

MFS GOVERNMENT MARKETS INCOME TRUST
Form N-Q
April 22, 2019

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, 2019

ITEM 1. SCHEDULE OF INVESTMENTS.

Quarterly Report
February 28, 2019
MFS® Government Markets Income Trust

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Portfolio of Investments

2/28/19 (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 – 99.5% | | |
| U.S. Bonds – 88.2% | | |
| Asset-Backed & Securitized – 2.7% | | |
| A Voce CLO Ltd., 2014-1A, “A1R”, FLR, 3.947% (LIBOR - 3mo. + 1.16%), 7/15/2026 (n) | \$484,549 | \$ 484,476 |
| Chesapeake Funding II LLC, 2018-1A, “A1”, 3.04%, 4/15/2030 (n) | 291,867 | 292,066 |
| Chesapeake Funding II LLC, 2018-3A, “A1”, 3.39%, 1/15/2031 (n) | 400,000 | 402,708 |
| Commercial Mortgage Trust, 2015-DC1, “A5”, 3.35%, 2/10/2048 | 327,000 | 326,662 |
| Commercial Mortgage Trust, 2017-COR2, “A3”, 3.51%, 9/10/2050 | 292,470 | 290,934 |
| Loomis, Sayles & Co., CLO, “A2”, FLR, 4.179% (LIBOR - 3mo. + 1.4%), 4/15/2028 (n) | 429,010 | 422,852 |
| Madison Park Funding Ltd., 2014-13A, “BR2”, FLR, 4.261% (LIBOR - 3mo. + 1.5%), 4/19/2030 (n) | 452,738 | 446,529 |
| Morgan Stanley Bank of America Merrill Lynch Trust, 2017-C34, “A4”, 3.536%, 11/15/2052 | 59,686 | 59,673 |
| Morgan Stanley Capital I Trust, 2018-H4, “XA”, 0.869%, 12/15/2051 (i) | 1,685,720 | 108,818 |
| Symphony CLO Ltd., 2016-17A, “BR”, FLR, 3.987% (LIBOR - 3mo. + 1.2%), 4/15/2028 (n) | 383,677 | 377,585 |
| TICP CLO Ltd., FLR, 3.601% (LIBOR - 3mo. + 0.8%), 4/20/2028 (n) | 538,454 | 534,008 |
| UBS Commercial Mortgage Trust, 2017-C1, “A4”, 3.544%, 11/15/2050 | 279,000 | 276,947 |
| Wells Fargo Commercial Mortgage Trust, 2018-C48, “XA”, 0.958%, 1/15/2052 (i)(n) | 999,103 | 73,422 |
| | | \$ 4,096,680 |
| Building – 0.1% | | |
| Martin Marietta Materials, Inc., 4.25%, 7/02/2024 | \$82,000 | \$ 83,335 |
| Business Services – 0.2% | | |
| Fidelity National Information Services, Inc., 3.875%, 6/05/2024 | \$271,000 | \$ 271,967 |
| Cable TV – 0.9% | | |
| Charter Communications Operating LLC/Charter Communications Operating Capital Corp., 4.908%, 7/23/2025 | \$242,000 | \$ 250,827 |
| Time Warner Cable, Inc., 8.25%, 4/01/2019 | 1,000,000 | 1,004,034 |
| Time Warner Cable, Inc., 4.5%, 9/15/2042 | 100,000 | 83,990 |
| | | \$ 1,338,851 |
| Chemicals – 0.2% | | |
| Sherwin Williams Co., 2.75%, 6/01/2022 | \$345,000 | \$ 339,292 |
| Computer Software – 0.1% | | |
| Microsoft Corp., 3.125%, 11/03/2025 | \$124,000 | \$ 124,879 |
| Computer Software - Systems – 0.3% | | |
| Apple, Inc., 3.25%, 2/23/2026 | \$400,000 | \$ 399,865 |
| Apple, Inc., 4.375%, 5/13/2045 | 121,000 | 125,439 |
| | | \$ 525,304 |
| Conglomerates – 0.4% | | |
| United Technologies Corp., 3.95%, 8/16/2025 | \$625,000 | \$ 637,471 |
| Food & Beverages – 1.1% | | |
| Anheuser-Busch InBev Worldwide, Inc., 3.3%, 2/01/2023 | \$167,000 | \$ 167,980 |
| Constellation Brands, Inc., 4.65%, 11/15/2028 | 1,500,000 | 1,540,540 |
| Tyson Foods, Inc., 5.15%, 8/15/2044 | 38,000 | 36,846 |
| | | \$ 1,745,366 |
| Insurance – 0.1% | | |
| American International Group, Inc., 4.7%, 7/10/2035 | \$108,000 | \$ 104,552 |

