

Ares Commercial Real Estate Corp
Form 424B5
June 24, 2013

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Filed pursuant to Rule 424(b)(5)
Registration No. 333-188496

PROSPECTUS SUPPLEMENT
(To Prospectus dated June 17, 2013)

18,000,000 Shares

Common Stock

We are offering 18,000,000 shares of our common stock as described in this prospectus supplement and the accompanying prospectus.

Our common stock, par value \$0.01 per share, is listed on the New York Stock Exchange under the trading symbol "ACRE." The last reported sale price of our common stock on the New York Stock Exchange on June 14, 2013 was \$15.99 per share. We have declared a dividend of \$0.25 per share on our shares of common stock, payable on July 18, 2013 to stockholders of record as of June 28, 2013. Purchasers of shares of common stock in this offering will be eligible to receive this dividend.

We have granted the underwriters an option to purchase up to 2,700,000 additional shares of our common stock at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus supplement.

To assist us in maintaining our qualification as a real estate investment trust for U.S. federal income tax purposes, subject to certain exceptions, no person may own more than 9.8% in value of the aggregate of our outstanding shares of stock or 9.8% by value or number of shares, whichever is more restrictive, of the outstanding shares of any class or series of our stock. You should read the information under the section entitled "Description of Our Capital Stock Restrictions on Ownership and Transfer" in the accompanying prospectus for a description of these restrictions.

Investing in our common stock involves material risks and uncertainties that should be considered. See "Risk Factors" beginning on page S-8 of this prospectus supplement and in the reports we file with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, incorporated by reference in this prospectus supplement and the accompanying prospectus, to read about factors you should consider before making an investment in our common stock.

	Per Share	Total(2)
Public offering price	\$ 13.50	\$ 243,000,000
Underwriting discounts and commissions ⁽¹⁾⁽³⁾	\$ 0.4725	\$ 7,711,137.63
Proceeds, before expenses, to Ares Commercial Real Estate Corporation	\$ 13.0275	\$ 235,288,862.37

- (1) No underwriting discount will be paid with respect to the 1,680,132 shares purchased by certain of our affiliates in this offering.
- (2) If the underwriters exercise their option to purchase additional shares in full, the total public offering price will be \$279,450,000, the total underwriting discount paid by us will be \$8,986,887.63, and total proceeds, before expenses, will be \$270,463,112.37.
- (3) See "Underwriting" for a description of the compensation payable to the underwriters.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares on or about June 26, 2013.

Credit Suisse

Citigroup

Wells Fargo Securities

BofA Merrill Lynch

J.P. Morgan

JMP Securities

RBC Capital Markets

The date of this prospectus supplement is June 20, 2013.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the terms of this offering and also adds to or updates the information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, which provides more general information about our common stock and other securities that do not pertain to this offering of common stock. To the extent that the information contained in this prospectus supplement conflicts with any information in the accompanying prospectus or any document incorporated by reference, the information in this prospectus supplement shall control. The information in this prospectus supplement may not contain all of the information that is important to you. You should read this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference carefully before deciding whether to invest in our common stock.

You should rely only on the information provided or incorporated by reference in this prospectus supplement, the accompanying prospectus and any related free writing prospectus required to be filed with the Securities and Exchange Commission, or the "SEC". We have not, and the underwriters have not, authorized anyone to provide you with different or additional information. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale of these securities is not permitted. You should not assume that the information appearing in this prospectus supplement, the accompanying prospectus, any such free writing prospectus or the documents incorporated by reference herein or therein is accurate as of any date other than their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates. In addition, the information in this prospectus supplement may not contain all of the information that is important to you. You should read this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference carefully before deciding whether to invest in our common stock.

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FORWARD-LOOKING STATEMENTS

We make forward-looking statements in this prospectus supplement and the accompanying prospectus that are subject to risks and uncertainties. These forward-looking statements include information about possible or assumed future results of our business, financial condition, liquidity, results of operations, plans and objectives. When we use the words "believe," "expect," "anticipate," "estimate," "plan," "continue," "intend," "should," "may" or similar expressions, we intend to identify forward-looking statements. Statements regarding the following subjects, among others, may be forward-looking:

the use of proceeds of this offering;

our business and investment strategy;

our projected operating results;

the timing of cash flows, if any, from our investments;

the state of the U.S. economy generally or in specific geographic regions;

defaults by borrowers in paying debt service on outstanding items;

actions and initiatives of the U.S. Government and changes to U.S. Government policies;

our ability to obtain financing arrangements;

the amount of commercial mortgage loans requiring refinancing;

financing and advance rates for our target investments;

our expected leverage;

general volatility of the securities markets in which we may invest;

the impact of a protracted decline in the liquidity of credit markets on our business;

the uncertainty surrounding the strength of the U.S. economic recovery;

the return or impact of current and future investments;

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allocation of investment opportunities to us by our Manager;

changes in interest rates and the market value of our investments;

effects of hedging instruments on our target investments;

rates of default or decreased recovery rates on our target investments;

the degree to which our hedging strategies may or may not protect us from interest rate volatility;

changes in governmental regulations, tax law and rates, and similar matters (including interpretation thereof);

our ability to maintain our qualification as a real estate investment trust for U.S. federal income tax purposes, or "REIT";

our ability to maintain our exemption from registration under the Investment Company Act of 1940, as amended, or the "Investment Company Act";

the availability of investment opportunities in mortgage related and real estate related investments and securities, including, but not limited to, the potential investments described herein as part of our pipeline;

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the ability of our Manager to locate suitable investments for us, monitor, service and administer our investments and execute our investment strategy;

our ability to complete our pending acquisition of EF&A Funding, L.L.C., d/b/a Alliant Capital LLC ("Alliant Capital") as described in "Summary Recent Developments Acquisition of Alliant Capital" and the performance of Alliant Capital subsequent to the acquisition;

our ability to integrate Alliant Capital into our business and achieve the benefits that we anticipate from our acquisition of Alliant Capital;

the availability of qualified personnel;

estimates relating to our ability to make distributions to our stockholders in the future;

our understanding of our competition; and

market trends in our industry, interest rates, real estate values, the debt securities markets or the general economy.

These forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. You should not place undue reliance on these forward-looking statements. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us. Some of these factors are described in "Risk Factors" beginning on page S-8 of this prospectus supplement, in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 and in our Current Report on Form 8-K filed on June 4, 2013, which are incorporated by reference into this prospectus supplement and the accompanying prospectus. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise over time, and it is not possible for us to predict those events or how they may affect us. Such new risks and uncertainties may be included in the documents that we file pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), after the date of this prospectus supplement which will be considered to be incorporated by reference into this prospectus supplement. Except as required by law, we are not obligated to, and do not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should carefully consider these risks before you make an investment decision with respect to our securities.

For more information regarding risks that may cause our actual results to differ materially from any forward-looking statements, see "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2012 and in the other documents that we file pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus supplement, which will be considered to be incorporated by reference into this prospectus supplement.

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SUMMARY

This summary highlights some of the information contained elsewhere in or incorporated by reference into this prospectus supplement or the accompanying prospectus. This summary does not contain all of the information that you should consider before investing in our common stock. You should read in their entirety this prospectus supplement, the accompanying prospectus and any other offering materials, together with all documents incorporated by reference herein and therein and the additional information described under the heading "Where You Can Find More Information." Except where the context suggests otherwise, the terms "ACRE," the "Company," "we," "us," and "our" refer to Ares Commercial Real Estate Corporation, a Maryland corporation, together with its consolidated subsidiaries; our "Manager" refers to Ares Commercial Real Estate Management LLC, a Delaware limited liability company, our external manager and an affiliate of Ares Management; our "Manager's servicer" refers to Ares Commercial Real Estate Servicer LLC, a Delaware limited liability company and a subsidiary of our Manager; "Ares Management" refers to Ares Management LLC, its subsidiaries and its affiliated investment vehicles (other than us and portfolio companies of its affiliated investment vehicles) and "Ares Investments" refers to Ares Investments Holdings LLC, an affiliate of Ares Management.

Our Company

We are a Maryland corporation that was incorporated on September 1, 2011, and was initially funded and commenced investment operations on December 9, 2011. We are focused primarily on originating, investing in and managing middle market commercial real estate, or "CRE," loans and other CRE-related investments. We completed the initial public offering, or the "IPO," of our common stock on May 1, 2012. We are externally managed by our Manager, an SEC registered investment adviser and a wholly owned subsidiary of Ares Management, a global alternative asset manager and also a SEC registered investment adviser.

