cox & Mann, 2008) (v 1.5.2.8) using the integrated Andromeda search engine (Jürgen Cox et al., 2011). Fragmentation spectra were searched against the canonical and isoform sequences of the mouse reference proteome (proteome ID UP000000589, downloaded August 2015) from UniProt. The database was automatically complemented with sequences of contaminating proteins by MaxQuant. For the data analysis, methionine oxidation and protein N-terminal acetylation were set as variable modifications. The digestion parameters were set to "specific"

and "Trypsin/P," allowing for cleavage after lysine and arginine, also when followed by proline. 552 553 The minimum number of peptides and razor peptides for protein identification was 1; the minimum number of unique peptides was 0. Protein identification was performed at a peptide 554 555 spectrum matches and protein false discovery rate of 0.01. The "second peptide" option was on 556 in order to identify co-fragmented peptides. Successful identifications were transferred between the different raw files using the "Match between runs" option, using a match time window of 0.7 557 558 min. Label-free quantification (LFQ) (Jurgen Cox, Hein, Luber, & Paron, 2014) was performed 559 using an LFQ minimum ratio count of 2.

560

561 Identification of co-enriched proteins. Analysis of the label-free quantification results was 562 done using the Perseus computation platform (Tyanova et al., 2016) (v 1.5.0.0) and R. For the analysis, LFQ intensity values were loaded in Perseus and all identified proteins marked as 563 564 "Reverse", "Only identified by site", and "Potential contaminant" were removed. Upon log2 565 transformation of the LFQ intensity values, all proteins that contained less than four missing values in one of the groups (control or Ssrp1 KD) were removed. Missing values in the resulting 566 subset of proteins were imputed with a width of 0.3 and down shift of 1.8. Next, the imputed 567 LFQ intensities were loaded into R where a two side testing for enrichment was performed using 568 569 limma (Kammers, Cole, Tiengwe, & Ruczinski, 2015; Ritchie et al., 2015). Proteins with an adjusted p-value of less than 0.05 were designated as significantly enriched in the control or 570 knockdown (H3K4me3 IP) (Supplementary Table 5). The complete list of differential protein 571 expression between Control and Ssrp1 KD can be found in Supplementary Table 7. 572

573 **NET-seq library preparation.** ES cells were cultured and transfected with shRNA vectors as 574 described above. Biological replicates were obtained from two independent transfection 575 experiments for each shRNA vector. NET-seq libraries were prepared as previously described 576 (Mayer & Churchman, 2016) with a few modifications. Briefly, chromatin associated nascent 577 RNA was extracted through cell fractionation in the presence of α -amanitin, protease and RNAase inhibitors. > 90% recovery of ligated RNA and cDNA was achieved from 15 % TBE-578 579 Urea (Invitrogen) and 10% TBE-Urea (Invitrogen), respectively, by adding RNA recovery buffer 580 (Zymo Research, R1070-1-10) to the excised gel slices and further incubating at 70°C (1500 rpm) for 15 min. Gel slurry was transferred through a Zymo-Spin IV Column (Zymo Research, 581 582 C1007-50) and further precipitated for subsequent library preparation steps. cDNA containing the 3' end sequences of a subset of mature and heavily sequenced snRNAs, snoRNAs, and 583 rRNAs, were specifically depleted using biotinylated DNA oligos (Supplementary Table 6). 584 585 Oligo-depleted circularised cDNA was amplified via PCR (5 cycles) and double stranded DNA was run on a 4% low melt agarose gel. The final NET-seg library running at ~150 bp was 586 587 extracted and further purified using the ZymoClean Gel DNA recovery kit (Zymo Research). 588 Sample purity and concentration was assessed in a 2200 TapeStation and further deep sequenced in a HiSeq 2500 Illumina Platform (~400 million reads per replicate). 589

590 **NET-seq analysis.** All the NET-seq fastq files were processed using custom Python scripts 591 (https://github.com/BradnerLab/netseg) to remove PCR duplicates and reads arising from RT bias. Reads mapping exactly to the last nucleotide of each intron and exon (Splicing 592 intermediates) were further removed from the analysis. The final NET-seg BAM files were 593 594 converted to bigwig (1 bp bin), separated by strand, and normalized to x1 sequencing depth using Deeptools (v 2.4) with an "-Offset 1" in order to record the position of the 5' end of the 595 596 sequencing read. NET-seq tags sharing the same or opposite orientation with the TSS were assigned as 'sense' and 'anti-sense' tags, respectively. 597 Promoter-proximal regions were 598 carefully selected for analysis to ensure that there is minimal contamination from transcription arising from other transcription units. Genes overlapping within a region of 2.5 kb upstream of 599 600 the TSS were removed from the analysis. For the NET-seq metaplots, genes underwent several