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| | | |
|--|-----------|------------|
| Insurance - Health – 0.5% | | |
| UnitedHealth Group, Inc., 4.625%, 7/15/2035 | \$672,000 | \$ 730,426 |
| Insurance - Property & Casualty – 0.1% | | |
| Liberty Mutual Group, Inc., 4.85%, 8/01/2044 (n) | \$99,000 | \$ 97,230 |

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Portfolio of Investments (unaudited) – continued

| Issuer | Shares/Par Value (\$) | |
|---|-----------------------|--------------|
| Bonds – continued | | |
| U.S. Bonds – continued | | |
| Machinery & Tools – 0.4% | | |
| CNH Industrial Capital LLC, 4.2%, 1/15/2024 | \$625,000 | \$ 624,609 |
| Major Banks – 0.4% | | |
| Bank of America Corp., 3.004%, 12/20/2023 | \$183,000 | \$ 180,606 |
| Goldman Sachs Group, Inc., 3.625%, 1/22/2023 | 446,000 | 450,086 |
| | | \$ 630,692 |
| Medical & Health Technology & Services – 0.6% | | |
| Becton, Dickinson and Co., 4.685%, 12/15/2044 | \$179,000 | \$ 175,249 |
| Laboratory Corp. of America Holdings, 4.7%, 2/01/2045 | 106,000 | 99,473 |
| Montefiore Obligated Group, 5.246%, 11/01/2048 | 614,000 | 641,435 |
| | | \$ 916,157 |
| Midstream – 0.7% | | |
| Kinder Morgan Energy Partners LP, 6.85%, 2/15/2020 | \$1,000,000 | \$ 1,034,358 |
| Mortgage-Backed – 46.8% | | |
| Fannie Mae, 5.5%, 5/01/2019 - 3/01/2038 | \$2,412,187 | \$ 2,622,580 |
| Fannie Mae, 6%, 7/01/2021 - 7/01/2037 | 731,377 | 803,028 |
| Fannie Mae, 2.152%, 1/25/2023 | 401,000 | 392,151 |
| Fannie Mae, 2.41%, 5/01/2023 | 123,369 | 121,962 |
| Fannie Mae, 2.55%, 5/01/2023 | 106,068 | 105,420 |
| Fannie Mae, 2.59%, 5/01/2023 | 67,283 | 66,973 |
| Fannie Mae, 3.78%, 10/01/2023 | 61,956 | 64,450 |
| Fannie Mae, 3.5%, 5/25/2025 - 1/01/2047 | 6,813,797 | 6,850,482 |
| Fannie Mae, 2.7%, 7/01/2025 | 200,000 | 196,748 |
| Fannie Mae, 3.43%, 6/01/2026 | 191,953 | 196,583 |
| Fannie Mae, 3.59%, 9/01/2026 | 70,990 | 73,427 |
| Fannie Mae, 2.28%, 11/01/2026 | 73,948 | 70,582 |
| Fannie Mae, 2.597%, 12/25/2026 | 729,000 | 701,107 |
| Fannie Mae, 3.043%, 3/25/2028 | 363,000 | 357,486 |
| Fannie Mae, 3.23%, 1/01/2029 | 193,576 | 192,705 |
| Fannie Mae, 4.96%, 6/01/2030 | 116,914 | 129,894 |
| Fannie Mae, 6.5%, 5/01/2031 - 2/01/2037 | 458,638 | 513,730 |
| Fannie Mae, 3%, 12/01/2031 - 11/01/2046 | 4,304,133 | 4,257,974 |
| Fannie Mae, 5%, 6/01/2035 - 3/01/2042 | 481,086 | 515,010 |
| Fannie Mae, 4.5%, 1/01/2040 - 4/01/2044 | 4,504,893 | 4,730,287 |
| Fannie Mae, 4%, 9/01/2040 - 7/01/2047 | 9,786,272 | 10,062,099 |
| Fannie Mae, 2%, 5/25/2044 - 4/25/2046 | 417,640 | 401,230 |
| Fannie Mae, TBA, 2.5%, 3/01/2034 | 225,000 | 220,658 |
| Fannie Mae, TBA, 3.5%, 3/01/2034 | 800,000 | 812,797 |
| Freddie Mac, 2.456%, 8/25/2019 | 187,710 | 187,252 |
| Freddie Mac, 4.186%, 8/25/2019 | 600,000 | 601,284 |
| Freddie Mac, 3.808%, 8/25/2020 | 219,000 | 221,292 |
| Freddie Mac, 3.034%, 10/25/2020 | 288,096 | 288,486 |
| Freddie Mac, 2.856%, 1/25/2021 | 397,377 | 397,146 |
| Freddie Mac, 6%, 5/01/2021 - 10/01/2038 | 354,600 | 388,742 |
| Freddie Mac, 2.455%, 3/25/2022 | 267,260 | 265,506 |
| Freddie Mac, 2.716%, 6/25/2022 | 399,000 | 397,528 |