Our target investments include: "transitional senior" mortgage loans, "stretch senior" mortgage loans, subordinate debt mortgage loans such as B-notes and mezzanine loans and other select CRE debt and preferred equity investments. "Transitional senior" mortgage loans provide strategic, flexible, short-term financing solutions on transitional CRE middle market assets that are the subject of a business plan that is expected to enhance the value of the property. They are usually funded over time as the borrower's business plan for the property is executed, and have a lower initial loan-to-value ratio as compared to "stretch senior" mortgage loans. "Stretch senior" mortgage loans provide flexible "one stop" financing on quality CRE middle market assets that are typically stabilized or near-stabilized properties with healthy balance sheets and steady cash flows, with the mortgage loans having higher leverage (and thus higher loan-to-value ratios) than conventional mortgage loans and are typically fully funded at closing and non-recourse to the borrower (as compared to conventional mortgage loans, which are usually full recourse to the borrower).

We intend to elect and qualify to be taxed as a REIT under the Internal Revenue Code of 1986, as amended, or the "Code," commencing with the Company's taxable year ended December 31, 2012. To the extent that we annually distribute at least 100% of our REIT taxable income (which does not equal net income, as calculated in accordance with generally accepted accounting principles, or "GAAP") to our stockholders and comply with various other requirements as a REIT, we generally will not be subject to U.S. federal income taxes on our REIT taxable income, determined without regard to the deduction for dividends paid and excluding net capital gains.

On May 14, 2013, we entered into an agreement to acquire Alliant Capital. The completion of the Alliant Acquisition (defined below) is subject to the satisfaction of customary closing conditions, and there can be no assurance that the transaction will close on the terms anticipated or at all. Upon Alliant Capital becoming one of our wholly owned subsidiaries, we will be able to utilize the platform of certain U.S. Government-sponsored entities, including the Federal National Mortgage Association ("Fannie Mae"), the Federal Housing Administration ("FHA"), the Government National Mortgage

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Association ("Ginnie Mae") and the United States Department of Housing and Urban Development ("HUD") to originate and service multifamily residential mortgage loans. See "Summary Acquisition of Alliant Capital."

Current Portfolio/Pipeline

At March 31, 2013, we had originated 17 loans totaling approximately \$470.2 million in commitments with outstanding principal of \$413.0 million. For the period from January 1, 2013 through March 31, 2013, the unleveraged effective yield of the portfolio was 7.0% and all loans were performing in accordance with the terms of the respective loan agreements.

On April 30, 2013, we closed a \$15.0 million senior mortgage loan commitment collateralized by a 63,271 square foot office property located in Mountain View, CA, within the Silicon Valley market. At closing, the outstanding principal was approximately \$14.5 million. The loan has an interest rate of L + 4.75% subject to a 0.50% LIBOR floor and a term of 2.75 years.

On June 5, 2013, we closed a \$17.1 million transitional senior mortgage loan commitment collateralized by a 124,712 square foot office property located in San Diego, CA. At closing, the outstanding principal was approximately \$14.8 million. The loan has an interest rate of L + 3.75% subject to a 0.25% LIBOR floor and a term of 3 years.

In addition, on June 13, 2013, we were advised that our \$13.4 million loan in respect of an apartment building in Arlington, VA that was scheduled to mature in December 2014 is expected to be prepaid on or before June 30, 2013.

At June 14, 2013, we had originated 19 loans totaling approximately \$502.3 million in commitments with outstanding principal of \$450.1 million. On a pro forma basis, and assuming all loans closed in the first quarter had closed on January 1, 2013 and the two loans described above had closed on January 1, 2013, the pro forma unleveraged effective yield of the portfolio for the period from January 1, 2013 through March 31, 2013 would have been approximately 7%. At June 14, 2013, all loans were performing in accordance with the terms of the respective loan agreements.

As of June 14, 2013, we had executed non-binding term sheets with respect to an aggregate of approximately \$316.3 million in potential loan commitments, with the terms set forth in the following table. We have not executed binding commitment letters or definitive documentation with respect to these potential loans and each proposed loan is still subject to one or more of the following: satisfactory completion of our due diligence investigation and investment process, approval of our Manager's investment committee, market conditions, available liquidity, our agreement with the sponsor on the terms and structure of such loan, and the execution and delivery of satisfactory transaction documentation. In addition, we may co-originate some of these loans with third parties. As a result, although we expect to close and fund such proposed loans within the next three months, we cannot provide any assurances that we will close any of these proposed loans.

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Executed Nonbinding Term Sheets at June 14, 2013:

(Dollars in millions; all senior mortgage loans unless otherwise indicated)

	Property Type	Location	Expected Commitment ⁽¹⁾	Estimated Unleveraged All-In Yield ⁽²⁾	Expected Term	Interest Rate
Suburban Office	Office	West Coast	\$ 15.2	L + 5.0%	36 months	L + 4.50%
Suburban Office Portfolio	Office	West Coast	75.0	L + 4.0%	48 months	L + 3.75%
Multi-tenant Distribution Facility	Industrial	Southeast	19.7	L + 6.1%	30 months	L + 5.25%
Suburban Apartment Property	Multifamily	Southwest	43.4	L + 4.3%	36 months	L + 3.75%
Suburban Apartment Property	Multifamily	Southwest	35.5	L + 4.3%	36 months	L + 3.75%
Urban Retail	Retail	Midwest	75.9	L + 4.6%	48 months	L + 4.25%
Weighted Average (Senior Mortgage Loans)			\$ 264.7	L + 4.5%		
CBD Office Building*	Office	Midwest	37.0	9.1%	36 months	8.75%
Student Housing Portfolio*	Multifamily	Various	14.6	11.9%	30 months	11.50%
Weighted Average (Mezzanine Loans)			\$ 51.6	9.9%		
Total			\$ 316.3			

* Mezzanine Loan

- (1) Expected Commitment amounts are as set forth in non-binding term sheets that have been executed by us and the potential borrowers, but are still subject to completion of our due diligence investigation and investment process. Deposits have been received with respect to all such term sheets other than Urban Retail, which was signed on June 14, 2013, the deposit for which is expected to be received within one week. No assurance can be provided that any of these loans will be closed on these terms, or at all.
- (2) Estimated Unleveraged All-In Yield is the rate of return that would be earned on an investment based on the stated interest rate in the non-binding term sheet (which, for certain senior mortgage loans, includes a LIBOR floor of 25 basis points, if applicable) plus the annualized origination fee and exit fee, if any. The annualized origination and exit fees are calculated by taking the total fees divided by the number of months in the Expected Term of each loan multiplied by 12. We are unable to show Unleveraged Effective Yield (i.e., the compounded effective rate of return that would be earned over the life of the investment based on the contractual interest rate (adjusted for any deferred loan fees, costs, premium or discount) and assumes no dispositions, early prepayments or defaults) because we cannot calculate effective yield prior to determining the funding schedule and starting LIBOR of a loan.

In addition, as of June 14, 2013, (excluding the Alliant Acquisition) we had also proposed to potential borrowers additional non-binding term sheets with respect to an aggregate of approximately \$316.4 million in potential commitments, the substantial majority of which would represent senior mortgage loans. While we have performed a credit analysis for each such potential loan commitment, we have not yet obtained preliminary approvals from our Manager's investment committee. As of June 14, 2013, we had also completed an initial credit analysis and provided potential borrowers with preliminary quotes or indicative terms for approximately \$1.10 billion of potential loan opportunities. Additionally, as of June 14, 2013, we had identified approximately \$804.6 million of potential loan opportunities; however we have not performed an initial credit analysis with respect to any of these potential opportunities.

Historically, we have executed non-binding term sheets for a relatively small percentage of evaluated loan opportunities. We operate in a competitive market for investment opportunities and competition may limit our ability to originate or acquire the potential investments in the pipeline. The consummation of any of the potential loans in the pipeline depends upon, among other things, one or more of the following: satisfactory completion of our due diligence investigation and investment process, approval of our Manager's investment committee, market conditions, available liquidity, our agreement with the sponsor on the terms and structure of such potential loan, and the execution and delivery of satisfactory transaction documentation. In addition, we may co-originate some of these potential loans with third parties. We cannot provide

any assurances that we will close or co-originate any of these potential loans.

