

MFS GOVERNMENT MARKETS INCOME TRUST
Form N-Q
October 26, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF
REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-5078

MFS GOVERNMENT MARKETS INCOME TRUST

(Exact name of registrant as specified in charter)

111 Huntington Avenue, Boston, Massachusetts 02199

(Address of principal executive offices) (Zip code)

Christopher R. Bohane

Massachusetts Financial Services Company

111 Huntington Avenue

Boston, Massachusetts 02199

(Name and address of agents for service)

Registrant's telephone number, including area code: (617) 954-5000

Date of fiscal year end: November 30

Date of reporting period: August 31, 2017

ITEM 1. SCHEDULE OF INVESTMENTS.

QUARTERLY REPORT

August 31, 2017

**MFS® GOVERNMENT MARKETS INCOME
TRUST**

PORTFOLIO OF INVESTMENTS

8/31/17 (unaudited)

The Portfolio of Investments is a complete list of all securities owned by your fund. It is categorized by broad-based asset classes.

Issuer	Shares/Par	Value (\$)
Bonds - 97.3%		
U.S. Bonds - 91.8%		
Agency - Other - 6.7%		
Financing Corp., 10.7%, 10/06/2017	\$ 4,095,000	\$ 4,134,259
Financing Corp., 9.4%, 2/08/2018	3,085,000	3,198,124
Financing Corp., 10.35%, 8/03/2018	3,820,000	4,132,973
		\$ 11,465,356
Asset-Backed & Securitized - 1.8%		
A Voce CLO Ltd., 2014-1A, A1R, FLR, 2.463% (U.S. LIBOR-3mo. + 1.16%), 7/15/2026 (n)	\$ 541,000	\$ 539,820
ALM Loan Funding CLO, 2014-14A, A1R, FLR, 2.463% (U.S. LIBOR-3mo. + 1.15%), 7/28/2026 (n)	371,723	372,718
Atrium CDO Corp., 2011-A, A1R, FLR, 2.452% (U.S. LIBOR-3mo. + 1.14%), 10/23/2025 (n)	548,000	550,092
Babson CLO Ltd., 2013-IIA, BR, FLR, 3.553% (U.S. LIBOR-3mo. + 2.25%), 1/18/2025 (n)	583,669	584,946
Commercial Mortgage Trust, 2015-DC1, A5, 3.35%, 2/10/2048	327,000	338,571
Fortress Credit BSL Ltd., 2013-1A, A, FLR, 2.486% (U.S. LIBOR-3mo. + 1.18%), 1/19/2025 (n)	194,064	194,363
Morgan Stanley Capital I Trust, AM, 5.924%, 4/15/2049	884	898
TICP CLO Ltd., FLR, 2.486% (U.S. LIBOR-3mo. + 1.18%), 1/20/2027 (n)	538,454	538,508
		\$ 3,119,916
Automotive - 0.1%		
Ford Motor Credit Co. LLC, 2.551%, 10/05/2018	\$ 241,000	\$ 242,636
Building - 0.1%		
Martin Marietta Materials, Inc., 4.25%, 7/02/2024	\$ 82,000	\$ 87,730
Business Services - 0.3%		
Cisco Systems, Inc., 2.6%, 2/28/2023	\$ 299,000	\$ 303,956
Fidelity National Information Services, Inc., 3.875%, 6/05/2024	271,000	286,600
		\$ 590,556
Cable TV - 0.9%		
Charter Communications Operating LLC/Charter Communications Operating Capital Corp., 4.908%, 7/23/2025	\$ 242,000	\$ 259,248
Comcast Corp., 4.2%, 8/15/2034	96,000	101,618
Time Warner Cable, Inc., 8.25%, 4/01/2019	1,000,000	1,092,453
Time Warner Cable, Inc., 4.5%, 9/15/2042	100,000	92,381
		\$ 1,545,700
Chemicals - 0.2%		
Sherwin Williams Co., 2.75%, 6/01/2022	\$ 345,000	\$ 347,619
Computer Software - 0.1%		
Microsoft Corp., 3.125%, 11/03/2025	\$ 124,000	\$ 128,276
Computer Software - Systems - 0.3%		
Apple, Inc., 3.25%, 2/23/2026	\$ 400,000	\$ 413,631
Apple, Inc., 4.375%, 5/13/2045	121,000	132,553
		\$ 546,184
Consumer Products - 0.2%		
Newell Rubbermaid, Inc., 3.15%, 4/01/2021	\$ 369,000	\$ 379,518
Food & Beverages - 0.3%		
Anheuser-Busch InBev Worldwide, Inc., 3.3%, 2/01/2023	\$ 167,000	\$ 173,421
Anheuser-Busch InBev Worldwide, Inc., 4.7%, 2/01/2036	219,000	243,820