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| | | |
|---|-----------|-----------|
| Freddie Mac, 2.355%, 7/25/2022 | 500,000 | 493,465 |
| Freddie Mac, 2.51%, 11/25/2022 | 496,000 | 491,001 |
| Freddie Mac, 3.32%, 2/25/2023 | 433,000 | 441,149 |
| Freddie Mac, 3.3%, 4/25/2023 - 10/25/2026 | 1,034,471 | 1,049,623 |
| Freddie Mac, 3.06%, 7/25/2023 | 294,000 | 296,225 |
| Freddie Mac, 3.458%, 8/25/2023 | 367,000 | 375,544 |
| Freddie Mac, 0.882%, 4/25/2024 (i) | 4,353,018 | 159,110 |

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Portfolio of Investments (unaudited) – continued

| Issuer | Shares/Par Value (\$) | |
|---|-----------------------|---------------|
| Bonds – continued | | |
| U.S. Bonds – continued | | |
| Mortgage-Backed – continued | | |
| Freddie Mac, 0.608%, 7/25/2024 (i) | \$4,773,995 | \$ 131,940 |
| Freddie Mac, 3.064%, 8/25/2024 | 489,568 | 492,356 |
| Freddie Mac, 4.5%, 9/01/2024 - 5/01/2042 | 844,103 | 886,486 |
| Freddie Mac, 2.67%, 12/25/2024 | 827,000 | 814,410 |
| Freddie Mac, 2.811%, 1/25/2025 | 642,000 | 636,038 |
| Freddie Mac, 3.329%, 5/25/2025 | 928,000 | 944,741 |
| Freddie Mac, 3.01%, 7/25/2025 | 225,000 | 224,904 |
| Freddie Mac, 2.745%, 1/25/2026 | 629,000 | 617,009 |
| Freddie Mac, 2.673%, 3/25/2026 | 900,000 | 878,092 |
| Freddie Mac, 3.224%, 3/25/2027 | 575,000 | 577,403 |
| Freddie Mac, 3.117%, 6/25/2027 | 420,000 | 418,330 |
| Freddie Mac, 0.578%, 7/25/2027 (i) | 8,590,923 | 362,340 |
| Freddie Mac, 3.194%, 7/25/2027 | 616,000 | 615,813 |
| Freddie Mac, 0.436%, 8/25/2027 (i) | 6,782,744 | 216,632 |
| Freddie Mac, 3.187%, 9/25/2027 | 449,000 | 448,738 |
| Freddie Mac, 3.286%, 11/25/2027 | 613,000 | 616,065 |
| Freddie Mac, 3.444%, 12/25/2027 | 203,000 | 206,418 |
| Freddie Mac, 0.291%, 1/25/2028 (i) | 12,244,689 | 305,543 |
| Freddie Mac, 0.303%, 1/25/2028 (i) | 5,041,553 | 128,757 |
| Freddie Mac, 0.134%, 2/25/2028 (i) | 14,214,888 | 188,116 |
| Freddie Mac, 0.12%, 4/25/2028 (i) | 9,094,355 | 112,849 |
| Freddie Mac, 3.85%, 5/25/2028 | 403,000 | 421,846 |
| Freddie Mac, 5.5%, 8/01/2035 - 6/01/2036 | 414,340 | 450,646 |
| Freddie Mac, 6.5%, 5/01/2037 | 81,947 | 90,314 |
| Freddie Mac, 4%, 8/01/2037 - 4/01/2044 | 522,202 | 536,038 |
| Freddie Mac, 3.5%, 11/01/2037 - 1/01/2047 | 7,420,871 | 7,472,933 |
| Freddie Mac, 3%, 1/01/2038 - 11/01/2046 | 4,517,895 | 4,440,133 |
| Freddie Mac, 5%, 4/01/2040 - 7/01/2041 | 1,572,806 | 1,686,031 |
| Ginnie Mae, 5.5%, 7/15/2033 - 1/20/2042 | 831,814 | 909,990 |
| Ginnie Mae, 4%, 8/15/2040 - 4/20/2041 | 138,251 | 143,083 |
| Ginnie Mae, 4.5%, 9/20/2041 | 148,241 | 155,598 |
| Ginnie Mae, 3.5%, 4/15/2042 - 10/20/2048 | 2,224,988 | 2,254,884 |
| Ginnie Mae, 2.5%, 6/20/2042 | 20,000 | 18,096 |
| Ginnie Mae, 3%, 9/20/2047 - 10/20/2048 | 2,635,378 | 2,603,617 |
| Ginnie Mae, 6.158%, 4/20/2058 | 12,227 | 12,791 |
| Ginnie Mae, 0.66%, 2/16/2059 (i) | 539,018 | 31,767 |
| | | \$ 71,563,463 |
| Municipals – 2.0% | | |
| New Jersey Economic Development Authority State Pension Funding Rev., Capital Appreciation, “B”, AGM, 0%, 2/15/2023 | \$1,182,000 | \$ 1,017,442 |
| New Jersey Turnpike Authority Rev. (Build America Bonds), “F”, 7.414%, 1/01/2040 | 32,000 | 45,921 |
| State of California (Build America Bonds), 7.6%, 11/01/2040 | 925,000 | 1,382,098 |
| University of California Rev. (Build America Bonds), 5.77%, 5/15/2043 | 450,000 | 550,539 |
| | | \$ 2,996,000 |
| Oils – 0.1% | | |

