

**Table S1. Nanopore sequencing summary**

	<b>DGRP379</b>	<b>DGRP732</b>
<b>Total Reads</b>	878,451	1,195,332
<b>Total Bases</b>	7.498 Gbp	9.870 Gbp
<b>Mean Phred Score</b>	15.3	15.8
<b>Mean Read Length</b>	8,535 bp	8,257 bp
<b>Median Read Length</b>	4,374 bp	4,657 bp

### Figure S1. Nanopore reads length distribution

The density plots show the distribution of reads lengths for the full nanopore sequence dataset used for each strain.

### Figure S2. DGRP732 nanopore genome assembly before and after Hi-C scaffolding.

The top half of the figure shows the Hi-C contact matrices before and after scaffolding. Lighter shades indicate more 3D interactions between genomic regions and darker shades indicate fewer interactions. The red boxes show the location of contigs/scaffolds. The bottom half of the figure shows dotplots representing the alignment of the assembly to the *D. melanogaster iso-1* reference genome before and after scaffolding.

### Figure S3. Genome assembly polishing with *Pilon*

Uninformative Illumina reads from the Hi-C data (i.e. those that do not include a ligation junction) were used as single-end data to correct sequence errors in the nanopore assemblies using the *Pilon* software package. *Pilon* was run for 10 iterations and the number of corrections per iteration is shown for each assembly.

### Figure S4. Genomic copy number for TEs showing high strain specificity

Total copy number is shown for each TE family with  $\geq 50\%$  strain-specific insertions.

### Figure S5. Distribution of Transposable elements, large insertions, and piRNA source loci along DGRP732 chromosome arms.

The three large chromosomes of *D. melanogaster* are shown with their missing centromeric sequence represented by grey boxes. The chromosome arms were divided into 100kb windows and the number of features per window is shown for TE insertions, other large insertion/deletion mutations, and piRNA source loci.

### Figure S6. Insertion mutation sequencing coverage for euchromatin versus pericentric heterochromatin.

We categorized our insertion mutations by whether they reside in euchromatin or pericentromeric heterochromatin and then compared sequencing coverage at each insertion for the strain that carried the insertion versus the strain that lacks the insertions. For both euchromatin and heterochromatin, we find the expected pattern where the strain with the insertion has typical sequencing coverage whereas the strain lacking the insertion has low or zero coverage at that region.

### Figures S7-S10. Assessment of TIDAL-fly false negatives and false positives.

We aligned paired-end Illumina sequences to locations in our assemblies that lack a TE insertion despite one being predicted by TIDAL-fly (i.e. potential false positives, **Figure S7**: DGRP379, **Figure S8**: DGRP732), as well as locations that contained a TE insertion missed by TIDAL-fly (i.e. potential false negatives, **Figure S9**: DGRP379, **Figure S10**: DGRP732). In each figure, the horizontal black lines show the alignment location of a single paired-end fragment and the pink boxes show either the window where TIDAL predicts a TE to be (but it is not present in our assemblies, **Figures S7 & S8**) or the location of a TE that IS present in our assemblies, but was not identified by TIDAL (**Figures S9 & S10**). All paired-end alignments were required to be concordant with at least one mate with mapping quality  $\geq 20$ . The presence of multiple alignments tiled across the pink region is supportive of the assembly rather than the TIDAL prediction. The panels highlighted in red do not have tiled read alignments, leading to the possibility that TIDAL is correct, rather than the assembly.

### Figure S11. *Micropia* sequence alignment

A multiple sequence alignment between consensus sequences from the novel *micropia*-like TE identified in this study and the two known *micropia* elements that it matches in RepBase: a *micropia* element that has previously been identified in *D. melanogaster* and a *micropia* element from *D. hydei*. Excluding the divergent 5' and 3' ends, the novel element is 72% identical to the *D. hydei micropia* sequence and 68% identical to the previously described *D. melanogaster micropia* sequence.

### Figure S12. piRNA expression variation

Normalized expression values from piRNA producing loci were calculated for each strain. In the above scatterplot, the piRNA loci from DGRP732 were classified based on the expression of the orthologous locus in DGRP379: Up-regulated (UPREG) loci show two-fold or greater expression in DGRP732 (versus DGRP379), SIMILAR loci show less than a two-fold difference in expression, downregulated (DOWNR) loci show two-fold or greater down-regulation in DGRP732 (versus DGRP379), and INACTIVE loci were not identified as piRNA source loci in DGRP732.

### Figure S13. piRNA expression variation: FPKM $\geq 10$ threshold

The same figures as in Figure 7 and Figure S12 are shown here expect a threshold of FPKM $\geq 10$  was used to identify piRNA loci, rather than FPKM $\geq 1$ .