601 rounds of k-means clustering in order to filter regions; in a 2kb window around the TSS, rows 602 displaying very high Pol II occupancy within a <100 bp region were removed from the analysis as they represent non-annotated short non-coding RNAs. Average Pol II occupancy profiles 603 604 were visualised using R (v 3.3.0). In Figure 4B the Proximal Promoter region was defined as -605 30 bp and +250 bp around the TSS. For **Figure 4A,B**, gene body coverage was retrieved by averaging all regions (FACT-bound and non-FACT-bound) +300 bp downstream of TSS 606 607 (Transcription Start site) and -200 bp upstream of TES (Transcription End Site). Comparison of the two linear regressions was performed by calculating the z-score via 608

$$z = \frac{\beta 1 - \beta 2}{\sqrt{s_{\beta 1}^2 + s_{\beta 2}^2}}$$

609 where β and s_{β} represent the 'slope' and the 'standard error of the slope', respectively. *P value* 610 was calculated from the respective confidence level yielded by the z score.

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Immunofluorescence and confocal microscopy. Early Neuronal Precursor Cells (NPCs) 613 614 were generated and Ssrp1 levels were knocked-down as described above. Cells were fixed with 100% Ethanol for 10 min and processed for immunofluorescence. Permeabilisation and 615 blocking was performed for 1 h at room temperature with 1% BSA and 0.1% NP-40 in PBS. 616 617 Incubation with primary antibodies was carried at room temperature for 2 hours by using rabbit 618 anti-β3-Tubulin (1:300; Cell Signaling) and mouse anti-MAP2 (1:300; Millipore.). After washing in blocking buffer, the secondary antibodies anti-rabbit and anti-mouse Alexa Fluor 568 619 620 (1:1,000; Life Technologies.) were applied for 2 h at room temperature. Slides were extensively 621 washed in PBS and nuclei were counterstained with DAPI before mounting. Fluorescence

622 623	images were acquired using a laser-scanning confocal microscope (TCS SP5-X; Leica), equipped with a white light laser, a 405-diode UV laser, and a 40× objective lens.
624	
625	Gene Ontology Analysis. All GO terms were retrieved from the metascape online platform
626	(<u>http://metascape.org/</u>).
627	
628	Accession numbers and references of publicly available datasets. H3K4me3, H3K27me3,
629	Pol II S5ph, H3K4me1, H3K27Ac, CTCF (ENCODE Consortium - E14 cell line); Chd1, Chd2,
630	(de Dieuleveult et al., 2016) : GSE64825; p53 (Li et al., 2012): GSE26360; Pol II S2ph (Brookes
631	et al., 2016): GSM850470.
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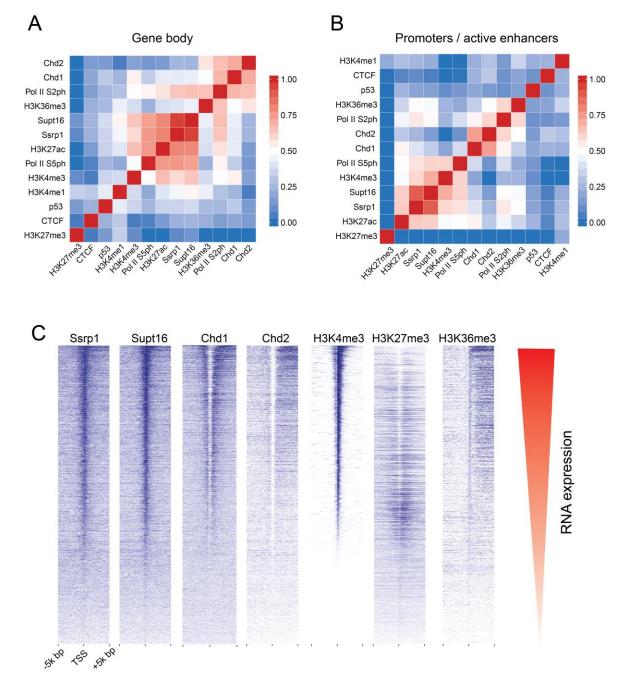
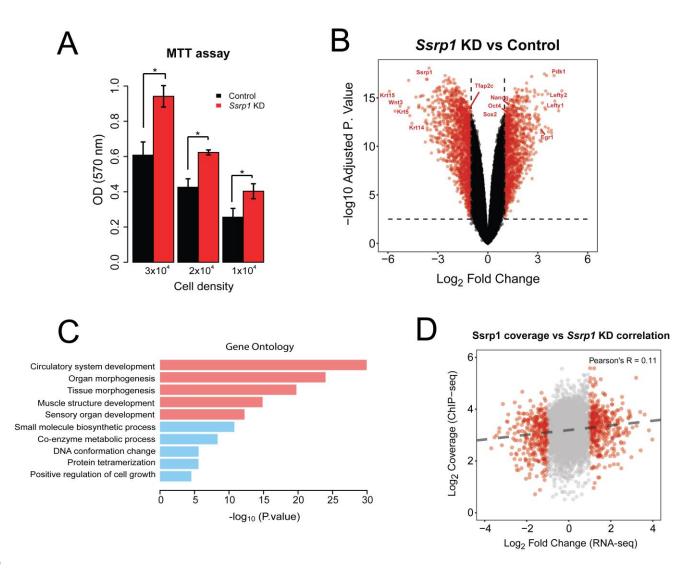