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Acquisition of Alliant Capital

On May 14, 2013, we entered into an agreement to purchase Alliant Capital (the "Alliant Acquisition"), which houses the multi-family residential mortgage loan origination and servicing business of the Alliant Companies, a family of privately owned, fully integrated national finance and investment firms, for approximately \$62.8 million (based on a closing share price of \$16.85 per common share on May 14, 2013) through a combination of cash and stock. The cash portion of the transaction may be financed through debt financing, and/or the repayment or sale of certain assets. We may also use a portion of the net proceeds from this offering, as described below under "Use of Proceeds". The acquisition is expected to close during the second half of 2013. Completion of the acquisition is subject to the satisfaction of customary closing conditions, and there can be no assurance that the transaction will close on the terms anticipated or at all.

Overview of Alliant Capital. Alliant Capital is a nationwide originator and servicer of multifamily residential mortgage loans, utilizing the platform of certain U.S. Government-sponsored entities, including Fannie Mae, FHA, Ginnie Mae and HUD. Alliant Capital has developed a significant origination, asset management and servicing platform, primarily through Fannie Mae's Delegated Underwriting and Servicing ("DUS") program. As of March 31, 2013, Alliant Capital had a servicing portfolio of approximately \$3.9 billion in multifamily loans. As of March 31, 2013, Alliant Capital's mortgage servicing rights had a fair value of approximately \$61.9 million. Recently, Alliant Capital was approved to originate loans insured by FHA and to securitize those loans through Ginnie Mae, subject to putting in place certain operational requirements.

Summary of Strategic Benefits. We expect the acquisition of Alliant Capital's business segments to benefit us in the following ways:

Accelerated Scaling and Increased Market Presence: We believe Alliant Capital's national direct origination platform focused on Fannie Mae and FHA/Ginnie Mae multifamily loans ("Agency Loans") will provide further scale to our platform and enhance our direct origination capabilities. We also believe our market capabilities will expand considerably with the addition of the mortgage professionals we will acquire in the transaction.

Broadened Product Offerings to Unlock Revenue Opportunities: Currently, we provide transitional "bridge loans" to multifamily owners and operators that ultimately seek permanent financing through Agency Loans. We believe that Alliant Capital's focus on long-term multifamily Agency Loans will expand our product offerings and extend relationships with borrowers. We expect to be able to provide a complete turnkey financial solution for multifamily owners and operators seeking short- and long-term financing options. We also believe that Alliant Capital's recent approvals to provide FHA and Ginnie Mae loans will provide opportunities for incremental revenue growth.

Diversified Revenues and Predictable Servicing Cash Flows: We believe that the addition of Alliant Capital's approximately \$3.9 billion multifamily loan servicing portfolio, as of March 31, 2013, consisting of approximately 1,000 multifamily loans will diversify our revenue stream by adding servicing income and extending the duration of our revenue-generating investment portfolio. We expect the combination of our direct lending model with the fee-based origination and servicing revenues of Alliant Capital to result in improved balance sheet and cost efficiencies. We also believe that the self-funding nature of Alliant Capital's business provides a more stable growth platform that minimizes capital markets volatility risk.

Favorable Competitive Landscape: There are a limited number of approved Fannie Mae DUS lenders and the strict multifamily approval standards for other U.S. Government-sponsored entities has limited the number of direct competitors. We therefore believe that the long-term

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competitive landscape remains favorable, particularly for GSE-approved providers, which collectively account for approximately 60% of the multifamily market.

Expansion of Ares Management's Real Estate Group

On May 10, 2013, Ares Management, our Manager's parent company, announced that it entered into an agreement to acquire (the "AREA Acquisition") AREA Property Partners, L.P., an international real estate investor and fund manager, with approximately \$6 billion of committed capital under management as of December 31, 2012. While we cannot assure you that the AREA Acquisition will be consummated given that it is subject to certain closing conditions, including obtaining certain regulatory approvals, upon completion of the AREA Acquisition, Ares Management's real estate group would have 74 investment professionals across 11 global offices. In addition, new product capabilities, origination relationships, and market knowledge in new and existing products, geographies and industries are expected to occur as a result of the AREA Acquisition. We believe that these enhancements will benefit our Manager and thus will benefit us. In addition, we believe that the AREA Acquisition will provide our Manager with even broader industry experience on which to draw, which we believe will provide invaluable insights into our fundamental asset performance and the market trends that affect us.

Declaration of Dividend

On May 15, 2013, we declared a cash dividend of \$0.25 per common share for the second quarter of 2013. The second quarter 2013 dividend is payable on July 18, 2013 to common stockholders of record as of June 28, 2013. Purchasers of shares sold in this offering will be entitled to receive this dividend.

Funding Facilities

We have been in, and from time to time may engage in, discussions with our lenders regarding certain modifications to our funding facilities, which we borrow from to originate certain of our target investments, subject to available collateral. For example, we are currently in discussions with Wells Fargo Bank, National Association ("Wells Fargo") to modify the terms of our secured revolving funding facility arranged by Wells Fargo to, among other things, increase the maximum commitment amount to \$225 million. We cannot assure you that we will reach agreement with Wells Fargo or any of our other lenders with respect to such modifications.

Corporate Information

We are a Maryland corporation. Our principal executive offices are located at One North Wacker Drive, 48th Floor, Chicago, Illinois 60606. Our telephone number is (312) 252-7500. Our website is www.arescre.com. The contents of our website are not a part of this prospectus. The information contained on, or that can be accessed through, our website is not part of, and is not incorporated into, this prospectus.

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The Offering

Issuer	Ares Commercial Real Estate Corporation
Common stock offered by us	18,000,000 shares (plus up to an additional 2,700,000 shares of our common stock that we may issue and sell upon the exercise of the underwriters' option to purchase additional shares).
Common stock to be outstanding after this offering	27,267,162 shares. ⁽¹⁾
Use of Proceeds	<p>We estimate that the net proceeds from this offering will be approximately \$235.0 million (or approximately \$270.2 million if the underwriters' option to purchase additional shares is exercised in full), after deducting our estimated expenses. No underwriting discount will be paid on shares that may be purchased by certain of our affiliates in this offering. We intend to use the net proceeds from this offering to invest in our target investments, repay indebtedness, fund future funding commitments on existing loans and for other general corporate purposes. Depending upon the timing of the closing of the proposed loans in our pipeline, the closing of the acquisition of Alliant Capital and our receipt of funds from other financings, we may utilize a portion of the net proceeds of this offering to fund a portion of the purchase price of Alliant Capital as described above under "Summary Acquisition of Alliant Capital." We may also use the net proceeds from this offering to invest in assets other than our target investments subject to maintaining our qualification as a REIT and our exclusion from regulation under the Investment Company Act.</p> <p>Depending on the timing of the closing of the proposed loans in our pipeline and the closing of the acquisition of Alliant Capital, our Manager may invest a portion of the proceeds in interest-bearing short-term investments, including money market accounts or funds, CMBS or corporate bonds, which are consistent with our intention to qualify as a REIT. These investments are expected to provide a lower net return than we will seek to achieve from our target investments. See "Use of Proceeds."</p>
Ownership limit	Subject to certain exceptions, our charter restricts ownership of more than 9.8% in value of the aggregate of our outstanding shares of stock or 9.8% by value or number of shares, whichever is more restrictive, of the outstanding shares of any class or series of our stock, in order to protect our status as a REIT. See "Description of Capital Stock Restrictions on Ownership and Transfer" in the accompanying prospectus.
Listing	Our common stock is listed on the New York Stock Exchange under the trading symbol "ACRE."

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Risk factors

An investment in our common stock involves risks, and prospective investors should carefully consider the matters discussed under "Risk Factors" beginning on page S-8 of this prospectus supplement and the reports we file with the SEC pursuant to the Exchange Act, incorporated by reference into this prospectus supplement and the accompanying prospectus, before making a decision to invest in our common stock.

(1)

Excludes shares of our common stock that we may issue and sell upon the exercise of the underwriters' option to purchase additional shares.

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RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully read and consider the risks described below as well as the risks described in our Annual Report on Form 10-K for the year ended December 31, 2012, and in our other periodic reports filed with the SEC, and incorporated by reference into this prospectus supplement and the accompanying prospectus, including the risks described in our Current Report on Form 8-K filed on June 4, 2013 under the sections entitled "Risks Relating to Alliant Capital's Business and the Company's Pending Acquisition of Alliant Capital", "Risks Related to Regulatory Matters", "U.S. Federal Income Tax Risks Related to the Alliant Capital Transaction" You should also carefully read and consider the other information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus, including risks described below in "Forward-Looking Statements," before making a decision to invest in our common stock. Each of these risks could materially adversely affect our business, financial condition, results of operations or ability to make distributions to our stockholders. In such case, you could lose all or a portion of your original investment.