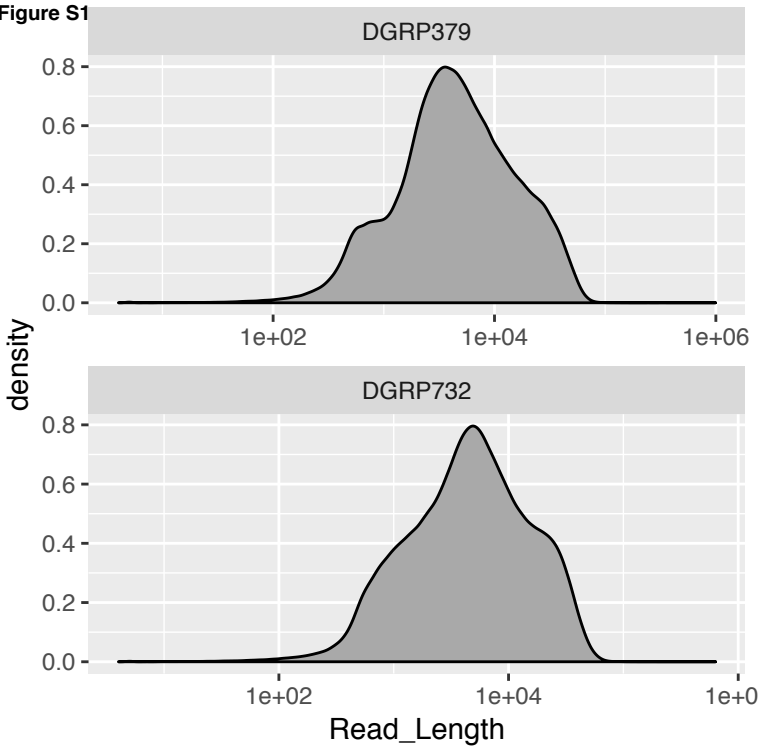
**Figure S14. Smr gene model with piRNA read coverage**

This figure shows an expanded view of the region in Figure 8, including the gene model of *Smr*. The intron of *Smr* shows much higher levels of piRNA production in DGRP379 compared to DGRP732 despite there being no major sequence differences between the two strains at this location.

**Figure S15. Comparative expression of strain-specific genic piRNA loci**

A substantial portion of strain-specific piRNA loci do not overlap TEs, but overlap genes instead. Comparison of expression levels of these genes between DGRP379 and 732 shows that there is no association between piRNA production from these genes and their mRNA expression level. Gene expression data is from microarrays from whole adult females (34).