Figure 1: **Correlated occupancies across FACT-bound regions**. **A**, Heatmap representing Pearson's correlation between FACT subunits (SSRP1, SUPT16), and other factors over the gene body area of all uniquely annotated protein-coding genes (n = 11,305). **B**, Same as (**A**) but for promoter/active enhancer regions (n = 19,461) characterised by high H3K27ac and/or Pol II density. **c**, Distribution of FACT and other factors (ChIP-seq tags indicated in blue) over the TSS of 11,305 unique RefSeq genes, sorted by H3K4me3 levels. Coinciding RNA expression levels are shown in red.



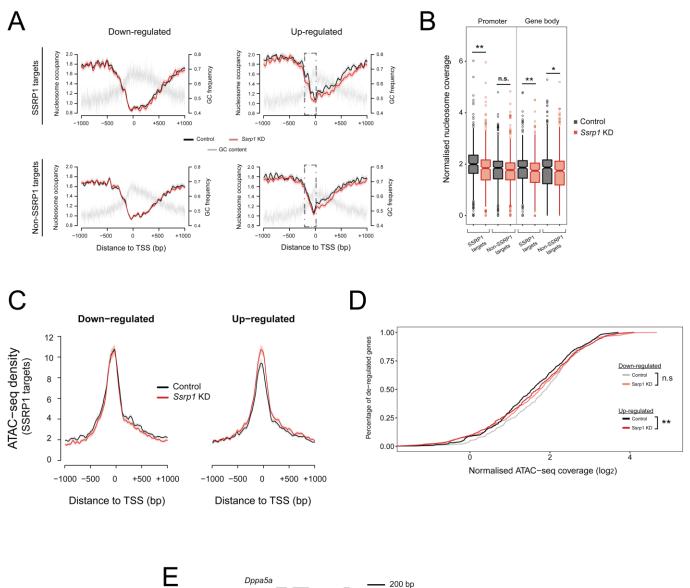
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Figure 2: Regulation of gene expression by FACT. A, MTT assay assessing cell metabolic 818 activity in mESCs at different cell densities following depletion of FACT levels. Values are mean 819 820 and SE of three independent transfection experiments are displayed. Significance was calculated via a two-tailed *t-test* (P < 0.05). **B**, Volcano plot of differentially expressed genes 821 between the Control and KD group. Values with logFC > 1 or logFC <-1 and Adjusted P.value < 822 0.01 are highlighted in red. C, Gene ontology analysis of all differentially expressed genes (Red: 823 pathways for down-regulated genes, Blue: pathways for up-regulated genes). D, Scatterplot of 824 log (SSRP1 coverage) (ChIP-seq) over logFC (RNA-seq). 825

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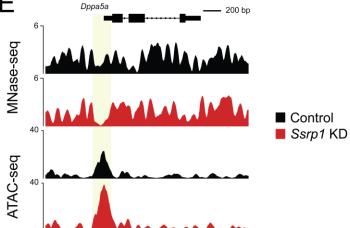


Figure 3: Regulation of gene expression by FACT through chromatin accessibility. A. 831 832 Nucleosome occupancy of all de-regulated genes. Datasets are split by their FACT occupancy 833 status (SSRP1 and Non-SSRP1 targets) and their relative transcriptional direction ("Down-834 regulated", "Up-regulated") following SSRP1 depletion. Solid lines indicate the mean values, 835 whereas the shading represents the SE of the mean. B. Boxplots measuring the nucleosome 836 occupancy (\log_2) over promoters and gene body area of Up-regulated genes (** p < 0.001, * p < 837 0.05, n.s. =not significant). The assessed promoter region is shown in dashed boxes indicated in (A). Significance was calculated using the Welch Two-Sample t-test. C. Metaplot of open 838 chromatin assessed by ATAC-seq among Down-regulated and Up-regulated genes both in 839 Control and Ssrp1 KD conditions. D, Cumulative distribution of ATAC-seq density for genes and 840 conditions displayed in (C). Significance was calculated using the Welch Two-Sample t-test (** p 841 842 < 10⁻⁹, n.s. =not significant. E, Interrogation of nucleosome occupancy (MNase-seq) and 843 chromatin accessibility (ATAC-seq) over the Dppa5a gene promoter for Control and Ssrp1 KD 844 conditions. Changes in nucleosome occupancy and chromatin accessibility are highlighted in vellow. 845