Risks Related to This Offering

The market price of our common stock may fluctuate significantly.

Our common stock is listed on the NYSE under the trading symbol "ACRE." Over the past several years, the global capital and credit markets have been in an extended period of volatility and disruption. The market price and liquidity of the market for shares of our common stock may be significantly affected by numerous factors, some of which are beyond our control and may not be directly related to our operating performance.

Some of the factors that could negatively affect the market price of our common stock include:

our actual or projected operating results, financial condition, cash flows and liquidity, or changes in business strategy or prospects;

actual or perceived conflicts of interest with our Manager or Ares Management and individuals, including our executives;

equity issuances by us, or share resales by our stockholders, or the perception that such issuances or resales may occur;

loss of a major funding source;

actual or anticipated accounting problems;

publication of research reports about us or the real estate industry;

changes in market valuations of similar companies;

adverse market reaction to any increased indebtedness we incur in the future;

additions to or departures of our Manager's or Ares Management's key personnel;

speculation in the press or investment community;

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our failure to meet, or the lowering of, our earnings estimates or those of any securities analysts;

increases in market interest rates, which may lead investors to demand a higher distribution yield for our common stock and would result in increased interest expenses on our debt;

failure to maintain our REIT qualification or exemption from the Investment Company Act;

price and volume fluctuations in the stock market from time to time;

general market and economic conditions and trends, including inflationary concerns and the current state of the credit and capital markets;

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significant volatility in the market price and trading volume of securities of publicly traded REITs or other companies in our sector, which are not necessarily related to the operating performance of these companies;

changes in law, regulatory policies or tax guidelines, or interpretations thereof, particularly with respect to REITs;

changes in the value of our portfolio;

any shortfall in revenue or net income or any increase in losses from levels expected by investors or securities analysts;

operating performance of companies comparable to us;

short-selling pressure with respect to shares of our common stock or REITs generally;

uncertainty surrounding the strength of the U.S. economic recovery particularly in light of the recent downgrade of the U.S. Government's credit rating; and

concerns regarding European sovereign debt.

As noted above, market factors unrelated to our performance could also negatively impact the market price of our common stock. One of the factors that investors may consider in deciding whether to buy or sell our common stock is our distribution rate as a percentage of our stock price relative to market interest rates. If market interest rates increase, prospective investors may demand a higher distribution rate or seek alternative investments paying higher dividends or interest. As a result, interest rate fluctuations and conditions in the capital markets can affect the market value of our common stock. For instance, if interest rates rise, it is likely that the market price of our common stock will decrease as market rates on interest-bearing securities increase.

Common stock eligible for future sale may have adverse effects on our share price.

As of June 14, 2013, we had 9,267,162 shares of common stock outstanding on a fully diluted basis. Of these shares, 7,700,000 shares of our common stock are freely tradable without restriction or limitation under the Securities Act of 1933, as amended (the "Securities Act").

Prior to our initial public offering, there was no established trading market for our common stock. We cannot predict the effect, if any, of future sales of our common stock, or the availability of shares for future sales, on the market price of our common stock. The market price of our common stock may decline significantly when the restrictions on resale by certain of our stockholders lapse. Sales of substantial amounts of common stock or the perception that such sales could occur may adversely affect the prevailing market price for our common stock.

We may issue additional restricted common stock and other equity-based awards under our 2012 Equity Incentive Plan. We may continue to issue additional shares in subsequent public offerings or private placements to make new investments or for other purposes. We are not required to offer any such shares to existing stockholders on a preemptive basis. Therefore, it may not be possible for existing stockholders to participate in such future share issuances, which may dilute the existing stockholders' interests in us.

We have not established a minimum distribution payment level and no assurance can be given that we will be able to make distributions to our stockholders in the future at current levels or at all.

We are generally required to annually distribute to our stockholders at least 90% of our REIT taxable income (which does not equal net income, as calculated in accordance with GAAP), determined without regard to the deduction for dividends paid and excluding net capital gains, for us to qualify as a REIT, which requirement we currently intend to satisfy through quarterly distributions of all or substantially all of our REIT taxable income in such year, subject to certain adjustments. We have not

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established a minimum distribution payment level and our ability to pay distributions may be adversely affected by a number of factors, including the risk factors described in this prospectus supplement and the accompanying prospectus. All distributions will be made at the discretion of our board of directors and will depend on our earnings, our financial condition, debt covenants, maintenance of our REIT qualification and other factors as our board of directors may deem relevant from time to time. We believe that a change in any one of the following factors could adversely affect our results of operations and impair our ability to pay distributions to our stockholders:

our ability to make profitable investments, including with respect to the investment of the net proceeds from our securities offerings;

margin calls or other expenses that reduce our cash flow;

defaults in our asset portfolio or decreases in the value of our portfolio; and

the fact that anticipated operating expense levels may not prove accurate, as actual results may vary from estimates.

As a result, no assurance can be given that we will be able to make distributions to our stockholders at any time in the future or that the level of any distributions we do make to our stockholders will achieve a market yield or increase or even be maintained over time, any of which could materially and adversely affect us.

In addition, distributions that we make to our stockholders out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes), and not designated by us as capital gain dividends or qualified dividend income, generally will be taxable to our stockholders as ordinary income. However, a portion of our distributions may be designated by us as capital gain dividends and generally will be taxed to our stockholders as long-term capital gain to the extent that such distributions do not exceed our actual net capital gain for the taxable year, without regard to the period for which the stockholder that receives such distribution has held its stock. Distributions in excess of our current and accumulated earnings and profits, as determined for U.S. federal income tax purposes, and not designated by us as capital gain dividends or qualified dividend income, may constitute a return of capital. A return of capital is not taxable, but has the effect of reducing the basis of a stockholder's investment in our common stock, but not below zero.

The interests of certain control persons may be adverse to investors.

Our board of directors has established an excepted holder limit for Ares Investments that allows Ares Investments to own, subject to certain conditions, up to 22% of the outstanding shares of our common stock. As of June 14, 2013, Ares Investments owned 2,000,000 shares, or 21.6%, of our total shares of common stock outstanding. Assuming Ares Investments does not purchase any shares in this offering, upon the completion of this offering, Ares Investments will own approximately 7.2% of our total shares of common stock outstanding (or approximately 6.5% if the underwriters' option to purchase additional shares is exercised in full). In addition, Ares Investments owns \$1,150,000 aggregate principal amount of our 7.000% Convertible Senior Notes due 2015 (the "2015 Convertible Notes"). This significant concentration of share ownership may adversely affect the trading price of our common stock because investors often perceive a disadvantage in owning shares in a company with only one or very few controlling stockholders. Furthermore, Ares Investments has the ability to significantly influence the outcome of all matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions, such as mergers, consolidations or the sale of substantially all of our assets. This concentration of ownership may have the effect of delaying or preventing a change of control, including a merger, consolidation or other business combination involving us, or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control, even if such a change of control would benefit you.

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USE OF PROCEEDS

We estimate that the net proceeds from this offering will be approximately \$235.0 million (or approximately \$270.2 million if the underwriters' option to purchase additional shares is exercised in full), after deducting our estimated expenses. No underwriting discount will be paid on shares that may be purchased by certain of our affiliates in this offering. We intend to use the net proceeds from this offering to invest in our target investments, repay indebtedness, fund future funding commitments on existing loans and for other general corporate purposes. Depending upon the timing of the closing of the proposed loans in our pipeline, the closing of the acquisition of Alliant Capital and our receipt of funds from other financings, we may utilize a portion of the net proceeds of this offering to fund a portion of the purchase price of Alliant Capital as described above under "Summary Acquisition of Alliant Capital." We may also use the net proceeds from this offering to invest in assets other than our target investments subject to maintaining our qualification as a REIT and our exclusion from regulation under the Investment Company Act.

Depending on the timing of the closing of the proposed loans in our pipeline and the closing of the acquisition of Alliant Capital, our Manager may invest a portion of the proceeds in interest-bearing short-term investments, including money market accounts or funds, CMBS or corporate bonds, which are consistent with our intention to qualify as a REIT. These investments are expected to provide a lower net return than we will seek to achieve from our target investments.

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The following table sets forth (i) our actual capitalization as of March 31, 2013, (ii) as of March 31, 2013, on a pro forma basis to reflect the completion of our pending acquisition of Alliant Capital, and (iii) as of March 31, 2013, on a pro forma basis to reflect the completion of our pending acquisition of Alliant Capital, as adjusted to give effect to the sale of 18,000,000 shares of common stock in this offering (assuming that the underwriters do not exercise their option to purchase additional shares). You should read this table together with the unaudited pro forma consolidated financial statements incorporated in this prospectus supplement by reference to our Current Report on Form 8-K filed on June 4, 2013.