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Portfolio of Investments (unaudited) continued

Issuer	Shares/Par	Value (\$)
Bonds - continued		
U.S. Bonds - continued		
Food & Beverages - continued		
Tyson Foods, Inc., 5.15%, 8/15/2044	\$ 38,000	\$ 43,526
		\$ 460,767
Food & Drug Stores - 0.2%		
CVS Health Corp., 5.125%, 7/20/2045	\$ 270,000	\$ 311,331
Insurance - 0.1%		
American International Group, Inc., 4.7%, 7/10/2035	\$ 108,000	\$ 117,420
Insurance - Health - 0.5%		
UnitedHealth Group, Inc., 4.625%, 7/15/2035	\$ 672,000	\$ 773,234
Insurance - Property & Casualty - 0.1%		
Liberty Mutual Group, Inc., 4.85%, 8/01/2044 (n)	\$ 99,000	\$ 108,099
Local Authorities - 1.2%		
New Jersey Turnpike Authority Rev. (Build America Bonds), F, 7.414%, 1/01/2040	\$ 32,000	\$ 48,955
State of California (Build America Bonds), 7.6%, 11/01/2040	925,000	1,473,016
University of California Rev. (Build America Bonds), 5.77%, 5/15/2043	450,000	589,091
		\$ 2,111,062
Major Banks - 0.4%		
Bank of America Corp., 7.625%, 6/01/2019	\$ 170,000	\$ 186,157
Goldman Sachs Group, Inc., 3.625%, 1/22/2023	446,000	463,577
		\$ 649,734
Medical & Health Technology & Services - 0.2%		
Becton, Dickinson and Co., 4.685%, 12/15/2044	\$ 179,000	\$ 188,055
Laboratory Corp. of America Holdings, 4.7%, 2/01/2045	106,000	111,850
		\$ 299,905
Medical Equipment - 0.2%		
Medtronic, Inc., 4.625%, 3/15/2045	\$ 237,000	\$ 268,633
Metals & Mining - 0.3%		
Freeport-McMoRan, Inc., 3.875%, 3/15/2023	\$ 500,000	\$ 495,000
Midstream - 0.6%		
Kinder Morgan Energy Partners LP, 6.85%, 2/15/2020	\$ 1,000,000	\$ 1,104,771
Mortgage-Backed - 49.4%		
Fannie Mae, 2.28%, 11/01/2026	\$ 76,005	\$ 74,728
Fannie Mae, 3.5%, 4/01/2047	879,931	912,326
Fannie Mae, 5.5%, 9/01/2017 - 3/01/2038	3,257,204	3,639,957
Fannie Mae, 6%, 1/01/2018 - 7/01/2037	969,024	1,098,868
Fannie Mae, 4.88%, 3/01/2020	90,891	94,221
Fannie Mae, 3.87%, 7/01/2022	181,818	193,988
Fannie Mae, 2.152%, 1/25/2023	401,000	400,183
Fannie Mae, 2.41%, 5/01/2023	127,520	129,833
Fannie Mae, 2.55%, 5/01/2023	109,727	112,491
Fannie Mae, 2.59%, 5/01/2023	69,480	71,373
Fannie Mae, 3.78%, 10/01/2023	63,523	68,235
Fannie Mae, 2.7%, 7/01/2025	200,000	203,605

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Portfolio of Investments (unaudited) continued