**Figure S1**



**Figure S2**

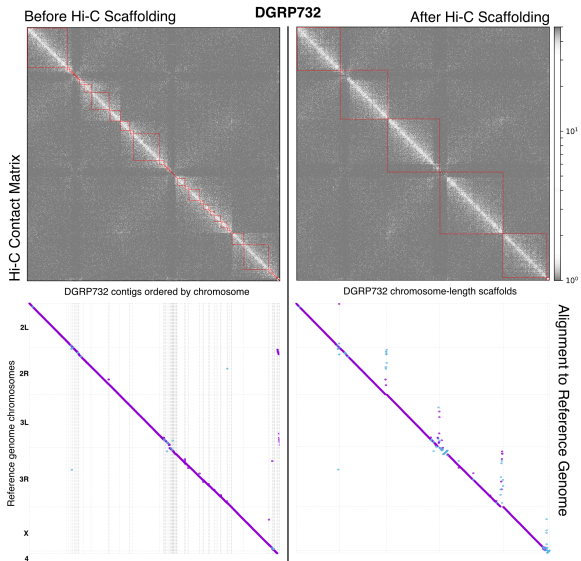


Figure S3

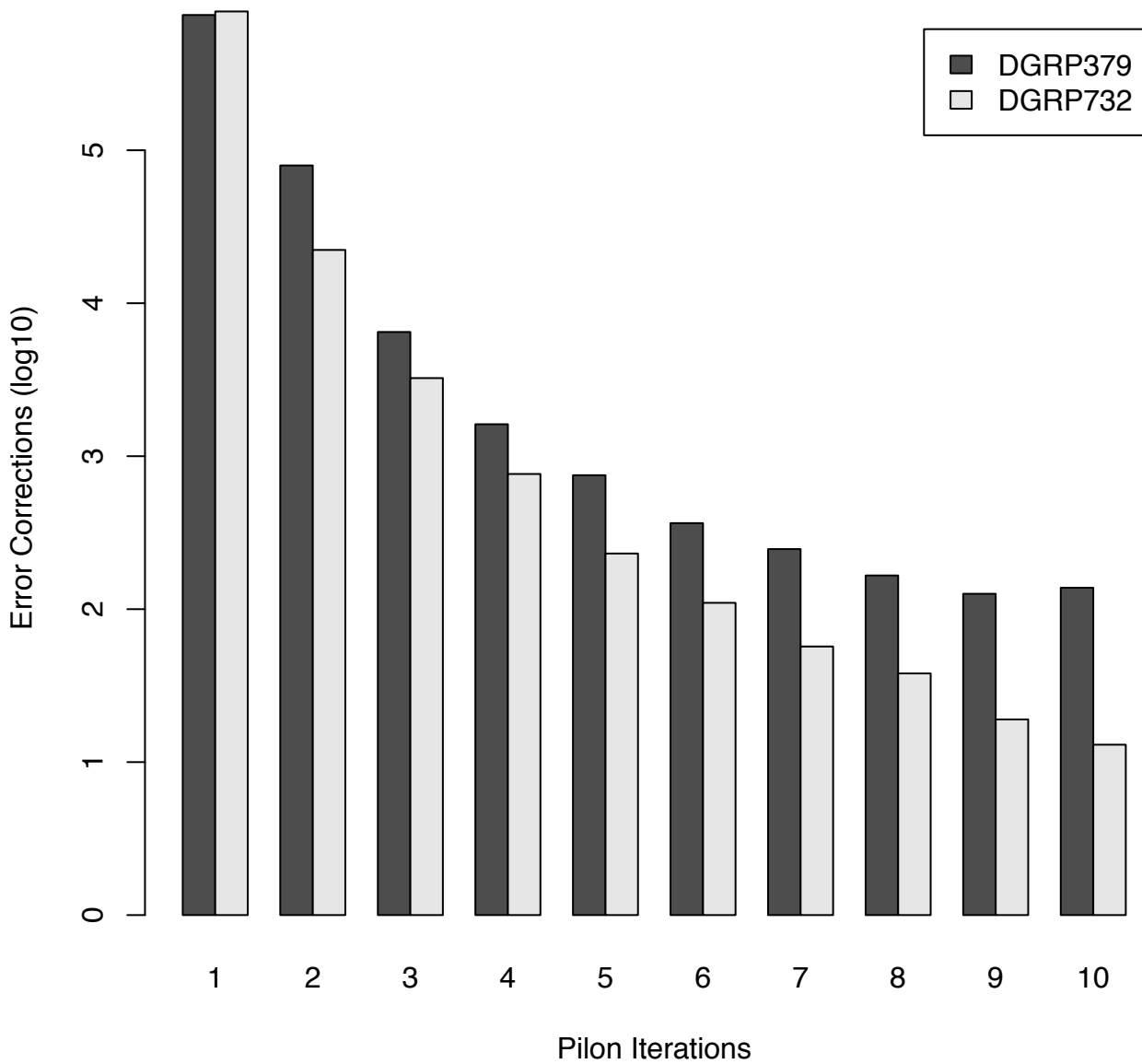


Figure S4

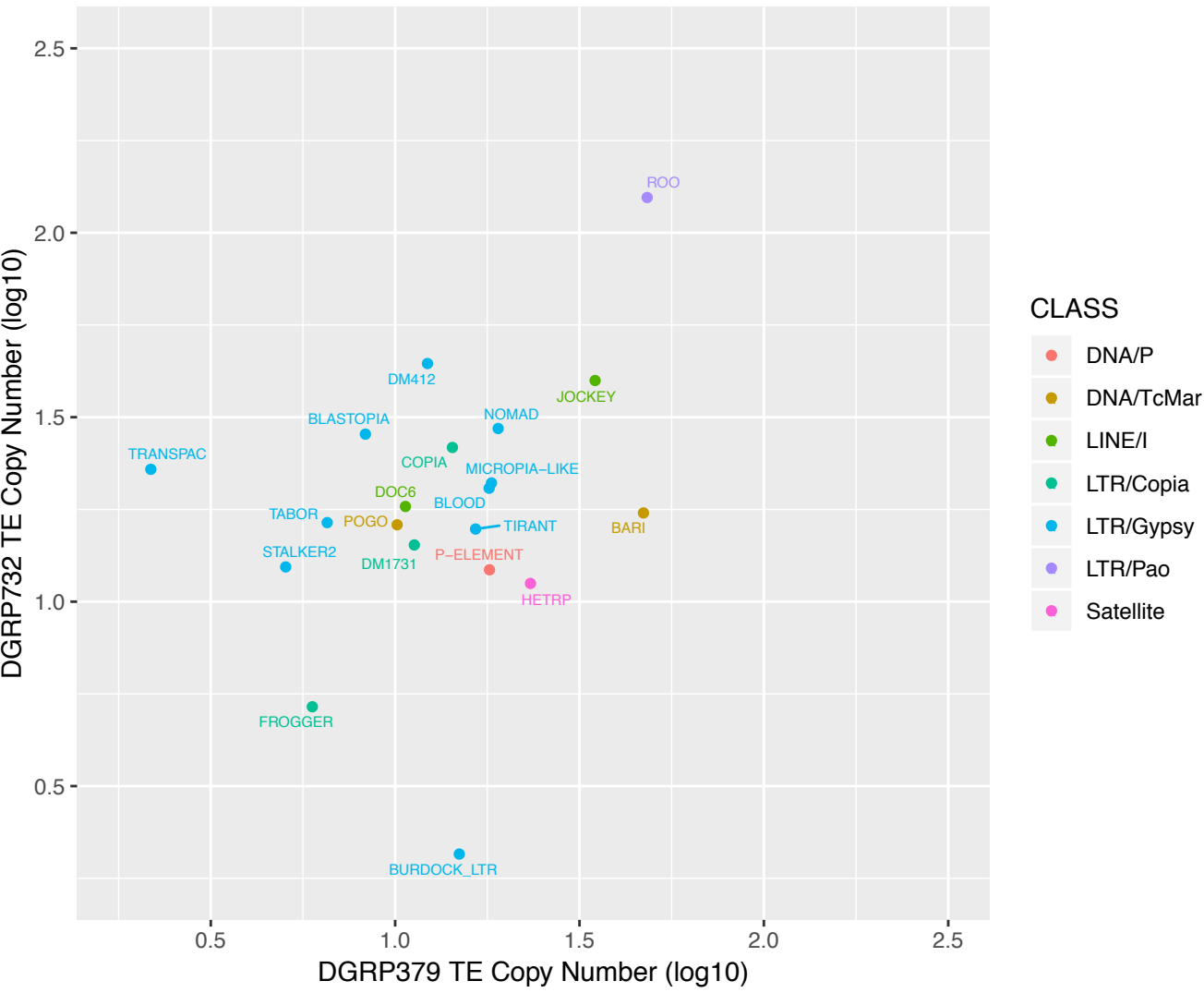


Figure S5

**Chromosome 2**

[0,250]

[0,20]

[0,20]

**Features/100Kb window**

Transposable Elements

piRNA Source Loci

Sequence Insertions

1 Mb

C  
E  
N  
T  
R  
O  
M  
E  
R  
E

**Chromosome 3**

[0,250]

[0,20]