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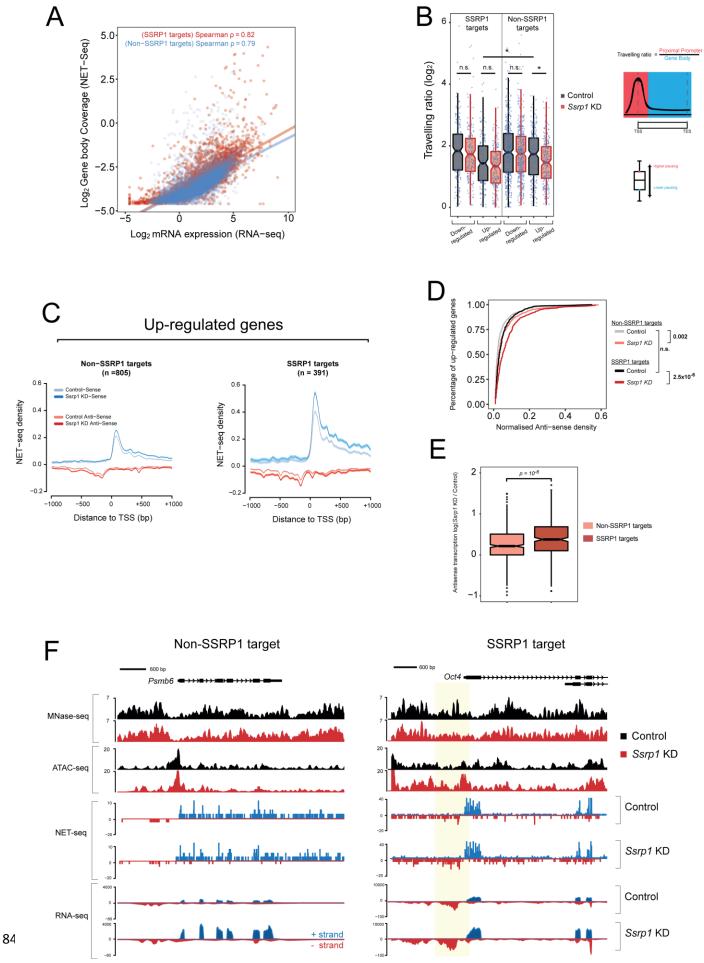
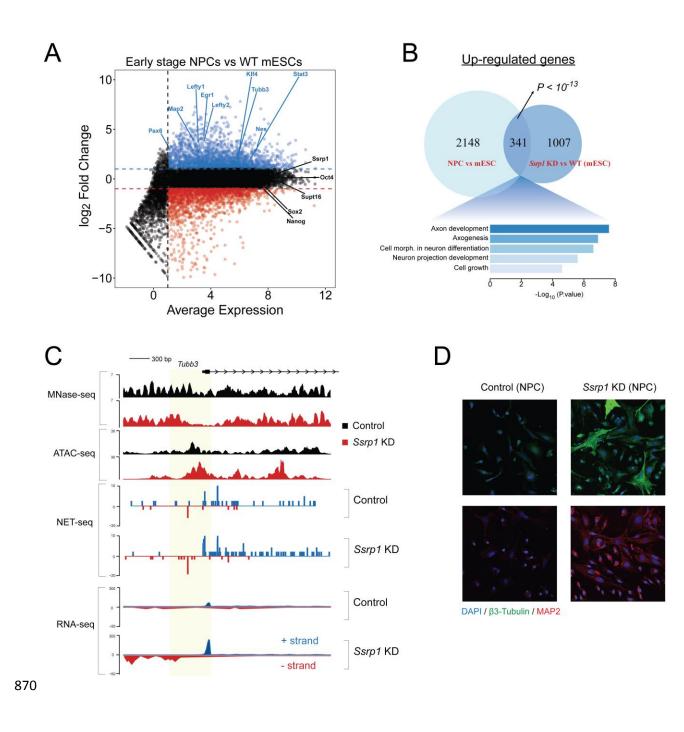


