

MFS GOVERNMENT MARKETS INCOME TRUST
Form N-Q
April 18, 2018

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 811-05078

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: February 28, 2018

ITEM 1. SCHEDULE OF INVESTMENTS.

Quarterly Report

February 28, 2018

MFS® Government Markets Income Trust

PORTFOLIO OF INVESTMENTS

2/28/18 (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 - 96.3%		
U.S. Bonds - 90.6%		
Agency - Other - 2.5%		
Financing Corp., 10.35%, 8/03/2018	\$ 3,820,000	\$ 3,958,888
Asset-Backed & Securitized - 2.0%		
A Voce CLO Ltd., 2014-1A, A1R, FLR, 2.881% (LIBOR-3mo. + 1.16%), 7/15/2026 (n)	\$ 541,000	\$ 541,102
Atrium CDO Corp., 2011-A, A1R, FLR, 2.884% (LIBOR-3mo. + 1.14%), 10/23/2025 (n)	548,000	548,305
Babson CLO Ltd., 2013-IIA, BR, FLR, 3.984% (LIBOR-3mo. + 2.25%), 1/18/2025 (n)	583,669	582,506
Commercial Mortgage Trust, 2015-DC1, A5, 3.35%, 2/10/2048	327,000	323,164
Commercial Mortgage Trust, 2017-COR2, A3, 3.51%, 9/10/2050	292,470	289,949
Morgan Stanley Bank of America Merrill Lynch Trust, 2017-C34, A4, 3.536%, 11/15/2052	59,686	59,564
TICP CLO Ltd., FLR, 2.924% (LIBOR-3mo. + 1.18%), 1/20/2027 (n)	538,454	538,603
UBS Commercial Mortgage Trust 2017-C1, A4, 3.544%, 11/15/2050	279,000	277,410
		\$ 3,160,603
Automotive - 0.1%		
Ford Motor Credit Co. LLC, 2.551%, 10/05/2018	\$ 241,000	\$ 240,899
Building - 0.1%		
Martin Marietta Materials, Inc., 4.25%, 7/02/2024	\$ 82,000	\$ 84,240
Business Services - 0.3%		
Cisco Systems, Inc., 2.6%, 2/28/2023	\$ 299,000	\$ 293,606
Fidelity National Information Services, Inc., 3.875%, 6/05/2024	271,000	275,527
		\$ 569,133
Cable TV - 0.9%		
Charter Communications Operating LLC/Charter Communications Operating Capital Corp., 4.908%, 7/23/2025	\$ 242,000	\$ 248,776
Comcast Corp., 4.2%, 8/15/2034	96,000	96,284
Time Warner Cable, Inc., 8.25%, 4/01/2019	1,000,000	1,055,591
Time Warner Cable, Inc., 4.5%, 9/15/2042	100,000	90,334
		\$ 1,490,985
Chemicals - 0.2%		
Sherwin Williams Co., 2.75%, 6/01/2022	\$ 345,000	\$ 336,418
Computer Software - 0.1%		
Microsoft Corp., 3.125%, 11/03/2025	\$ 124,000	\$ 122,347
Computer Software - Systems - 0.3%		
Apple, Inc., 3.25%, 2/23/2026	\$ 400,000	\$ 393,611
Apple, Inc., 4.375%, 5/13/2045	121,000	126,793
		\$ 520,404
Consumer Products - 0.2%		
Newell Rubbermaid, Inc., 3.15%, 4/01/2021	\$ 369,000	\$ 365,269
Food & Beverages - 0.3%		
Anheuser-Busch InBev Worldwide, Inc., 3.3%, 2/01/2023	\$ 167,000	\$ 166,538
Anheuser-Busch InBev Worldwide, Inc., 4.7%, 2/01/2036	219,000	230,138
Tyson Foods, Inc., 5.15%, 8/15/2044	38,000	42,508
		\$ 439,184

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Portfolio of Investments (unaudited) continued