	As of March 31, 2013		
	Historical	Pro Forma	Pro Forma
	(Dollars in thousands)		
		unaudited	
Cash and cash equivalents	\$ 22,550	\$ 21,828	\$ 21,828
Restricted cash	3,719	17,929	17,929
Debt			
Capital One Facility	32,160	32,160	
Citibank Facility	41,215	41,215	
Wells Fargo Facility	126,675	126,675	17,911
7.00% Convertible Senior Notes due 2015	67,411	67,411	67,411
Derivative liability	2,223	2,223	2,223
Warehouse lines of credit		65,025	65,025
Total debt	\$ 269,684	\$ 334,709	\$ 152,570
Stockholders' equity			
Common stock, par value \$0.01 per share, 450,000,000 shares authorized; 9,267,162 shares issued and outstanding, historical, 13,290,574 shares issued and outstanding, pro forma ⁽¹⁾⁽²⁾ and 27,855,397 shares issued and outstanding pro forma, as adjusted ⁽¹⁾⁽²⁾	92	138	279
Preferred stock, par value \$0.01 per share; 50,000,000 shares authorized and no shares issued and outstanding, historical, pro forma and pro forma, as adjusted			
Additional paid-in capital common stock ²	169,336	231,725	413,723
Accumulated deficit	(5,844)	(3,832)	(3,832)
Total stockholders' equity	163,584	228,031	410,170
Total capitalization	\$ 433,268	\$ 562,740	\$ 562,740

(1) This amount excludes (i) 622,838 shares of our common stock reserved for issuance under our equity incentive plans and (ii) 4,254,009 shares of our common stock reserved for issuance upon conversion of our 7.00% Convertible Senior Notes due 2015 (based on the conversion rate in effect at March 31, 2013).

(2) The March 31, 2013 pro forma consolidated balance sheet included in our Current Report on Form 8-K filed on June 4, 2013 assumes the issuance of 3,435,176 shares of common stock to raise net proceeds of \$52.9 million to finance the Alliant Acquisition. Alternatively, the additional financing sources may include any combination of new debt, preferred securities, borrowings under existing credit facilities, asset sales, and cash on hand dependent on a number of factors, including market conditions at closing, strategic alternatives, and our liquidity position and outlook. As a result of the assumption regarding an equity issuance in the March 31, 2013 unaudited pro forma consolidated balance sheet, the adjustment to give effect to this offering in the column above

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captioned "Pro Forma As Adjusted" constitutes the excess of (x) the sale of the shares of common stock in this offering (assuming the underwriters' option to purchase additional shares is not exercised) and (y) the assumed equity offering of 3,435,176 shares of common stock for net proceeds of \$52.9 million in connection with the Alliant Acquisition contained in such pro forma consolidated balance sheet, as reflected in the column above captioned "Pro Forma." "Pro Forma" and "Pro Forma As Adjusted" also includes the issuance of 588,235 shares to the members of Alliant Capital as part of the Alliant Capital purchase price, which shares are valued in our March 31, 2013 pro forma consolidated balance sheet included in our Current Report on Form 8-K filed on June 4, 2013 at approximately \$9.5 million based on the closing price per share of our common stock of \$16.21 on May 31, 2013.

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UNDERWRITING

Subject to the terms and conditions set forth in an underwriting agreement, we have agreed to sell to the underwriters named below, for whom Credit Suisse Securities (USA) LLC, Citigroup Global Markets Inc. and Wells Fargo Securities, LLC are acting as representatives, have severally agreed to purchase, the respective numbers of shares of common stock appearing opposite their names below:

Underwriter	Number of Shares
Credit Suisse Securities (USA) LLC	3,510,000
Citigroup Global Markets Inc.	3,510,000
Wells Fargo Securities, LLC	3,510,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	2,520,000
J.P. Morgan Securities LLC	2,520,000
JMP Securities LLC	810,000
Keefe, Bruyette & Woods, Inc.	810,000
RBC Capital Markets, LLC	810,000
Total	18,000,000

All of the shares to be purchased by the underwriters will be purchased from us.

The underwriting agreement provides that the obligations of the several underwriters are subject to various conditions, including approval of legal matters by counsel. The shares of common stock are offered by the underwriters, subject to prior sale, when, as and if issued to and accepted by them. The underwriters reserve the right to withdraw, cancel or modify the offer and to reject orders in whole or in part.

The underwriting agreement provides that the underwriters are obligated to purchase all the shares of common stock offered by this prospectus if any are purchased, other than those shares covered by the option to purchase additional shares described below. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the non-defaulting underwriters may be increased or the underwriting agreement may be terminated.

Option to Purchase Additional Shares

We have granted a 30-day option to the underwriters to purchase up to a total of 2,700,000 additional shares of our common stock from us at the public offering price per share less the estimated underwriting discounts and commissions per share, as set forth on the cover page of this prospectus, and less any dividends or distributions declared, paid or payable on the shares that the underwriters have agreed to purchase from us but that are not payable on such additional shares. If the underwriters exercise this option in whole or in part, then the underwriters will be severally committed, subject to the conditions described in the underwriting agreement, to purchase the additional shares of our common stock in proportion to their respective commitments set forth in the prior table.

Discounts and Commissions

Shares sold by the underwriters to the public will initially be offered at the public offering price set forth on the cover of this prospectus and to certain dealers at that price less a concession of not more than \$0.2835 per share. After the initial offering, the public offering price, concession and reallowance to dealers may be changed.

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The following table summarizes the underwriting discounts and commissions and the proceeds, before expenses, payable to us, both on a per share basis and in total, assuming either no exercise or full exercise by the underwriters of their option to purchase additional shares:

	Per Share	Total	
		Without Option	With Option
		(Amounts in thousands)	
Public offering price	\$ 13.50	\$ 243,000	\$ 279,450
Underwriting discounts and commissions ⁽¹⁾	\$ 0.4725	\$ 7,711	\$ 8,987
Proceeds, before expenses, to us	\$ 13.0275	\$ 235,289	\$ 270,463

(1) No underwriting discount will be paid with respect to the 1,680,132 shares purchased by certain of our affiliates in this offering.

We estimate that the expenses of this offering payable by us, including without limitation, registration, filing and listing fees, printing fees and legal and accounting expenses, but not including underwriting discounts and commissions, will be approximately \$0.25 million, which includes an amount not to exceed \$10,000 that we have agreed to reimburse the underwriters for certain expenses incurred by them in connection with this offering.

Indemnification of Underwriters

The underwriting agreement provides that we will indemnify the underwriters against specified liabilities, including liabilities under the Securities Act, or contribute to payments that the underwriters may be required to make in respect of those liabilities.

Lock-Up Agreements

We, our Manager, each of our directors and officers have agreed, subject to specified exceptions, that, without the prior written consent of the representatives, we and they will not, during the period beginning on and including the date of this prospectus through and including the date that is the 60th day after the date of this prospectus, directly or indirectly:

issue (in the case of us), offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of any shares of our common stock or other capital stock or any securities convertible into or exercisable or exchangeable for our common stock or other capital stock;

file (in the case of us), or cause the filing of any registration statement under the Securities Act with respect to any shares of our common stock or other capital stock or any securities convertible into or exercisable or exchangeable for our common stock or other capital stock, other than registration statements on Form S-8 filed with the SEC after the closing date of this offering; or

enter into any swap or other agreement, arrangement, hedge or transaction that transfers to another, in whole or in part, directly or indirectly, any of the economic consequences of ownership of our common stock or other capital stock or any securities convertible into or exercisable or exchangeable for our common stock or other capital stock,

whether any transaction described in any of the foregoing bullet points is to be settled by delivery of our common stock or other capital stock, other securities, in cash or otherwise, or publicly announce an intention to do any of the foregoing.

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The representatives may, in their sole discretion and at any time or from time to time, without notice, release all or any portion of the shares or other securities subject to the lock-up agreements. Any determination to release any shares or other securities subject to the lock-up agreements would be based on a number of factors at the time of determination, which may include the market price of the common stock, the liquidity of the trading market for the common stock, general market conditions, the number of shares or other securities proposed to be sold or otherwise transferred and the timing, purpose and terms of the proposed sale or other transfer.

NYSE Listing

Our common stock is listed on the NYSE under the symbol "ACRE."