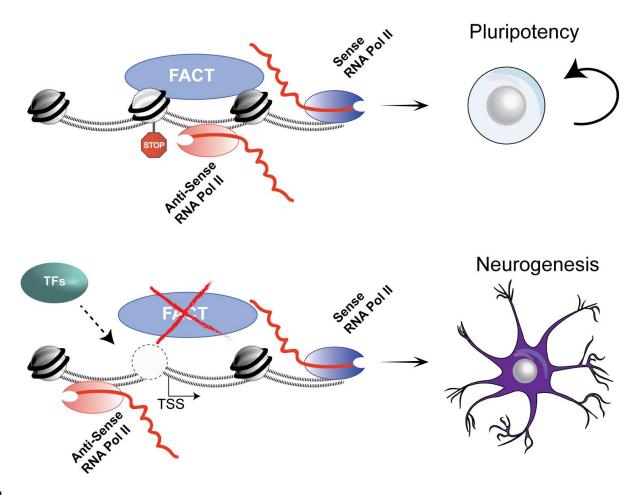
Figure 4: Regulation of RNA Pol II directionality by FACT. A. Scatterplots of log gene body 850 coverage (NET-seq) versus log mRNA expression (RNA-seq) for SSRP1 (n=4,576) and Non-851 SSRP1 (n=8,844) target regions in the Control state (Z-score = 5.3, $P < 10^{-5}$). **B**, Measure of 852 853 Pol II pause/release. Travelling ratio is defined as NET-seg density of proximal promoter versus 854 gene body area. The log transformed travelling ratio for each gene class is displayed with boxplots. The Welch Two-sided t-test was used to calculate significance between Control and 855 Ssrp1 KD (* p < 0.05, n.s. =not significant). C, NET-seq density plots (Control and Ssrp1 KD 856 group) of Up-regulated genes split by FACT-bound status (Non-SSRP1 and SSRP1 targets). 857 858 Solid lines indicate mean values, whereas the shading represents the 95% confidence interval. D, Cumulative distribution of anti-sense transcription (NET-seq) in a window 1000 bp upstream 859 of the TSS. The Welch Two-sided t-test was used to calculate significance between Control and 860 Ssrp1 KD among Non-SSRP1 and SSRP1 targets. E, Boxplots assessing fold change (Ssrp1 861 KD vs Control) in anti-sense transcription (NET-seq) in a window 1000 bp upstream of the TSS. 862 863 The Welch Two-sided t-test was used to calculate significance between Non-SSRP1 and SSRP1 targets. F, Nucleosome occupancy (MNase-seq), open chromatin (ATAC-seq), and 864 865 transcriptional activity (NET-seq/ RNA-seq) over an SSRP1 (Oct4) and non-SSRP1 (Psmb6) 866 target gene between Control and Ssrp1 KD conditions. Nucleosomal loss and increase in antisense transcription at the Oct4 promoter is highlighted in yellow. 867

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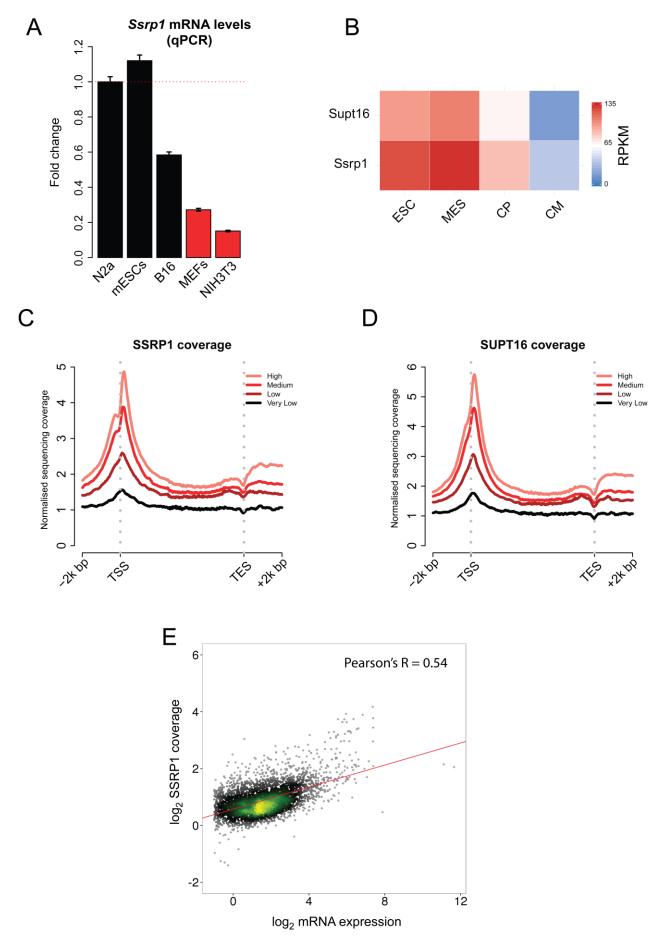
871 Figure 5: FACT regulates neurogenesis through Pol II / nucleosome dynamics. A, MA plot 872 depicting differential expression in NPCs versus WT ES cells. Up-regulated genes are 873 highlighted in blue whereas down-regulated genes are highlighted in red. B, Venn diagram 874 showing the overlap of up-regulated genes between NPC vs mESCs and Control vs Ssrp1 KD 875 mESCs. C, Interrogation of nucleosome occupancy (MNase-seq), chromatin accessibility 876 (ATAC-seq), and transcriptional activity (NET-seq/ RNA-seq) over the Tubb3 gene promoter for 877 Control and Ssrp1 KD conditions. Changes in nucleosome occupancy, chromatin accessibility, and Pol II occupancy are highlighted in yellow. D, Immunofluorescence (IF) analysis of early 878 879 stage NPCs following Ssrp1 depletion. (Blue) DAPI, nuclei; (Green) β 3-Tubulin (Tubb3), 880 neurons; (Red) MAP2, dendrites.