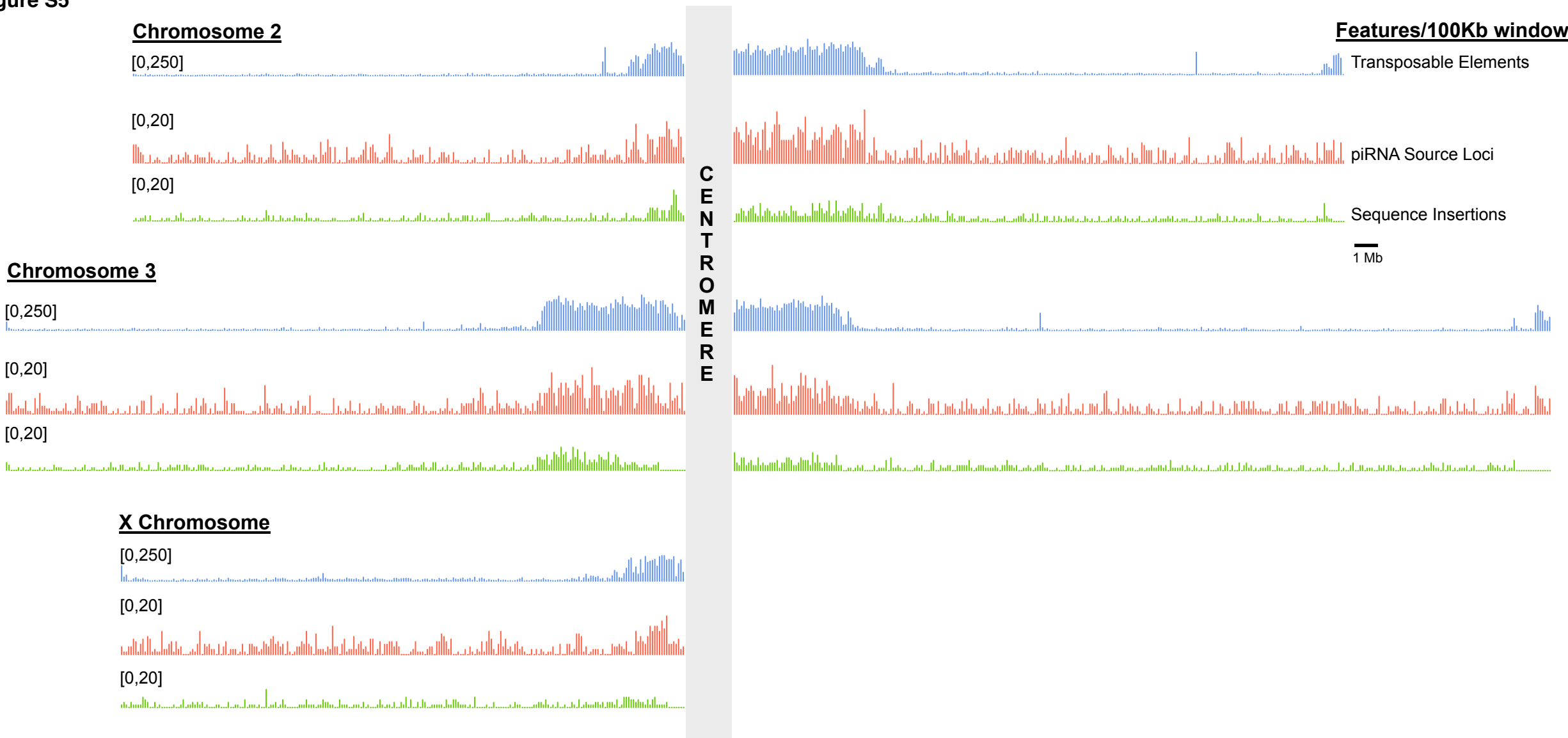
[0,20]

**X Chromosome**

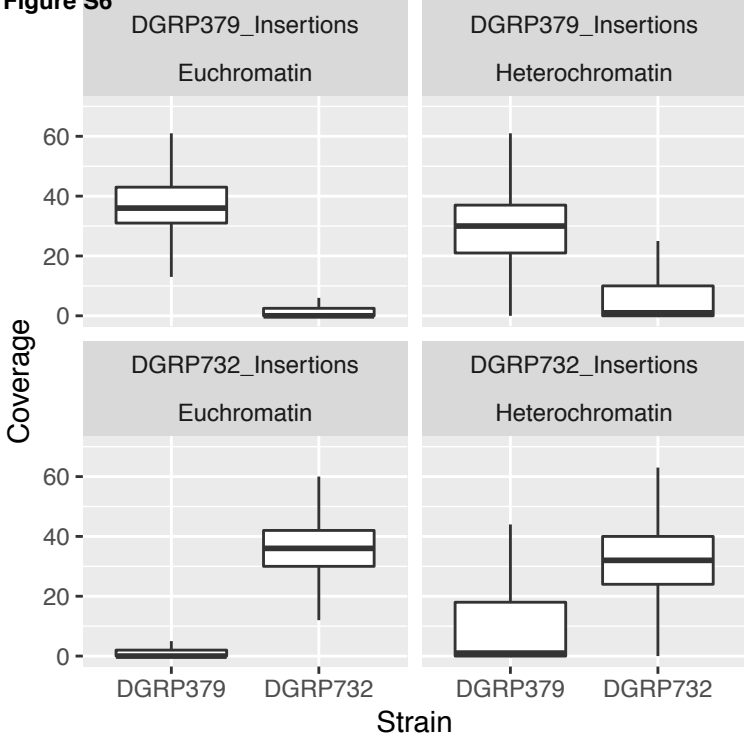
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[0,20]