Stabilization

In order to facilitate this offering of our common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the market price of our common stock. Specifically, the underwriters may sell more shares of common stock than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares of common stock available for purchase by the underwriters under their option to purchase additional shares. The underwriters may close out a covered short sale by exercising their option or purchasing common stock in the open market. In determining the source of common stock to close out a covered short sale, the underwriters may consider, among other things, the market price of common stock compared to the price payable under their option. The underwriters may also sell shares of common stock in excess of their option, creating a naked short position. The underwriters must close out any naked short position by purchasing shares of common stock in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after the date of pricing of this offering that could adversely affect investors who purchase in this offering.

As an additional means of facilitating this offering, the underwriters may bid for, and purchase, common stock in the open market to stabilize the price of our common stock, so long as stabilizing bids do not exceed a specified maximum. The underwriting syndicate may also reclaim selling concessions allowed to an underwriter or a dealer for distributing common stock in this offering if the underwriting syndicate repurchases previously distributed common stock to cover syndicate short positions or to stabilize the price of the common stock.

The foregoing transactions, if commenced, may raise or maintain the market price of our common stock above independent market levels or prevent or retard a decline in the market price of the common stock.

The foregoing transactions, if commenced, may be effected on the NYSE or otherwise. Neither we nor any of the underwriters makes any representation that the underwriters will engage in any of these transactions and these transactions, if commenced, may be discontinued at any time without notice. Neither we nor any of the underwriters makes any representation or prediction as to the direction or magnitude of the effect that the transactions described above, if commenced, may have on the market price of our common stock.

Other Relationships

Certain of the underwriters and/or their affiliates have engaged in various financial transactions with, and have performed investment banking, secondary market trading, lending and financial advisory services for, us and/or our affiliates in the ordinary course of their businesses. In the future, they may engage in such transactions with, or provide such services to, us or our affiliates. In addition, they may

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sell to us or buy from us certain target investments. They have received or will receive customary fees and reimbursements of expenses for these transactions and services. Additionally, affiliates of certain of our underwriters are currently lenders to us and/or one or more of our affiliates, including, among others, Ares Management, Ares Investments and Ares Capital Corporation through preexisting credit facilities.

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive, each, a "Relevant Member State," with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, or the "Relevant Implementation Date," no offer of shares may be made to the public in that Relevant Member State other than:

- A. to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- B. to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives; or
- C. in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of shares shall require us or the representatives to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person in a Relevant Member State (other than a Relevant Member State where there is a Permitted Public Offer) who initially acquires any shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed that (A) it is a "qualified investor" within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive, and (B) in the case of any shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, the shares acquired by it in the offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than "qualified investors" as defined in the Prospectus Directive, or in circumstances in which the prior consent of the Subscribers has been given to the offer or resale. In the case of any shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the representatives has been obtained to each such proposed offer or resale.

We, the representatives and their affiliates will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

This prospectus has been prepared on the basis that any offer of shares in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of shares. Accordingly any person making or intending to make an offer in that Relevant Member State of shares which are the subject of the offering contemplated in this prospectus may only do so in circumstances in which no obligation arises for us or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither we nor the underwriters have authorized, nor do they authorize, the making of any

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offer of shares in circumstances in which an obligation arises for us or the underwriters to publish a prospectus for such offer.

For the purpose of the above provisions, the expression "an offer to the public" in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member States) and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Notice to Prospective Investors in the United Kingdom

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, or the "Order," and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order, all such persons together being referred to as "relevant persons." This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

Notice to Prospective Investors in Switzerland

We have not and will not register with the Swiss Financial Market Supervisory Authority, or the "FINMA," as a foreign collective investment scheme pursuant to Article 119 of the Federal Act on Collective Investment Scheme of 23 June 2006, as amended, or the "CISA," and accordingly the shares being offered pursuant to this prospectus have not and will not be approved, and may not be licenseable, with FINMA. Therefore, the shares have not been authorized for distribution by FINMA as a foreign collective investment scheme pursuant to Article 119 CISA and the shares offered hereby may not be offered to the public (as this term is defined in Article 3 CISA) in or from Switzerland. The shares may solely be offered to "qualified investors," as this term is defined in Article 10 CISA, and in the circumstances set out in Article 3 of the Ordinance on Collective Investment Scheme of 22 November 2006, as amended, or the "CISO," such that there is no public offer. Investors, however, do not benefit from protection under CISA or CISO or supervision by FINMA. This prospectus and any other materials relating to the shares are strictly personal and confidential to each offeree and do not constitute an offer to any other person. This prospectus may only be used by those qualified investors to whom it has been handed out in connection with the offer described herein and may neither directly or indirectly be distributed or made available to any person or entity other than its recipients. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in Switzerland or from Switzerland. This prospectus does not constitute an issue prospectus as that term is understood pursuant to Article 652a and/or 1156 of the Swiss Federal Code of Obligations. We have not applied for a listing of the shares on the SIX Swiss Exchange or any other regulated shares market in Switzerland, and consequently, the information presented in this prospectus does not necessarily comply with the information standards set out in the listing rules of the SIX Swiss Exchange and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange.

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Notice to Prospective Investors in the Dubai International Financial Centre

This prospectus supplement relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority, or the "DFSA." This prospectus supplement is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for the prospectus supplement. The shares to which this prospectus supplement relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus supplement you should consult an authorized financial advisor.

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LEGAL MATTERS

Certain legal matters relating to this offering will be passed upon for us by Proskauer Rose LLP, Los Angeles, California. In addition, the description of U.S. federal income tax consequences contained in the section of the prospectus titled "Material U.S. Federal Income Tax Considerations" is based on the opinion of Proskauer Rose LLP. Certain matters of Maryland law will be passed upon for us by Venable LLP, Baltimore, Maryland. Skadden, Arps, Slate, Meagher & Flom LLP, New York, New York, will act as counsel to the underwriters. Skadden, Arps, Slate, Meagher & Flom LLP is acting as our special counsel in connection with the Alliant Acquisition.

EXPERTS

The consolidated financial statements appearing in our Annual Report (Form 10-K) for the year ended December 31, 2012, have been audited by Ernst & Young LLP, an independent registered public accounting firm, as set forth in their report thereon included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein in reliance upon the reports of Ernst & Young LLP pertaining to such financial statements (to the extent covered by consents filed with the SEC) given on the authority of such firm as experts in accounting and auditing.

The financial statements of EF&A Funding, L.L.C. as of and for the year ended December 31, 2012 have been audited by CohnReznick LLP, independent auditors, as set forth in their report incorporated by reference herein from the Company's Current Report on Form 8-K dated June 4, 2013. The financial statements of EF&A Funding, L.L.C. as of and for the year ended December 31, 2011 have been audited by Reznick Group, P.C., independent auditors, as set forth in their report incorporated by reference herein from the Company's Current Report on Form 8-K dated June 4, 2013. Such financial statements are incorporated herein in reliance upon the reports of such firms pertaining to such financial statements given on the authority of such firms as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the Exchange Act and, in accordance therewith, we file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any reports, statements or other information we file at the SEC's public reference room located at 100 F Street, NE, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our SEC filings are also available to the public from commercial document retrieval services and at the website maintained by the SEC, containing reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, at www.sec.gov.

This prospectus supplement and the accompanying prospectus are a part of a registration statement on Form S-3 that we have filed with the SEC under the Securities Act covering securities that may be offered under this prospectus supplement. This prospectus supplement and the accompanying prospectus do not contain all of the information set forth in the registration statement, certain parts of which are omitted in accordance with the rules and regulations of the SEC.

The SEC allows us to "incorporate by reference" information into this prospectus supplement and the accompanying prospectus. This means that we can disclose important information to you by referring you to another document. Any information referred to in this way is considered part of this prospectus supplement and the accompanying prospectus from the date we file that document. Any reports filed by us with the SEC after the date of this prospectus supplement and before the date that this offering is terminated will automatically update and, where applicable, supersede any information contained in this prospectus supplement and the accompanying prospectus or incorporated by reference herein and therein. We incorporate by reference into this prospectus supplement and the accompanying

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prospectus the following documents or information filed with the SEC (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules):

Annual Report on Form 10-K for the fiscal year ended December 31, 2012 (filed April 1, 2013), as amended by Form 10-K/A (filed April 30, 2013);

Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2013 (filed May 15, 2013);

our Definitive Proxy Statement on Schedule 14A filed on May 24, 2013;

Current Reports on Form 8-K dated April 25, 2013 (filed April 26, 2013), May 14, 2013 (filed May 15, 2013) (except with respect to information furnished under Item 7.01 and Exhibits 99.1 and 99.2 thereto) and June 4, 2013 (filed June 4, 2013); and

the description of our common stock included in our registration statement on Form 8-A (filed April 18, 2012).