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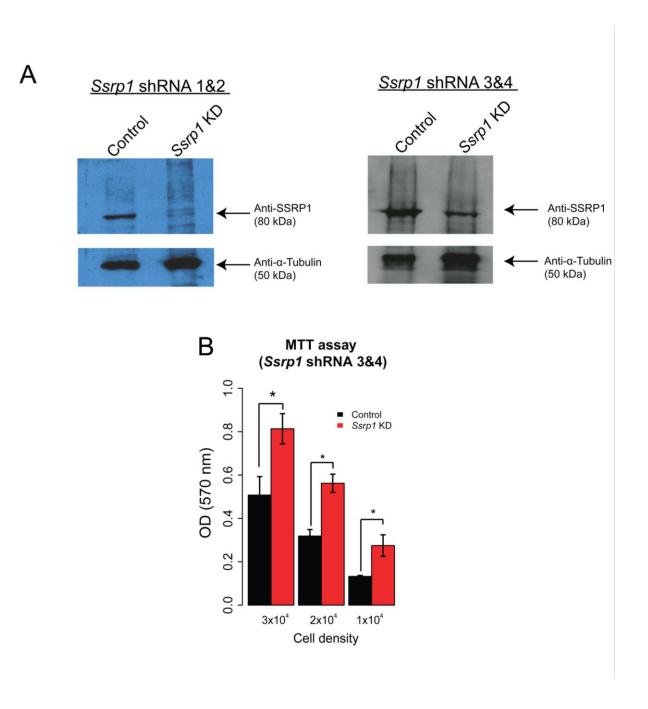
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Figure 6: Model of the suppressive role of FACT in gene expression and maintenance of pluripotency. Upper; FACT places a nucleosomal barrier at the promoter region of genes involved in embryogenesis/ neurogenesis that hinders divergent travelling of Pol II and enables a closed chromatin conformation state. Lower; In the absence of FACT, the nucleosomal barrier is alleviated, thus allowing bi-directional travelling of Pol II, recruitment of TFs, increased gene expression, and ultimately, activation of neurogenesis cues.



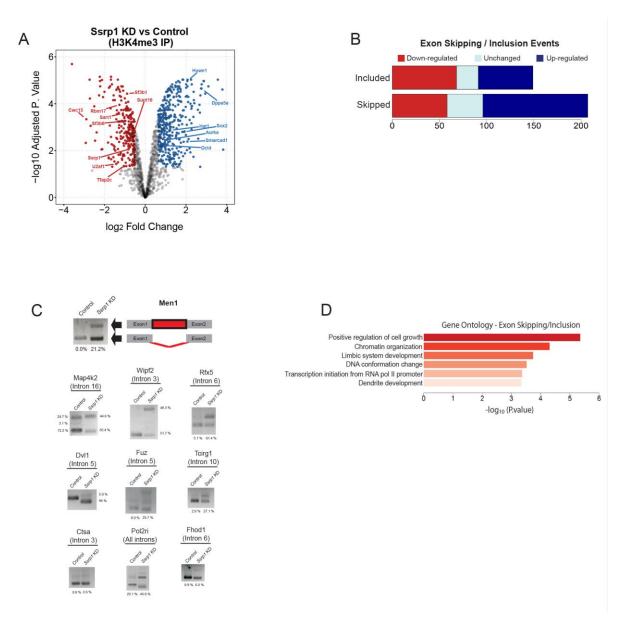
892 Supplementary Figure 1: FACT correlates with active gene expression. A. gPCR of Ssrp1 893 levels among stem (mESCs), cancer (N2a, B16), and differentiated cell lines (MEFs, NIH3T3). 894 Mean and SE of three biological replicates are shown. Data were normalised to Gapdh mRNA 895 levels. B, Heatmap assessing the mRNA levels (RPKM) of FACT (Ssrp1, Supt16) at different 896 timepoints of differentiation of ES cells to cardiomyocytes (Wamstad et al., 2012) (ESC = Embryonic Stem Cells, MES = Mesodermal cells, CP = Cardiac Precursors, CM = 897 cardiomyocytes). C, Distribution of SSRP1 relative to the TSS (± 2000 bp) and the TES (± 2000 898 899 bp) for four different gene classes ranked by level of RNA abundance (High, Medium, Low, Very Low). D, Same as (C) but for SUPT16. E, Scatterplot of the log₂ SSRP1 coverage versus log₂ 900 mRNA expression. 901