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| | | |
|--|-----------|-----------|
| Valero Energy Corp., 4.9%, 3/15/2045 | \$130,000 | \$132,348 |
| Pharmaceuticals – 0.1% | | |
| Gilead Sciences, Inc., 4.5%, 2/01/2045 | \$82,000 | \$79,098 |
| Restaurants – 0.5% | | |
| Starbucks Corp., 3.8%, 8/15/2025 | \$800,000 | \$811,825 |
| Supranational – 0.1% | | |
| Inter-American Development Bank, 4.375%, 1/24/2044 | \$158,000 | \$183,532 |

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Portfolio of Investments (unaudited) – continued

| Issuer | Shares/Par Value (\$) | |
|--|-----------------------|---------------|
| Bonds – continued | | |
| U.S. Bonds – continued | | |
| Tobacco – 0.5% | | |
| Altria Group, Inc., 9.25%, 8/06/2019 | \$ 55,000 | \$ 56,392 |
| Altria Group, Inc., 4.4%, 2/14/2026 | 63,000 | 63,553 |
| Reynolds American, Inc., 8.125%, 6/23/2019 | 583,000 | 591,927 |
| Reynolds American, Inc., 4%, 6/12/2022 | 79,000 | 79,982 |
| | | \$ 791,854 |
| Transportation - Services – 0.0% | | |
| ERAC USA Finance LLC, 3.85%, 11/15/2024 (n) | \$ 34,000 | \$ 33,963 |
| U.S. Government Agencies and Equivalents – 2.2% | | |
| AID-Tunisia, 2.452%, 7/24/2021 | \$ 235,000 | \$ 233,994 |
| AID-Ukraine, 1.844%, 5/16/2019 | 444,000 | 443,437 |
| AID-Ukraine, 1.847%, 5/29/2020 | 330,000 | 327,394 |
| Hashemite Kingdom of Jordan, 1.945%, 6/23/2019 | 443,000 | 442,248 |
| Hashemite Kingdom of Jordan, 2.503%, 10/30/2020 | 418,000 | 417,046 |
| Private Export Funding Corp., 2.25%, 3/15/2020 | 86,000 | 85,703 |
| Private Export Funding Corp., 2.3%, 9/15/2020 | 360,000 | 357,414 |
| Small Business Administration, 6.35%, 4/01/2021 | 18,284 | 18,656 |
| Small Business Administration, 6.34%, 5/01/2021 | 22,885 | 23,315 |
| Small Business Administration, 6.44%, 6/01/2021 | 26,704 | 27,369 |
| Small Business Administration, 6.625%, 7/01/2021 | 25,763 | 26,410 |
| Small Business Administration, 5.52%, 6/01/2024 | 61,665 | 64,103 |
| Small Business Administration, 2.21%, 2/01/2033 | 177,713 | 171,111 |
| Small Business Administration, 2.22%, 3/01/2033 | 304,830 | 294,536 |
| Small Business Administration, 3.15%, 7/01/2033 | 254,957 | 255,494 |
| Small Business Administration, 3.62%, 9/01/2033 | 242,248 | 248,141 |
| | | \$ 3,436,371 |
| U.S. Treasury Obligations – 26.7% | | |
| U.S. Treasury Bonds, 5.25%, 2/15/2029 | \$ 48,000 | \$ 58,506 |
| U.S. Treasury Bonds, 4.75%, 2/15/2037 | 336,000 | 425,565 |
| U.S. Treasury Bonds, 4.375%, 2/15/2038 | 2,338,000 | 2,846,972 |
| U.S. Treasury Bonds, 4.5%, 8/15/2039 (f) | 5,097,100 | 6,307,860 |
| U.S. Treasury Bonds, 3.125%, 2/15/2043 | 453,700 | 457,882 |
| U.S. Treasury Bonds, 2.875%, 5/15/2043 | 1,697,100 | 1,638,033 |
| U.S. Treasury Bonds, 2.5%, 2/15/2045 | 4,017,000 | 3,595,215 |
| U.S. Treasury Bonds, 2.875%, 11/15/2046 | 4,322,000 | 4,154,354 |
| U.S. Treasury Bonds, TIPS, 0.375%, 1/15/2027 | 1,587,116 | 1,543,719 |
| U.S. Treasury Notes, 2%, 1/31/2020 | 2,250,000 | 2,239,014 |
| U.S. Treasury Notes, 1.75%, 5/15/2022 | 1,751,000 | 1,710,782 |
| U.S. Treasury Notes, 1.75%, 9/30/2022 | 6,200,000 | 6,040,398 |
| U.S. Treasury Notes, 2.75%, 2/15/2024 | 577,000 | 582,995 |
| U.S. Treasury Notes, 2.5%, 5/15/2024 | 2,752,000 | 2,746,087 |
| U.S. Treasury Notes, 2.875%, 7/31/2025 | 3,100,000 | 3,150,617 |
| U.S. Treasury Notes, 2%, 8/15/2025 | 98,000 | 94,505 |
| U.S. Treasury Notes, 2%, 11/15/2026 | 3,271,000 | 3,124,444 |
| | | \$ 40,716,948 |
| Utilities - Electric Power – 0.4% | | |