Issuer	Shares/Par	Value (\$)
Bonds - continued		
U.S. Bonds - continued		
Insurance - 0.1%		
American International Group, Inc., 4.7%, 7/10/2035	\$ 108,000	\$ 112,202
Insurance - Health - 0.5%		
UnitedHealth Group, Inc., 4.625%, 7/15/2035	\$ 672,000	\$ 737,871
Insurance - Property & Casualty - 0.1%		
Liberty Mutual Group, Inc., 4.85%, 8/01/2044 (n)	\$ 99,000	\$ 103,908
Local Authorities - 1.9%		
New Jersey Economic Development Authority State Pension Funding Rev., Capital Appreciation, B, 0%, 2/15/2023	\$ 1,182,000	\$ 974,051
New Jersey Turnpike Authority Rev. (Build America Bonds), F, 7.414%, 1/01/2040	32,000	46,953
State of California (Build America Bonds), 7.6%, 11/01/2040	925,000	1,420,856
University of California Rev. (Build America Bonds), 5.77%, 5/15/2043	450,000	567,594
		\$ 3,009,454
Major Banks - 0.4%		
Bank of America Corp., 3.004% to 12/20/2022, FLR to 12/20/2023 (n)	\$ 183,000	\$ 179,137
Goldman Sachs Group, Inc., 3.625%, 1/22/2023	446,000	449,423
		\$ 628,560
Medical & Health Technology & Services - 0.3%		
Becton, Dickinson and Co., 4.685%, 12/15/2044	\$ 179,000	\$ 179,380
CVS Health Corp., 5.125%, 7/20/2045	270,000	282,096
Laboratory Corp. of America Holdings, 4.7%, 2/01/2045	106,000	106,147
		\$ 567,623
Medical Equipment - 0.2%		
Medtronic, Inc., 4.625%, 3/15/2045	\$ 237,000	\$ 257,055
Metals & Mining - 0.3%		
Freeport-McMoRan, Inc., 3.875%, 3/15/2023	\$ 500,000	\$ 485,000
Midstream - 0.7%		
Kinder Morgan Energy Partners LP, 6.85%, 2/15/2020	\$ 1,000,000	\$ 1,069,620
Mortgage-Backed - 49.1%		
Fannie Mae, 2.28%, 11/01/2026	\$ 75,341	\$ 70,764
Fannie Mae, 3.5%, 4/01/2047	831,000	830,677
Fannie Mae, 5.5%, 5/01/2019 - 3/01/2038	2,931,549	3,215,574
Fannie Mae, 6%, 7/01/2021 - 7/01/2037	891,897	997,888
Fannie Mae, 2.152%, 1/25/2023	401,000	387,303
Fannie Mae, 2.41%, 5/01/2023	126,180	122,922
Fannie Mae, 2.55%, 5/01/2023	108,544	106,435
Fannie Mae, 2.59%, 5/01/2023	68,772	67,557
Fannie Mae, 3.78%, 10/01/2023	63,025	64,896
Fannie Mae, 2.7%, 7/01/2025	200,000	194,584
Fannie Mae, 3.43%, 6/01/2026	195,111	198,522
Fannie Mae, 3.59%, 9/01/2026	72,232	74,300
Fannie Mae, 2.597%, 12/25/2026	729,000	691,496
Fannie Mae, 4.96%, 6/01/2030	123,587	132,806
Fannie Mae, 6.5%, 5/01/2031 - 2/01/2037	558,359	623,729
Fannie Mae, 3%, 12/01/2031 - 11/01/2046	3,885,171	3,817,450
Fannie Mae, 5%, 6/01/2035 - 3/01/2042	571,433	617,644

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Portfolio of Investments (unaudited) continued