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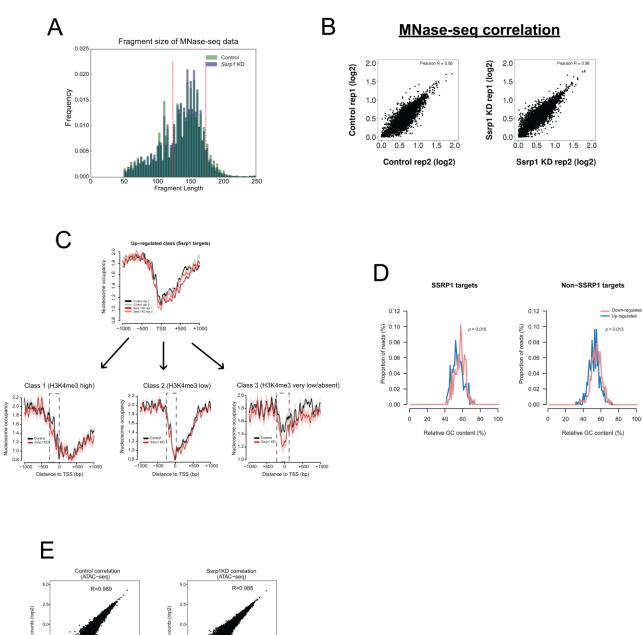
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Supplementary Figure 2: FACT depletion promotes increased proliferation rate in mESCs. **a**, Western blots after transfection of mESCs with different combinations of *Ssrp1* shRNA vectors (shRNA 1&2 or shRNA 3&4). Anti- α -Tubulin was used as a reference. **b**, MTT assay following transfection with *Ssrp1* shRNA 3&4 vectors. Values are mean and SE of three independent transfection experiments are displayed. Significance was calculated via a twotailed *t-test* (**P* < 0.05).



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913 Supplementary Figure 3: FACT facilitates alternative splicing of RNA transcripts. A, 914 Volcano plot of depleted/enriched proteins at H3K4me3 following Ssrp1 depletion. **B**, Average distribution of SSRP1, SUPT16, and H3K4me3 aligned to the 5' Splice Site (5'SS) of all genes 915 grouped by first exon length. C, Barplots representing the number of included/skipped exons 916 categorized by their gene expression status (red: "Down-regulated", cyan: "Unchanged", blue: 917 "Up-regulated"). In total, we have identified 149 included and 207 skipped exon events in the 918 Ssrp1 KD group. D, Graphical representation of an intronic retention event (Men1) in the KD 919 group. Also, analysis of intron inclusion events or isoform switches after FACT depletion. 920 Unspliced transcript percentage was measured according to band intensity. E, Gene ontology 921 analysis of transcripts (FACT-bound) that display alternative exon usage between the two 922 conditions 923



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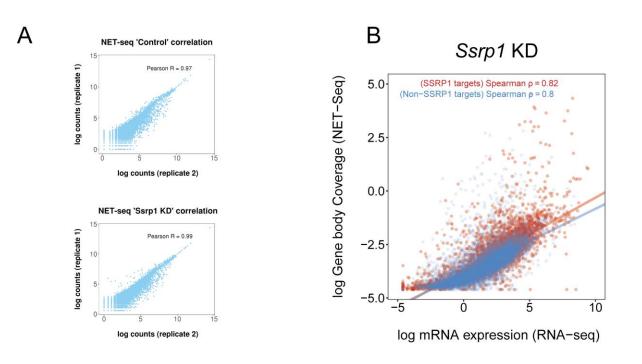
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930 Supplementary Figure 4: Reproducibility assessment of MNase / ATAC-seq datasets. A,

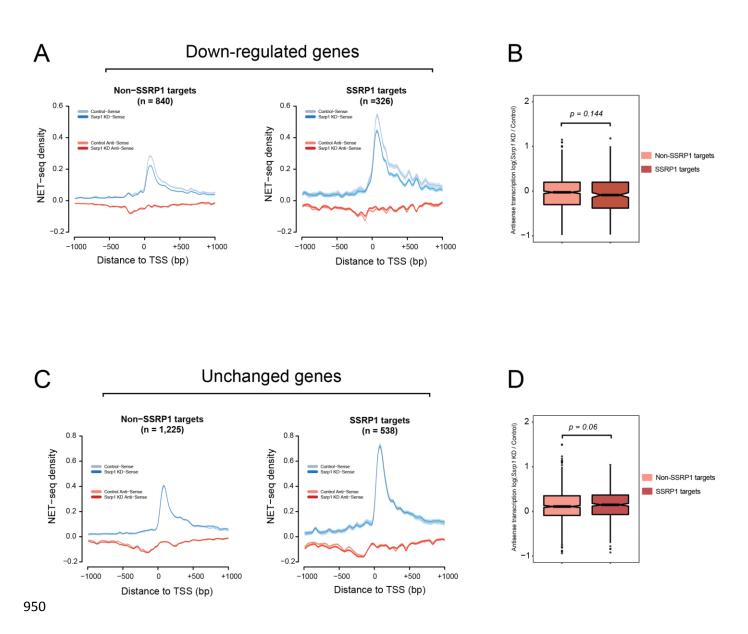
931 Histogram showing the sequenced paired-end fragments lengths extracted from Control and 932 Ssrp1 depleted conditions. Fragments between 135-170 bp (indicated in red) have been 933 computationally selected and used to plot mono-nucleosomal occupancy over promoter regions. 934 B, Correlation scatterplots (MNase-seq) accessing replicate reproducibility in each condition. Pearson's correlation is indicated at the top of each plot. C, Nucleosome occupancy metaplots 935 for each replicate for the composite metaplot in Figure 4A (Up-regulated; SSRP1 targets). This 936 937 nucleosome occupancy at the promoter region derives from three distinctive gene clusters of 938 diverse gene expression and H3K4me3 levels. D, GC content frequency of all "Up-regulated" 939 and "Down-regulated" genes. Data are also split by FACT-bound dependency. E, Correlation 940 scatterplots (ATAC-seq) accessing replicate reproducibility in each condition. Pearson's correlation indicated of 941 is at the top each plot.