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| | | |
|--|------------|-------------------|
| FirstEnergy Corp., 3.9%, 7/15/2027 | \$ 694,000 | \$ 687,470 |
| Total U.S. Bonds | | \$ 134,734,041 |
| Foreign Bonds – 11.3% | | |
| Australia – 0.0% | | |
| APT Pipelines Ltd., 4.25%, 7/15/2027 (n) | \$ 16,000 | \$ 15,904 |
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Portfolio of Investments (unaudited) – continued

| Issuer | Shares/Par | Value (\$) |
|---|----------------|--------------|
| Bonds – continued | | |
| Foreign Bonds – continued | | |
| Brazil – 0.2% | | |
| Federative Republic of Brazil, 5.625%, 1/07/2041 | \$ 162,000 | \$ 162,245 |
| Vale Overseas Ltd., 6.875%, 11/10/2039 | 165,000 | 180,881 |
| | | \$ 343,126 |
| Chile – 0.6% | | |
| Engie Energia Chile S.A., 5.625%, 1/15/2021 | \$ 566,000 | \$ 585,680 |
| GNL Quintero S.A., 4.634%, 7/31/2029 (n) | 200,000 | 202,250 |
| Transec S.A., 4.25%, 1/14/2025 | 200,000 | 199,252 |
| | | \$ 987,182 |
| China – 0.6% | | |
| CNPC (HK) Overseas Capital Ltd., 4.5%, 4/28/2021 (n) | \$ 226,000 | \$ 230,743 |
| State Grid Overseas Investment (2014) Ltd., 4.125%, 5/07/2024 (n) | 690,000 | 709,783 |
| | | \$ 940,526 |
| France – 0.3% | | |
| Banque Federative du Credit Mutuel S.A., 2.5%, 4/13/2021 (n) | \$ 395,000 | \$ 389,288 |
| India – 0.5% | | |
| Export-Import Bank of India, 3.375%, 8/05/2026 | \$ 416,000 | \$ 390,183 |
| NTPC Ltd., 4.25%, 2/26/2026 | 398,000 | 389,984 |
| | | \$ 780,167 |
| Indonesia – 0.3% | | |
| PT Perusahaan Listrik Negara, 5.375%, 1/25/2029 (n) | \$ 450,000 | \$ 466,065 |
| Italy – 0.2% | | |
| Enel Finance International N.V., 2.875%, 5/25/2022 (n) | \$ 366,000 | \$ 355,515 |
| Japan – 4.4% | | |
| Government of Japan, 0%, 3/11/2019 | JPY 50,000,000 | \$ 448,581 |
| Government of Japan, 0%, 3/18/2019 | 360,000,000 | 3,229,878 |
| Government of Japan, 0%, 4/04/2019 | 340,000,000 | 3,050,730 |
| | | \$ 6,729,189 |
| Kazakhstan – 0.1% | | |
| Republic of Kazakhstan, 5.125%, 7/21/2025 (n) | \$ 201,000 | \$ 216,831 |
| Mexico – 1.6% | | |
| Comision Federal de Electricidad, 4.875%, 5/26/2021 | \$ 277,000 | \$ 281,158 |
| Petroleos Mexicanos, 6%, 3/05/2020 | 129,000 | 131,241 |
| Petroleos Mexicanos, 5.5%, 1/21/2021 | 130,000 | 131,657 |
| Petroleos Mexicanos, 4.625%, 9/21/2023 | 53,000 | 50,586 |
| Petroleos Mexicanos, 4.875%, 1/18/2024 | 95,000 | 90,763 |
| Petroleos Mexicanos, 4.25%, 1/15/2025 | 15,000 | 13,560 |
| Petroleos Mexicanos, 6.5%, 1/23/2029 | 392,000 | 372,949 |
| Petroleos Mexicanos, 5.5%, 6/27/2044 | 12,000 | 9,472 |
| Petroleos Mexicanos, 5.625%, 1/23/2046 | 23,000 | 17,997 |
| Petroleos Mexicanos, 6.75%, 9/21/2047 | 21,000 | 18,250 |
| Southern Copper Corp., 5.875%, 4/23/2045 | 80,000 | 85,813 |
| United Mexican States, 3.625%, 3/15/2022 | 1,164,000 | 1,170,414 |
| | | \$ 2,373,860 |