All documents that we file (but not those that we furnish) pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of the registration statement of which this prospectus supplement and the accompanying prospectus are a part shall be deemed to be incorporated by reference into this prospectus supplement and the accompanying prospectus and will automatically update and supersede the information in this prospectus supplement, the accompanying prospectus and any previously filed documents. In addition, all documents that we file (but not those that we furnish) pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act on or after the date of this prospectus supplement and prior to the termination of this offering shall be deemed to be incorporated by reference into this prospectus supplement and the accompanying prospectus and will automatically update and supersede the information in this prospectus supplement, the accompanying prospectus and any previously filed documents.

We will provide to each person, including any beneficial owner, to whom this prospectus supplement and the accompanying prospectus are delivered, upon his or her written or oral request, a copy of any or all documents that are incorporated by reference. Such documents will be provided free of charge, but will not contain any exhibits, unless those exhibits are incorporated by reference into the document. Requests should be addressed to us at One North Wacker Drive, 48th Floor, Chicago, Illinois 60606, Attention: General Counsel, or contact our offices at (312) 252-7500. The documents may also be accessed on our website at www.arescre.com.

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PROSPECTUS

\$1,500,000,000

**Common Stock
Preferred Stock
Debt Securities
Subscription Rights
Warrants
Units**

Ares Commercial Real Estate Corporation is a Maryland corporation that was incorporated on September 1, 2011, and was initially funded and commenced investment operations on December 9, 2011. We are focused primarily on originating, investing in and managing middle market commercial real estate loans and other CRE-related investments. We completed our initial public offering on May 1, 2012. We are externally managed by Ares Commercial Real Estate Management LLC, a Securities and Exchange Commission registered investment adviser and a wholly owned subsidiary of Ares Management LLC, or "Ares Management," a global alternative asset manager and also a Securities and Exchange Commission registered investment adviser.

Our common stock is traded on the New York Stock Exchange under the symbol "ACRE." On June 13, 2013 the last reported sales price of our common stock on the New York Stock Exchange was \$15.77 per share.

Investing in our securities involves material risks and uncertainties that should be considered. See "Risk Factors" beginning on page 3 of our Annual Report on Form 10-K for the year ended December 31, 2012.

We may offer, from time to time, in one or more offerings or series, up to \$1,500,000,000 of our common stock, preferred stock, debt securities, subscription rights to purchase shares of our common stock, warrants representing rights to purchase shares of our common stock, preferred stock or debt securities, or units comprised of any combination of the foregoing, which we refer to, collectively, as the "securities." The preferred stock, debt securities, subscription rights and warrants (including as part of a unit) offered hereby may be convertible or exchangeable into shares of our common stock. The securities may be offered at prices and on terms to be described in one or more supplements to this prospectus.

You should carefully read this prospectus and the accompanying prospectus supplement, as well as any documents incorporated by reference herein or therein, before you invest in our securities. **This prospectus may not be used to consummate sales of securities unless accompanied by a prospectus supplement.**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is June 17, 2013.

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ABOUT THIS PROSPECTUS

This prospectus is part of a shelf registration statement. Under this shelf registration statement, we may offer, from time to time, in one or more offerings or series, up to \$1,500,000,000 of our common stock, preferred stock, debt securities, subscription rights to purchase shares of our common stock, warrants representing rights to purchase shares of our common stock, preferred stock or debt securities, or units. You should rely only on the information provided or incorporated by reference in this prospectus or any applicable prospectus supplement. We have not authorized anyone to provide you with different or additional information. We are not making an offer to sell these securities in any jurisdiction where the offer or sale of these securities is not permitted. You should not assume that the information appearing in this prospectus or any applicable prospectus supplement or the documents incorporated by reference herein or therein is accurate as of any date other than their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates. You should read carefully the entire prospectus, as well as the documents incorporated by reference in the prospectus, before making an investment decision.

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PROSPECTUS SUMMARY

This summary description about us and our business highlights selected information contained elsewhere in or incorporated by reference into this prospectus. This summary does not contain all of the information that you should consider before investing in our securities. You should read in their entirety this prospectus, any accompanying prospectus supplement and any other offering materials, together with all documents incorporated by reference herein and therein and the additional information described under the heading "Where You Can Find More Information." Except where the context suggests otherwise, the terms "ACRE," the "Company," "we," "us," and "our" refer to Ares Commercial Real Estate Corporation, a Maryland corporation, together with its consolidated subsidiaries; our "Manager" refers to Ares Commercial Real Estate Management LLC, a Delaware limited liability company, our external manager and an affiliate of Ares Management; our "Manager's servicer" refers to Ares Commercial Real Estate Servicer LLC, a Delaware limited liability company and a subsidiary of our Manager; "Ares Management" refers to Ares Management LLC, its subsidiaries and its affiliated investment vehicles (other than us and portfolio companies of its affiliated investment vehicles) and "Ares Investments" refers to Ares Investments Holdings LLC, an affiliate of Ares Management. On February 22, 2012, we effected a one-for-two reverse stock split of our issued and outstanding common stock. Unless indicated otherwise, the information presented in this prospectus gives effect to this reverse stock split.

Our Company

Ares Commercial Real Estate Corporation (together with our consolidated subsidiaries, the "Company," "ACRE," "we," "us" and "our") is a Maryland corporation that was incorporated on September 1, 2011, and was initially funded and commenced investment operations on December 9, 2011. We are focused primarily on originating, investing in and managing middle-market commercial real estate, or "CRE," loans and other CRE-related investments. We completed the initial public offering, or the "IPO," of our common stock on May 1, 2012. We are externally managed by Ares Commercial Real Estate Management LLC, "ACREM" or our "Manager," a Securities and Exchange Commission, or "SEC," registered investment adviser and a wholly owned subsidiary of Ares Management LLC, or "Ares Management," a global alternative asset manager and also a SEC registered investment adviser.

Our target investments include: "transitional senior" mortgage loans, "stretch senior" mortgage loans, subordinate debt mortgage loans such as B-notes and mezzanine loans and other select CRE debt and preferred equity investments. "Transitional senior" mortgage loans provide strategic, flexible, short-term financing solutions on transitional CRE middle market assets that are the subject of a business plan that is expected to enhance the value of the property. They are usually funded over time as the borrower's business plan for the property is executed, and have a lower initial loan-to-value ratio as compared to "stretch senior" mortgage loans. "Stretch senior" mortgage loans provide flexible "one stop" financing on quality CRE middle market assets that are typically stabilized or near-stabilized properties with healthy balance sheets and steady cash flows, with the mortgage loans having higher leverage (and thus higher loan-to-value ratios) than conventional mortgage loans and are typically fully funded at closing and non-recourse to the borrower (as compared to conventional mortgage loans, which are usually full recourse to the borrower).

On May 14, 2013, we announced that we entered into an agreement to purchase (the "Alliant Acquisition") EF&A Funding, L.L.C., d/b/a Alliant Capital LLC ("Alliant Capital"), which housed the multi-family residential mortgage loan origination and servicing business of the Alliant Companies, a family of privately owned, fully integrated national finance and investment firms. Completion of the Alliant Acquisition is subject to the satisfaction of customary closing conditions, and there can be no assurance that the transaction will close on the terms anticipated or at all. Upon Alliant Capital becoming one of our wholly owned subsidiaries, we will be able to utilize the platform of certain U.S. Government-sponsored entities, including the Federal National Mortgage Association, the Federal

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Housing Administration, the Government National Mortgage Association and the United States Department of Housing and Urban Development to originate and service multifamily residential mortgage loans.

We intend to elect and qualify to be taxed as a real estate investment trust, or "REIT," under the Internal Revenue Code of 1986, as amended, or the "Code," commencing with the Company's taxable year ended December 31, 2012. To the extent that we annually distribute at least 100% of our REIT taxable income (which does not equal net income, as calculated in accordance with generally accepted accounting principles, or "GAAP") to our stockholders and comply with various other requirements as a REIT, we generally will not be subject to U.S. federal income taxes on our REIT taxable income, determined without regard to the deduction for dividends paid and excluding net capital gains.