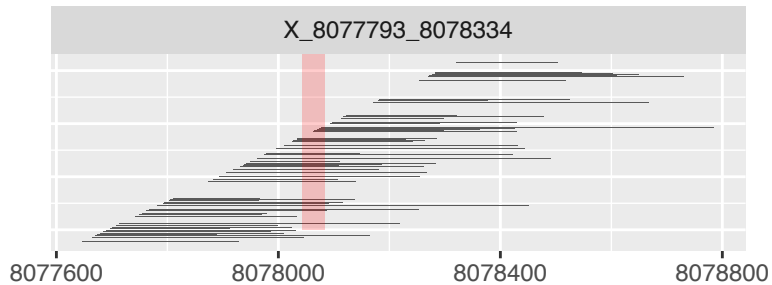
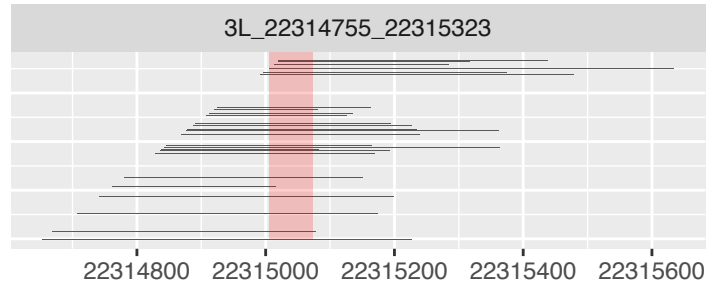
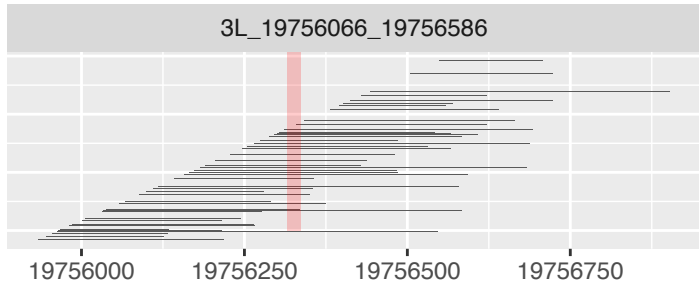
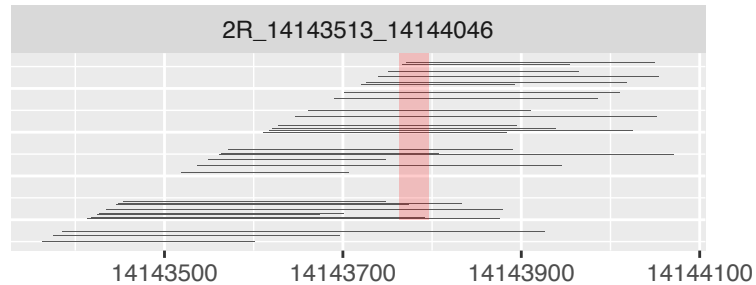
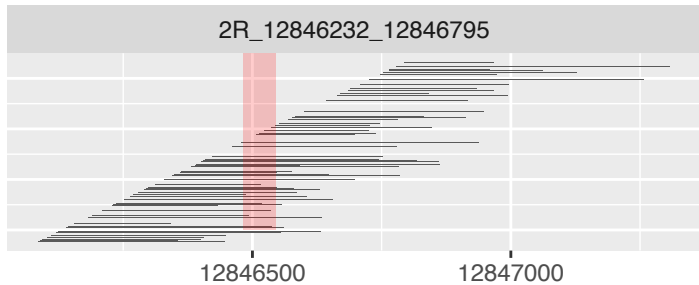
[0,20]

