

MFS GOVERNMENT MARKETS INCOME TRUST
Form N-Q
April 28, 2014

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)

Susan S. Newton

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, 2014

ITEM 1. SCHEDULE OF INVESTMENTS.

QUARTERLY REPORT

February 28, 2014

MFS® GOVERNMENT MARKETS INCOME TRUST

PORTFOLIO OF INVESTMENTS

2/28/14 (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 - 96.4%		
U.S. Bonds - 88.6%		
Agency - Other - 9.3%		
Financing Corp., 10.7%, 10/06/17	\$ 4,095,000	\$ 5,446,596
Financing Corp., 9.4%, 2/08/18	3,085,000	4,011,296
Financing Corp., 10.35%, 8/03/18	6,820,000	9,351,352
		\$ 18,809,244
Asset-Backed & Securitized - 4.6%		
Citigroup Commercial Mortgage Trust, FRN, 5.706%, 12/10/49	\$ 1,000,000	\$ 1,119,730
Citigroup/Deutsche Bank Commercial Mortgage Trust, 5.322%, 12/11/49	1,200,000	1,324,550
Commercial Mortgage Pass-Through Certificates, A4, 5.306%, 12/10/46	1,366,646	1,489,142
Credit Suisse Commercial Mortgage Trust, A4, FRN, 5.756%, 9/15/39	502,644	553,488
Credit Suisse Mortgage Capital Certificate, 5.311%, 12/15/39	500,000	544,498
CWCapital Cobalt Ltd., A4, FRN, 5.77%, 5/15/46	638,472	710,214
CWCapital LLC, 5.223%, 8/15/48	1,000,000	1,081,788
Goldman Sachs Mortgage Securities Corp., FRN, 5.819%, 8/10/45	778,598	859,463
JPMorgan Chase Commercial Mortgage Securities Corp., A3, FRN, 5.939%, 2/15/51	405,782	408,726
JPMorgan Chase Commercial Mortgage Securities Corp., A4, FRN, 5.813%, 6/15/49	1,000,000	1,115,247
		\$ 9,206,846
Cable TV - 0.6%		
Time Warner Cable, Inc., 8.25%, 4/01/19	\$ 1,000,000	\$ 1,259,153
Chemicals - 0.3%		
Dow Chemical Co., 8.55%, 5/15/19	\$ 500,000	\$ 646,706
Energy - Independent - 0.0%		
Hess Corp., 8.125%, 2/15/19	\$ 30,000	\$ 37,895
Food & Beverages - 0.6%		
Kraft Foods Group, Inc., 6.125%, 8/23/18	\$ 960,000	\$ 1,126,528
Local Authorities - 1.9%		
Nashville & Davidson County, TN, Metropolitan Government Convention Center Authority (Build America Bonds), 6.731%, 7/01/43	\$ 580,000	\$ 690,670
New Jersey Turnpike Authority Rev. (Build America Bonds), F, 7.414%, 1/01/40	32,000	45,391
San Francisco, CA, City & County Public Utilities Commission, Water Rev. (Build America Bonds), 6%, 11/01/40	1,650,000	1,968,021
State of California (Build America Bonds), 7.6%, 11/01/40	420,000	592,103
University of California Rev. (Build America Bonds), 5.77%, 5/15/43	450,000	529,101
		\$ 3,825,286
Major Banks - 0.7%		
Bank of America Corp., 7.625%, 6/01/19	\$ 170,000	\$ 211,750
Goldman Sachs Group, Inc., 3.625%, 1/22/23	446,000	439,816
Merrill Lynch & Co., Inc., 6.05%, 5/16/16	750,000	825,263
		\$ 1,476,829
Metals & Mining - 0.3%		
Freeport-McMoRan Copper & Gold, Inc., 3.875%, 3/15/23	\$ 500,000	\$ 483,867
Mortgage-Backed - 44.9%		
Fannie Mae, 4.77%, 7/01/14	\$ 425,388	\$ 426,698
Fannie Mae, 4.718%, 8/01/14	607,616	609,531
Fannie Mae, 5.1%, 9/01/14	466,474	467,866

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Portfolio of Investments (unaudited) continued