Issuer	Shares/Par	Value (\$)
Bonds - continued		
U.S. Bonds - continued		
Mortgage-Backed - continued		
Fannie Mae, 3.43%, 6/01/2026	\$ 196,594	\$ 211,012
Fannie Mae, 3.59%, 9/01/2026	72,813	78,065
Fannie Mae, 4.96%, 6/01/2030	126,739	144,046
Fannie Mae, 6.5%, 5/01/2031 - 2/01/2037	619,780	710,617
Fannie Mae, 3%, 12/01/2031 - 11/01/2046	4,079,899	4,173,754
Fannie Mae, 5%, 6/01/2035 - 3/01/2042	626,008	684,737
Fannie Mae, 4.5%, 1/01/2040 - 4/01/2044	5,765,886	6,250,983
Fannie Mae, 4%, 9/01/2040 - 7/01/2047	12,202,027	12,948,665
Fannie Mae, 3.5%, 4/01/2043 - 1/01/2047	8,254,242	8,570,865
Fannie Mae, 2.683%, 12/25/2026	729,000	726,258
Freddie Mac, 4.5%, 9/01/2046	679,753	729,920
Freddie Mac, 2.699%, 5/25/2018	780,032	784,123
Freddie Mac, 2.412%, 8/25/2018	1,119,702	1,124,488
Freddie Mac, 2.303%, 9/25/2018	275,000	276,545
Freddie Mac, 2.323%, 10/25/2018	490,546	493,551
Freddie Mac, 2.13%, 1/25/2019	1,541,341	1,551,036
Freddie Mac, 5.085%, 3/25/2019	752,000	783,261
Freddie Mac, 2.456%, 8/25/2019	383,000	387,633
Freddie Mac, 4.186%, 8/25/2019	600,000	626,022
Freddie Mac, 3.808%, 8/25/2020	219,000	230,692
Freddie Mac, 3.034%, 10/25/2020	291,000	300,407
Freddie Mac, 2.856%, 1/25/2021	400,000	412,454
Freddie Mac, 6%, 5/01/2021 - 10/01/2038	501,502	566,644
Freddie Mac, 2.791%, 1/25/2022	517,000	534,346
Freddie Mac, 2.716%, 6/25/2022	399,000	411,305
Freddie Mac, 2.355%, 7/25/2022	500,000	507,674
Freddie Mac, 2.682%, 10/25/2022	189,000	194,281
Freddie Mac, 2.51%, 11/25/2022	496,000	505,837
Freddie Mac, 3.32%, 2/25/2023	433,000	458,813
Freddie Mac, 3.3%, 4/25/2023 - 10/25/2026	1,034,471	1,095,202
Freddie Mac, 3.06%, 7/25/2023	294,000	307,715
Freddie Mac, 2.454%, 8/25/2023	379,000	384,551
Freddie Mac, 3.458%, 8/25/2023	367,000	392,133
Freddie Mac, 4.5%, 9/01/2024 - 3/01/2047	1,682,701	1,810,451
Freddie Mac, 2.67%, 12/25/2024	827,000	844,197
Freddie Mac, 2.811%, 1/25/2025	642,000	660,386
Freddie Mac, 3.329%, 5/25/2025	928,000	986,920
Freddie Mac, 3.01%, 7/25/2025	225,000	234,030
Freddie Mac, 2.745%, 1/25/2026	629,000	639,671
Freddie Mac, 2.673%, 3/25/2026	900,000	910,699
Freddie Mac, 3.243%, 4/25/2027	583,000	614,017
Freddie Mac, 3.117%, 6/25/2027	420,000	437,534
Freddie Mac, 5.5%, 8/01/2035 - 6/01/2036	558,174	622,977
Freddie Mac, 1.018%, 4/25/2024 (i)	4,368,994	212,506
Freddie Mac, 6.5%, 5/01/2037	144,750	162,934
Freddie Mac, 5%, 4/01/2040 - 7/01/2041	2,080,414	2,283,448
Freddie Mac, 4%, 1/01/2041 - 4/01/2044	594,525	629,392
Freddie Mac, 3.5%, 5/01/2042 - 1/01/2047	8,419,927	8,750,325
Freddie Mac, 3%, 4/01/2043 - 11/01/2046	4,682,877	4,755,366
Freddie Mac, 3.224%, 3/25/2027	575,000	603,622
Ginnie Mae, 5.5%, 7/15/2033 - 1/20/2042	1,085,254	1,215,471
Ginnie Mae, 4%, 8/15/2040 - 4/20/2041	172,252	182,643
Ginnie Mae, 4.5%, 9/20/2041	199,604	214,244

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Portfolio of Investments (unaudited) continued

Issuer	Shares/Par	Value (\$)
Bonds - continued		
U.S. Bonds - continued		
Mortgage-Backed - continued		
Ginnie Mae, 3.5%, 4/15/2042 - 7/20/2043	\$ 2,396,949	\$ 2,510,198
Ginnie Mae, 6.158%, 4/20/2058	11,151	12,243
Ginnie Mae, 0.658%, 2/16/2059 (i)	568,682	38,767
		\$ 83,889,484
Network & Telecom - 0.6%		
AT&T, Inc., 3.4%, 8/14/2024	\$ 339,000	\$ 342,194
Verizon Communications, Inc., 5.012%, 4/15/2049	596,000	595,744
		\$ 937,938
Oils - 0.1%		
Valero Energy Corp., 4.9%, 3/15/2045	\$ 130,000	\$ 138,038