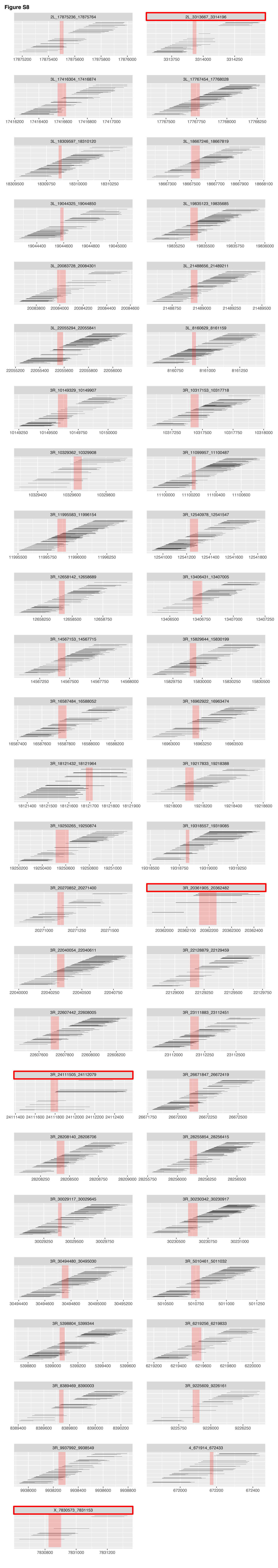


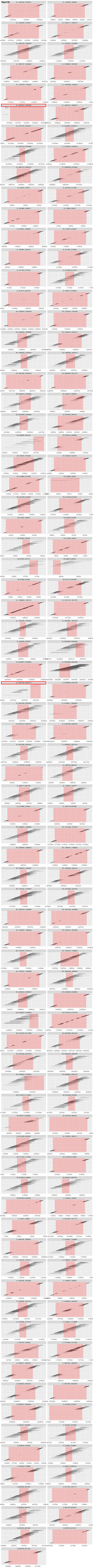


**Figure S6**

**Figure S7**







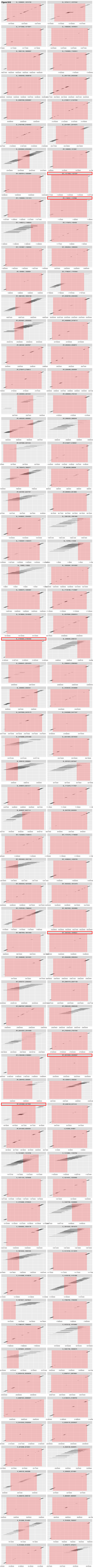




Figure S12

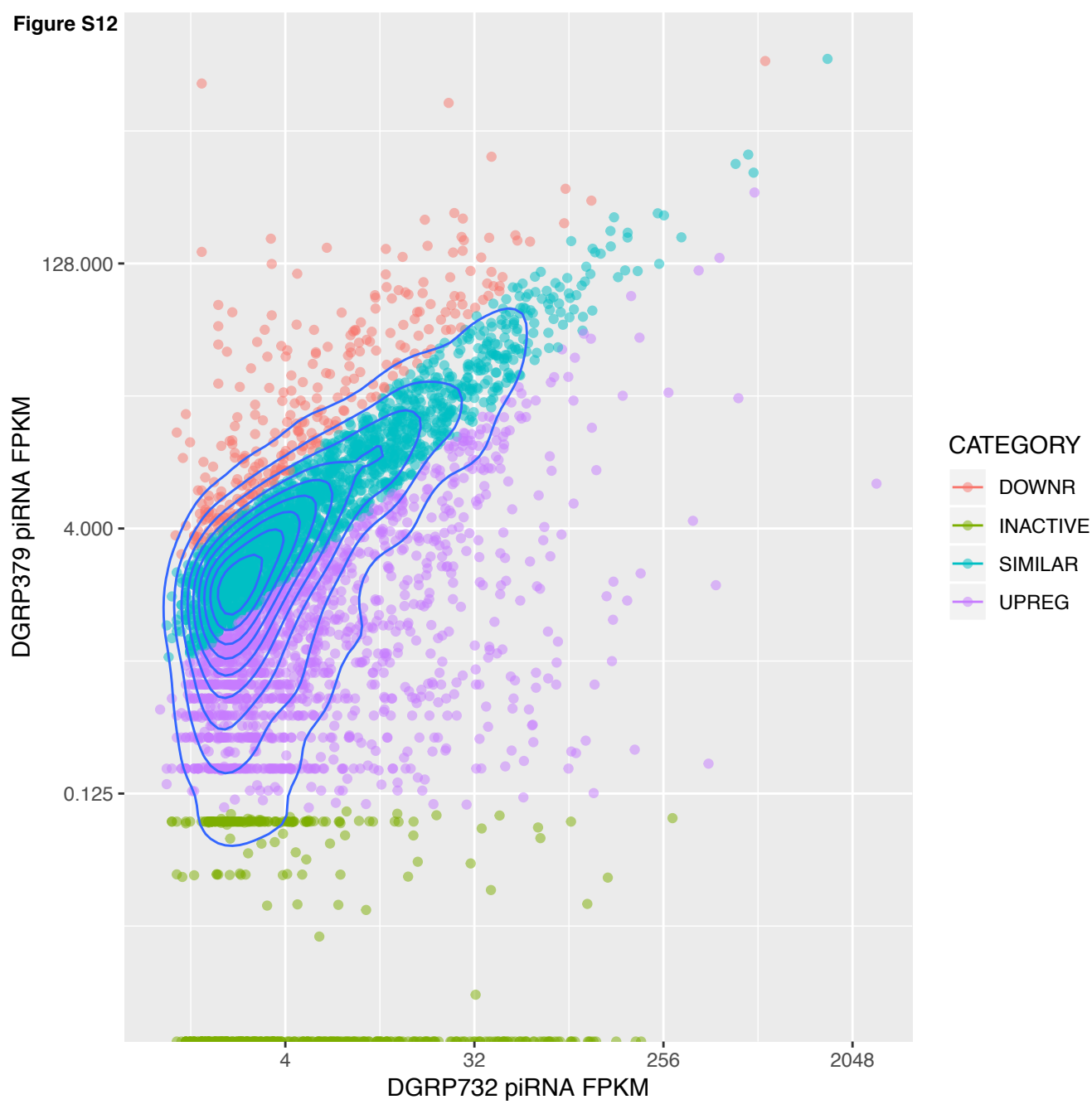
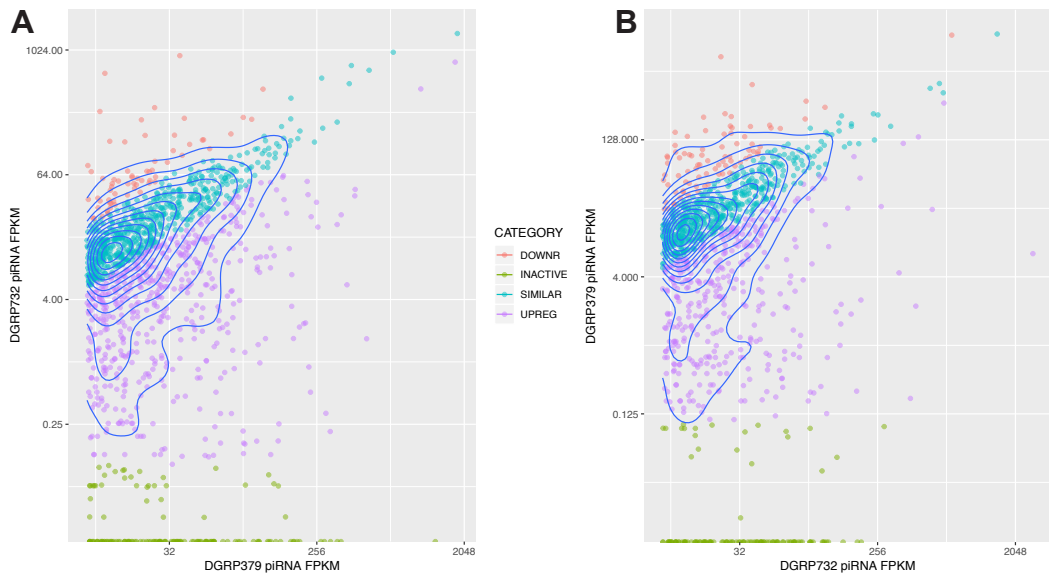