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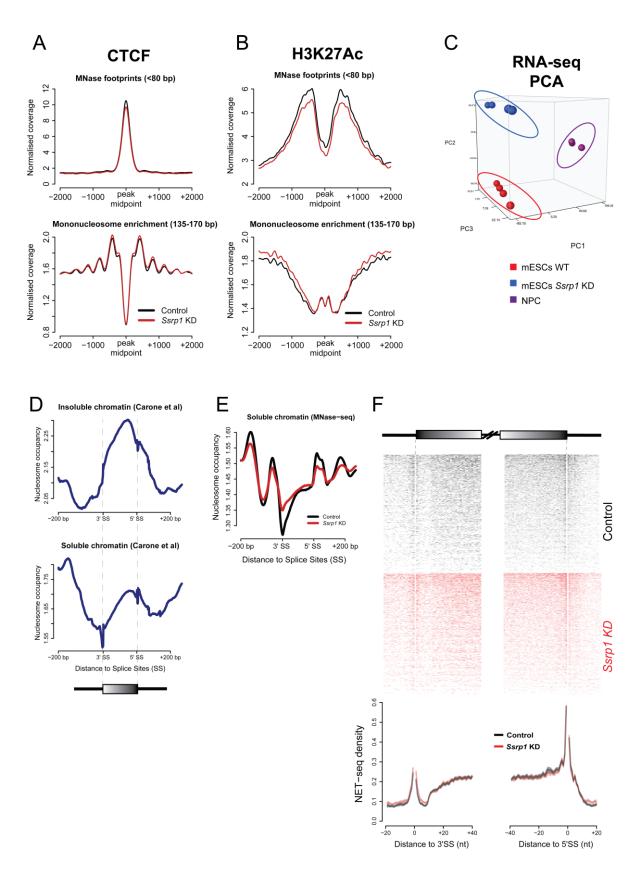


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Supplementary Figure 5: Assessment of NET-seq datasets. A, Correlation scatterplots (NET-seq) assessing replicate reproducibility in each condition. Pearson's correlation is indicated at the top of each plot. **B**, Scatterplots of log gene body coverage (NET-seq) versus log mRNA expression (RNA-seq) for SSRP1 (n=4,576) and non-SSRP1 (n=8,844) target regions in the *Ssrp1* KD state (Z-score = 7.2, $P < 1 \times 10^{-5}$)



951 Supplementary Figure 6: Pol II pausing over other gene classes. A, NET-seq density plots (Control and Ssrp1 KD group) of Down-regulated genes split by FACT-bound status (Non-952 953 SSRP1 and SSRP1 targets). Solid lines indicate mean values, whereas the shading represents the 95% confidence interval. B, Boxplots assessing fold change (Ssrp1 KD vs Control) in anti-954 955 sense transcription (NET-seq) in a window 1000 bp upstream of the TSS. The Welch's Two-956 sided t-test was used to calculate significance between Non-SSRP1 and SSRP1 targets. C, 957 Same as (A) but for genes whose expression does not change (Unchanged genes) in the Ssrp1 KD condition. D, Same as (B) but for Unchanged genes. 958



Supplementary Figure 7: Quality control assessing MNase-/NET-seg integrity. A. CTCF 960 961 peak midpoints were used as a reference and nucleosome occupancy for short (<80 bp) and 962 long (135-170 bp) MNase footprints was plotted. B, Same as (A) but for H3K27Ac. Both 963 nucleosome profiles over CTCF and H3K27Ac sites are consistent to previous studies (Carone 964 et al., 2014; Teif et al., 2012). C, PCA plot showing clustering of different replicates (RNA-seq) 965 presented in this manuscript. D, MNase-seq datasets of soluble (higher intron occupancy) and 966 insoluble (higher exon occupancy) chromatin retrieved from Carone et al. E. Mean nucleosomal density (207.232 exons) of our insoluble MNase-seg dataset. The soluble nucleosome profile in 967 "C" is highly consistent to our MNase treated samples for both conditions where nucleosomal 968 969 occupancy on introns is similar or higher compared to the exons. Identical occupancy has also 970 been observed by chemical mapping of nucleosomes (Voong et al., 2016). f. NET-seq 971 heatmaps and density plots over 41,356 exons with the highest Pol II coverage. Solid lines on 972 the NET-seq meta-exon plots indicate the mean values, whereas the shading represents the 973 95% confidence interval.

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