Portfolio of Investments (unaudited) – continued

| Issuer | Shares/Par Value (\$) | |
|---|-----------------------|----------------|
| Bonds – continued | | |
| Foreign Bonds – continued | | |
| Netherlands – 0.8% | | |
| ING Bank N.V., 5.8%, 9/25/2023 (n) | \$769,000 | \$ 819,316 |
| ING Groep N.V., 3.15%, 3/29/2022 | 350,000 | 347,758 |
| | | \$ 1,167,074 |
| Panama – 0.1% | | |
| Republic of Panama, 3.875%, 3/17/2028 | \$213,000 | \$ 216,621 |
| Peru – 0.5% | | |
| El Fondo Mivivienda S.A., 3.5%, 1/31/2023 | \$226,000 | \$ 224,081 |
| Peru LNG, 5.375%, 3/22/2030 (n) | 200,000 | 204,610 |
| Republic of Peru, 8.75%, 11/21/2033 | 180,000 | 273,150 |
| | | \$ 701,841 |
| Romania – 0.1% | | |
| Republic of Romania, 4.375%, 8/22/2023 (n) | \$36,000 | \$ 36,803 |
| Republic of Romania, 4.875%, 1/22/2024 (n) | 58,000 | 60,862 |
| | | \$ 97,665 |
| United Kingdom – 0.7% | | |
| B.A.T Capital Corp., 2.764%, 8/15/2022 | \$438,000 | \$ 426,566 |
| Imperial Tobacco Finance PLC, 3.75%, 7/21/2022 (n) | 266,000 | 266,061 |
| Reckitt Benckiser Treasury Services PLC, 2.75%, 6/26/2024 (n) | 267,000 | 258,437 |
| Royal Bank of Scotland Group PLC, 6%, 12/19/2023 | 124,000 | 130,226 |
| | | \$ 1,081,290 |
| Uruguay – 0.3% | | |
| Oriental Republic of Uruguay, 4.5%, 8/14/2024 | \$26,762 | \$ 27,739 |
| Oriental Republic of Uruguay, 4.375%, 10/27/2027 | 47,300 | 48,695 |
| Oriental Republic of Uruguay, 4.375%, 1/23/2031 | 338,000 | 344,591 |
| | | \$ 421,025 |
| Total Foreign Bonds | | \$ 17,283,169 |
| Total Bonds | | \$ 152,017,210 |
| Investment Companies (h) – 0.7% | | |
| Money Market Funds – 0.7% | | |
| MFS Institutional Money Market Portfolio, 2.49% (v) | 1,096,162 | \$ 1,096,162 |
| Other Assets, Less Liabilities – (0.2)% | | |
| | | (337,848) |
| Net Assets – 100.0% | | \$ 152,775,524 |

(f) All or a portion of the security has been segregated as collateral for open futures contracts.

An affiliated issuer, which may be considered one in which the fund owns 5% or more of the outstanding voting (h) securities, or a company which is under common control. At period end, the aggregate values of the fund's investments in affiliated issuers and in unaffiliated issuers were \$1,096,162 and \$152,017,210, respectively.

(i) Interest only security for which the fund receives interest on notional principal (Par amount). Par amount shown is the notional principal and does not reflect the cost of the security.

Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be sold in (n) the ordinary course of business in transactions exempt from registration, normally to qualified institutional buyers.

At period end, the aggregate value of these securities was \$7,397,307, representing 4.8% of net assets.

(v) Affiliated issuer that is available only to investment companies managed by MFS. The rate quoted for the MFS Institutional Money Market Portfolio is the annualized seven-day yield of the fund at period end.

The following abbreviations are used
in this report and are defined:

AGM Assured Guaranty Municipal

CLO Collateralized Loan Obligation

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Portfolio of Investments (unaudited) – continued

Floating Rate. Interest rate resets periodically based on the parenthetically disclosed reference rate plus a spread (if any). The period-end rate reported may not be the current rate. All reference rates are USD unless otherwise noted.