Corporate Information

We are a Maryland corporation. Our principal executive offices are located at One North Wacker Drive, 48th Floor, Chicago, IL 60606. Our telephone number is (312) 252-7500. Our website is www.arescre.com. The contents of our website are not a part of this prospectus. The information contained on, or that can be accessed through, our website is not part of, and is not incorporated into, this prospectus. We own or have rights to trademarks or trade names that we use in conjunction with the operation of our business. Any trademark, trade name or service mark of any other company appearing in this prospectus or any document incorporated by reference herein belongs to its holder. Use or display by us of other parties' trademarks, trade names or service marks is not intended to and does not imply a relationship with, or endorsement or sponsorship by us of, the trademark, trade name or service mark owner.

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RISK FACTORS

Investing in our securities involves a high degree of risk. You should carefully consider the risks described in the section "Risk Factors" contained in our Annual Report on Form 10-K for the year ended December 31, 2012, which has been filed with the SEC as well as other information in this prospectus and any applicable prospectus supplement before making a decision to invest in our securities. Each of the risks described could materially adversely affect our business, financial condition, results of operations or ability to make distributions to our stockholders. In such case, you could lose all or a portion of your original investment. See "Where You Can Find More Information" beginning on page 61 of this prospectus.

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FORWARD-LOOKING STATEMENTS

We make forward-looking statements in this prospectus that are subject to risks and uncertainties. These forward-looking statements include information about possible or assumed future results of our business, financial condition, liquidity, results of operations, plans and objectives. When we use the words "believe," "expect," "anticipate," "estimate," "plan," "continue," "intend," "should," "may" or similar expressions, we intend to identify forward-looking statements. Statements regarding the following subjects, among others, may be forward-looking:

the use of proceeds of any offering pursuant to this prospectus and any accompanying prospectus supplement;

our business and investment strategy;

our projected operating results;

the timing of cash flows, if any, from our investments;

the state of the U.S. economy generally or in specific geographic regions;

defaults by borrowers in paying debt service on outstanding items;

actions and initiatives of the U.S. Government and changes to U.S. Government policies;

our ability to obtain financing arrangements;

the amount of commercial mortgage loans requiring refinancing;

financing and advance rates for our target investments;

our expected leverage;

general volatility of the securities markets in which we may invest;

the impact of a protracted decline in the liquidity of credit markets on our business;

the uncertainty surrounding the strength of the U.S. economic recovery;

the return or impact of current and future investments;

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allocation of investment opportunities to us by our Manager;

changes in interest rates and the market value of our investments;

effects of hedging instruments on our target investments;

rates of default or decreased recovery rates on our target investments;

the degree to which our hedging strategies may or may not protect us from interest rate volatility;

changes in governmental regulations, tax law and rates, and similar matters (including interpretation thereof);

our ability to maintain our qualification as a REIT;

our ability to maintain our exemption from registration under the Investment Company Act of 1940, as amended;

availability of investment opportunities in mortgage related and real estate related investments and securities;

the ability of our Manager to locate suitable investments for us, monitor, service and administer our investments and execute our investment strategy;

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our ability to successfully complete and integrate any acquisitions;

availability of qualified personnel;

estimates relating to our ability to make distributions to our stockholders in the future;

our understanding of our competition; and

market trends in our industry, interest rates, real estate values, the debt securities markets or the general economy.

The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. You should not place undue reliance on these forward-looking statements. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us. Some of these factors are included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012, which is incorporated by reference into this prospectus. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise over time, and it is not possible for us to predict those events or how they may affect us. Such new risks and uncertainties may be included in the documents that we file pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus which will be considered to be incorporated by reference into this prospectus. Except as required by law, we are not obligated to, and do not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should carefully consider these risks before you make an investment decision with respect to our securities.

For more information regarding risks that may cause our actual results to differ materially from any forward-looking statements, see "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2012 and in the other documents that we file pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus, which will be considered to be incorporated by reference into this prospectus.

Table of Contents**RATIO OF EARNINGS TO FIXED CHARGES AND RATIO OF EARNINGS TO
COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS**

The following table sets forth (i) our ratio of earnings to fixed charges and (ii) our ratio of earnings to combined fixed charges and preferred stock dividends for the periods indicated. For purposes of calculating these ratios, "earnings" includes income from continuing operations plus fixed charges. "Fixed charges" consists of interest expense and amortization of discounts and capitalized expenses related to indebtedness. In computing the ratios of earnings to combined fixed charges and preferred stock dividends, preferred stock dividends consists of 2012 dividends on our Series A Convertible Preferred Stock. We redeemed all of the outstanding shares of our Series A Convertible Preferred Stock on May 1, 2012.

	For the Three Months Ended March 31, 2013	For the Year Ended December 31, 2012	For the Period September 1, 2011 (inception) to December 31, 2011
Ratio of Earnings to Fixed Charges	1.11x	1.34x	(3.17)x ^(a)
Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends	1.11x	1.07x	(3.17)x ^(a)

(a) Our earnings were insufficient to cover our fixed charges and our combined fixed charges and preferred stock dividends by \$0.1 million.

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USE OF PROCEEDS

Unless otherwise specified in the applicable prospectus supplement, we intend to use the net proceeds from the sale of the securities to acquire target assets, repay indebtedness or for general corporate purposes. Further details relating to the use of the net proceeds will be set forth in the applicable prospectus supplement.

DESCRIPTION OF SECURITIES

This prospectus contains a summary of our capital stock, preferred stock, subscription rights, debt securities, warrants and units. These summaries are not meant to be a complete description of each security. However, this prospectus and the accompanying prospectus supplement will contain the material terms and conditions for each security.

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DESCRIPTION OF OUR CAPITAL STOCK

General

We were formed under the laws of the state of Maryland. The rights of our stockholders are governed by Maryland law as well as our charter and bylaws. The following summary of the terms of our capital stock is only a summary, and you should refer to the Maryland General Corporate Law (the "MGCL"), and our charter and bylaws for a full description. The following summary is qualified in its entirety by the detailed information contained in our charter and bylaws. Copies of our charter and bylaws are filed as exhibits to the registration statement, of which this prospectus is a part. See "Where You Can Find More Information."

Our charter authorizes us to issue up to 450,000,000 shares of common stock, \$0.01 par value per share, and 50,000,000 shares of undesignated preferred stock, \$0.01 par value per share. Our charter authorizes our board of directors to amend our charter from time to time to increase or decrease the aggregate number of authorized shares of stock or the number of shares of stock of any class or series that we have authority to issue without stockholder approval. Under Maryland law, stockholders are not generally liable for our debts or obligations.

Our charter also contains a provision permitting our board of directors, by resolution, to classify or reclassify any unissued common stock or preferred stock into one or more classes or series by setting or changing the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications, or terms or conditions of redemption of any new class or series of stock, subject to certain restrictions, including the express terms of any class or series of stock outstanding at the time. We believe that the power to classify or reclassify unissued shares of stock and thereafter issue the classified or reclassified shares provides us with increased flexibility in structuring possible future financings and acquisitions and in meeting other needs that might arise.

Our charter and bylaws contain certain provisions that could make it more difficult to acquire control of the Company by means of a tender offer, a proxy contest or otherwise. These provisions are expected to discourage certain types of coercive takeover practices and inadequate takeover bids and to encourage persons seeking to acquire control of the Company to negotiate first with our board of directors. We believe that these provisions increase the likelihood that proposals initially will be on more attractive terms than would be the case in their absence and facilitate negotiations that may result in improvement of the terms of an initial offer that might involve a premium price for our common stock or otherwise be in the best interest of our stockholders. See "Risk Factors Risks Related to Our Organization and Structure."

Common Stock

Subject to any preferential rights of any other class or series of stock and to the provisions of our charter regarding the restrictions on the ownership and transfer of stock, the holders of common stock are entitled to such distributions as may be authorized from time to time by our board of directors out of legally available funds and declared by us and, upon our liquidation, are entitled to receive all assets available for distribution to our stockholders. Holders of common stock generally will not have preemptive rights, which means that they will not have an automatic option to purchase any new shares that we issue, or preference, conversion, exchange, sinking fund or redemption rights. Holders of common stock generally will have no appraisal rights unless our board of directors determines that appraisal rights apply, with respect to all or any classes or series of stock, to one or more transactions occurring after the date of such determination in connection with which stockholders would otherwise be entitled to exercise appraisal rights.

The holders of common stock vote together as a single class on all matters. Holders of shares of common stock are entitled to vote for the election of directors. Directors may be removed from office,

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only for cause, by the affirmative vote of stockholders entitled to cast not less than two-thirds of the votes entitled to be cast generally in the election of directors. Vacancies on the board of directors resulting from death, resignation, removal or otherwise and newly created directorships resulting from any increase in the number of directors may be filled only by a majority of the directors then in office (although less