Issuer	Shares/Par	Value (\$)
Bonds - continued		
U.S. Bonds - continued		
Mortgage-Backed - continued		
Fannie Mae, 4.82%, 1/01/15	\$ 855,855	\$ 870,310
Fannie Mae, 4.86%, 1/01/15	135,779	138,061
Fannie Mae, 4.85%, 2/01/15	302,723	308,861
Fannie Mae, 4.89%, 3/01/15	359,044	367,592
Fannie Mae, 4.74%, 4/01/15	344,918	354,163
Fannie Mae, 4.87%, 5/01/15	320,116	329,839
Fannie Mae, 4.815%, 6/01/15	513,430	529,334
Fannie Mae, 4.78%, 8/01/15	479,484	497,357
Fannie Mae, 5.463%, 11/01/15	772,924	815,555
Fannie Mae, 5.432%, 2/01/16	614,865	659,784
Fannie Mae, 5.845%, 6/01/16	161,434	169,559
Fannie Mae, 6.5%, 11/01/16 - 2/01/37	1,445,507	1,620,332
Fannie Mae, 5.09%, 12/01/16	492,556	540,382
Fannie Mae, 5.05%, 1/01/17	495,405	535,292
Fannie Mae, 5.3%, 4/01/17	540,489	586,787
Fannie Mae, 1.9%, 6/01/17	164,509	167,192
Fannie Mae, 6%, 8/01/17 - 7/01/37	2,744,123	3,022,897
Fannie Mae, 5.5%, 9/01/17 - 3/01/38	8,789,857	9,732,602
Fannie Mae, 4.88%, 3/01/20	195,837	213,708
Fannie Mae, 2.41%, 5/01/23	136,313	130,766
Fannie Mae, 2.55%, 5/01/23	117,501	113,956
Fannie Mae, 2.59%, 5/01/23	74,116	72,043
Fannie Mae, 3%, 4/01/27	787,313	816,108
Fannie Mae, 2.5%, 5/01/28	248,986	250,679
Fannie Mae, 5%, 6/01/35 - 3/01/40	1,324,088	1,452,602
Fannie Mae, 4%, 2/01/41	2,135,313	2,240,560
Fannie Mae, 4.5%, 2/01/41 - 4/01/41	1,157,406	1,247,546
Fannie Mae, 3.5%, 4/01/43	860,376	873,319
Fannie Mae, TBA, 3%, 3/01/29	814,000	842,617
Fannie Mae, TBA, 4%, 3/01/44	4,726,000	4,953,439
Fannie Mae, TBA, 4.5%, 5/01/44	4,915,000	5,247,530
Freddie Mac, 3.034%, 10/25/20	291,000	301,911
Freddie Mac, 1.426%, 8/25/17	1,112,000	1,120,652
Freddie Mac, 2.699%, 5/25/18	800,000	833,624
Freddie Mac, 2.412%, 8/25/18	1,152,000	1,186,440
Freddie Mac, 2.303%, 9/25/18	275,000	281,396
Freddie Mac, 2.323%, 10/25/18	499,000	510,307
Freddie Mac, 2.13%, 1/25/19	1,575,000	1,591,342
Freddie Mac, 5.085%, 3/25/19	752,000	856,165
Freddie Mac, 4.186%, 8/25/19	600,000	660,648
Freddie Mac, 6%, 5/01/21 - 10/01/38	1,460,701	1,633,291
Freddie Mac, 2.682%, 10/25/22	189,000	184,358
Freddie Mac, 3.32%, 2/25/23	433,000	441,015
Freddie Mac, 3.3%, 4/25/23	429,471	437,097
Freddie Mac, 3.06%, 7/25/23	181,000	179,683
Freddie Mac, 3.458%, 8/25/23	367,000	375,695
Freddie Mac, 4.5%, 9/01/24 - 8/01/40	1,500,133	1,610,674
Freddie Mac, 5.5%, 10/01/24 - 6/01/36	1,872,392	2,079,516
Freddie Mac, 2.5%, 5/01/28 - 7/01/28	5,501,797	5,541,443
Freddie Mac, 6.5%, 5/01/37	390,717	438,603
Freddie Mac, 5%, 4/01/40	4,277,491	4,670,279
Freddie Mac, 3.5%, 5/01/42 - 7/01/43	6,688,570	6,773,690
Freddie Mac, 3%, 4/01/43 - 5/01/43	2,539,431	2,467,689

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Portfolio of Investments (unaudited) continued

Issuer	Shares/Par	Value (\$)
Bonds - continued		
U.S. Bonds - continued		
Mortgage-Backed - continued		
Freddie Mac, 4%, 11/01/43	\$ 643,774	\$ 673,842
Freddie Mac, TBA, 4%, 3/01/44	249,000	260,331
Ginnie Mae, 5.5%, 7/15/33 - 1/20/42	2,247,103	2,499,364
Ginnie Mae, 4%, 8/15/40 - 4/20/41	428,331	455,012
Ginnie Mae, 4.5%, 9/20/41	474,140	516,389
Ginnie Mae, 3.5%, 4/15/42 - 7/20/43	5,285,133	5,451,828
Ginnie Mae, 3%, 7/20/43	1,430,721	1,421,087
Ginnie Mae, 5.612%, 4/20/58	499,615	520,849
Ginnie Mae, 6.357%, 4/20/58	386,821	407,576
Ginnie Mae, TBA, 4%, 3/01/44	3,000,000	3,181,406
		\$ 90,768,069
Natural Gas - Pipeline - 0.7%		
Energy Transfer Partners LP, 8.5%, 4/15/14	\$ 17,000	\$ 17,149
Enterprise Products Operating LLC, 3.9%, 2/15/24	29,000	29,186
Kinder Morgan Energy Partners LP, 6.85%, 2/15/20	1,000,000	1,190,672
Williams Partners LP, 5.4%, 3/04/44	58,000	58,635
		\$ 1,295,642
Network & Telecom - 0.2%		
Verizon Communications, Inc., 8.75%, 11/01/18	\$ 292,000	\$ 375,109
Other Banks & Diversified Financials - 0.2%		
Capital One Bank (USA) N.A., 3.375%, 2/15/23	\$ 336,000	\$ 325,995
Citigroup, Inc., 8.5%, 5/22/19	80,000	103,044
		\$ 429,039
Real Estate - 0.4%		
Simon Property Group, Inc., REIT, 5.875%, 3/01/17	\$ 750,000	\$ 844,732
Supranational - 0.1%		
Inter-American Development Bank, 4.375%, 1/24/44	\$ 158,000	\$ 162,703
Tobacco - 0.6%		
Altria Group, Inc., 9.7%, 11/10/18	\$ 111,000	\$ 147,585
Altria Group, Inc., 9.25%, 8/06/19	55,000	73,206
Altria Group, Inc., 4%, 1/31/24	14,000	13,997
Lorillard Tobacco Co., 8.125%, 6/23/19	796,000	992,630
		\$ 1,227,418
U.S. Government Agencies and Equivalents - 3.0%		
Aid-Egypt, 4.45%, 9/15/15	\$ 1,755,000	\$ 1,863,750
Hashemite Kingdom of Jordan, 2.503%, 10/30/20	418,000	420,239
Private Export Funding Corp., 1.875%, 7/15/18	460,000	466,065
Small Business Administration, 6.35%, 4/01/21		