LIBOR London Interbank Offered Rate

PLC Public Limited Company

TBA To Be Announced

TIPS Treasury Inflation Protected Security

Abbreviations indicate amounts shown in currencies other than the U.S. dollar. All amounts are stated in U.S. dollars unless otherwise indicated. A list of abbreviations is shown below:

JPY Japanese Yen

Derivative Contracts at 2/28/19

Forward Foreign Currency Exchange Contracts

| Currency Purchased | Currency Sold | Counterparty | Settlement Date | Unrealized Appreciation (Depreciation) |
|--------------------|-----------------|--------------------------|-----------------|--|
| Asset Derivatives | | | | |
| USD 4,130,749 | JPY 446,048,614 | JPMorgan Chase Bank N.A. | 4/12/2019 | \$116,585 |
| USD 2,664,077 | JPY 293,900,000 | JPMorgan Chase Bank N.A. | 4/04/2019 | 20,823 |
| | | | | \$137,408 |

Futures Contracts

| Description | Long/Short | Currency | Contracts | Notional Amount | Expiration Date | Value/Unrealized Appreciation (Depreciation) |
|--------------------------|------------|----------|-----------|-----------------|-----------------|--|
| Asset Derivatives | | | | | | |
| Interest Rate Futures | | | | | | |
| U.S. Treasury Bond 30 yr | Short | USD | 45 | \$6,501,094 | June - 2019 | \$ 64,522 |
| Liability Derivatives | | | | | | |
| Interest Rate Futures | | | | | | |
| U.S. Treasury Note 10 yr | Long | USD | 27 | \$3,294,000 | June - 2019 | \$(17,482) |
| U.S. Treasury Note 2 yr | Long | USD | 81 | 17,187,821 | June - 2019 | (18,004) |
| U.S. Treasury Note 5 yr | Long | USD | 12 | 1,374,750 | June - 2019 | (3,699) |
| | | | | | | \$(39,185) |

At February 28, 2019, the fund had liquid securities with an aggregate value of \$91,578 to cover any collateral or margin obligations for certain derivative contracts.

See attached supplemental information. For more information see notes to financial statements as disclosed in the most recent semiannual or annual report.

Supplemental Information

2/28/19 (unaudited)

The fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946 Financial Services - Investment Companies.

(1) Investment Valuations

Debt instruments and floating rate loans, including restricted debt instruments, are generally valued at an evaluated or composite bid as provided by a third-party pricing service. Short-term instruments with a maturity at issuance of 60 days or less may be valued at amortized cost, which approximates market value. Futures contracts are generally valued at last posted settlement price on their primary exchange as provided by a third-party pricing service. Futures contracts for which there were no trades that day for a particular position are generally valued at the closing bid quotation on their primary exchange as provided by a third-party pricing service. Forward foreign currency exchange contracts are generally valued at the mean of bid and asked prices for the time period interpolated from rates provided by a third-party pricing service for proximate time periods. Open-end investment companies are generally valued at net asset value per share. Securities and other assets generally valued on the basis of information from a third-party pricing service may also be valued at a broker/dealer bid quotation. In determining values, third-party pricing services can utilize both transaction data and market information such as yield, quality, coupon rate, maturity, type of issue, trading characteristics, and other market data. The values of foreign securities and other assets and liabilities expressed in foreign currencies are converted to U.S. dollars using the mean of bid and asked prices for rates provided by a third-party pricing service.

The Board of Trustees has delegated primary responsibility for determining or causing to be determined the value of the fund's investments (including any fair valuation) to the adviser pursuant to valuation policies and procedures approved by the Board. If the adviser determines that reliable market quotations are not readily available, investments are valued at fair value as determined in good faith by the adviser in accordance with such procedures under the oversight of the Board of Trustees. Under the fund's valuation policies and procedures, market quotations are not considered to be readily available for most types of debt instruments and floating rate loans and many types of derivatives. These investments are generally valued at fair value based on information from third-party pricing services. In addition, investments may be valued at fair value if the adviser determines that an investment's value has been materially affected by events occurring after the close of the exchange or market on which the investment is principally traded (such as foreign exchange or market) and prior to the determination of the fund's net asset value, or after the halting of trading of a specific security where trading does not resume prior to the close of the exchange or market on which the security is principally traded. The adviser generally relies on third-party pricing services or other information (such as the correlation with price movements of similar securities in the same or other markets; the type, cost and investment characteristics of the security; the business and financial condition of the issuer; and trading and other market data) to assist in determining whether to fair value and at what value to fair value an investment. The value of an investment for purposes of calculating the fund's net asset value can differ depending on the source and method used to determine value. When fair valuation is used, the value of an investment used to determine the fund's net asset value may differ from quoted or published prices for the same investment. There can be no assurance that the fund could obtain the fair value assigned to an investment if it were to sell the investment at the same time at which the fund determines its net asset value per share.