Issuer	Shares/Par	Value (\$)
Bonds - continued		
U.S. Bonds - continued		
Mortgage-Backed - continued		
Fannie Mae, 4.5%, 1/01/2040 - 4/01/2044	\$ 5,247,851	\$ 5,539,789
Fannie Mae, 4%, 9/01/2040 - 7/01/2047	11,207,115	11,558,529
Fannie Mae, 3.5%, 4/01/2043 - 1/01/2047	7,792,384	7,797,956
Fannie Mae, 2%, 5/25/2044	271,541	262,482
Freddie Mac, 0.303%, 1/25/2028 (i)	5,048,114	141,750
Freddie Mac, 2.699%, 5/25/2018	626,616	626,368
Freddie Mac, 2.412%, 8/25/2018	1,038,493	1,037,989
Freddie Mac, 2.303%, 9/25/2018	275,000	274,615
Freddie Mac, 2.323%, 10/25/2018	484,929	484,632
Freddie Mac, 2.13%, 1/25/2019	1,479,239	1,474,753
Freddie Mac, 5.085%, 3/25/2019	752,000	766,013
Freddie Mac, 2.456%, 8/25/2019	383,000	382,592
Freddie Mac, 4.186%, 8/25/2019	600,000	612,719
Freddie Mac, 3.808%, 8/25/2020	219,000	224,383
Freddie Mac, 3.034%, 10/25/2020	291,000	292,757
Freddie Mac, 2.856%, 1/25/2021	400,000	400,463
Freddie Mac, 6%, 5/01/2021 - 10/01/2038	441,338	496,964
Freddie Mac, 2.791%, 1/25/2022	517,000	515,342
Freddie Mac, 2.455%, 3/25/2022	342,729	338,717
Freddie Mac, 2.716%, 6/25/2022	399,000	396,142
Freddie Mac, 2.355%, 7/25/2022	500,000	488,703
Freddie Mac, 2.51%, 11/25/2022	496,000	486,705
Freddie Mac, 3.32%, 2/25/2023	433,000	439,858
Freddie Mac, 3.3%, 4/25/2023 - 10/25/2026	1,034,471	1,043,206
Freddie Mac, 3.06%, 7/25/2023	294,000	294,901
Freddie Mac, 2.454%, 8/25/2023	379,000	368,558
Freddie Mac, 3.458%, 8/25/2023	367,000	375,234
Freddie Mac, 0.882%, 4/25/2024 (i)	4,365,392	195,496
Freddie Mac, 0.618%, 7/25/2024 (i)	4,847,920	160,128
Freddie Mac, 3.064%, 8/25/2024	489,568	489,137
Freddie Mac, 4.5%, 9/01/2024 - 5/01/2042	996,030	1,050,276
Freddie Mac, 2.67%, 12/25/2024	827,000	805,867
Freddie Mac, 2.811%, 1/25/2025	642,000	630,695
Freddie Mac, 3.329%, 5/25/2025	928,000	939,322
Freddie Mac, 3.01%, 7/25/2025	225,000	223,114
Freddie Mac, 2.745%, 1/25/2026	629,000	609,501
Freddie Mac, 2.673%, 3/25/2026	900,000	866,714
Freddie Mac, 3.224%, 3/25/2027	575,000	572,836
Freddie Mac, 3.243%, 4/25/2027	583,000	581,483
Freddie Mac, 3.117%, 6/25/2027	420,000	414,332
Freddie Mac, 0.579%, 7/25/2027 (i)	8,610,304	403,433
Freddie Mac, 3.194%, 7/25/2027	616,000	611,187
Freddie Mac, 0.437%, 8/25/2027 (i)	6,809,314	242,050
Freddie Mac, 3.187%, 9/25/2027	449,000	444,669
Freddie Mac, 3.286%, 11/25/2027	613,000	611,868
Freddie Mac, 3.444%, 12/25/2027	203,000	206,035
Freddie Mac, 5.5%, 8/01/2035 - 6/01/2036	491,601	541,494
Freddie Mac, 6.5%, 5/01/2037	118,906	133,895
Freddie Mac, 5%, 4/01/2040 - 7/01/2041	1,864,978	2,015,492
Freddie Mac, 4%, 1/01/2041 - 4/01/2044	554,737	571,706
Freddie Mac, 3.5%, 5/01/2042 - 1/01/2047	7,880,289	7,900,072
Freddie Mac, 3%, 4/01/2043 - 11/01/2046	4,455,266	4,340,443
Ginnie Mae, 5.5%, 7/15/2033 - 1/20/2042	976,429	1,072,018

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Portfolio of Investments (unaudited) continued

Issuer	Shares/Par	Value (\$)
Bonds - continued		
U.S. Bonds - continued		
Mortgage-Backed - continued		
Ginnie Mae, 4%, 8/15/2040 - 4/20/2041	\$ 154,840	\$ 161,074
Ginnie Mae, 4.5%, 9/20/2041	176,841	186,134
Ginnie Mae, 3.5%, 4/15/2042 - 7/20/2043	2,160,574	2,185,452
Ginnie Mae, 6.158%, 4/20/2058	11,499	12,317
Ginnie Mae, 0.658%, 2/16/2059 (i)	564,683	35,935
		\$ 78,550,842
Network & Telecom - 0.6%		
AT&T, Inc., 3.4%, 8/14/2024	\$ 339,000	\$ 336,646