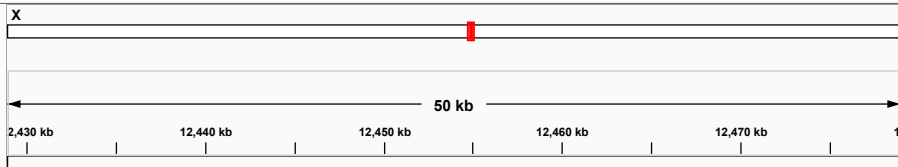
Figure S13



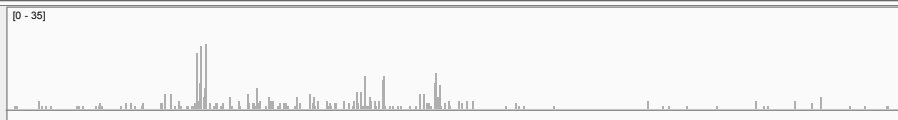


# Figure S14

## DGRP379



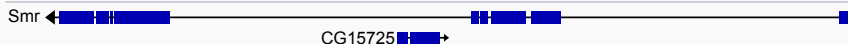
### piRNA read depth



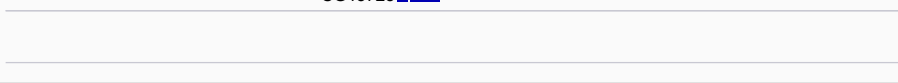
### Rebase TEs



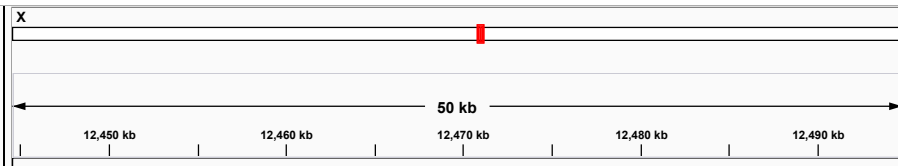
### Gene Models



### Insertion Mutations



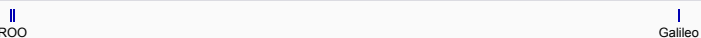
## DGRP732



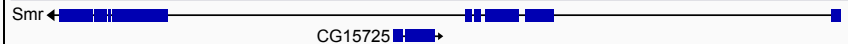
### piRNA Read Depth



### Rebase TEs



### Gene Models



### Insertion Mutations



**Figure S15**