Various inputs are used in determining the value of the fund's assets or liabilities. These inputs are categorized into three broad levels. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The fund's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. Level 1 includes unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 includes other significant observable market-based inputs (including quoted prices for similar securities, interest rates, prepayment speed, and credit risk).

Supplemental Information (unaudited) – continued

Level 3 includes unobservable inputs, which may include the adviser's own assumptions in determining the fair value of investments. Other financial instruments are derivative instruments, such as futures contracts and forward foreign currency exchange contracts. The following is a summary of the levels used as of February 28, 2019 in valuing the fund's assets or liabilities:

| Financial Instruments | Level 1 | Level 2 | Level 3 | Total |
|--|--------------------|----------------------|------------|----------------------|
| U.S. Treasury Bonds & U.S. Government Agency & Equivalents | \$— | \$44,153,319 | \$— | \$44,153,319 |
| Non-U.S. Sovereign Debt | — | 12,999,144 | — | 12,999,144 |
| Municipal Bonds | — | 2,996,000 | — | 2,996,000 |
| U.S. Corporate Bonds | — | 11,741,047 | — | 11,741,047 |
| Residential Mortgage-Backed Securities | — | 71,563,463 | — | 71,563,463 |
| Commercial Mortgage-Backed Securities | — | 1,136,456 | — | 1,136,456 |
| Asset-Backed Securities (including CDOs) | — | 2,960,224 | — | 2,960,224 |
| Foreign Bonds | — | 4,467,557 | — | 4,467,557 |
| Mutual Funds | 1,096,162 | — | — | 1,096,162 |
| Total | \$1,096,162 | \$152,017,210 | \$— | \$153,113,372 |
| Other Financial Instruments | | | | |
| Futures Contracts - Assets | \$64,522 | \$— | \$— | \$64,522 |
| Futures Contracts - Liabilities | (39,185) | — | — | (39,185) |
| Forward Foreign Currency Exchange Contracts - Assets | — | 137,408 | — | 137,408 |

For further information regarding security characteristics, see the Portfolio of Investments.

(2) Investments in Affiliated Issuers

An affiliated issuer may be considered one in which the fund owns 5% or more of the outstanding voting securities, or a company which is under common control. For the purposes of this report, the fund assumes the following to be affiliated issuers:

| Affiliated Issuers | Beginning Shares/Par Amount | Acquisitions Shares/Par Amount | Dispositions Shares/Par Amount | Ending Shares/Par Amount | |
|--|-----------------------------|--------------------------------------|--------------------------------|--------------------------|--------------|
| MFS Institutional Money Market Portfolio | 1,662 | 11,178,259 | (10,083,759) | 1,096,162 | |
| Affiliated Issuers | Realized Gain (Loss) | Unrealized Appreciation/Depreciation | Capital Gain Distributions | Dividend Income | Ending Value |
| MFS Institutional Money Market Portfolio | \$52 | \$61 | \$— | \$5,602 | \$1,096,162 |

ITEM 2. CONTROLS AND PROCEDURES.

- (a) Based upon their evaluation of the effectiveness of the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the "Act")) as conducted within 90 days of the filing date of this Form N-Q, the registrant's principal financial officer and principal executive officer have concluded that those disclosure controls and procedures provide reasonable assurance that the material information required to be disclosed by the registrant on this report is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

- (b) There were no changes in the registrant's internal controls over financial reporting (as defined in Rule 30a-3(d) under the Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS.

File as exhibits as part of this Form a separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the Act (17 CFR 270.30a-2): Attached hereto as EX-99.CERT.

Notice

A copy of the Amended and Restated Declaration of Trust, as amended, of the Registrant is on file with the Secretary of State of The Commonwealth of Massachusetts and notice is hereby given that this instrument is executed on behalf of the Registrant by an officer of the Registrant as an officer and not individually and the obligations of or arising out of this instrument are not binding upon any of the Trustees or shareholders individually, but are binding only upon the assets and property of the respective constituent series of the Registrant.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant: MFS GOVERNMENT MARKETS INCOME TRUST

By (Signature and Title)* DAVID L. DILORENZO
David L. DiLorenzo, President

Date: April 16, 2019

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)* DAVID L. DILORENZO
David L. DiLorenzo, President
(Principal Executive Officer)

Date: April 16, 2019

By (Signature and Title)* JAMES O. YOST
James O. Yost, Treasurer
(Principal Financial Officer
and Accounting Officer)

Date: April 16, 2019

* Print name and title of each signing officer under his or her signature.